



23 October 2023

Dear Shareholder,

Annual General Meeting - Notice and Proxy Form

The 2023 Annual General Meeting (**Meeting**) of Shareholders of BMG Resources Limited (ACN 107 118 678) (**Company**) will be held at The Karingal Ballroom (Karingal 1), Level 1, The Melbourne Hotel, 33 Milligan Street, Perth, WA, 6000 at 12.30pm (WST) on Tuesday, 21 November 2023.

The notice of meeting and explanatory memorandum were released to ASX today (together, **Notice of Meeting**), and a copy of the Notice of meeting can be accessed online at:

<https://www.asx.com.au/asx/share-price-research/company/BMG>.

In reliance on Part 1.2AA of the Corporations Act, the Company will not be posting hard copies of the Notice of Meeting to Shareholders, unless they have previously given the company notice in writing electing to receive notices of meetings in hard copy only.

For shareholders who elected to receive notices by email, a copy of their proxy form was sent to their nominated email address. As you have not elected to receive notices by email, a copy of your personalised proxy form is enclosed for your convenience.

Shareholders who cannot attend the meeting in person may register votes by lodging proxy instructions by no later than 48 hours prior to the Meeting (by 12:30pm (WST) on 19 November 2023) either by voting online at: <https://investor.automic.com.au/#/loginsah>, or lodging a proxy form by:

- post to: Automic, GPO Box 5193, Sydney, NSW, 2001; or
- in person to: Automic, Level 5, 126 Phillip Street, Sydney, NSW, 2000; or
- by fax: 02 8583 3040 (within Australia) or +61 2 8583 3040 (outside Australia); or
- by email to: meetings@automicgroup.com.au

Your proxy voting instruction must be received not less than 48 hours before the commencement of the Meeting. Any proxy voting instructions received after that time will not be valid for the Meeting.



Shareholders may also lodge questions in advance of the Meeting by emailing the questions to Sean Meakin, Company Secretary at smeakin@tribis.com.au, by no later than Tuesday, 14 November 2023.

The Notice of Meeting is important and should be read in its entirety. If you are in doubt as to the course of action you should follow, you should consult your financial adviser, lawyer, accountant or other professional adviser. If you have any difficulties obtaining a copy of the Notice of Meeting, please contact the Company's share registry, Automic Registry Services on, 1300 288 664 (within Australia) or +61 2 9698 5414 (overseas).

Yours sincerely

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

Bruce McCracken
Managing Director



BMG Resources Limited

ACN 107 118 678

Notice of Annual General Meeting, Explanatory Statement and Proxy Form

Annual General Meeting to be held at

**The Melbourne Hotel, Karingal Ballroom (Karingal 1), Level 1,
33 Milligan Street
Perth Western Australia 6000**

On Tuesday, 21 November 2023 at 12:30pm (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	12.30pm (WST) on Sunday, 19 November 2023
Snapshot date for eligibility to vote	5.00pm (WST) on Sunday, 19 November 2023
Annual General Meeting	12.30pm (WST) on Tuesday, 21 November 2023

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.

Voting

In compliance with ASX guidelines, each Resolution will be decided by poll, based on proxy votes and by votes from Shareholders in attendance at the Annual General Meeting. Shareholders are strongly encouraged to vote by lodging the proxy form attached to this Notice of Meeting in accordance with the instructions set out on that form by no later than 12.30pm WST on 19 November 2023.

Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting of BMG Resources Limited (ACN 107 118 678) (**BMG or Company**) will be held at **The Melbourne Hotel**, Karingal Ballroom (Karingal 1), Level 1, **33 Milligan Street, Perth, Western Australia** at **12.30pm (WST)** on **Tuesday, 21 November 2023**.

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 and 2, and as special resolutions in respect of Resolutions 3 and 4.

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 2023, 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 2023, as contained in the Company's Annual Report for 2023, 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: Re-election of Director – Mr John Prineas

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 14.4, clause 7.3 of the Company's Constitution and for all other purposes, Mr John Prineas, a Director of the Company who retires in accordance with clause 7.3(a) of the Constitution and, being eligible, offers himself for re-election, is re-elected as a Director of the Company."

Resolution 3: 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 3 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 4 – Renewal of proportional takeover provisions

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 648(G) of the Corporations Act and for all other purposes, Shareholders approve to renew the Company’s proportional takeover provisions as they exist in Schedule 1 of the Constitution, with effect from the conclusion of the Meeting and on the terms and conditions set out in the Explanatory Statement.”

Note: Resolution 4 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>

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 Resolution 1 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 3	If at the time of the Meeting the Company is proposing to make an issue of Equity Securities under Listing Rule 7.1A.2, any person who is expected to participate in the issue or who will obtain a material benefit as a result of the proposed issue (except a benefit solely by reason of being a holder of Shares).

