



## **BMG Resources Limited**

ACN 107 118 678

# Entitlement Offer Prospectus

### **Entitlement Offer**

For a non-renounceable pro rata offer of 1 (one) New Share for every 4 (four) Shares held by Eligible Shareholders registered at 5.00pm (WST) on the Record Date, at an issue price of \$0.013 per New Share, to raise up to approximately \$1.25 million before costs, and 1 (one) Attaching Option for every 3 (three) New Shares subscribed for (**Entitlement Offer**).

**The Entitlement Offer opens on 9 May 2023 and closes at 5.00pm (Perth time) on 30 May 2023 (unless extended).**

### **Shortfall Offer**

For an offer to the public (including Eligible Shareholders) to subscribe for the New Shares comprising the shortfall to the Entitlement Offer at \$0.013 per New Share, together with an entitlement to one (1) Attaching Option for every 3 (three) New Shares subscribed for.

### **Placement Participant Offer**

For an offer to the Placement Participants of Attaching Options, on the basis of one (1) Attaching Option for every 3 (three) Shares issued to each Placement Participant under the Placement, at an issue price of nil.

### **Important Notice**

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This document contains important information about the Offers. You should read the entire document. Please read the instructions in this document and the accompanying Entitlement and Acceptance Form regarding your Entitlement. If you have any questions about the Offers or this Prospectus, you should speak to your professional adviser.

The Securities offered by this Prospectus should be considered speculative.

# Important information

## Prospectus

This Prospectus is dated 1 May 2023 and was lodged with ASIC on that date. Neither ASIC, ASX nor their officers take any responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

This Prospectus is a transaction specific prospectus for the offer of continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus. In making representations in this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.

No Securities will be issued on the basis of this Prospectus later than 13 months after the Prospectus Date. Application for quotation of the New Shares will be made to ASX within 7 days after the Prospectus Date.

## Electronic prospectus

This Prospectus may be viewed in electronic form at [www.greatboulder.com.au](http://www.greatboulder.com.au) by Australian investors only. The electronic version of this Prospectus is provided for information purposes only. A paper copy of the Prospectus may be obtained free of charge on request during the Offer Period by contacting the Company. The information on [www.greatboulder.com.au](http://www.greatboulder.com.au) does not form part of this Prospectus.

## Risk factors

Investors should be aware that subscribing for Securities in the Company involves a number of risks. The key risk factors are set out in Sections 1.8 and 6 of this Prospectus. These risks together with other general risks applicable to all investments in quoted securities not specifically referred to, may affect the value of the Securities in the future. An investment in the Company should be considered speculative. Investors should consider these risk factors in light of personal circumstances and should consider consulting their professional advisers before deciding whether to apply for Securities pursuant to this Prospectus.

## Overseas Shareholders

This Prospectus is not, and is not intended to constitute, an offer, invitation or issue in any place in which, or to any person to whom, it would be unlawful to make such an offer, invitation or issue. By applying for New Securities, including by submitting an Entitlement and Acceptance Form, a Shortfall Application Form or making a payment using BPay® or EFT you represent and warrant that there has been no breach of such laws.

The distribution of this Prospectus and accompanying Entitlement and Acceptance Form (including electronic copies) outside Australia and New Zealand may be restricted by laws and persons who come into possession of it should observe any such restrictions. Any failure to comply with such restrictions may contravene applicable securities laws. The Company disclaims all liability to such persons.

No action has been taken to register or qualify this Prospectus, the New Securities or the Offers, or otherwise to permit a public offering of the New Securities, in any jurisdiction outside Australia and New Zealand.

Please refer to Sections 2.3 and 3.10 for further details of requirements applicable to certain countries in which Shareholders may reside.

## Publicly available information

Information about the Company is publicly available and can be obtained from ASIC and ASX (including ASX's website [www.asx.com.au](http://www.asx.com.au)). The contents of any website or ASIC or

ASX filing by the Company are not incorporated into this Prospectus and do not constitute part of the Offers. This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest in New Securities of the Company.

No person is authorised to give any information or make any representation in connection with the Offers that is not contained in this Prospectus. Any information or representation not so contained may not be relied upon as having been authorised by the Company in connection with this Prospectus.

## Forward-looking statements

This Prospectus may contain forward-looking statements that have been based on current expectations about future acts, events and circumstances. Any forward-looking statements are subject to risks, uncertainties and assumptions that could cause those acts, events and circumstances to differ materially from the expectations described in such forward-looking statements.

## Accepting the Offers

Applications for New Securities may only be made pursuant to an original application form as sent with this Prospectus. The Entitlement and Acceptance Form sets out the Entitlement of an Eligible Shareholder to participate in the Entitlement Offer. Please read the instructions in this Prospectus and on the accompanying Entitlement and Acceptance Form regarding the acceptance of your Entitlement. Applications for New Securities under the Shortfall Offer must be made in accordance with the Entitlement and Acceptance Form if you are an Eligible Shareholder, or on a Shortfall Application Form if you are a new investor in the Company.

By returning an acceptance or application form or lodging an acceptance form with your stockbroker or otherwise arranging for payment for your New Securities in accordance with the instructions on an acceptance or application form, you acknowledge that you have received and read this Prospectus, you have acted in accordance with the terms of the Offers detailed in this Prospectus and you agree to all of the terms and conditions as detailed in this Prospectus.

## Target Market Determination

A "Target Market Determination" (TMD) in respect of the Options offered under this Prospectus has been prepared by the Company and is available on the Company's website at <https://bmgl.com.au/investor/>. The TMD seeks to offer potential investors with an understanding of the class of investors for which the offer of Options under this Prospectus has been designed, having regard to the objectives, financial situation and needs of the target market.

## Defined terms

Certain capitalised terms and other terms used in this Prospectus are defined in the Glossary of defined terms in Section 10.

## Currency

All references in this Prospectus to "\$", "AUD" or "dollar" are references to Australian currency unless otherwise indicated.

