



ABN 22 057 793 834

NOTICE OF ANNUAL GENERAL MEETING & EXPLANATORY STATEMENT

For the Annual General Meeting to be held on Monday, 20 October 2014
at Mills Oakley Lawyers, Level 6, 530 Collins Street, Melbourne Victoria.

In this document you will find:

1. A letter from the Chairman of the Company outlining the proposed resolutions to be considered at the Annual General Meeting and a recommendation as to how you should vote.
2. Notice of Meeting.
3. An Explanatory Statement containing an explanation of, and information about, the proposed resolutions to be considered at the Annual General Meeting.
4. Proxy Form.

This Notice of Meeting and the accompanying Explanatory Statement should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.



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19 September 2014

Dear Shareholder

I am writing to invite you, as a shareholder of BCD Resources NL (**BCD**), to attend the Annual General Meeting to be held on Monday, 20 October 2014.

At the meeting, shareholders will be given an opportunity to vote on a number of resolutions.

The meeting will be held at Mills Oakley Lawyers, Level 6, 530 Collins Street, Melbourne Victoria, commencing at 1.30 pm. (Eastern Daylight Saving Time), with registration available from 1.00 pm.

A Form of Proxy is included with this letter. If you are not attending the meeting, I encourage you to lodge the Form of Proxy by sending it in the return envelope in sufficient time so that it reaches the Share Registrar, Computershare Investor Services Pty Ltd, by 1.30 pm on Saturday 18 October 2014. Alternatively, the Form of Proxy can be sent by facsimile to Computershare Investor Services Pty Ltd on 1800 783 447 within Australia or (61 3) 9473 2555 if you are overseas, or you can lodge your proxy on-line via InvestorVote by visiting www.investorvote.com.au and following the instructions on the web site. Relevant custodians may lodge their form online by visiting www.intermediaryonline.com by 1.30 pm on Saturday 18 October 2014.

Any body corporate holder of BCD shares, or any body corporate appointed as a proxy, wishing to appoint a person to act as its representative at the meeting may do so by providing that person with a letter, executed in accordance with the body corporate's constitution, authorising him or her as the body corporate's representative.

The enclosed Notice of Meeting lists the items to be considered at the meeting. Background information on agenda items is contained in the Explanatory Statement.

BCD directors extend an invitation to shareholders to join them in enjoying light refreshments after the meeting.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Clive Carroll', is written over a light blue horizontal line.

Clive Carroll
Chairman

BCD RESOURCES NL (ABN 22 057 793 834)
NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Annual General Meeting of BCD Resources NL (**Company**) will be held on Monday, 20 October 2014, at 1.30pm (Eastern Daylight Saving Time) at Mills Oakley Lawyers, Level 6, 530 Collins Street, Melbourne Victoria.

AGENDA

1. Discussion of Annual Report

To consider the Annual Report, Financial Statements, and the reports of the directors and the auditor for the year ended 30 June 2014.

Note: there is no requirement for shareholders to approve these reports and financial statements.

2. Resolution 1: Remuneration Report

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

“That the Company be authorised to adopt the Remuneration Report for the year ended 30 June 2014.”

Note: under section 250R of the Corporations Act 2001 (Cth) the vote on this resolution is advisory only and does not bind the directors or the Company.

Voting Exclusion Statement:

A vote on Resolution 1 must not be cast (in any capacity) by or on behalf of any of the following persons (each, an excluded person):

- *a member of the Company's key management personnel details of whose remuneration are included in the Remuneration Report for the year ended 30 June 2014; or*
- *a closely related party of such a member.*

However, an excluded person may cast a vote on Resolution 1 as proxy if the vote is not cast on behalf of an excluded person and either:

- *the excluded person is appointed as proxy in writing that specifies how the proxy is to vote on the proposed resolution; or*
- *the vote is cast by the Chairman of the meeting and the appointment of the Chairman as proxy and the proxy (i) does not specify the way the proxy is to vote on Resolution 1; and (ii) expressly authorises the Chairman to exercise the proxy even though Resolution 1 is connected directly or indirectly with the remuneration of a member of the key management personnel for the Company.*

Shareholders who intend to appoint the Company's Chairman as proxy (including an appointment by default) should have regard to the important information below under the heading "Important information concerning proxy votes on Resolution 1".

