



# Target Market Determination

## BMG Resources Limited (ACN 107 118 678)

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<b>Made by:</b>	BMG Resources Limited ACN 107 118 678 ( <b>Company</b> )
<b>Product:</b>	Options to acquire fully-paid ordinary shares in the Company ( <b>Shares</b> ), each exercisable at \$0.025 on or before 30 September 2024 ( <b>Options</b> ), offered under the prospectus by the Company dated 1 May 2023 ( <b>Prospectus</b> )
<b>Effective date:</b>	1 May 2023

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### 1. Introduction

This Target Market Determination (**TMD**) is issued by the Company pursuant to section 994B of the *Corporations Act 2001* (Cth) (**Corporations Act**) in relation to the Options offered under the Prospectus.

This TMD has been prepared to help investors understand for whom the offers of Options under the Prospectus are most suitable.

Importantly, this TMD:

- does not set out the full terms and conditions of the Options – these are set out in the Prospectus;
- is not intended to provide legal, financial or investment advice; and
- is not a recommendation to subscribe for or acquire Options, or otherwise to invest in the Company.

Investors should refer to and read the Prospectus in its entirety when making a decision regarding subscription for/acquisition of Options as it contains material information, including a summary of key investment risks. Investors should consider consulting with a professional adviser if they have any questions regarding the Options or contents of the Prospectus.

A copy of the Prospectus is available on the Company's website at <https://bmgl.com.au/investors/asx-releases.html> or on the Australian Securities Exchange (ASX) market announcements platform using the Company's ASX code, 'BMG'.

Capitalised terms used in this TMD and which are not otherwise defined have the meanings assigned to them in the Prospectus, unless inconsistent with the context in which they are used.

### 2. Product Information

The key features of the Options are as follows:

<b>Eligibility:</b>	Persons who subscribe for and are issued Options pursuant to the "Entitlement Offer" ( <b>Entitlement Offer</b> ) and the "Shortfall Offer" ( <b>Shortfall Offer</b> ) under the Prospectus ( <b>Prospectus Participants</b> ).  Certain institutional and sophisticated investors who have been identified by the Company are being issued Shares under the "Placement" ( <b>Placement Participants</b> ) and are eligible to participate in the "Placement Participant Offer" made under the Prospectus ( <b>Placement Participant Offer</b> ).
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<b>Share entitlement:</b>	Each Option grants the holder an entitlement to subscribe for and be issued with one new Share in the Company, on payment of the specified exercise price.
<b>Exercise price:</b>	Each Option is exercisable at \$0.025.
<b>Expiry date:</b>	Each Option expires at 5:00pm (AWST) on 30 September 2024.
<b>Quotation:</b>	The Options will not be a quoted class of security unless an application for quotation of the Options is made to ASX at the discretion of the Company.
<b>Transferability:</b>	Options are transferable prior to their expiry date.

### 3. Target Market

The Options have been designed for investors whose likely objectives, financial situation and needs (as listed below) are aligned with the product (including the key attributes) as set out in this section 3.

<b>Class of investors within target market:</b>	<p>The Options are intended for investors who:</p> <ul style="list-style-type: none"> <li>wish to gain exposure to investments in equity securities of small-mid-cap mining exploration companies listed on ASX</li> <li>may wish to engage in secondary trading of quoted equity securities, including Shares;</li> <li>seek leverage to profit from an appreciation in the market price of Shares; and</li> <li>are accustomed to participating in speculative investments in the mining and exploration sector.</li> </ul>
<b>Objectives, financial situation and needs:</b>	<p>The Options are issued only to Prospectus Participants and the Placement Participants, and have been designed for investors who:</p> <ul style="list-style-type: none"> <li>in the case of eligible shareholders under the Entitlement Offer, have an existing equity holding in the Company;</li> <li>in the case of the Placement Participants, are sophisticated institutional investors who will be issued equity holdings in the Company;</li> <li>have the financial ability to consider the economic risk of the exercise of the Options;</li> <li>do not have need for liquidity with respect to an investment in the Options;</li> <li>do not have a need to derive income from an investment in the Options;</li> <li>have adequate means to provide for their current needs and other contingencies and to withstand a loss of their entire investment in the Options;</li> <li>have such knowledge and experience in financial and business matters that they are capable of evaluating the merits and risks of exercising the Options; and</li> </ul>