## Reference to time

All references in this document to time relate to Western Standard Time in Perth, Western Australia.

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## Key Information

### Indicative Timetable

Event	Date
Announcement of Placement and Entitlement Offer to ASX.	26 April 2023
Lodgement of Prospectus with ASIC and ASX.	1 May 2023
Record Date (the date for identifying Shareholders entitled to participate in the Entitlement Offer).	4 May 2023
Prospectus with Entitlement and Acceptance Forms sent to Eligible Shareholders, announcement of the same. Entitlement Offer opens.	9 May 2023
Entitlement Offer Opening Date.	9 May 2023
Last day to extend Entitlement Offer Closing Date.	25 May 2023
Entitlement Offer Closing Date (the last day for receipt of acceptances under the Entitlement Offer).	30 May 2023
Shortfall Offer Closing Date.	30 May 2023
Announcement to ASX of the results of the Entitlement Offer and any shortfall to the offer.	6 June 2023
Issue date (New Securities issued under the Entitlement Offer entered into the Share register).	6 June 2023
New Shares issued under Entitlement Offer expected to commence normal trading on ASX.	7 June 2023

The above events, dates and times are indicative only and may be subject to change. The Company reserves the right to amend any of these events, dates and times without notice, subject to the Corporations Act, the Listing Rules and other applicable laws. In particular, the Company reserves the right to extend a Closing Date and to accept late applications. The Directors may extend a Closing Date by giving at least 3 Business Days' notice to ASX before a Closing Date. The commencement of trading of New Shares on ASX is subject to confirmation by ASX.

Key Details of Entitlement Offer	
<b>Ratio</b>	1 (one) New Share for every 4 (four) Shares held at the Record Date, with 1 (one) Attaching Option for every 3 (three) New Shares issued
<b>Offer Price</b>	\$0.013 per New Share
<b>Maximum number of New Securities to be issued</b>	96,497,915 Shares (estimated) 32,165,971 Attaching Options (estimated)
<b>Maximum funds to be raised (before costs)</b>	\$1,250,000 (estimated)
<b>Minimum subscription</b>	There is no minimum subscription to the Entitlement Offer

### Delivery of Prospectus and Entitlement and Acceptance Forms

Shareholders who wish to participate in the Entitlement Offer, are encouraged to provide their email address to the Company's share registry to permit electronic delivery of their Entitlement and Acceptance forms for participation in the Entitlement Offer. If you have not provided your email address to the share registry, Automic Group, or if you are unsure, please contact the Company's Company Secretary via [enquiry@bmgil.com.au](mailto:enquiry@bmgil.com.au) before the Entitlement Offer Closing Date noted above to receive a copy of the Prospectus and a personalised Entitlement and Acceptance form.

# Corporate Directory

## Directors

Mr Gregory Hancock  
(Non-Executive Chairman)

Mr Bruce McCracken  
(Managing Director)

Mr John Prineas  
(Non-Executive Director)

Mr John Dawson  
(Non-Executive Director)

## Company Secretary

Mr Sean Meakin

## Registered and Principal Office

BMG Resources Limited  
Level 14, 225 St Georges Terrace  
PERTH WA 6000

T: +61 8 9424 9320

F: +61 8 9321 5932

Email: [enquiry@bmgl.com.au](mailto:enquiry@bmgl.com.au)

Web: [www.bmgl.com.au](http://www.bmgl.com.au)

## ASX Code

BMG

## Share Registry\*

Automic Group

Perth Office:  
Level 5, 191 St Georges Terrace  
Perth WA 6000

Sydney Office:  
Level 5, 126 Phillip Street  
Sydney NSW 2000

Correspondence:  
GPO BOX 5193, Sydney NSW 2001

Telephone:

Within Australia: 1300 288 664

Outside Australia: +61 02 9698 5414

Web: [www.automicgroup.com.au](http://www.automicgroup.com.au)

## Auditors\*

BDO Audit (WA) Pty Ltd  
Level 9, Mia Yelloogonga Tower 2  
5 Spring Street  
PERTH WA 6000

## Solicitors

Blackwall Legal LLP  
Level 26, 140 St Georges Terrace  
PERTH WA 6000

\*Included for information purposes only. This entity has not been involved in the preparation of this Prospectus.

## 1. Investment overview

### 1.1 Entitlement Offer

Under this Prospectus the Company is making a non-renounceable pro rata offer of Shares (**New Shares**) and Options (**Attaching Options**) to Eligible Shareholders to raise up to approximately \$1.25 million before costs (**Entitlement Offer**).

Eligible Shareholders will be entitled to apply for 1 (one) New Share for every 4 (four) Shares held at 5.00pm (WST) on the Record Date, at an issue price of \$0.013 per New Share.

For every 3 (three) New Shares subscribed for under the Entitlement Offer, Eligible Shareholders will be issued with 1 (one) Attaching Option, exercisable at \$0.025 on or before 30 September 2024, for no additional subscription price.

Refer to Sections 2 and 3 of this Prospectus for information about how to apply for New Securities under the Entitlement Offer.

The issue price issue price of \$0.013 per New Share under the Entitlement offer is fractionally higher than the issue price of shares under the Placement (referred to in Section 1.3 below) to comply with requirements of the ASX Listing Rules in respect of pro rata offers of securities.

### 1.2 Shortfall Offer

Eligible Shareholders and other eligible investors are also offered the opportunity to apply for the Shortfall to the Entitlement Offer, at an issue price of \$0.013 per New Share, together with an entitlement to one (1) Attaching Option for every 3 (three) New Shares subscribed for (**Shortfall Offer**). Refer to Section 2.5 for further details of the Shortfall Offer.

### 1.3 Placement and Placement Participant Offer

The Company has received commitments to raise \$1.5 million (before costs) via a placement of 120,000,000 New Shares at \$0.0125 per share to institutional and sophisticated investors (**Placement**).