3. Resolution 2: Election of Director

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

“That Michael Boorne, who retires in accordance with Clause 5.2(a)(ii) of the Constitution of the Company and, being eligible, offers himself for election, be and is hereby elected as a director.”

4. Resolution 3: Approval for additional placement capacity

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

“That, pursuant to and in accordance with 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 issue), calculated in accordance with the formula prescribed in Listing Rule 7.1A.2; and otherwise on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion Statement:

The Company will disregard any votes cast on Resolution 3 by any person who may participate in the issue of Equity Securities under Resolution 3 and any person who might obtain a benefit, other than a benefit solely in the capacity of an ordinary security holder, if the Resolution is passed and any associates of those persons, except where the votes are cast: (a) by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or (b) by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

5. Resolution 4: Issue of Unlisted Options to Director Mr Clive Carroll

To consider and, if thought fit, pass the following ordinary resolution:

“That for the purposes of ASX Listing Rule 10.11, section 208 of the Corporations Act and for all other purposes, approval is given to issue 1,500,000 unlisted options to Mr Clive Carroll (or his nominee) on the terms and conditions outlined in the Explanatory Statement accompanying this Notice of Meeting.”

Voting Exclusion Statement:

The Company will disregard any votes cast on this resolution by Mr Clive Carroll (or his nominee) and any of his associates. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or if it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy to vote as the proxy decides.

6. Resolution 5: Issue of Unlisted Options to Director Mr David Groves

To consider and, if thought fit, pass the following ordinary resolution:

“That, for the purposes of ASX Listing Rule 10.11, section 208 of the Corporations Act and for all other purposes, approval is given to issue 1,500,000 unlisted options to Mr David Groves (or his nominee) on the terms and conditions outlined in the Explanatory Statement accompanying this Notice of Meeting”

Voting Exclusion Statement:

The Company will disregard any votes cast on this resolution by Mr David Groves (or his nominee) and any of his associates. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or if it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy to vote as the proxy decides.

7. Resolution 6: Issue of Unlisted Options to Director Mr Michael Boorne

To consider and, if thought fit, pass the following ordinary resolution:

“That, subject to Resolution 2 being passed, for the purposes of ASX Listing Rule 10.11, section 208 of the Corporations Act and for all other purposes, approval is given to issue 1,500,000 unlisted options to Mr Michael Boorne (or his nominee) on the terms and conditions outlined in the Explanatory Statement accompanying this Notice of Meeting”

Voting Exclusion Statement:

The Company will disregard any votes cast on this resolution by Mr Michael Boorne (or his nominee) and any of his associates. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or if it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy to vote as the proxy decides.

8. Resolution 7: Issue of Unlisted Options to Executive Miss Richelle Greenwood

To consider and, if thought fit, pass the following ordinary resolution:

"That, for the purposes of ASX Listing Rule 10.11, section 208 of the Corporations Act and for all other purposes, approval is given to issue 750,000 unlisted options to Miss Richelle Greenwood (or her nominee) on the terms and conditions outlined in the Explanatory Statement accompanying this Notice of Meeting"

Voting Exclusion Statement:

The Company will disregard any votes cast on this resolution by Miss Richelle Greenwood (or her nominee) and any of her associates. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or if it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy to vote as the proxy decides.

9. Resolution 8: Issue of Unlisted Options to Employee Mr Robert Quilliam

To consider and, if thought fit, pass the following ordinary resolution:

"That, for the purposes of ASX Listing Rule 10.11, section 208 of the Corporations Act and for all other purposes, approval is given to issue 500,000 unlisted options to Mr Robert Quilliam (or his nominee) on the terms and conditions outlined in the Explanatory Statement accompanying this Notice of Meeting."

Voting Exclusion Statement:

The Company will disregard any votes cast on this resolution by Mr Robert Quilliam (or his nominee) and any of his associates. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or if it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy to vote as the proxy decides.

By order of the Board



Richelle Greenwood
Joint Company Secretary
19 September 2014

PROCEDURAL NOTES

These notes form part of the Notice of Meeting.