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

1. 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
2. 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
3. a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary providing the following conditions are met:
 - (a) 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
 - (b) 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 be 'Sm', written in a cursive style.

Sean Meakin

Company Secretary
23 October 2023

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 **12:30pm (WST) on Sunday, 19 November 2023**, 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) 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) even though this Resolutions is 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 Sunday, 19 November 2023**. 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 2023 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 Tuesday, 14 November 2023** 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 2023. The Chairman will allow a reasonable opportunity for the Auditor to respond to the questions set out on this list.

Explanatory Statement

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 2023 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 2023, is available to download at the website address, www.bmgl.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 2022 annual general meeting the votes cast against the remuneration report represented less than 25% of the total votes cast and accordingly, a spill resolution will not under any circumstances be required for the Annual General Meeting.

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: Re-election of Director – Mr John Prineas

3.1 Background

Resolution 2 seeks Shareholder approval for the re-election of Mr John Prineas as a Director of the Company.

Listing Rule 14.4 requires that a Director (other than the Managing Director) shall not continue in office for a period past the third annual general meeting following the director's appointment or 3 years, whichever is the longer, without submitting to re-election.

In accordance clause 7.3 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 Prineas retires by rotation and offers himself for re-election as a Director.

Mr Prineas has been a Director of the Company since 13 October 2020.

If Resolution 2 is passed, John Prineas will be re-elected as a Non-Executive Director of the Company.

If Resolution 2 is not passed, John Prineas will not be re-elected and he will retire as a Director. The Board may consider an appointment to fill a casual vacancy pursuant to the Constitution, with ratification at the Company's next AGM.

3.2 Biography

A profile of Mr Prineas is contained in the Company's Annual Report for the financial year ended 30 June 2023.

3.3 Directors' recommendation

The Directors (other than Mr Prineas) recommend that Shareholders vote in favour of Resolution 2.

4. Resolution 3: Approval of Additional Placement Facility

4.1 Background

Resolution 3 seeks Shareholder approval for an additional issuing capacity under Listing Rule 7.1A (**Additional Placement Facility**).

If approved, Resolution 3 would enable the Company to issue additional Equity Securities (calculated below) over a 12-month period without obtaining Shareholder approval.

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%.

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 3 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 3 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 3 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.

Resolution 3 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.

4.2 Information on Additional Placement Facility

(a) Quoted securities

Any Equity Securities issued under the Additional Placement Facility must be in the same class as an existing class of Equity Securities of the Company that are quoted on ASX.

As at the date of this Notice, the Company has one class of Equity Securities quoted on ASX, being fully-paid ordinary Shares.

(b) Formula for Additional Placement Facility

If Resolution 3 is passed, the Company may issue or agree to issue, during the 12-month period after the Meeting, the number of Equity Securities calculated in accordance with the following formula.

$$\text{Additional Placement Facility} = (A \times D) - E$$

Where:

- A = the number of fully-paid ordinary securities on issue at the commencement of the relevant period:
1. plus the number of fully-paid ordinary securities issued in the relevant period under an exception in Listing Rule 7.2 other than exception 9, 16, or 17;
 2. plus the number of fully-paid ordinary securities issued in the relevant period on the conversion of convertible securities within Listing Rule 7.2 exception 9 where:
 - 2.1 the convertible securities were issued or agreed to be issued before the commencement of the relevant period; or
 - 2.2 the issue of, or agreement to issue, the convertible securities was approved, or taken under the Listing Rules to have been approved under Listing Rule 7.1 or 7.4;
 3. plus the number of fully-paid ordinary securities issued in the relevant period under an agreement to issue securities within Listing Rule 7.2 exception 16 where:
 - 3.1 the agreement was entered into before the commencement of the relevant period; or
 - 3.2 the agreement or issue was approved, or taken under the Listing Rules to have been approved under Listing Rule 7.1 or 7.4;
 4. plus the number of fully paid ordinary securities issued in the relevant period with approval under Listing Rule 7.1 or Listing Rule 7.4;

5. plus the number of partly-paid ordinary securities that became fully-paid in the relevant period;
6. less the number of fully-paid ordinary securities cancelled in the relevant period;

D = 10%; and

E = the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the relevant period where the issue or agreement has not been subsequently approved by Shareholders under Listing Rule 7.4.

4.3 Listing Rule requirements

Pursuant to and in accordance with ASX Listing Rule 7.3A, the information below is provided in relation to this Resolution 3:

(a) **Period for which the Additional Placement Facility is valid**

The Additional Placement Facility 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 at which Equity Securities may be issued**

Any equity securities issued under the Additional Placement Facility 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 4.3(b)(i), the date on which the Equity Securities are issued.