The Placement utilises the Company's Listing Rule 7.1 and 7.1A issuing capacity, and includes placing New Shares in two tranches:

- Tranche 1 of the Placement will comprise the issue of 81,497,914 New Shares under Listing Rules 7.1 (42,898,749 New Shares) and 7.1A (38,599,165 New Shares) to raise \$1.02 million (**Tranche 1 Placement**).
- Tranche 2 of the Placement will comprise the issue of 38,502,086 New Shares, subject to Shareholder approval, to raise \$0.48 million (**Tranche 2 Placement**).

Additionally, for every 3 (three) New Shares received under the Placement, participants in the Placement will be issued with 1 (one) Attaching Option, exercisable at \$0.025 on or before 30 September 2024 (**Placement Participant Offer**). This equates to a total of 27,165,971 Attaching Options, 14,299,583 for Tranche 1 Placement participants and 12,866,388 for Tranche 2 Placement participants.

The issue of New Shares under the Tranche 2 Placement and the offer and issue of Attaching Options to Placement Participants under this Prospectus is subject to and conditional upon the Company obtaining the approval of its Shareholders in general meeting for the issue of the Attaching Options in accordance with the requirements of

ASX Listing Rules 7.1 and 7.3. The Company will endeavour to obtain the approval of Shareholders in a general meeting to be held as soon as practicable and anticipated to be held on or about 15 June 2023. If Shareholder approval is not obtained within 3 months after the Prospectus Date, the New Shares proposed under the Tranche 2 Placement and the Attaching Options to the Placement will not be issued to Placement Participants.

#### 1.4 Purpose of the Entitlement Offer, Shortfall Offer and Placement

The principal purpose of the Entitlement Offer, Shortfall Offer and Placement is to provide the Company with funds for the Company's exploration projects and for working capital purposes. Specifically, the funds raised will be allocated toward:

- exploration and project development activities at the Company's Abercromby project, including resource expansion;
- RC drilling program at the Company's Bullabulling project to test anomalous lithium targets;
- further fieldwork to test lithium targets at the Company's Invincible project; and
- corporate costs and general working capital requirements.

The Placement will raise funds of \$1,500,000 before costs (at maximum subscription).

The Offers will raise funds of:

- (a) up to \$1,254,473 at full subscription to the Offers and before costs of the Offers; and
- (b) up to \$627,237 at 50% subscription to the Offers and before costs of the Offers.

The Company proposes to use the funds from the Placement and the Offers as set out in the table below:

	Amount at 100% subscription to Offers	(%) of funds	Amount at 50% subscription to Offers	(%) of funds
Existing cash reserves	\$252,000		\$252,000	
Funds raised from Placement	\$1,500,000		\$1,500,000	
Funds raised from Entitlement Offer	\$1,254,473		\$627,237	
<b>Total</b>	<b>\$3,006,473</b>		<b>\$2,379,236</b>	
Exploration and Development costs	\$2,121,473	71%	\$1,498,236	63%
Working capital and administration costs	\$750,000	25%	\$750,000	32%
Costs of the Offers and Placement	\$135,000	4%	\$131,000	6%
<b>Total</b>	<b>\$3,006,473</b>		<b>\$2,379,236</b>	

## 1.5 Placement Participant Offer

This Prospectus contains an offer of Attaching Options to the Placement Participants. Only Placement Participants are entitled to subscribe for the Attaching Options offered under the Placement Participant Offer pursuant to this Prospectus. Any funds raised on the potential exercise of the Attaching Options will be allocated toward the Company's general working capital requirements which may exist at that time.

The Company is obliged to ensure that Securities issued by the Company which are to be quoted on ASX are not subject to the secondary sale restrictions in the Corporations Act.

The Placement Participant Offer is being made under this Prospectus primarily for the purpose of section 708A(11) to remove any secondary trading restrictions applicable to Shares issued on the exercise Attaching Options after the Prospectus Date.

## 1.6 Company Overview and Key Projects

BMG is a minerals exploration company targeting advanced stage exploration opportunities to create value for investors.

BMG Resources (ASX: BMG) is developing its portfolio of 100%-owned projects located in Tier 1 and emerging gold and lithium districts in Western Australia.

### (a) Abercromby Gold Project, Wiluna-Agnew, Western Australia

BMG's flagship Abercromby Gold Project (11.1Mt @ 1.45 g/t Au for 518koz Au at the Capital Deposit) is located in the Agnew-Wiluna Greenstone Belt, one of Western Australia's most significant gold-producing regions with a gold endowment of +40Moz Au – second only to Kalgoorlie globally in terms of historic production. The Company is pursuing a dual exploration strategy targeting Resource growth at the Capital Deposit, and pursuing a pipeline of regional targets that are highly prospective for further Capital-style mineralisation.

BMG holds 100% of Abercromby, which comprises the gold and other mineral rights (ex-uranium) of two granted mining leases (M53/1095 and M53/336). The mining leases provide for an expedited development pathway for the Company to secure mining approval.

Since acquiring the project in late-2020, BMG has completed three reverse circulation and diamond drilling programs primarily targeting the high-priority areas of the Capital Deposit. The Capital Deposit sits within the northern third of Abercromby's 12km<sup>2</sup> project area. BMG has also completed two major regional air-core drilling programs to the south of the Capital Deposit, which has identified three significant areas with gold anomalies.

In parallel to the drill programs, BMG has completed metallurgical test work on core samples from the Capital Deposit which confirmed its free-milling status across all the ore zones, and therefore its amenability to conventional carbon-in-leach processing, with high gold recoveries achieved. This provides development flexibility with numerous operating plants throughout the region.

The next phase of work will involve developmental studies and further drilling, including resource expansion drilling at the Capital Deposit and regional drilling of the high priority targets.

(b) **Invincible Project, Central Pilbara, Western Australia**

The Invincible Gold-Lithium Project is located in the emerging central Pilbara gold and lithium district, with two granted exploration licences, E45/4553 and E45/6222, to the south-east of Marble Bar.

Exploration Licence E45/4553, is located immediately along strike from, and with the same stratigraphy as, Calidus Resources' (ASX: CAI) 1.5Moz Au resource, which is a producing gold mine.