Determination of Shareholders' Right to Vote

In accordance with regulations 7.11.37 and 7.11.38 of the *Corporations Regulations 2001*, the Board has determined that for the purposes of the meeting, a person's entitlement to vote at the Annual General Meeting will be the entitlement of that person set out in the Company's share register as at 7.00pm (Eastern Daylight Saving Time) on Saturday 18 October 2014.

Important information concerning proxy votes for Resolution 1

The Corporations Act now places certain restrictions on the ability of key management personnel and their closely related parties to vote on the advisory resolution to adopt the Company's remuneration report and resolutions connected directly or indirectly with the remuneration of the Company's key management personnel. Key management personnel of the Company are the directors of the Company and those other persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. The Remuneration Report identifies the Company's key management personnel for the financial year ended 30 June 2014. Their closely related parties are defined in the Corporations Act, and include certain of their family members, dependants and companies they control.

For these reasons, shareholders who intend to vote by proxy should carefully consider the identity of their proxy and are encouraged to direct their proxy as to how to vote on all resolutions.

If you appoint the Chairman of the meeting as your proxy (including by default), and you do not direct the proxy how to vote on Resolution 1 on the proxy form, you will be expressly authorising the Chairman of the meeting to exercise your proxy on Resolution 1 even though Resolution 1 is connected directly or indirectly with the remuneration of a member of the key management personnel for the Company, (which includes the Chairman.)

Appointment of Proxy

If you are a Shareholder and are unable to attend and vote at the Annual General Meeting of the Company on Monday 20 October 2014, you are entitled to appoint a proxy to attend and vote in your place. A proxy need not be a Shareholder of the Company. A proxy may be an individual or a body corporate.

If you are a Shareholder entitled to cast two or more votes, you may appoint up to two proxies and specify the proportion of voting rights or the number of Shares each proxy is appointed to exercise.

If you wish to appoint an individual or a body corporate as your proxy, please complete and return the proxy form. To be effective a proxy form must be received:

By InvestorVote

Visit www.investorvote.com.au and
follow the instructions on the web site

By mail at:

c/- Computershare Investor Services
GPO Box 242
Melbourne VIC 3001

By hand at:

c/- Computershare Investor Services
452 Johnston Street
Abbotsford VIC 3067,

by 1.30pm (Eastern Daylight Saving Time) on Saturday 18 October 2014. Proxy forms received after this time will be invalid. A return envelope is provided.

Alternatively, proxy forms may be lodged by fax if received by the same time. The fax number is 1800 783 447 (within Australia) and +61 3 9473 2555 (outside Australia).

Relevant custodians may lodge their proxy forms online by visiting www.intermediaryonline.com.

If you appoint the Chairman of the Annual General Meeting as your proxy and do not specify how the Chairman is to vote on an item of business, the Chairman will vote (if permitted under the proxy form), as proxy for you in favour of the Resolution.

Bodies Corporate

A body corporate may appoint an individual as its representative to exercise any of the powers the body may exercise at meetings of the Company's shareholders. The appointment may be a standing one. Unless the appointment states otherwise, the representative may exercise all of the powers that the appointing body could exercise at a meeting or in voting on a resolution.

The representative should bring to the meeting evidence of his or her appointment, including any authority under which the appointment is signed, unless it has previously been given to the Company. A form for this authority may be downloaded at www.computershare.com.

Incorporation of Explanatory Statement

The Explanatory Statement attached to this Notice of Meeting, is hereby incorporated into and forms part of this Notice of Meeting.

Questions from Shareholders

At the Annual General Meeting, the Chairman will allow a reasonable opportunity for Shareholders to ask questions in relation to the Resolutions to be put to the meeting.

In addition, 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.

Mr Jason Croall of RSM Bird Cameron as the auditor responsible for preparing the auditor's report for the year ended 30 June 2014 (or his representative) will attend the Annual General Meeting. The Chairman will also allow a reasonable opportunity for Shareholders to ask the auditor questions about:

- (a) the conduct of the audit;
- (b) the preparation and content of the auditor's report;
- (c) the accounting policies adopted by the Company in relation to the preparation of financial statements; and
- (d) the independence of the auditor in relation to the conduct of the audit.

EXPLANATORY STATEMENT

This information forms part of the Notice of Meeting. The main purpose of this Explanatory Statement is to provide Shareholders with information concerning the Resolutions.