(c) **Purpose for which Equity Securities may be issued**

The Company may seek to issue equity securities under the Additional Placement Facility 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 Additional Placement Facility, 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 new Equity Securities may be issued at a price that is at a discount to the market price for Equity Securities in the same class on the issue date or the new Equity Securities may be issued in consideration for the acquisition of a new asset.

Any issue of Shares under the Additional Placement Facility will dilute the interests of Shareholders who do not receive any Shares under the issue.

The table below identifies the potential dilution to existing Shareholders following the issue of Equity Securities under the Additional Placement Facility (based on the formula set out above) using different variables for the number of issued Shares and the market price of Shares.

The numbers are calculated on the basis of the latest available market price of Shares before the date of this Notice and the current number of Shares on issue.

Variable A in Listing Rule 7.1A		Issue price		
		\$0.0100 (market price)	\$0.0150 (50% increase in market price)	\$0.0050 (50% decrease in market price)
Current issued capital A = 633,797,162	Shares issued – 10% voting dilution	63,379,716	63,379,716	63,379,716
	Funds raised	\$633,797	\$950,696	\$316,899
50% increase* in issued capital A = 950,695,743	Shares issued – 10% voting dilution	95,069,574	95,069,574	95,069,574
	Funds raised	\$950,696	\$1,426,044	\$475,348
100% increase* in current issued capital A = 1,267,594,324	Shares issued – 10% voting dilution	126,759,432	126,759,432	126,759,432
	Funds raised	\$1,267,594	\$1,901,391	\$633,797

* 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 17 October 2023, being 633,797,162 Shares.
2. the latest available market price of Shares, being the closing price as at 17 October 2023, is \$0.010;
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 Facility 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 Additional Placement Facility, based on that Shareholder's holding at the date of the Meeting.

(e) **Allocation policy**

The Company's allocation policy for the issue of Equity Securities under the Additional Placement Facility will depend on the prevailing market conditions at the time of the proposed issue. The allottees will be determined on a case-by-case basis having regard to the factors such as:

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

As at the date of this Notice, the Company has not identified any proposed allottees of Equity Securities using the Additional Placement Facility. However, the eventual allottees may include existing substantial Shareholders, other Shareholders and/or new investors.

None of the allottees will be a related party or an associate of a related party of the Company, except as permitted under Listing Rule 7.2. Existing Shareholders may or may not be entitled to subscribe for Equity Securities under the Additional Placement Facility and it is possible that their shareholding will be diluted.

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

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

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

Shareholders approved an Additional Placement Facility at the Company's 2022 annual general meeting.

For the purposes of Listing Rule 7.3A.6 the Company provides the following information in relation to Shares issued in the 12 months preceding the date of the Annual General Meeting, which were issued without prior Shareholder approval, using the Company's issue capacity under Listing Rule 7.1A.

The Company made one issue of Equity Securities pursuant to Listing Rule 7.1A in the past 12 months, being 38,502,086 fully-paid ordinary Shares issued on 8 May 2023. The issue under Listing Rule 7.1A had the following characteristics:

Date of issue	8 May 2023
Equity Securities Issued	38,502,086 Shares, being 8.76% of the number of equity securities on issue at 21 November 2022, being 12 months before the Annual General Meeting.
Names of recipients or basis on which recipients determined	Institutional and sophisticated investors as arranged by the lead manager to the placement, Argonaut Securities.
Issue price of Equity Securities and discount to Market Price on day of agreement to issue the shares	\$0.0125 issue price being a discount of 10.71% to market price of \$0.014 on 26 April 2023
Cash consideration received	\$487,490 (before costs).
Intended use of funds	The consideration received from the issue of the shares remains unspent. BMG will apply the funds raised to drilling and exploration campaigns at the Company's 100% owned gold projects in Western Australia.

(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 3.

4.4 **Directors' recommendation**

The Directors unanimously recommend that Shareholders vote in favour of Resolution 3 as it will give the Company the flexibility to issue Securities without Shareholder approval to raise necessary working capital in the future.

5. Resolution 4 – Renewal of proportional takeover provisions

5.1 **Background**

The Constitution currently contains provisions relating to proportional takeover bids in Schedule 1 of the Constitution (**Proportional Takeover Provisions**). In accordance with section 648G(1) of the Corporations Act, the Company must renew its Proportional Takeover Provisions at least every three years for the Proportional Takeover Provisions to be effective.

Resolution 4 seeks to re-approve the Proportional Takeover Provisions.

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

5.2 **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.

5.3 **Effect of the provisions to be renewed**

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 14th 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.

5.4 Reasons for renewing 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.

5.5 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.

5.6 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.

5.7 Effect of renewal proposal

If Resolution 4 is passed, the Proportional Takeover Provisions will be renewed and will not require renewal until 2026.

If Resolution 4 is not passed, the Proportional Takeover Provisions will cease to have effect pursuant to section 648G(1) of the Corporations Act.