Invincible has more than 12.5km of the Warrawoona Shear Zone – the mineralised trend that hosts Calidus' gold resource, which is mostly comprised in the Klondyke deposit, as well as other prospective structures. BMG's ground has had multiple historic artisanal workings including the Invincible mine (19.31kg of Au mined @ 1,380g/t Au), but little systematic modern exploration. This indicates potential for a new high grade gold discovery.

A growing number of lithium projects in the district also indicates potential for lithium-bearing pegmatites, which the Company is evaluating. BMG is proposing near term field work to test lithium targets, particularly on E45/6222, which is proximate to lithium bearing pegmatites in the adjacent area to the north of the tenement.

(c) **South Boddington Project, Western Australia**

The South Boddington Gold Project is located 150km south-east of Perth along strike from Newmont's giant 40Moz+ Boddington deposit, and comprises ground in the Saddleback Greenstone belt which hosts the Boddington gold mine. Much of the belt remains unexplored or underexplored, providing the opportunity to identify additional gold deposits.

BMG's project area comprises two recently granted exploration licences (E70/6206 and E70/6207), and two exploration licences under application (E70/4590 and E70/4225), which are interpreted to host similar stratigraphy to the Boddington mine.

(d) **Bullabulling Project, Coolgardie, Western Australia**

BMG has entered into a binding option to acquire, at BMG's discretion, a 100% interest in the Bullabulling Gold-Lithium Project, located in the Coolgardie gold and emerging lithium region. The option currently runs until mid-June 2023.

The combined project area comprises 185 sq km of prospective lithium and gold targets. Multiple lithium-caesium-tantalum (LCT) pegmatites have been mapped across the project tenure with a high priority +4km corridor that remains open along strike. Historic rock chip sampling has returned numerous lithium values greater than 1% Li<sub>2</sub>O – and a peak value of 1.9% Li<sub>2</sub>O – confirming fertile LCT pegmatites that are yet to be drill tested.

BMG is planning to complete an RC drill program to test high priority lithium targets prior to the expiration of the option in mid-June.

Further information about the Company's projects are contained in the Company's announcements and reports released to ASX, which are available on the Company's website at [www.bmgl.com.au](http://www.bmgl.com.au).

## 1.7 Market prices of Shares on ASX

Information about the closing market price of Shares quoted on ASX during the 3 months period before the Prospectus Date is set out in the table below.

	Price	Date
Highest	\$0.019	17 April 2023
Lowest	\$0.009	20 March 2023
Latest	\$0.013	28 April 2023

The above trading data has been sourced from ASX, which has not consented to its use in this Prospectus.

## 1.8 Key risks

The risks set out below have been identified as being key risks specific to an investment in the Company. These risks may adversely affect the Company's financial position and prospects and the market price of Shares.

Further details of these key risks are described in in Section 6, together with other risks associated with mining industry and general investment risks.

### (a) Small, speculative company

The New Shares offered pursuant to the Offers should be considered speculative due to the size of the Company and the nature of the Company's business. There cannot be any guarantee as to payment of dividends, return of capital or the market value of Shares in the future.

### (b) Mining exploration industry risks

Mineral exploration, development and mining activities are high-risk undertakings and there can be no assurance that any exploration or development activity in regard to the Company's current properties, or any properties that may be acquired in the future, will result in the discovery or exploitation of an economic resource.

Mineral exploration, development and mining may be hampered by circumstances beyond the control of the Company and are speculative operations which by their nature are subject to a number of inherent risks, including the following:

### (c) Abercromby Project operation risk:

The mining rights associated with the Abercromby Project rely on the existing contractual relationship and arrangements with the underlying licence holder, Nova Energy. A breakdown in such relationship and arrangements could conceivably adversely affect the Company's ability to operate at the Abercromby Project.

## 1.9 The Board and management

### Greg Hancock (Non-Executive Chairman) – BA (Econs); B Ed (Hons) F Fin

Mr Hancock has over 25 years' experience in capital markets practicing in the area of Corporate Finance. He has extensive experience in both Australia and the United

Kingdom. In this time, he has specialised in mining and natural resources and has a background in the finance and management of small companies. Mr Hancock is currently a director of ASX listed companies Ausquest Ltd, where he serves as Chairman, and King Island Scheelite Limited and Golden State Mining Limited as a non-executive director. Mr Hancock is Chairman of LSE listed Cobra Resources Plc.

Mr. Hancock has been a director of BMG Resources Limited since 6 February 2017 and is a member of the Board's Audit and Risk Committee and Nomination and Remuneration Committee.

**Bruce McCracken (Managing Director) – B Com, LLB, MBA, GAICD**

Bruce McCracken is an experienced business executive having spent over 25 years working across a broad range of industries based in Perth, Melbourne and Sydney.

Prior to joining the Company, Mr McCracken worked in the Corporate sector as a Senior Executive, an Investment Banker in specialist corporate advisory and project finance roles, and has also practiced as a Banking and Finance Solicitor. During his time as an Investment Banker Mr McCracken worked across a broad range of corporate and financial advisory assignments, primarily in the diversified industrials and mining and resources sectors.

Mr McCracken holds Bachelor of Commerce and Bachelor of Laws degrees from the University of Western Australia, an MBA from Melbourne Business School and is a graduate of the Australian Institute of Company Directors.

**John Prineas (Non-Executive Director) – B Ec, LLB, F Fin**

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

**John Dawson (Non-Executive Director) – B Com, MBA, INSEAD**

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

## **2. Details of the Offers**

### **2.1 The Entitlement Offer**

The Entitlement Offer is a non-renounceable pro rata offer of New Shares to Eligible Shareholders.

Eligible Shareholders will be entitled to apply for 1 (one) New Share for every 4 (four) Shares held at 5.00pm (WST) on the Record Date, at an issue price of \$0.013 per New Share (**Offer Price**). The Offer Price is payable in full on application.