	<ul style="list-style-type: none"> <li>have determined that the Options are a suitable investment both in the nature and number of the Options being acquired.</li> </ul>
<b>Excluded class of consumers:</b>	<p>The Options have not been designed for individuals who:</p> <ul style="list-style-type: none"> <li>do not ordinarily invest in speculative investments in the mining and exploration sector;</li> <li>require an income stream from their investment; or</li> <li>are not able to withstand the consequences of potential losses without material impact on their standard of living.</li> </ul>
<b>Consistency between target market and the product:</b>	<p>The Options provide leverage in respect of share price appreciation of Shares. However, there is a risk that the Options may become worthless in value if the Company's share price does not exceed the exercise price of the Options before their expiry.</p>

#### 4. Distribution

The following is an overview of the intended distribution of the Options.

<b>Distribution channels:</b>	<p>The Options are designed to be issued to Prospectus Participants and Placement Participants.</p>
<b>Distribution conditions:</b>	<p>Persons determined to be eligible to participate in the Entitlement Offer, Shortfall Offer and Placement Participant Offer are set out in section 2 of this TMD. Only such eligible persons will be entitled to participate in those offers under the Prospectus.</p> <p>Options will only be distributed in accordance with the terms for each offer, as set out in the Prospectus.</p>
<b>Adequacy of distribution conditions and restrictions:</b>	<p>The Company has emphasised that an investment in the Options, and in the underlying Shares that may be issued on exercise of Options, is speculative in nature and not suitable for investors to whom such an investment is inappropriate.</p>

#### 5. Review of TMD

The Company will review this TMD on the basis outlined below.

<b>Review triggers</b>	<p>The Options will only be available for subscription under the relevant offer period between 9 May 2023 and 30 May 2023, unless the offer period is extended (<b>Review Period</b>).</p> <p>Where any event occurs during the Review Period that suggests the TMD is no longer appropriate, the Company will review this TMD. Examples of events that may trigger a review include (but are not limited to):</p> <ul style="list-style-type: none"> <li>a material change in the Options' key attributes such that they are no longer consistent with the likely objectives, financial situation and needs of investors in the target market;</li> </ul>
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	<ul style="list-style-type: none"> <li>• a significant adverse change to the Company's circumstances (e.g. suspension from trading, the appointment of administrators);</li> <li>• a supplementary or replacement prospectus being lodged in relation to the Prospectus;</li> <li>• a material adverse change to the economic or regulatory landscape which applies to an investment in the Options; or</li> <li>• regulatory queries are received as to the adequacy of this TMD.</li> </ul>
<b>Review period:</b>	<p>If a review trigger occurs, the Company will undertake a review of the TMD within 10 business days.</p> <p>As the Entitlement Offer, Shortfall Offer and Placement Participant Offer are only to a discrete class of persons for a limited time, and the Company is subject to continuous disclosure requirements under the Corporations Act and ASX Listing Rules, the Company considers it is not necessary or appropriate to implement periodic reviews of this TMD.</p>

## 6. Reporting and Monitoring of TMD

The Company will collect and review the information in relation to this TMD as set out below.

<b>Complaints:</b>	The Company will review all complaints received in relation to the Options on a continuous basis.
<b>Significant dealings:</b>	The Company will consider "significant dealings" (as that term is defined ASIC Regulatory Guide 274) in relation to the Options which are inconsistent with this TMD and determine appropriate steps to be taken, including (if appropriate) reporting matters to the Australian Securities & Investments Commission.

## 7. Authorisation

This TMD has been authorised for release by the Board of Directors of the Company.

## 8. Enquiries

For further information in relation to this TMD, please contact the Company using the contact details below:

Sean Meakin  
Company Secretary  
BMG Resources Limited

Telephone: +61 8 9424 9320  
Email: [enquiry@bmgl.com.au](mailto:enquiry@bmgl.com.au)