



**BMG Resources Limited**  
ACN 107 118 678

**ASX ANNOUNCEMENT**

**30 OCTOBER 2020**

## **NOTICE OF ANNUAL GENERAL MEETING**

BMG Resources Limited (ASX: BMG) (**the Company**) has now despatched to all shareholders the Notice of Annual General Meeting of Shareholders.

The Annual General Meeting will be held at 1.00pm (WST) on 30 November 2020 at Level 2, 250 St Georges Terrace, Perth, Western Australia, 6000.

A hardcopy of the Annual Report will be sent to all shareholders who have requested it. Shareholders who have elected to receive the report in electronic format, will be sent an electronic version of the Annual Report from the Company's share registry, Automic Pty Ltd.

The Notice of Annual General Meeting and the Annual Report can be located on the BMG Resources Limited website at [www.bmgl.com.au](http://www.bmgl.com.au).

**\*\*\*ENDS\*\*\***

**For further information, shareholders and media please contact:**

Sean Meakin  
Company Secretary  
+61 8 9424 9390



# **BMG Resources Limited**

**ACN 107 118 678**

## **Notice of Annual General Meeting, Explanatory Statement and Proxy Form**

**Annual General Meeting to be held at**

**Level 2  
250 St Georges Terrace  
Perth Western Australia 6000**

**On Monday, 30 November 2020 at 1:00pm (WST)**

### **IMPORTANT NOTE**

The Notice of Annual 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

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### 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	1.00pm (WST) on Saturday, 28 November 2020
Snapshot date for eligibility to vote	5.00pm (WST) on Saturday, 28 November 2020
General Meeting	1.00pm (WST) on Monday, 30 November 2020

### Defined terms

Capitalised terms used in this Notice of Annual 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 Annual General Meeting

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Notice is hereby given that the Annual General Meeting of BMG Resources Limited (ACN 107 118 678) (**BMG or Company**) will be held at **Level 2, 250 St Georges Terrace, Perth, Western Australia** at **1.00pm (WST)** on **Monday, 30 November 2020**.

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, 2 (if required), 3 to 5 and as a special resolution in respect of Resolutions 6 to 8.

#### Financial Statements and Reports

To receive and consider the annual financial report, Directors' report and Auditor's report of the Company for the financial year ended 30 June 2020, as contained in the Company's Annual Report.

#### Resolution 1 – Adoption of Remuneration Report

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 250R(2) of the Corporations Act and for all other purposes, the Remuneration Report for the financial year ended 30 June 2020, as contained in the Company's Annual Report for 2020, be adopted by the Company.”*

**Notes:** In accordance with the Corporations Act, the vote on this Resolution is advisory only and does not bind the Directors or the Company.

The Directors will consider the outcome of the vote and comments made by Shareholders on the Remuneration Report at the Meeting when reviewing the Company's remuneration policies.

If 25% or more of votes that are cast are voted against the adoption of the Remuneration Report at two consecutive annual general meetings, Shareholders will be required to vote at the second of those annual general meetings on a resolution (“spill resolution”) that another meeting be held within 90 days at which all of the offices of Director are vacated (other than the office of managing director) and each such office will be put to a vote. Refer to the Explanatory Statement for further information.

#### Resolution 2 – Spill Resolution (if required)

That, subject to 25% or more of the votes cast on Resolution 1 being against the adoption of the Remuneration Report, 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 250V(1) of the Corporations Act and for all other purposes, approval is given for:*

- (a) another meeting (the **Spill Meeting**) of Shareholders to be held within 90 days of this Meeting;*
- (b) all Directors who were directors of the Company when the resolution to make the directors' report considered at this Meeting was passed, except for the Managing Director, Mr Bruce McCracken, cease to hold office immediately before the end of the Spill Meeting; and*

- (c) *resolutions to appoint directors to the offices vacated immediately before the end of the Spill Meeting be put to a vote at the Spill Meeting,*

*on the terms and conditions set out in the Explanatory Statement.”*

**Short Explanation:** At the 2019 annual general meeting, more than 25% of the votes on the resolution to adopt the remuneration report were cast against the report. If 25% or more of the votes that are cast on Resolution 1 are voted against the adoption of the 2020 Remuneration Report, then the Company is required to put this Spill Resolution to Shareholders to determine whether the Directors (except for the Managing Director) will need to stand for re-election. Further information about this resolution is contained in the Explanatory Statement.

### **Resolution 3 – Re-election of Director – Mr Gregory Hancock**

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

*“That for the purposes of Listing Rule 14.4, clause 79 of the Company’s Constitution and for all other purposes, Mr Gregory Hancock, a Director of the Company who retires in accordance with clause 79 of the Constitution and, being eligible, offers himself for re-election, is re-elected as a Director of the Company.”*

### **Resolution 4 – Re-election of Director – Mr John Prineas**

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

*“That for the purposes of Listing Rule 14.4, clause 81(2) of the Company’s Constitution and for all other purposes, Mr John Prineas, a Director of the Company who retires in accordance with clause 81(2) of the Constitution and, being eligible, offers himself for re-election, is re-elected as a Director of the Company.”*

### **Resolution 5 – Re-election of Director – Mr John Dawson**

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

*“That for the purposes of Listing Rule 14.4, clause 81(2) of the Company’s Constitution and for all other purposes, Mr John Dawson, a Director of the Company who retires in accordance with clause 81(2) of the Constitution and, being eligible, offers himself for re-election, is re-elected as a Director of the Company.”*

### **Resolution 6 – Approval of Additional Placement Facility**

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

*“That, for the purpose of ASX Listing Rule 7.1A and for all other purposes, approval is given for the issue of Equity Securities totalling up to 10% of the issued capital of the Company (at the time of the issue), calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 for a period of 12 months from the date of the Meeting on the terms and conditions set out in the Explanatory Statement.”*

**Note:** Resolution 6 is a special resolution. To be passed, it must be approved by at least 75% of the votes cast by Shareholders entitled to vote on the Resolution.