For every 3 (three) New Shares subscribed for under the Entitlement Offer, Eligible Shareholders will be issued with 1 (one) Attaching Option, exercisable at \$0.025 on or before 30 September 2024.

As at the Prospectus Date the Company has 385,991,658 Shares on issue.

Based on the number of Shares expected to be on issue on the Record Date, a total of up to approximately 96,497,915 New Shares will be offered under the Entitlement Offer, raising up to \$1,250,000 before costs of the Entitlement Offer.

The purpose of the Entitlement Offer and the intended use of the funds raised is set out in Section 1.4.

Information about how to accept your Entitlement and apply for the New Shares is set out in Section 3.

### **2.2 Non-renounceable offer**

The Entitlement Offer is non-renounceable which means that Eligible Shareholders cannot transfer their right to subscribe for New Securities under the Entitlement Offer to anyone else. Any New Securities that are not taken up by the Entitlement Offer Closing Date will automatically lapse and will form part of the Shortfall.

### **2.3 Entitlement and eligibility to the Entitlement Offer**

The Entitlement Offer is made to Eligible Shareholders only.

All Shareholders with a registered address in Australia or New Zealand and who are registered as the holder of Shares at 5.00pm (WST) on 4 May 2023 (**Record Date**) are Eligible Shareholders. The Offers are not extended to Shareholders who do not meet these criteria.

The number of New Securities to which you are entitled is shown on your Entitlement and Acceptance Form accompanying this Prospectus.

Where the determination of the Entitlement of any Eligible Shareholder results in a fraction of a New Security, such fraction will be rounded up to the next whole New Security.

To apply for New Securities under the Entitlement Offer, you must make a payment by the BPay® facility or electronic funds transfer (**EFT**) in accordance with your Entitlement and Acceptance Form by no later than 5.00pm (WST) on the Entitlement Offer Closing Date. Please see Section 3 for further information about accepting the Entitlement Offer.

Your rights to participate in the Entitlement Offer will lapse if you do not accept your Entitlement by the Entitlement Offer Closing Date.

The Company reserves the right (in its sole discretion) to:

- (a) reject any application that it believes comes from a person who is not an Eligible Shareholder; and
- (b) reduce the number of New Securities allocated to Eligible Shareholders, or persons claiming to be Eligible Shareholders, if their claim to be entitled to participate in the Entitlement Offer proves to be false, exaggerated or unsubstantiated.

The Directors reserve the right not to proceed with the whole or any part of the Entitlement Offer at any time prior to the allotment of New Securities. In that event, relevant Application Monies will be refunded without interest.

## 2.4 Excluded Shareholders

Shareholders who do not meet the criteria to participate in the Entitlement Offer are Excluded Shareholders. Excluded Shareholders are not entitled to participate in the Entitlement Offer to subscribe for New Securities.

Refer to Section 3.10 for further details.

## 2.5 Shortfall Offer

Any New Securities not subscribed for under the Entitlement Offer will form the Shortfall and will be offered under the Shortfall Offer.

The Shortfall Offer is a separate offer under this Prospectus. The issue price of the New Shares under the Shortfall Offer is \$0.013 (i.e. the Offer Price under the Entitlement Offer).

For every 3 (three) New Shares subscribed for under the Entitlement Offer, applicants will be issued with 1 (one) Attaching Option, exercisable at \$0.025 on or before 30 September 2024.

An individual, including an Eligible Shareholder, may apply for New Shares under the Shortfall Offer provided they are eligible under all applicable securities laws to receive an offer under the Shortfall Offer.

If after the close of the Offers any Shortfall has not been subscribed for under the Entitlement Offer or the Shortfall Offer, the Directors reserve the right to place some or all of that Shortfall within 3 months of the close of the Offers.

The Company cannot guarantee that you will receive the number of Shortfall Shares you apply for. If you do not receive any or all of the Shortfall Securities you applied for, the excess Application Monies will be returned to you without interest.

## 2.6 Opening Date and Closing Dates

The Offers will open for receipt of Applications on 9 May 2023 (**Opening Date**) and:

- (a) the Entitlement Offer will close at 5.00pm (WST) on 30 May 2023 (**Entitlement Offer Closing Date**); and
- (b) the Shortfall Offer will close at 5.00pm (WST) on 30 May 2023 (**Shortfall Offer Closing Date**).

Subject to compliance with the ASX Listing Rules (as relevant), the Company reserves the right to close the Offers early or to extend a Closing Date.

## **2.7 No minimum subscription**

There is no minimum subscription to the Offers.

## **2.8 Rights and liabilities attaching to New Securities**

New Shares issued under this Prospectus will be fully paid and will rank equally in all respects with existing Shares. A summary of the rights and liabilities attaching to the New Shares is set out in Section 5.1.

Attaching Options issued under this Prospectus will have an exercise price of \$0.025 and an expiry date of 30 September 2024. The terms and conditions of the Attaching Options are set out in Section 5.2.

## **2.9 Shortfall allocation**

The Directors will have discretion as to how to allocate the Shortfall to Applicants.

In exercising their discretion to allocate the Shortfall:

- (a) the Directors propose to allocate the Shortfall to both new investors and Eligible Shareholders in a manner considered appropriate to Applicants having regard to the best interests of the Company and the Company's desire to maximise the amount of funds raised from the Offers;
- (b) Eligible Shareholders are encouraged to apply for the Shortfall but in allocating the Shortfall, preference will not necessarily be conferred on Eligible Shareholders;
- (c) where the Directors consider it is in the best interests of the Company to allocate any portion of the Shortfall to a particular Applicant or to particular Applicants in order to maximise the total funds raised from the Offers, the Directors may do so; this may result in preference being given to an Application from a new investor who is not an Eligible Shareholder;
- (d) subject to the above, to the extent that Applications for the Shortfall are made by Eligible Shareholders, as between those Eligible Shareholders the Directors will generally endeavour to allocate the Shortfall in a manner which is considered fair to those Applicants, having regard to their existing shareholding interests;
- (e) the Directors will not allocate any portion of the Shortfall to an Applicant who is a Related Party of the Company in priority to, or the exclusion of, any other Applicant; and
- (f) the Directors will not allocate New Shares under the Shortfall Offer to the extent that an Applicant's voting power in the Company would, together with the Applicant's Associates, exceed the takeover thresholds in the Corporations Act (i.e. acquiring a controlling interest in 20% or more of the issued Shares), subject to certain exceptions permitted by law.