1 Financial report and the reports of the Directors and Auditor

The Corporations Act requires the financial report and the reports of the Directors and Auditor to be laid before the Annual General Meeting. Shareholders will be given a reasonable opportunity to raise questions on all these reports at the meeting.

2 Resolution 1: Remuneration Report

The Annual Report for the year ended 30 June 2014 contains a Remuneration Report (refer pages 6 to 9 of the Annual Financial Report) which sets out the remuneration policy for the Company and reports the remuneration arrangements in place for Directors and Executives.

The Corporations Act (under section 250R) requires the agenda for an annual general meeting to include a resolution for the adoption of the Remuneration Report. The vote on the resolution is advisory only and is not binding on the Directors or the Company. Under the Corporations Act, if 25% or more of votes that are cast are voted against the adoption of the Remuneration Report at two consecutive AGMs, shareholders will be required to vote at the second of those AGMs 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.

The Remuneration Report is set out on pages 6 to 9 of the 2014 Annual Report and is also available on the Company’s website at www.bcdresources.com.au.

The remuneration report:

- (a) describes the policy behind, and the structure of, the remuneration arrangements of the Company and the link between the remuneration of employees and the Company’s performance;
- (b) sets out the remuneration arrangements in place for each Director and for certain members of the senior management team; and
- (c) explains the differences between the basis for remunerating Non-Executive Directors and executives of the Company.

A reasonable opportunity for discussion of the remuneration report will be provided at the meeting.

A voting exclusion statement relating to Resolution 1 is included in the Notice of Meeting.

3 Resolution 2: Election of Director

3.1 Background

Pursuant to Clause 5.2(a)(ii) of the Company’s Constitution, Mr Michael Boorne will retire at the Annual General Meeting and, being eligible, offers himself for election.

3.2 Mr Michael Boorne

Michael Boorne is a successful entrepreneur with extensive experience in combining technical expertise with commercial and corporate experience. He has been a Non-Executive Director of My Net Fone Limited since 2006 and serves as director of numerous private companies and organisations. He also serves as a Director of Boorne Management Pty Ltd. and Earglow Pty Ltd.

3.3 Recommendation

The non-candidate directors unanimously support the election of Mr Boorne.

4 Resolution 3: Approval for Additional Placement Capacity

4.1 General

Listing Rule 7.1A came into effect on 1 August 2012 and enables an Eligible Entity to seek shareholder approval at its annual general meeting to issue Equity Securities up to 10% of its issued share capital through placements over a 12 month period after the annual general meeting (**10% Placement Capacity**). The 10% Placement Capacity is in addition to the Company's 15% annual placement capacity under Listing Rule 7.1.

An Eligible Entity is one that, as at the date of the relevant annual general meeting:

- (a) is not included in the S&P/ASX 300 Index; and
- (b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000.

The Company is an Eligible Entity as it is not included in the S&P/ASX 300 Index and has a current market capitalisation of \$5,258,557.

If Shareholders approve Resolution 3, the number of Equity Securities the Company may issue under the 10% Placement Capacity will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (as set out in Section 4.2 below).

The effect of Resolution 3 will be to allow the Directors to issue Equity Securities up to 10% of the Company's fully paid ordinary securities on issue under the 10% Placement Capacity during the period up to 12 months after the annual general meeting, without subsequent Shareholder approval and without using the Company's 15% annual placement capacity under Listing Rule 7.1.

Resolution 3 is a special resolution. Accordingly, this requires approval of at least 75% of votes cast by Shareholders present and eligible to vote at the Annual General Meeting (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

4.2 Listing Rule 7.1A

Any Equity Securities issued under the 10% Placement Capacity must be in the same class as an existing class of quoted Equity Securities. The Company currently has only one class of quoted Equity Securities on issue, being the Ordinary Shares.

The exact number of Equity Securities that the Company may issue under an approval under Listing Rule 7.1A will be calculated according to the following formula:

$$(A \times D) - E$$

Where:

A means the number of Ordinary Shares on issue 12 months before the date of issue or agreement:

- (i) plus the number of Ordinary Shares issued in the previous 12 months under an exception in Listing Rule 7.2;
- (ii) plus the number of partly paid shares that became fully paid in the previous 12 months;
- (iii) plus the number of Ordinary Shares issued in the previous 12 months with approval of Shareholders under Listing Rule 7.1 and 7.4. This does not include an issue of Ordinary Shares under the Company's 15% placement capacity without Shareholder approval;
- (iv) less the number of Ordinary Shares cancelled in the previous 12 months.