## **Resolution 7 – Adoption of New Constitution**

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

*“That for the purposes of section 136(2) of the Corporations Act and for all other purposes, the Company repeal its current Constitution and in its place adopt the New Constitution in the form tabled at the Meeting.”*

**Note:** Resolution 7 is a special resolution. To be passed, it must be approved by at least 75% of the votes cast by Shareholders entitled to vote on the Resolution.

## **Resolution 8 – Approval of proportional takeover provisions in New Constitution**

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

*“That, subject to the approval of Resolution 7, with effect from the close of the Meeting, Schedule 1 of the proposed New Constitution, which sets out proposed proportional takeover provisions, be approved and adopted in the New Constitution in the form set out in Schedule 2 to the Explanatory Statement.”*

**Note:** Resolution 8 is a special resolution. To be passed, it must be approved by at least 75% of the votes cast by Shareholders entitled to vote on the Resolution.

## Voting Prohibitions and Exclusions

### Corporations Act voting prohibitions

Resolution	Voting prohibition	Exceptions
Resolution 1	<p>Pursuant to section 250R of the Corporations Act, members of Key Management Personnel (details of whose remuneration are included in the Remuneration Report) and their Closely Related Parties may not vote on Resolution 1.</p> <p>Any votes cast in contravention of section 250R of the Corporations Act will not be counted in working out a percentage of votes cast or whether the Resolution is approved.</p>	<p>This prohibition does not prevent the casting of a vote on Resolution 1 by a person who is otherwise prohibited from voting, as a proxy where the appointment specifies how the proxy is to vote.</p> <p>The Chairman may vote as proxy in accordance with an express authorisation on the Proxy Form.</p>
Resolution 2	<p>Pursuant to section 250R of the Corporations Act, members of Key Management Personnel (details of whose remuneration are included in the Remuneration Report) and their Closely Related Parties (other than the Chairman) may not vote on Resolution 2, except as a proxy where the appointment specified how the proxy is not vote. The Chairman may vote as proxy in accordance with an express authorisation on the Proxy From.</p> <p>Any votes cast in contravention of section 250R of the Corporations Act will not be counted in working out a percentage of votes cast or whether the Resolution is passed.</p>	<p>The prohibition does not prevent the casting of a vote on the Resolution by a person who is otherwise prohibited from voting, as a proxy where the appointment specifies how the proxy is to vote.</p> <p>The Chairman may vote as proxy in accordance with an express authorisation on the Proxy Form.</p>

Pursuant to section 250BD of the Corporations Act, members of Key Management Personnel and their Closely Related Parties (other than the Chairman) may not vote as a proxy on Resolutions 1 and 2 except where the appointment specifies how the proxy is to vote, or in the case of the Chairman, in accordance with an express authorisation on the Proxy Form. Any votes cast in contravention of section 250BD of the Corporations Act will not be counted in working out a percentage of votes cast or whether the Resolution is approved.

### 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 6	A person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a Shareholder).

However, this does not apply to a vote cast in favour of the above Resolutions by:

- the person as proxy or attorney for a person who is entitled to vote on a Resolution, in accordance with directions given to the proxy or attorney to vote on a Resolution in that way; or

- the chair of the meeting as proxy or attorney for a person who is entitled to vote on a Resolution, in accordance with a direction given to the chair to vote on a Resolution as the chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary providing the following conditions are met:
  - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on a Resolution; and
  - the holder votes on a Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

**By order of the Board**

A handwritten signature in black ink, appearing to read 'Sm', with a long horizontal stroke extending to the right.

**Sean Meakin**

Company Secretary  
30 October 2020



## **Proxy Appointment, Voting and Meeting Instructions**

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### **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 **1:00am (WST)** on **Saturday, 28 November 2020**, 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:

*Online:* Refer to instructions on Proxy Voting Form

*By hand:* Automic Pty Ltd – Level 5, 126 Phillip Street, Sydney, NSW, 2000

*By post:* Automic Pty Ltd – GPO BOX 5193, Sydney, NSW, 2001

*By email:* meetings@automicgroup.com.au

*By fax:* +61 2 8583 3040

### **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 Automic Pty Ltd on 1300 288 664 (from within Australia) or +61 2 9698 5414 (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, Automic Pty Ltd, before the Meeting or at the registration desk on the day of the Meeting.

Certificates of Appointment of Corporate Representatives are available on request by contacting Automic Pty Ltd on 1300 288 664 (from within Australia) or +61 2 9698 5414 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.

### **Voting restrictions that may affect your proxy appointment**

Members of the Key Management Personnel (except for the Chairman) and their Closely Related Parties are not able to vote your proxy on Resolution 1 (Adoption of the Remuneration Report) and Resolution (Spill Resolution) (if required) unless you have directed them how to vote. This exclusion does not apply to the Chairman if his appointment as proxy expressly authorises him to vote on matters of Key Management Personnel remuneration.

If you intend to appoint the Chairman, a Director or any other member of Key Management Personnel or any of their Closely Related Parties as your proxy, you are encouraged to direct them how to vote on all the Resolutions.

### **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 Resolution 1 (Adoption of the Remuneration Report) and Resolution 2 (Spill Resolution) (if required), even though these Resolutions are connected directly or indirectly with the remuneration of a member of 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 at **5:00pm (WST) on Saturday, 28 November 2020**. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the Annual General Meeting.

### **Questions from Shareholders**

At the Meeting, the Chairman will allow a reasonable opportunity for Shareholders to ask questions or make comments on the management of the Company and the Remuneration Report. A representative of BDO Audit (WA) Pty Ltd, as the Auditor responsible for preparing the Auditor's report for the year ended 30 June 2020 will attend the Meeting.

The Chairman will also allow a reasonable opportunity for Shareholders to ask the Auditor questions about:

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

To assist the Board and the Auditor of the Company in responding to questions please submit any questions you may have to the Company in writing by **5:00pm (WST)** on **Monday, 23 November 2020** in the same manner as outlined above for lodgement of Proxy Forms. Copies of written questions will be available at the meeting.