Any New Shares not applied for under the Entitlement Offer or the Shortfall Offer may be placed at the Directors' discretion to sophisticated and professional investors as defined in sections 708(8), 708(10) and 708(11) of the Corporations Act, subject to the Listing Rules and any restrictions under applicable law, within 3 months of the close of the Entitlement Offer.

## **2.10 Placement Participant Offer**

For every 3 (three) New Shares received under the Placement, Placement Participants will be issued with 1 (one) Attaching Option, exercisable at \$0.025 on or before 30 September 2024.

The Placement Participants have the right but not an obligation to subscribe for the Attaching Options offered under the Placement Participant Offer.

The Attaching Options issued to Placement Participants are on the same terms as the Attaching Options issued under the Entitlement Offer, a summary of which is set out in Section 5.2.

By offering the Attaching Options under this Prospectus, the Attaching Options will be issued with disclosure under Chapter 6D of the Corporations Act. Accordingly, the Attaching Options issued to Placement Participants (and any Shares issued on their exercise) will not be subject to secondary trading restrictions.

The Placement Participant Offer is not subject to any minimum subscription condition or requirement.

The Placement Participant Offer is not underwritten.

The offer and issue of Attaching Options to Placement Participants under this Prospectus is subject to and conditional upon the Company obtaining the approval of Shareholders in general meeting for the issue of the Attaching Options in accordance with the requirements of ASX Listing Rule 7.1.

The Company will use reasonable endeavours to obtain the approval of Shareholders as soon as practicable. If Shareholder approval is not obtained within 3 months of the Prospectus Date, no Attaching Options will be issued to Placement Participants.

### **3. Accepting the Entitlement Offer**

#### **3.1 Action Eligible Shareholders may take**

If you are an Eligible Shareholder the number of New Shares to which you are entitled is shown on the personalised Entitlement and Acceptance Form accompanying this Prospectus. If you are an Eligible Shareholder you may:

- (a) accept your Entitlement in full;
- (b) accept your Entitlement in full and apply for additional New Securities under the Shortfall;
- (c) accept part of your Entitlement and allow the balance to lapse; or
- (d) allow all of your Entitlement to lapse.

#### **3.2 Accepting your Entitlement in full or in part**

If you wish to accept your Entitlement in full or in part, make a payment through the BPay® facility or EFT for the number of New Shares you wish to apply for in accordance with the instructions on the Entitlement and Acceptance Form – see Section 3.5.

Your BPay® payment or EFT payment must be received by no later than 5.00pm (WST) on the Entitlement Offer Closing Date.

If you do not accept all of your Entitlement then the balance of your Entitlement will lapse and the New Shares that are not subscribed for will form part of the Shortfall.

If you do not take up all of your Entitlement then your percentage shareholding in the Company will reduce.

#### **3.3 Accepting your Entitlement in full and applying for additional New Shares under the Shortfall Offer**

If you wish to accept your Entitlement in full and apply for New Shares under the Shortfall Offer, make a payment through the BPay® facility or EFT payment for all of your Entitlement and the number of additional New Shares you wish to apply for in accordance with the instructions on the Entitlement and Acceptance Form.

Your BPay® payment or EFT payment must be received by no later than 5.00pm (WST) on the Entitlement Offer Closing Date.

The allocation and issue of New Shares under the Shortfall Offer will be determined by the Directors in their discretion. The allocation policy in relation to the Shortfall Offer is set out in Section 2.9.

#### **3.4 Allowing your Entitlement to lapse**

If you do not wish to accept any of your Entitlement, you are not required to take any action. If you do nothing, then your Entitlement will lapse. The New Shares not subscribed for will form part of the Shortfall.

If you do not take up all of your Entitlement then your percentage shareholding in the Company will reduce.

### **3.5 Payment by BPay® or electronic funds transfer (EFT)**

Payment by BPay® should be made according to the instructions set out on the Entitlement and Acceptance Form using the BPay® Biller Code and Customer Reference Number shown on the form. You can only make a payment via BPay® if you are a holder of an account with an Australian financial institution that supports BPay® transactions.

Payment by electronic funds transfer (**EFT**) should be made according to the instructions set out on the Entitlement and Acceptance Form using the unique payment reference number shown on the form.

The reference number shown on each Entitlement and Acceptance Form (**Reference Number**) is used to identify your holding. If you have multiple holdings you will have multiple Reference Numbers. You must use the Reference Number to pay for each holding separately. Failure to do so may result in an underpayment. If you pay by BPay® or EFT and do not pay for your full Entitlement, the remaining Entitlement will form part of the Shortfall.

If you pay by BPay® or EFT:

- (a) you do not need to return the Entitlement and Acceptance Form but are taken to have made the declarations on that form; and
- (b) if you do not pay for your Entitlement in full, you are deemed to have taken up your Entitlement in respect of such whole number of New Shares which is covered by your Application Monies.

You must ensure that your payment by BPay® or EFT is received by 5.00pm (WST) on the Entitlement Offer Closing Date. Your financial institution may implement cut-off times with regards to electronic payment and you should therefore take this into consideration when making payment. The Company is not responsible for any delay in the receipt of BPay® or EFT payment.

### **3.6 Applications for Shortfall Shares by Applicants who are not Eligible Shareholders**

If you are not an Eligible Shareholder and wish to apply for Shortfall Shares under the Shortfall Offer, you should complete a Shortfall Application Form accompanying this Prospectus and return your completed Shortfall Application Form with payment of Application Monies in accordance with the instructions on the Shortfall Application Form.