Note that A has the same meaning in Listing Rule 7.1 when calculating the Company's 15% placement capacity.

D means 10%.

E means the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of issue or agreement to issue that are not issued with the approval of Shareholders under Listing Rule 7.1 or 7.4.

4.3 Technical Information Required by Listing Rule 7.1A

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

(a) Minimum Price

The minimum price at which the Equity Securities may be issued is 75% of the volume weighted average price of the Company's Equity Securities, calculated over the 15 Trading Days immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 5 Trading Days of the date in paragraph (i), the date on which the Equity Securities are issued.

(b) Date of Issue

The Equity Securities may be issued under the 10% Placement Capacity commencing on the date of the Annual General Meeting and expiring on the first to occur of the following:

- (i) the date that is 12 months after the date of the Annual General Meeting; and
- (ii) the date of the approval by Shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of the Company's activities) or 11.2 (disposal of the Company's main undertaking),

or such longer period if allowed by ASX.

(c) Risk of voting dilution

Any issue of Equity Securities under the 10% Placement Capacity will dilute the interests of Shareholders who do not receive any Ordinary Shares under the issue.

If Resolution 3 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 10% Placement Capacity, the economic and voting dilution of existing Ordinary Shares would be as shown in the table below.

The table below shows the dilution of existing Shareholders calculated in accordance with the formula outlined in Listing Rule 7.1A(2), on the basis of the current market price of Ordinary Shares and the current number of Equity Securities on issue for variable "A" of the formula in Listing Rule 7.1A(2) as at the date of this Notice.

The table also shows:

- (i) an example where variable "A" has increased by 50% and 100%. Variable "A" is based on the number of Ordinary Shares the Company has on issue. The number of Ordinary Shares on issue may increase as a result of issues of Ordinary Shares that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting; and
- (ii) an example of the result of the issue price of ordinary securities decreasing by 50% and increasing by 50% as against the current market price.

Variable "A" in Listing Rule 7.1A	Dilution			
	Number of Shares issued under 10% Placement Capacity	Funds raised based on issue price of \$0.0225 (50% decrease in current issue price)	Funds raised based on issue price of \$0.045 (Current issue price)	Funds raised based on issue price of \$0.0675 (50% increase in current issue price)
Current Variable "A" 116,856,828 Shares	11,685,683	262,968	525,856	788,784
50% increase in current Variable "A" 175,285,242 Shares	17,528,524	394,392	788,784	1,183,175
100% increase in current Variable "A" 233,713,656 Shares	23,371,366	525,856	1,051,711	1,577,567

The table above uses the following assumptions:

- The current shares on issue are the Ordinary Shares on issue as at 08 September 2014.
- The issue price set out above is the closing price of the Ordinary Shares on the ASX on 08 September 2014.
- No options are exercised.
- The Company issues the maximum possible number of Equity Securities under the 10% Placement Capacity.
- The Company has not issued any Equity Securities in the 12 months prior to the Annual General Meeting that were not issued under an exception in Listing Rule 7.2 or with approval under Listing Rule 7.1.
- The calculations above 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 on their specific circumstances.
- This table does not set out any dilution pursuant to approvals under Listing Rule 7.1.
- The issues of Equity Securities under the 10% Placement Capacity consist only of Ordinary Shares.

Shareholders should note that there is a risk that:

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

which may have an effect on the amount of funds raised by the issue of the Equity Securities.

(d) Purpose of issue under 10% Placement Capacity

The Company may issue Equity Securities under the 10% Placement Capacity for the following purposes:

- (i) as cash consideration, in which case the Company intends to use funds raised for future development and general working capital; or
- (ii) as non-cash consideration for the acquisition of new resources assets and investments. In such circumstances the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3.

(e) Allocation under the 10% Placement Capacity

The allottees of the Equity Securities to be issued under the 10% Placement Capacity have not yet been determined. However, the allottees 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 allottees at the time of the issue under the 10% Placement Capacity, having regard to the following factors:

- (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 Company's circumstances, including, but not limited to, its financial position and solvency;
- (v) prevailing market conditions; and
- (vi) advice from corporate, financial and broking advisers (if applicable).