As required under section 250PA of the Corporations Act, the Company will make available at the Meeting those questions directed to the Auditor received in writing at least 5 business days prior to the Meeting, being questions which the Auditor considers relevant to the content of the Auditor's report or the conduct of the audit of the annual financial report for the year ended 30 June 2020. The Chairman will allow a reasonable opportunity for the Auditor to respond to the questions set out on this list.

## Explanatory Statement

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

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

### 1. Annual Financial Report

The Corporations Act requires the Directors' report, Auditors' report and the financial statements of the Company for the year ended 30 June 2020 to be tabled at the Annual General Meeting. These reports are contained in the Company's Annual Report.

Neither the Corporations Act nor the Company's Constitution requires a vote of Shareholders on the reports and financial statements. However, Shareholders will be given reasonable opportunity to raise questions on the Reports and ask questions of the Company's Auditor.

The Company advises that a copy of its Annual Report for the year ended 30 June 2020, is available to download at the website address, [www.bmgil.com.au](http://www.bmgil.com.au).

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

However, if you did not elect to continue to receive a hard copy of the Company's Annual Reports and now (or sometime in the future) wish to receive a hard copy of the Company's Annual Reports, please contact Automic Pty Ltd on 1300 288 664 (from within Australia) or +61 2 9698 5414 (if overseas). They will be pleased to mail you a copy.

### 2. Resolution 1: Adoption of Remuneration Report

The Remuneration Report is set out in the Directors' report in the Annual Report.

The Corporations Act requires the Company to put a resolution to Shareholders that the Remuneration Report be adopted. In accordance with section 250R(3) of the Corporations Act, the vote on the Resolution is advisory only and does not bind the Directors or the Company.

In accordance with Division 9 of Part 2G.2 of the Corporations Act, if 25% or more of votes that are cast are voted against the adoption of the Remuneration Report at two consecutive annual general meetings of the Company, Shareholders will be required to vote at the second of those annual general meetings on a resolution (a "spill resolution") that another meeting be held within 90 days at which all of the Company's directors (other than the managing director) must go up for re-election.

It is noted that at the Company's 2019 annual general meeting the votes cast against the remuneration report represented more than 25% of the total votes cast on the resolution (the first strike). If 25% or more of the votes that are cast on Resolution 1 are voted against the adoption of the 2020 Remuneration Report (the second strike), then Resolution 2 (**Spill Resolution**) will be put to Shareholders. If the Spill Resolution passes (with 50% or more of eligible votes cast) another meeting of Shareholders will be held (the Spill Meeting) to re-elect the board of the Company.

A voting exclusion applies to Resolution 1 in the terms set out in the Notice of Meeting. Key Management Personnel and their Closely Related Parties may not vote on this Resolution and may not cast a vote as proxy, unless the proxy appointment gives a direction on how to vote or the proxy is given to the Chairman and expressly authorises the Chairman to exercise the proxy. The Chairman will use any such proxies to vote in favour of Resolution 1.

The Company encourages all Shareholders to cast their votes on Resolution 1 (Adoption of Remuneration Report).

### **3. Resolution 2: Spill Resolution**

#### **3.1 Background**

The Company will receive a second strike if 25% or more of the votes cast on Resolution 1 are voted against the adoption of the Remuneration Report for 2020. Information about the 2-strike process is set out in Section 2 above.

Subject to section 250W(4) of the Corporations Act, if the Company receives a second strike then the Spill Resolution will be put to Shareholders. The Spill Resolution is a resolution to hold another meeting of Shareholders within 90 days of this Meeting at which the current Board (excluding the Managing Director) will cease to hold office, and resolutions to appoint directors to those vacated offices will be put to a vote (the **Spill Meeting**).

The vacating Directors are eligible for re-election at the Spill Meeting. Mr Bruce McCracken, the Managing Director of the Company is not required to stand for re-election at the Spill Meeting.

If Shareholders pass all of the resolutions at the Spill Meeting (if any), none of the Directors when the first strike was received, other than the Managing Director, will remain as Directors of the Company.

### **4. Resolution 3: Re-election of Director – Mr Gregory Hancock**

#### **4.1 Background**

Resolution 3 seeks Shareholder approval for the re-election of Mr Gregory Hancock as a Director of the Company.

In accordance with the Listing Rules and clause 79 of the Constitution, at every Annual General Meeting, one third of the Directors for the time being must retire from office and are eligible for re-election. The Directors to retire are:

- (a) those who have been in office for 3 years since their appointment or last re-appointment;
- (b) those who have been longest in office since their appointment or last re-appointment; or
- (c) if the Directors have been in office for an equal length of time, by agreement.

Mr Hancock retires by rotation and offers himself for re-election as a Director.

Mr Hancock has been a Director of the Company since 6 February 2017.

#### **4.2 Biography**

A profile of Mr Hancock is contained in the Company's Annual Report for the financial year ended 30 June 2020.

#### **4.3 Directors' recommendation**

The Directors (other than Mr Hancock) recommend that Shareholders vote in favour of Resolution 3.

### **5. Resolutions 4 and 5: Re-election of Directors – Mr John Prineas and Mr John Dawson**

#### **5.1 Background**

Resolutions 4 and 5 seek Shareholder approval for the re-election of Mr John Prineas and Mr John Dawson respectively, as Directors of the Company.

Messrs Prineas and Dawson were appointed as Directors of the Company on 13 October 2020 pursuant to the terms of the acquisition agreement whereby the Company's acquired 100% of the issued share capital of Oracle Mining Limited (**Acquisition**). Details of the Acquisition are set out in the Company's notice of general meeting which was released to ASX on 28 August 2020. A copy of

the notice of meeting is available on ASX by searching the announcements under the Company's code "BMG".

Pursuant to clause 81(2) of the Constitution, a Director appointed as an addition to the existing directors will hold office until the next meeting of the Company whereby, the relevant director can stand for re-election.

As Messrs Prineas and Dawson were appointed as additional directors to the Company prior to the Meeting, they must retire from office and being eligible for re-election, both Messrs Prineas and Dawson offer themselves for re-election as Directors.