### **3.7 ASX quotation of New Shares**

New Securities under the Offers are expected to be issued and holding statements despatched as soon as practicable after the Closing Date, in accordance with the ASX Listing Rules and the timetable set out on page iii. No issue of New Securities will be made until ASX grants permission for quotation of the New Securities.

Application for official quotation on ASX of the New Securities issued pursuant to this Prospectus will be made within 7 days after the Prospectus Date. The fact that ASX may agree to grant official quotation of the New Securities is not to be taken in any way as an indication of the merits of the Company or the Securities. If permission for quotation is not granted by ASX within 3 months after the Prospectus Date, the Securities will not be allotted and Application Monies will be refunded (without interest) as soon as practicable.

It is your responsibility to determine your holdings before trading in Securities. Any person who sells Securities before receiving confirmation of their holding will do so at their own risk.

The Directors reserve the right not to proceed with the whole or any part of the Entitlement Offer at any time before the allotment of New Securities. In that event, relevant Application Monies will be refunded without interest.

### **3.8 No brokerage**

No investor will pay brokerage as a subscriber for New Shares under the Offers.

### **3.9 Holding of Application Monies**

Application Monies will be held in a trust account until the New Shares are issued.

The trust account established by the Company for this purpose will be solely used for handling Application Monies.

Any interest earned on Application Monies will be for the benefit of, and will remain the sole property of, the Company, and will be retained by the Company whether or not the allotment and issue of New Shares takes place.

Applications and Application Monies may not be withdrawn once they have been received by the Company.

### **3.10 Excluded Shareholders**

The Entitlement Offer is not made to Shareholders who on the Record Date have a registered address outside Australia or New Zealand (**Excluded Shareholders**). Neither the Prospectus nor the Entitlement and Acceptance Form constitutes an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation.

In making the decision to not extend the Entitlement Offer to Excluded Shareholders the Company has taken into account the small number Shareholders outside Australia and New Zealand, the number and value of New Shares that would be offered to Shareholders outside Australia and New Zealand and the cost of complying with the legal requirements and requirements of regulatory authorities in the overseas jurisdictions.

The Entitlement Offer made to Eligible Shareholders with an address in New Zealand is made in reliance on the *Financial Markets Conduct (Incidental Offers) Exemption Notice 2016* (New Zealand). The New Shares are not being offered or sold to the public within New Zealand other than to existing Shareholders of the Company with registered addresses in New Zealand. This Prospectus has not been registered, filed with or approved by any New Zealand regulatory authority. This Prospectus is not an investment statement or prospectus under New Zealand law and is not required to, and may not, contain all the information that an investment statement or prospectus under New Zealand law is required to contain.

The Entitlement Offer is made to all Eligible Shareholders. The Company is not required to determine whether or not any registered Eligible Shareholder is holding Shares on behalf of persons who are resident outside Australia or New Zealand (including nominees, custodians and trustees) or the identity or residence of any beneficial owners of Shares. Any Eligible Shareholders holding Shares on behalf of persons who are resident outside Australia and New Zealand are responsible for ensuring that any dealing with New Shares issued under the Entitlement Offer do not

breach the laws and regulations in the relevant overseas jurisdiction, and should seek independent professional advice and observe any applicable restrictions relating to the taking up of Entitlements or the distribution of this Prospectus or the Entitlement and Acceptance Form.

The distribution of this Prospectus and accompanying application (including electronic copies) outside Australia or New Zealand may be restricted by law and therefore persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

### 3.11 CHESS

The Company participates in the Clearing House Electronic Sub-register System (**CHESS**). ASX Settlement, a wholly owned subsidiary of ASX, operates CHESS in accordance with the Listing Rules and the ASX Settlement Rules.

Under CHESS, Applicants will not receive a certificate but will receive a statement of their holding of Securities (**CHESS Statement** or **Holding Statement**).

If you are broker sponsored, ASX Settlement will send you a CHESS Statement.

The CHESS Statement will set out the number of New Shares issued under this Prospectus, provide details of your holder identification number and give the participation identification number of the sponsor.

If you are registered on the issuer sponsored sub-register, your statement will be dispatched by the Company's Share Register and will contain the number of New Shares issued to you under this Prospectus and your security holder reference number.

A CHESS Statement or issuer sponsored statement will routinely be sent to Shareholders at the end of any calendar month during which the balance of their shareholding changes. Shareholders may request a statement at any other time, however, a charge may be made for additional statements.

### 3.12 Privacy

If you apply for New Securities you will be providing personal information to the Company and the Share Registry. The Company and the Share Registry collect, hold and use your personal information in order to assess your Application, service your needs as an investor, provide facilities and services that you request, carry out appropriate administration and to facilitate distribution payments and corporate communications to you as a Shareholder.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Share Registry.

Collection, maintenance and disclosure of certain personal information are governed by legislation including the Privacy Act (as amended), the Corporations Act and certain rules of ASX. If you do not provide the information required on the Entitlement and Acceptance Form or Shortfall Application Form (as applicable), the Company may not be able to accept or process your Application.

Under the Privacy Act, you may request access to your personal information held by, or on behalf of, the Company or the Share Registry. You can request access to your personal information by writing to the Company through the Share Registry at:

BMG Resources Limited  
C/- Automic Group Pty Ltd  
GPO Box 5193  
Sydney NSW 2001  
T: +61 8 9324 2099

### **3.13 Taxation implications**

The Directors do not consider that it is appropriate to give potential Applicants advice regarding the taxation consequences of applying for New Securities under this Prospectus as it is not possible to provide a comprehensive summary of the possible taxation positions of potential Applicants. The Company, its advisers and officers do not accept any responsibility or liability for any taxation consequences to potential Applicants in relation to the Offers. Potential Applicants should, therefore, consult their own tax adviser in connection with the taxation implications of the Offers.