(f) Previous Approval under Listing Rule 7.1A

The Company previously obtained approval under Listing Rule 7.1A at the 2013 Annual General Meeting held on 28 November 2013. The Company did not issue any equity securities in the 12 months preceding 28 November 2013.

(g) Voting Exclusion

A voting exclusion statement is included in the Notice of Meeting. As at the date of this Explanatory Statement, the Company has not invited any existing Shareholder to participate in an issue of Equity Securities under Listing Rule 7.1A. Therefore, no existing Shareholders will be excluded from voting on Resolution 3.

5 Resolutions 4, 5, 6, 7 and 8 – Issue of Unlisted Options to Directors, Executive and Employee

5.1 General

The directors have given consideration to the proposal to issue unlisted options to non-executive directors, as the Company is currently small and in a period of transition for development and growth, an increased involvement of the non-executive directors, executives and employees is expected. The directors consider that given the increased commitment the proposal to issue unlisted options is appropriate.

Resolution 4, 5, 6, 7 and 8 seek shareholders' approval to grant and issue a total of 5,750,000 Unlisted Options to Messrs Clive Carroll, David Groves, Michael Boorne, Richelle Greenwood and Robert Quilliam (and /or their respective nominees). Being Directors, Executives or Employees of BCD Resources NL, they are related parties for the purposes of Chapter 2E of the Corporations Act and Chapter 10 of the ASX Listing Rules. Resolutions 4 to 8 are therefore required to be passed before the Unlisted Options can be issued.

5.2 Valuation of proposed Unlisted Options

On 8 September the closing price as traded on ASX was \$0.045. Options being offered under the offer have a value which is not readily attainable. In light of this, the Company considers it prudent to make available to Shareholders a valuation of the Options using the Black and Scholes option valuation model.

Based on the assumptions set out below and using this model, the Options have a potential value as follows:

Assumptions	
Valuation Date	8 September 2014
Market price of Shares	\$0.045
Exercise price	\$0.100
Expiry Date	31 December 2016
Risk Free Interest Rate	3.13%
Volatility	90.0%

Indicative value per Option	<u><u>\$0.010</u></u>
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Note: The valuation noted above is not necessarily the market price that the Options could be traded at and is not automatically the market price for taxation purposes.

Based on the above, the total value of one (1) Unlisted Share Option is \$0.010. Shareholders should be aware that the value of the Unlisted Share Options will fluctuate with changes in the market price for the Shares and the assumptions set out in the Options valuation model.

5.3 Approval of the Issue of Securities

Resolutions 4 to 8 seek shareholder approval in order to comply with the requirements of ASX Listing Rule 10.11 and Chapter 2E of the Corporation Act.

These requirements are addressed below.

5.4 ASX Listing Rule 10.11 and 10.13

Listing Rule 10.11 provides that a company must not issue equity securities (including options to acquire shares) to a related party of the Company unless the issue has been approved by Shareholders by ordinary resolution.

Under Resolutions 4, 5 and 6 the Company seeks approval from Shareholders for the issue of 1,500,000 Unlisted Options each to Messrs Clive Carroll, David Groves and Michael Boorne (and /or their respective nominees), under Resolution 7, 750,000 Unlisted Options to Miss Richelle Greenwood (and /or her respective nominees) and under Resolution 8, 500,000 Unlisted Options to Mr Robert Quilliam (and /or his respective nominees). A total maximum of 5,750,000 Unlisted Options will be issued if Resolutions 4 to 8 is approved.

The Company will issue the Unlisted Options under Resolutions 4 to 8 within one month after Shareholder approval.

The Unlisted Options will be issued for nil consideration. No funds will be raised from the issue of the Unlisted Options. The exercise price will be \$0.10 per Unlisted Option. If all the Unlisted Options are exercised and shares are allotted before the expiry date of 31 December 2016, the Company will use the funds (\$575,000) for working capital requirements. There is no guarantee that the Unlisted Options will be exercised at all.

The Company will not apply to ASX for Official Quotation of the Unlisted Options.