## 5.2 Biography

### (a) In respect of Resolution 3 - John Prineas - B Ec, LLB, F Fin

John Prineas has over 30 years' experience in the resources, banking and legal sectors. In 1994, he joined the global German bank Dresdner Bank AG (now Commerzbank AG) in Sydney and served over the next 10 years as General Counsel, Chief Operating Officer and Country Head with a focus on project and acquisition finance for resources and infrastructure projects. Mr Prineas was the Founder, Executive Chairman and shareholder of St George Mining Limited (ASX: SGQ) which completed an IPO in November 2010 and is now recognised as a successful explorer and emerging nickel company.

### (b) In respect of Resolution 4 - John Dawson – BCom, MBA

John Dawson has extensive experience in the finance and mining sectors, having occupied senior roles with global investment banks including Goldman Sachs and Dresdner Kleinwort Wasserstein. At Goldman Sachs, Mr Dawson was a Managing Director of FICC (Fixed Income, Currency and Commodities) for Australia. At Dresdner Kleinwort Wasserstein, Mr Dawson was Global Head of Commodities as well as Country Head for Australia. He has been a non-executive director of St George Mining Limited (ASX: SGQ) since January 2019.

## 5.3 Directors' recommendation

The Directors (other than Messrs Prineas and Dawson) recommend that Shareholders vote in favour of Resolutions 4 and 5.

## 6. Resolution 6: Approval of Additional Placement Facility

### 6.1 Background

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12-month period to 15% of the fully paid ordinary shares it had on issue at the start of that period.

Under Listing Rule 7.1A, however, an eligible entity can seek approval from its members, by way of special resolution passed at its annual general meeting, to increase this 15% limit by an extra 10% to 25% (**7.1A Mandate**).

An 'eligible entity' means an entity which is not included in the S&P/ASX 300 Index and which has a market capitalisation of \$300 million or less. The Company is an eligible entity for these purposes.

Resolution 6 seeks shareholder approval by way of special resolution for the Company to have the additional 10% capacity provided for in Listing Rule 7.1A to issue equity securities without shareholder approval.

If Resolution 6 is passed, the Company will be able to issue equity securities up to the combined 25% limit in Listing Rules 7.1 and 7.1A without any further shareholder approval.

If Resolution 6 is not passed, the Company will not be able to access the additional 10% capacity to issue equity securities without shareholder approval provided for in Listing Rule 7.1A and will remain subject to the 15% limit on issuing equity securities without shareholder approval set out in Listing Rule 7.1.

## 6.2 Technical information requirements of Listing Rule 7.1A

Pursuant to and in accordance with ASX Listing Rule 7.3A, the information below is provided in relation to this Resolution 6:

### (a) Period for which the 7.1A Mandate is valid

The 7.1A Mandate will commence on the date of the Meeting and expire on the first to occur of the following:

- (i) the date that is 12 months after the date of this Meeting;
- (ii) the time and date of the Company's next annual general meeting; and
- (iii) the time and date of approval by Shareholders of any transaction under Listing Rule 11.1.2 (a significant change in the nature or scale of activities) or Listing Rule 11.2 (disposal of the main undertaking).

### (b) Minimum price

Any equity securities issued under the 7.1A Mandate must be in an existing quoted class of equity securities and be issued at a minimum price of 75% of the volume weighted average price of equity securities in that class, calculated over 15 trading days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed by the entity and the recipient of the equity securities; or
- (ii) if the Equity Securities are not issued within 10 trading days of the date in Section 6.2(b)(i), the date on which the Equity Securities are issued.

### (c) Use of funds raised under the 7.1A Mandate

The Company may seek to issue equity securities under the 7.1A Mandate to fund business growth, to acquire new assets or make investments, to develop the Company's existing assets and operations and for general working capital.

### (d) Risk of economic and voting dilution

Shareholders should note that, when issuing equity securities under the 7.1A Mandate, there is a risk that:

- (i) the market price for the Company's Shares may be significantly lower on the date of issue than on the date of the Meeting; and
- (ii) the Shares may be issued at a price that is at a discount to the market price for those Shares on the date of issue.

Any issue of equity securities under the 7.1A Mandate will dilute the interests of Shareholders who do not receive any Shares under the issue.

If Resolution 6 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 7.1A Mandate, the economic and voting dilution of existing Shares would be as shown in the table below.

Variable A in Listing Rule 7.1A		Issue price		
		\$0.12 (market price)	\$0.18 (50% increase in market price)	\$0.06 (50% decrease in market price)
Current issued capital A = 239,991,658	Shares issued – 10% voting dilution	23,999,166	23,999,166	23,999,166
	Funds raised	\$2,879,900	\$4,319,850	\$1,439,950
50% increase* in issued capital A = 359,987,487	Shares issued – 10% voting dilution	35,998,749	35,998,749	35,998,749
	Funds raised	\$4,319,850	\$6,479,775	\$2,159,925
100% increase* in current issued capital A = 479,983,316	Shares issued – 10% voting dilution	47,998,332	47,998,332	47,998,332
	Funds raised	\$5,759,800	\$8,639,700	\$2,879,900

\* The number of Shares on issue (variable A in the formula) could increase as a result of the issue of Shares that do not require Shareholder approval (such as under a pro-rata rights issue or scrip issued under a takeover offer) or that are issued with Shareholder approval under Listing Rule 7.1.

The above table has been prepared on the following assumptions:

1. the current Variable A set out in the table above is based on the number of Shares on issue at 16 October 2020, being 239,991,658 Shares.
2. the latest available market price of Shares, being the closing price as at 16 October 2020, is \$0.12;
3. the Company issues the maximum number of Equity Securities available under the Additional Placement Facility;
4. the Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in ASX Listing Rule 7.2 or with approval under ASX Listing Rule 7.1 and Rule 7.1A, or subsequently ratified under Listing Rule 7.4 at this Meeting;
5. the issue of Equity Securities under the Additional Placement Capacity consists only of Shares. It is assumed that no Options are exercised into Shares before the date of issue of the Equity Securities;
6. the calculations do not show the dilution that any one particular Shareholder will be subject to; all Shareholders should consider the dilution caused to their own shareholding depending upon their specific circumstances;
7. the 10% voting dilution reflects the aggregate percentage dilution against the issued Share capital at the time of issue; accordingly, the voting dilution is shown in each example as 10%; and
8. the table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Capacity, based on that Shareholder's holding at the date of the Meeting.