5.8 Directors' recommendation

The Directors unanimously recommend that Shareholders vote in favour of Resolution 4.

Glossary

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

Additional Placement Facility	Has the meaning given to that term in section 4.1 of this Explanatory Statement.
Annual General Meeting or Meeting	The annual general meeting of Shareholders, or any adjournment thereof, convened by this Notice.
Annual Report	The annual report of the Company for the financial year ended 30 June 2023, including the annual financial report, the Directors' report and the Auditor's report.
Associate	Has the meaning given to that term in the Listing Rules.
ASX	ASX Limited (ACN 008 624 691) or the financial market known as the Australian Securities Exchange, as the context requires.
Auditor	The auditor of the Company, being BDO Audit (WA) Pty Ltd at the date of this Notice.
A\$ or \$	Australian dollars.
Board	The board of Directors of the Company.
Chairperson	The chair of the Annual General Meeting.
Closely Related Party	Has same meaning given to that term in section 9 of the Corporations Act, being, in relation to a member of Key Management Personnel: (a) a spouse or child of the member; (b) a child of the member's spouse; (c) a dependent of the member or the member's spouse; (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; (e) a company the member controls; or (f) a person prescribed by the <i>Corporations Regulations 2001</i> (Cth) (currently none are prescribed).
Company or BMG	BMG Resources Limited (ACN 107 118 678).
Company Secretary	The company secretary of the Company at the time of the Meeting.
Constitution	The Constitution of the Company.
Corporations Act	<i>Corporations Act 2001</i> (Cth).
Director	A director of the Company.
Equity Security	Has the meaning given to that term in ASX Listing Rule 19.12, being: (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.

Explanatory Statement	This explanatory statement which accompanies and forms part of the Notice.
Glossary	This glossary of terms.
Key Management Personnel	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.
Listing Rules	The listing rules of ASX, as amended from time to time.
Notice or Notice of Annual General Meeting	The notice of Annual General Meeting which accompanies this Explanatory Statement.
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.
Remuneration Report	The remuneration report of the Company for the financial year ended 30 June 2023, appearing in the Annual Report.
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 a Share and an Option.
Share	A fully paid ordinary share in the Company.
Shareholder	The holder of a Share.
VWAP	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.
WST	Australian Western Standard Time, being the time in Perth, Western Australia.



Proxy Voting Form

If you are attending the Meeting in person, please bring this with you for Securityholder registration.

BMG Resources Limited | ABN 96 107 118 678

Your proxy voting instruction must be received by **12.30pm (AWST) on Sunday, 19 November 2023**, being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

SUBMIT YOUR PROXY

Complete the form overleaf in accordance with the instructions set out below.

YOUR NAME AND ADDRESS

The name and address shown above is as it appears on the Company's share register. If this information is incorrect, and you have an Issuer Sponsored holding, you can update your address through the investor portal: <https://investor.automic.com.au/#/home> Shareholders sponsored by a broker should advise their broker of any changes.

STEP 1 – APPOINT A PROXY

If you wish to appoint someone other than the Chair of the Meeting as your proxy, please write the name of that Individual or body corporate. A proxy need not be a Shareholder of the Company. Otherwise if you leave this box blank, the Chair of the Meeting will be appointed as your proxy by default.

DEFAULT TO THE CHAIR OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chair of the Meeting, who is required to vote these proxies as directed. Any undirected proxies that default to the Chair of the Meeting will be voted according to the instructions set out in this Proxy Voting Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP.

STEP 2 - VOTES ON ITEMS OF BUSINESS

You may direct your proxy how to vote by marking one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF SECOND PROXY

You may appoint up to two proxies. If you appoint two proxies, you should complete two separate Proxy Voting Forms and specify the percentage or number each proxy may exercise. If you do not specify a percentage or number, each proxy may exercise half the votes. You must return both Proxy Voting Forms together. If you require an additional Proxy Voting Form, contact Automic Registry Services.

SIGNING INSTRUCTIONS

Individual: Where the holding is in one name, the Shareholder must sign.

Joint holding: Where the holding is in more than one name, all Shareholders should sign.

Power of attorney: If you have not already lodged the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Voting Form when you return it.

Companies: To be signed in accordance with your Constitution. Please sign in the appropriate box which indicates the office held by you.

Email Address: Please provide your email address in the space provided.

By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible) such as a Notice of Meeting, Proxy Voting Form and Annual Report via email.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate 'Appointment of Corporate Representative' should be produced prior to admission. A form may be obtained from the Company's share registry online at <https://automic.com.au>.

Lodging your Proxy Voting Form:

Online

Use your computer or smartphone to appoint a proxy at <https://investor.automic.com.au/#/loginsah> or scan the QR code below using your smartphone

Login & Click on 'Meetings'. Use the Holder Number as shown at the top of this Proxy Voting Form.



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