General terms and conditions of the Unlisted Options not outlined above are:

- each Unlisted Option entitles the holder, on exercise, to one fully paid ordinary share;

- all shares issued on the exercise of the Unlisted Options will rank pari passu in all respects with the Company's existing issued ordinary shares. The Company will apply for quotation by ASX of all shares issued upon the exercise of the Unlisted Options;
- an Unlisted Option does not confer the right to a change in exercise price or a change in the number of underlying securities over which the Unlisted Option can be exercised;
- an Unlisted Option does not confer the right to participate in any new share issues in the Company without exercising the Unlisted Option;
- in the event of any reconstruction of the issued capital of the Company prior to the expiry date, all rights of the Unlisted Option holder will be varied in accordance the ASX Listing Rules; and
- in the event of the Unlisted Option holder ceasing to be a Director, Executive or Employee of the Company for any other reason than death, the Unlisted Option will terminate sixty (60) days following the date of cessation.

5.5 Chapter 2E of the Corporations Act

Under Chapter 2E of the Corporations Act, a public company cannot give a "financial benefit" to a "related party" unless one of the exceptions to the section apply or shareholders have in general meeting approved the giving of that financial benefit to the related party.

For the purposes of Chapter 2E, each of the participants are considered to be a related party of the Company.

Resolutions 4 to 8 provide for the grant of options to Directors, Executive and Employee of the Company, which is a financial benefit for the purpose of Chapter 2E of the Corporations Act, and therefore, requires prior shareholder approval.

Pursuant to Chapter 2E of the Corporations Act, the Company provides the following information to Shareholders in respect of the proposed financial benefits to be given to Directors, Executive and Employee of the Company:

- (a) If Resolutions 4 to 8 is passed by shareholders, it will permit the giving of a financial benefit to the following Directors, Executive and Employee (or their nominees). The number of Unlisted Options to be issued to each Director had been determined by the Company's Board:

	Number of Unlisted Options	Exercise Price	Indicative Value of Options*	Expiry Date
Clive Carroll	1,500,000	\$0.10	\$15,000	31/12/2016
David Groves	1,500,000	\$0.10	\$15,000	31/12/2016
Michael Boorne	1,500,000	\$0.10	\$15,000	31/12/2016
Richelle Greenwood	750,000	\$0.10	\$7,500	31/12/2016
Robert Quilliam	500,000	\$0.10	\$5,000	31/12/2016
Total	5,750,000		\$57,500	

* Refer to Black and Scholes option valuation model above.

- (b) The nature of the financial benefit proposed to be given is the grant of Unlisted Options in the Company for no consideration. The purpose of the issue is to give each of the Directors, Executive and Employee an incentive to provide dedicated and ongoing commitment to the Company. The Directors consider the issue of Unlisted Options is appropriate having regard to the skills, ability and contribution of the Directors, Executive and Employee (both now and in the future) to the Company.
- (c) In respect of Resolution 4, all Directors recommend that shareholders vote in favour of Resolution 4, except for Clive Carroll who has an interest in the outcome of Resolution 4 and declines to make a recommendation in respect of it.
- (d) In respect of Resolution 5, all Directors recommend that shareholders vote in favour of Resolution 5, except for David Groves who has an interest in the outcome of Resolution 5 and declines to make a recommendation in respect of it.
- (e) In respect of Resolution 6, all Directors recommend that shareholders vote in favour of Resolution 6, except for Michael Boorne who has an interest in the outcome of Resolution 6 and declines to make a recommendation in respect of it.
- (f) In respect of Resolution 7, all Directors recommend that shareholders vote in favour of Resolution 7, except for Richelle Greenwood who has an interest in the outcome of Resolution 7 and declines to make a recommendation in respect of it.
- (g) In respect of Resolution 8, all Directors recommend that shareholders vote in favour of Resolution 8, except for Robert Quilliam who has an interest in the outcome of Resolution 8 and declines to make a recommendation in respect of it.
- (h) As at the date of this Notice, the Directors, Executive and Employee hold the following relevant interests in the Company on a fully diluted basis:

	Ordinary Shares	% Shareholding	Listed Options	Unlisted Options *	Possible Holdings	% Shareholding (Dilution) **
Clive Carroll	29,353,410	25.12	-	1,500,000	30,853,410	25.17
David Groves	855,558	0.73	-	1,500,000	2,355,558	1.92
Michael Boorne	13,500,000	11.55	-	1,500,000	15,000,000	12.23
Richelle Greenwood	-	-	-	750,000	750,000	0.61
Robert Quilliam	-	-	-	500,000	500,000	0.41
Total	43,708,968	37.40	-	5,750,000	49,458,968	40.34
Remaining Shareholders	73,147,860	62.60	-	-	73,147,860	59.66

*If the Resolutions are approved in the AGM

** If the Resolutions are approved in the AGM, no other shares are issued and the options are exercised.

GLOSSARY

The following words and expressions used in the notice of meeting and Explanatory Statement have the following meanings unless the context requires otherwise:

Annual General Meeting means the annual general meeting of the Company to be held on 20 October 2014.

ASIC means the Australian Securities & Investments Commission.

ASX means ASX Limited ACN 98 008 624 691

Board means the board of directors of BCD.

Business Day means a day (not being a Saturday, Sunday or public holiday) on which Australian banks (as defined in Section 9 of the Corporations Act) are open for general banking business in Melbourne, Victoria.

Company means BCD Resources NL (ACN 057 793 834).

Corporations Act means the *Corporations Act 2001* (Cth).

Director means a director of the Company.

Equity Security has the meaning given to that term in the Listing Rules.

Explanatory Statement means the explanatory statement accompanying the Notice.

Listing Rules means the Listing Rules of the ASX.

Notice means the notice of meeting for the Annual General Meeting.

Ordinary Share means a fully paid ordinary share in the capital of the Company.

Resolution means a resolution proposed in the Notice of Meeting.

Shareholder means a holder of Ordinary Shares.

Trading Day has the meaning given to that term in the Listing Rules.

Unlisted Options means unlisted options over Ordinary Shares in the Company with an exercise price of 10 cents per Unlisted Option and an expiry date of 31 December 2016.

Lodge your vote:



Online:

www.investorvote.com.au



By Mail:

Computershare Investor Services Pty Limited
GPO Box 242 Melbourne
Victoria 3001 Australia

Alternatively you can fax your form to
(within Australia) 1800 783 447
(outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only
(custodians) www.intermediaryonline.com

For all enquiries call:

(within Australia) 1300 850 505
(outside Australia) +61 3 9415 4000

└ 000001 000 BCD
MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Proxy Form



Vote and view the annual report online

- Go to www.investorvote.com.au or scan the QR Code with your mobile device.
- Follow the instructions on the secure website to vote.

Your access information that you will need to vote:

Control Number: 9999999

SRN/HIN: I9999999999

PIN: 99999

PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.



For your vote to be effective it must be received by

1.30 pm. (Eastern Daylight Saving Time) Saturday, 18 October 2014

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

Appointment of Proxy

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

Signing Instructions for Postal Forms

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

Joint Holding: Where the holding is in more than one name, all of the securityholders 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 form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.investorcentre.com under the help tab, "Printable Forms".

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

**GO ONLINE TO VOTE,
or turn over to complete the form →**

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030



Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

IND

Proxy Form

Please mark ☒ to indicate your directions

STEP 1

Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of BCD Resources NL hereby appoint

☐ the Chairman of the Meeting

 OR

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of BCD Resources NL to be held at Mills Oakley Lawyers, Level 6, 530 Collins Street, Melbourne Victoria on Monday, 20 October 2014 at 1.30pm. (Eastern Daylight Saving Time) and at any adjournment or postponement of that Meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Items 1 and 4 (except where I/we have indicated a different voting intention below) even though Items 1 and 4 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Items 1 and 4 by marking the appropriate box in step 2 below.

STEP 2

Items of Business

PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

	For	Against	Abstain
Item 1 Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 2 Election of Michael Boorne as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 3 Approval for additional placement capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 4 Issue of Unlisted Options to Director Mr Clive Carroll	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 5 Issue of Unlisted Options to Director Mr David Groves	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 6 Issue of Unlisted Options to Director Mr Michael Boorne	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 7 Issue of Unlisted Options to Executive Miss Richelle Greenwood	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 8 Issue of Unlisted Options to Employee Mr Robert Quilliam	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

SIGN

Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name

Contact Daytime Telephone

Date / /