(e) **Allotment under the 7.1A Mandate**

The recipients of the Equity Securities to be issued under the 7.1A Mandate have not yet been determined. However, such recipients of Equity Securities could consist of current Shareholders or new investors (or both), none of whom will be related parties of the Company.

The Company will determine the recipients at the time of issue pursuant to the 7.1A Mandate with regard to the following:

- (i) the purpose of the issue;
- (ii) alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue or other offer where existing Shareholders may participate;
- (iii) the effect of the issue of the Equity Securities on the control of the Company;
- (iv) the circumstances of the Company, including, but not limited to, the financial position and solvency of the Company;
- (v) prevailing market conditions; and
- (vi) advice from corporate, financial and broking advisers (if applicable).

(f) **Previous approvals under Listing Rule 7.1A**

The Company did not obtain Shareholder approval for a current 7.1A Mandate at its annual general meeting held on 25 November 2019.

Accordingly, no Equity Securities have been issued pursuant to Listing Rule 7.1A by the Company in the 12 months prior to the date of the Meeting.

(g) **Voting exclusion**

A voting exclusion statement is included in this Notice. As at the date of this Notice, the Company has not invited any existing Shareholder to participate in an issue of Equity Securities under ASX Listing Rule 7.1A. Therefore, no existing Shareholders will be excluded from voting on Resolution 6.

## **7. Resolution 7: Adoption of New Constitution**

### **7.1 Background**

The Company's current Constitution was adopted in 2003. Since that time, there have been a number of changes to provisions of both the Corporations Act and the Listing Rules that affect matters set out in the Constitution. Given the number of changes that would need to be made throughout the current Constitution, the Directors consider that it is more appropriate to adopt the new Constitution.

The new Constitution reflects a standard listed public company constitution and has updated definitions used to reflect current terminology in the Corporations Act, Listing Rules, and ASX Settlement Operating Rules. A summary of the material terms of the New Constitution is set out in Schedule 1.

It is not practicable to list all of the differences between the current Constitution and the New Constitution in this Notice. However, of particular note is that the New Constitution:

- (a) reflects changes to the Listing Rules regarding restricted securities, namely a two-tiered escrow regime whereby ASX will:
  - (i) still require formal restriction agreements to be executed by certain more significant holders and their controllers, such as related parties, promoters, substantial holders, service providers and their Associates; and

- (ii) permit entities to rely on provisions in their constitutions to impose escrow restrictions on less significant holders of restricted securities and to give a pro forma notice to those holders advising them of those restrictions;
- (b) will permit dividends to be paid in the discretion of the Directors and pursuant to the “assets test” set out in section 254T of the Corporations Act rather than solely out of profits as is the case pursuant to the current Constitution, and will not require final dividends to be both recommended by the Directors and approved by Shareholders in general meeting; and
- (c) will, subject to the passage of Resolution 8, contain proportional takeover provisions as discussed in section 8 below.

Shareholders are invited to contact the Company if they have any queries or concerns. For this purpose, a copy of the New Constitution is available for review by Shareholders at the office of the Company and on the Company’s website, [www.bmgil.com.au](http://www.bmgil.com.au). A copy of the New Constitution will also be tabled and available for inspection at the Meeting and a copy will be sent to those Shareholders that request a copy prior to the Meeting free of charge.

Adoption of the New Constitution will provide consistency between the Company’s Constitution, the Corporations Act, and Listing Rules.

## 7.2 Legal requirements

Section 136 (2) of the Corporations Act provide that a company may modify its constitution by a special resolution of its shareholders.

A special resolution is defined in section 9 of the Corporations Act as a resolution passed by at least 75% of the votes cast by shareholders entitled to vote on the resolution.

## 7.3 Summary of material terms of New Constitution

A summary of the material terms of the New Constitution is set out in Schedule 1.

## 7.4 Directors’ recommendation

The Directors unanimously recommend that Shareholders vote in favour of Resolution 7.

# 8. Resolution 8: Approval of proportional takeover provisions in New Constitution

## 8.1 Background

As a part of the proposal to adopt the New Constitution pursuant to Resolution 7, it is intended that the New Constitution include proposed Schedule 1 (as set out in Schedule 2 to this Explanatory Statement), which contains proportional takeover provisions.

In accordance with the requirements of section 648G(5) of the Corporations Act, the Company provides the information set out below.

## 8.2 What is a proportional takeover bid?

A proportional takeover bid is a takeover offer sent to all Shareholders in a particular class but only in respect of a proportion of each Shareholder’s Shares. If a Shareholder accepts an offer under a proportional takeover bid, the Shareholder disposes of the specified proportion of their Shares and retains the balance.

## 8.3 Effect of the provisions to be adopted

The provisions require the Directors to refuse to register any transfer of Shares made in acceptance of a proportional takeover offer until Shareholder approval has been obtained at a meeting of Shareholders held in accordance with the Constitution.

The meeting must be held at least 14 days before the day the offer under the proportional takeover bid closes.

A resolution for approval of a proportional takeover bid will be taken to have been passed if a majority of Shares voted at the meeting, excluding any Shares held by the bidder and its associates, vote in favour of the resolution. The Directors will breach the Corporations Act if they fail to ensure that an approving resolution is voted upon. However, if no resolution is voted on before the end of the 14<sup>th</sup> day before the close of the offer, the resolution will be deemed to have been passed.

Where the resolution approving the offer is passed, transfers of Shares resulting from acceptance of the offer will be registered provided they otherwise comply with the Corporations Act and other provisions of the Constitution.

If the resolution is not passed then in accordance with the Corporations Act, the offer will be deemed to be withdrawn and transfers that would have resulted from acceptance of the bid will not be registered.

The proportional takeover bid provisions do not apply to full takeover bids and only apply for three years after the date of adoption of the provisions. The provisions may be renewed but only by special resolution.

#### **8.4 Reasons for adopting the provisions**

Without Schedule 1, a proportional takeover bid for the Company may enable effective control of the Company to be acquired without Shareholders having the opportunity to dispose of all of their Shares to the bidder. If the provisions are not adopted, Shareholders could be at risk of passing control to a bidder without payment of an adequate control premium for all of their Shares whilst leaving themselves as part of a minority interest in the Company.

Schedule 1 protects Shareholders by providing that if a proportional takeover bid is made, Shareholders must vote on whether it should proceed.

The benefit of Schedule 1 is that it enables Shareholders to decide whether the proportional offer is acceptable in principle and appropriately priced.

#### **8.5 Potential advantages and disadvantages for Directors and Shareholders**

The potential advantages of including proportional takeover provisions in the Constitution are that such provisions may:

- (a) enhance the bargaining power of Directors in connection with any potential sale of the Company;
- (b) improve corporate management by eliminating the possible threat of a hostile takeover through longer term planning;
- (c) make it easier for Directors to discharge their fiduciary and statutory duties to the Company and its Shareholders to advise and guide in the event of a proportional bid occurring; and
- (d) strengthen the position of Shareholders of the Company in the event of a takeover, assuming the takeover will result in a sharing of wealth between the bidder and Shareholders, as the more cohesive Shareholders are in determining their response the stronger they are. A requirement for approval can force Shareholders to act in a more cohesive manner. Where Shareholders know that a bid will only be successful if a specified majority of Shareholders accept the offer, they have less to fear by not tendering to any offer which they think is too low.

The potential disadvantages of including proportional takeover provisions in the Constitution include the following matters:

- (a) a vote on approval of a specific bid suffers from a bias in favour of the incumbent Board;
- (b) the provisions are inconsistent with the principle that a share in a public company should be transferable without the consent of other shareholders; and
- (c) a Shareholder may lack a sufficient financial interest in the Company to have an incentive to determine whether a proposal is appropriate.

**8.6 No knowledge of present acquisition proposals**

As at the date on which this Explanatory Statement is prepared, no Director is aware of a proposal by any person to acquire, or to increase the extent of, a substantial interest in the Company.

**8.7 Directors' recommendation**

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

## Glossary

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

<b>Additional Placement Capacity or 7.1A Mandate</b>	Has the meaning given to that term in section 6.1 of this Explanatory Statement.
<b>A\$ or \$</b>	Australian dollars.
<b>Annual General Meeting or Meeting</b>	The annual general meeting of Shareholders, or any adjournment thereof, convened by this Notice.
<b>Annual Report</b>	The annual report of the Company for the financial year ended 30 June 2020, including the annual financial report, the Directors' report and the Auditor's report.
<b>Associate</b>	Has the meaning given to that term in the Listing Rules.
<b>ASX</b>	ASX Limited (ACN 008 624 691) or the financial market known as the Australian Securities Exchange, as the context requires.
<b>Auditor</b>	The auditor of the Company, being BDO Audit (WA) Pty Ltd at the date of this Notice.
<b>Board</b>	The board of Directors of the Company.
<b>Chairman</b>	The chairman of the Annual General Meeting.
<b>Closely Related Party</b>	Has same meaning given to that term in section 9 of the Corporations Act, being, in relation to a member of Key Management Personnel: <ul style="list-style-type: none"><li>(a) a spouse or child of the member;</li><li>(b) a child of the member's spouse;</li><li>(c) a dependent of the member or the member's spouse;</li><li>(d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;</li><li>(e) a company the member controls; or</li><li>(f) a person prescribed by the <i>Corporations Regulations 2001</i> (Cth) (currently none are prescribed).</li></ul>
<b>Company or BMG</b>	BMG Resources Limited (ACN 107 118 678).
<b>Company Secretary</b>	The company secretary of the Company at the time of the Meeting.
<b>Constitution</b>	The Constitution of the Company.
<b>Corporations Act</b>	<i>Corporations Act 2001</i> (Cth).
<b>Director</b>	A director of the Company.
<b>Equity Security</b>	Has the meaning given to that term in ASX Listing Rule 19.12, being: <ul style="list-style-type: none"><li>(a) a share;</li><li>(b) a unit;</li><li>(c) a right to a share or unit or option;</li><li>(d) an option over an issued or unissued security;</li><li>(e) a convertible security;</li><li>(f) any security that ASX decides to classify as an equity security;</li></ul>

(g) but not a security that ASX decides to classify as a debt security.

<b>Explanatory Statement</b>	This explanatory statement which accompanies and forms part of the Notice.
<b>Glossary</b>	This glossary of terms.
<b>Key Management Personnel</b>	Has the same meaning as the definition of that term in section 9 of the Corporations Act, being those persons details of whose remuneration are included in the 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.
<b>Listing Rules</b>	The listing rules of ASX, as amended from time to time.
<b>New Constitution</b>	The Company's proposed new constitution, being the subject of Resolution 7.
<b>Notice or Notice of Meeting</b>	The notice of Annual General Meeting which accompanies this Explanatory Statement.
<b>Option</b>	An option to subscribe for a Share.
<b>Performance Rights</b>	The Entitlement to one Share in the Company on the satisfactory achievement of a Vesting Condition
<b>Proxy Form</b>	The proxy form accompanying this Notice of Meeting.
<b>Related Party</b>	Has the meaning given to that term in section 228 of the Corporations Act.
<b>Remuneration Report</b>	The remuneration report of the Company for the financial year ended 30 June 2020, appearing in the Annual Report.
<b>Resolution</b>	A resolution set out in the Notice.
<b>Shareholder</b>	The holder of a Share.
<b>Spill Meeting</b>	A meeting at which the current Board (excluding the Managing Director) will cease to hold office, and resolutions to appoint directors to those vacated offices will be put to a vote.
<b>Spill Resolution</b>	A resolution to approve the holding of another meeting within 90 days of Annual General Meeting to elect new directors to the Board (except the Managing Director) in the circumstance where 25% or more of the votes cast on Resolution 2 are voted against the adoption of the Remuneration Report for 2020.
<b>VWAP</b>	The volume weighted average sale prices of Shares sold on ASX during the specified period, excluding any transaction defined in the ASX Operating Rules as 'special', crossings prior to the commencement of normal trading, crossings during the after-hours adjust phase and any overseas trades or exchange traded option exercises.
<b>WST</b>	Australian Western Standard Time, being the time in Perth, Western Australia.

## Schedule 1 – Summary of New Constitution

Set out below is a summary of the key terms of the proposed New Constitution of the Company, for which Shareholder approval is sought pursuant to Resolution 7. This summary is not intended to be exhaustive and does not constitute a definitive statement of all the rights, liabilities and obligations set out in the New Constitution.

### **Issue of Shares**

The issue of Shares and Options by the Company is under the control of the Directors, who may on any terms, at any time and for any consideration, allot and issue shares in the Company (Shares) (including preference shares) and grant Options over unissued Shares.

### **Transfer of Shares**

A Shareholder may transfer one or more Shares it holds by a proper ASX Settlement transfer or an instrument of transfer in compliance with the New Constitution. A Shareholder may also transfer Shares by any other method permitted by the Corporations Act, the Listing Rules or the ASX Settlement Operating Rules (together, the Applicable Law).

Except as permitted by the Listing Rules, a Shareholder must not dispose of restricted securities during the escrow period for these securities.

Subject to the ASX Settlement Operating Rules, a person transferring a Share remains the registered holder of that Share until the transfer for that Share is registered and the name of the transferee is entered in the register of Shareholders as the holder of that Share.

The Company must not fail or refuse to register a transfer of a Share except where permitted or required under the Applicable Law or under other limited circumstances as set out in the Constitution. The Company must not charge any fee for registering a transfer of Shares except as permitted by the Applicable Law.

The Company must issue to each Shareholder, in accordance with the Applicable Law, one certificate in respect of each class of Shares registered in the Shareholder's name.

However, the Directors may resolve that the Company will not issue certificates for Shares, or will cancel existing certificates for Shares without issuing a replacement certificate.

### **Reduction of capital and buy backs**

The Company may reduce its share capital and buy back Shares on any terms and at any time.

### **Disposal of less than a marketable parcel**

The Company may sell the Shares of a Shareholder if the Shareholder holds less than a marketable parcel of a particular class of Shares within the meaning of the Listing Rules (being a parcel of Shares with a market value of less than \$500). To invoke this procedure, the Directors must first give written notice to the relevant Shareholder, who may then elect not to have his or her Shares sold by notifying the Directors.

### **Variation of class rights**

Class rights attaching to a particular class of Shares may be varied or cancelled by a special resolution of the Company and either the written consent of holders of at least 75% of the Shares in that class or a special resolution passed at a meeting of the holders of the Shares in that class.

### **Preference Shares**

The Corporations Act requires that certain rights of preference Shares must be set out in the Constitution of the Company or approved in general meeting by special resolution before preference Shares are issued.

The Constitution permits the Company to issue preference Shares including preference Shares that are redeemable in a manner permitted by the Corporations Act and preference Shares in accordance with particular terms set out in the Constitution.

The holder of a preference Share has the same rights as the holder of an ordinary Share in relation to receiving notices, reports and audited accounts and attending meetings of Shareholders, but has restricted voting rights.

### **Liens**

If the Company issues partly paid Shares and a call made on those Shares is unpaid, the Company will have a lien over those Shares. The Company may enforce the lien by selling those Shares.

### **Forfeiture of Shares**

The Company may forfeit and sell a Share of a Shareholder by a resolution of Directors if that Shareholder has failed to pay a call or instalment on that Share. The Directors must provide the Shareholder with written notice of the forfeiture.

### **Meeting of Shareholders**

Directors may call a meeting of Shareholders whenever they think fit (and one Director may do so, subject to the provisions of the Corporations Act). Shareholders may call a meeting as provided by the Corporations Act. The Constitution contains provisions prescribing the content requirements of notices of meetings of Shareholders and all Shareholders are entitled to a notice of meeting. Consistent with the Corporations Act, a meeting may be held in two or more places linked together by audio-visual communication devices. A quorum for a meeting of Shareholders is two eligible voters.

### **Voting of Shareholders**

Resolutions of Shareholders are passed by simple majority and will be decided by a show of hands unless a poll is required or demanded. On a show of hands each eligible voter present has one vote. On a poll, each eligible Shareholder has one vote for each fully-paid Share held and a fraction of a vote for each partly paid Share determined by the amount paid up on that Share.

### **Proxies**

An eligible Shareholder may appoint a proxy to attend and vote at the meeting on that Shareholder's behalf. The Constitution contains provisions specifying the form and manner of lodgement of proxy instruments. A Shareholder which is a corporation may appoint an individual to act as its representative.

### **Directors**

The minimum number of Directors is 3 and the maximum is 10, unless the maximum is changed by the Company in general meeting. The existing Directors and the Company in general meeting may appoint a new Director to fill a casual vacancy. Any such Director must retire at the next following annual general meeting of the Company (at which meeting he or she may be eligible for election as a Director). No Director other than the managing director may hold office later than the third annual general meeting after his or her appointment or election without submitting himself or herself for re-election.

For a person to be eligible for election as a Director, a nomination for the office of Director and the written consent of the proposed Director must be received by the Company in a stipulated period prior to the meeting.

### **Powers of Directors**

The business of the Company is to be managed by or under the direction of the Directors.

### **Remuneration of Directors**

The total fees payable to non-executive Directors must not exceed the aggregate fixed sum determined by Shareholders in general meeting and must not be calculated as a commission on, or percentage of, profits or operating revenue.



The Directors must be paid all reasonable travelling and other expenses properly incurred in performance of their duties. The Constitution allows for retirement benefits to be paid to Directors.

The remuneration of executive Directors must not be calculated as a commission on, or percentage of, operating revenue.

### **Indemnity and insurance**

The Company, to the extent permitted by law, must indemnify each person who is or has been a Director or a company secretary of the Company against liabilities incurred by that person whilst acting in that capacity and against costs and expenses incurred by that person in defending an action for a liability that may be incurred by that person whilst acting in that capacity.

To the extent permitted by the law, the Company may also pay the premium in respect of any insurance policy for any person who is or has been a Director or a company secretary of the Company against liabilities incurred by that person whilst acting in that capacity.

### **Execution of documents**

In accordance with the Corporations Act, the execution of documents by the Company without the use of the Company's seal is permitted.

### **Dividends**

Dividends need not be paid out of profits, but may only be paid where the Company's assets exceed its liabilities by at least the amount of the dividend to be paid, where it is fair and reasonable to the Shareholders as a whole and where the payment of the dividend would not materially prejudice the Company's ability to pay its creditors.

The Directors may fix the amount, the time for payment and the method of payment of a dividend. Subject to any special rights attaching to Shares (such as preference Shares), dividends will be paid proportionately to the amounts paid up on the Shares. The Company is not required to pay any interest on dividends.

### **Winding up**

If the Company is wound up, any surplus assets and profits of the Company must be divided amongst the Shareholders in proportion to the amount credited as paid up on the Shares held by them, subject to any rights attaching to Shares which may in the future be issued with special or preferred rights

## Schedule 2 - Proposed Schedule 1 of new Constitution (Proportional Takeover Provisions)

### 1. Application

- (a) This Schedule 1 will only apply to and form part of the Constitution if Shareholder approval of the proportional takeover provisions set out therein has been obtained in accordance with section 648G of the Corporations Act.
- (b) For the avoidance of doubt, if Shareholder approval has not been obtained as required under item 1(a) of this Schedule 1, this Schedule 1 will have no force or effect until such approval is obtained.

### 2. Definitions

In this Schedule:

**Approving Resolution** means a resolution to approve a proportional takeover bid in accordance with this Schedule.

**Deadline** means the 14th day before the last day of the bid period for a proportional takeover bid.

**Voter** means a person (other than the bidder under a proportional takeover bid or an associate of that bidder) who, as at the end of the day on which the first offer under that bid was made, held bid class securities for that bid.

### 3. Refusal of Transfers

#### 3.1 Requirement for an Approving Resolution

- (a) The Company must refuse to register a transfer of Shares giving effect to a takeover contract for a proportional takeover bid unless and until an Approving Resolution is passed in accordance with this Schedule 1.
- (b) This Schedule 1 ceases to apply on the 3rd anniversary of its last adoption, or last renewal, in accordance with the Corporations Act.

#### 3.2 Voting on an Approving Resolution

- (a) Where offers are made under a proportional takeover bid, the Directors must, call and arrange to hold a meeting of Voters for the purpose of voting on an Approving Resolution before the Deadline.
- (b) The provisions of this Constitution concerning meetings of Members (with the necessary changes) apply to a meeting held under paragraph 3.2(a).
- (c) Subject to this Constitution, every Voter present at the meeting held under paragraph 3.2(a) is entitled to one vote for each Share in the bid class securities that the Voter holds.
- (d) To be effective, an Approving Resolution must be passed before the Deadline.
- (e) An Approving Resolution that has been voted on is taken to have been passed if the proportion that the number of votes in favour of the resolution bears to the total number of votes on the resolution is greater than 50%, and otherwise is taken to have been rejected.
- (f) If no Approving Resolution has been voted on as at the end of the day before the Deadline, an Approving Resolution is taken, for the purposes of this Schedule, to have been passed in accordance with this Schedule.

**BMG Resources Limited**  
**ACN 107 118 678**  
**PROXY FORM**

I/We (name of Shareholder) \_\_\_\_\_  
of (address) \_\_\_\_\_

being a Shareholder/Shareholders of BMG Resources Limited HEREBY APPOINT:

(name) \_\_\_\_\_  
of (address) \_\_\_\_\_

and/or failing him/her (name) \_\_\_\_\_  
of (address) \_\_\_\_\_

or, failing the person named, or if no person is named, the Chairperson of the Meeting as my/our proxy to act on my/our behalf at the Annual General Meeting of BMG Resources Limited (ACN 107 118 678) (**Company**) to be held at **1.00pm (WST) on Monday, 30 November 2020** at Level 2, 250 St Georges Terrace, Perth Western Australia (**Meeting**) and at any adjournment or postponement of the Meeting.

Except where I/we have marked a voting box for a Resolution below, I/we authorise my/our proxy to vote or abstain from voting on any Resolution in their discretion.

**IMPORTANT NOTES:**

- Refer to the Notice of Annual General Meeting for important details of how to complete and return your Proxy Form.
- Should you wish to direct your proxy how to vote, please mark **FOR**, **AGAINST** or **ABSTAIN** in the voting boxes below. The Company encourages you to direct your proxy to vote for or against the Resolutions or to abstain from voting on each of the Resolutions.
- If the Chairperson is appointed your proxy, the Chairperson intends to vote all undirected proxies **FOR** each Resolution.
- Completed Proxy Forms should be returned to the Company by **1.00am (WST) on Saturday, 28 November 2020**

I/We direct my/our proxy to vote in the following manner:

		For	Against	Abstain
Resolution 1	Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Spill Resolution (if applicable)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Re-election of Mr Greg Hancock as Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Re-election of Mr John Prineas as Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Re-election of Mr John Dawson as Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Approval of Additional Placement Facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7	Adoption of New Constitution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8	Approval of Schedule 1 of New Constitution – Proportional Takeover Provisions	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

This Proxy is appointed to represent \_\_\_\_\_% of my voting right, or if two proxies are appointed Proxy 1 represents \_\_\_\_\_% and Proxy 2 represents \_\_\_\_\_% of my/our total votes.

My/our total voting right is \_\_\_\_\_ shares.

By:

**Individuals and joint holders**

<b>Signature</b>
<b>Signature</b>
<b>Signature</b>

**Companies (affix common seal if appropriate)**

<b>Director</b>
<b>Director/Company Secretary</b>
<b>Sole Director</b>