## 4. Effect of the Offers

### 4.1 Principal effect of the Offers on the Company

The principal effects of the Offers, assuming the Offers are fully subscribed, will be to:

- (a) in conjunction with the Placement, increase the number of Shares on issue from 385,991,658 Shares as at the Prospectus Date to 602,489,572 Shares; and
- (b) increase cash reserves by up to approximately \$1.20 million immediately after completion of the Offers and payment of the costs and expenses set out in Section 8.7, including the estimated expenses of the Offers.

### 4.2 Effect on capital structure

The capital structure of the Company following completion of the Offers is set out below:

- (a) assuming 48,248,958 Shares are issued under the Entitlement Offer and the Shortfall Offer, representing approximately 50% of the Entitlement Offer; and
- (b) assuming 96,497,915 Shares are issued under the Offers, being full (100%) subscription to Entitlement Offer and Shortfall Offer:

<b>Shares</b>	<b>Partial subscription to Offers at 50%</b>	<b>Full subscription to Offers (100%)</b>
Shares on issue at the Prospectus Date	385,991,858	385,991,858
New Shares issued under the Tranche 1 Placement	81,497,914	81,497,814
New Shares issued under the Entitlement Offer and Shortfall Offer (approximately)	48,248,958	96,497,915
New Shares issued under the Tranche 2 Placement	38,502,086	38,502,086
<b>Total expected number of Shares on issue at completion of the Offers and Tranche 2 Placement<sup>3</sup></b>	<b>554,240,716</b>	<b>602,489,572</b>
<b>Options</b>		
Options on issue at the Prospectus Date	12,487,500	12,487,500
Options issued under the Entitlement Offer and Shortfall Offer <sup>1</sup>	16,082,986	32,165,971
Attaching Options issued under the Placement Participant Offer <sup>2</sup>	40,000,000	40,000,000
Broker Options to be issued to Argonaut Securities Pty Ltd in respect of Placement <sup>3</sup>	15,000,000	15,000,000

<b>Total Options on issue at completion of the Offers<sup>4</sup></b>	<b>83,570,486</b>	<b>99,653,471</b>
<b>Performance Shares</b>		
Performance Shares on issue at the Prospectus Date	13,333,333	13,333,333
Performance Shares issued under the Offers	Nil	Nil
<b>Total Performance Shares on issue at completion of the Offers</b>	<b>13,333,333</b>	<b>13,333,333</b>
<b>Performance Rights</b>		
Performance Rights on issue at the Prospectus Date	28,000,000	28,000,000
Performance Rights issued under the Offers	Nil	Nil
<b>Total Performance Rights on issue at completion of the Offers</b>	<b>28,000,000</b>	<b>28,000,000</b>

**Notes:**

1. The Attaching Options issued under the Entitlement Offer and Shortfall Offer are to be issued on the terms set out in Section 5.2. Attaching Options are exercisable at \$0.025 each and expire on 30 September 2024.
2. The Attaching Options issued under the Placement Participant Offer are to be issued on the terms set out in Section 5.2. Attaching Options are exercisable at \$0.025 each and expire on 30 September 2024.
3. Proposed to be granted to Argonaut Securities Pty Ltd, subject to shareholder approval of the issue of the Options. Broker Options will be exercisable At \$0.025 each and will expire on 30 June 2025.
4. Total numbers of Shares and Options assume no Options are exercised before completion of the Offers.

### 4.3 Details of substantial Shareholders

As at the Prospectus Date, the Company has four substantial Shareholders (being persons who have a relevant interest in 5% or more of the shares in the Company):

- Mr John Prineas has a relevant interest in 11.87% of the total Shares as at the Prospectus Date;
- Impulzive Pty Ltd has a relevant interest in 8.13% of the total Shares as at the Prospectus Date;
- BNP Paribas Nominees Pty Ltd has a relevant interest in 6.69% of the total Shares as at the Prospectus Date; and
- Mr David Michael has a relevant interest in 7.95% of the total Shares as at the Prospectus Date.

### 4.4 Effect of Offers on control of the Company

As at the Prospectus Date the Company does not anticipate that Shares issued under the Offers or the Placement will have any effect on control of the Company.

If all of the Eligible Shareholders under the Entitlement Offer accept their Entitlements in full, Eligible Shareholders will maintain their percentage shareholding interest in the Company, subject only to dilution of their percentage shareholding interest as a result of the Placement.

#### 4.5 Effect of Offers on Existing Shareholders' interests

As at the Prospectus Date the Company has 385,991,658 Shares and 12,487,500 unlisted Options on issue.

If all Eligible Shareholders subscribe for their Entitlements in full, each Eligible Shareholder's percentage shareholding should remain substantially the same as at the Record Date, save for adjustments as a result of Excluded Shareholders not being able to subscribe under the Entitlement Offer. In such instance, the Offers should not have a material effect on control of the Company.

The table below sets out the estimated maximum dilutive effect of the Offers on Existing Shareholders, assuming various subscription scenarios and that other Shares are not issued (including on the exercise of Options) prior to the close of the Offers.

Scenario	New Shares to Eligible Shareholders under Entitlement Offer	Maximum Shortfall Shares issued	Dilution to Existing Shareholders as a result of Placement and any Shortfall <sup>1</sup>
100% subscription under Entitlement Offer	96,497,915	Nil	19.92%
75% subscription to Entitlement Offer	72,373,436	24,124,478	23.92%
50% subscription to Entitlement Offer	48,248,957	48,248,957	27.93%

**Notes:**

1. The dilution percentages assume that all Shortfall Shares are issued to Applicants other than Eligible Shareholders. The dilution represents a percentage of the total maximum Shares on issue on completion of the Placement and the Offers (602,489,572 Shares) that are held by persons other than Eligible Shareholders.

The Company will not allocate New Shares under the Shortfall Offer to the extent that an Applicant's voting power in the Company would, together with the Applicant's Associates, exceed the takeover thresholds in the Corporations Act (i.e. acquiring a controlling interest in 20% or more of the issued Shares, or increasing an existing controlling interest of more than 20%), subject to certain exceptions permitted by law.

#### 4.6 Effects of the Offers on activities of the Company

The principal purpose of the Entitlement Offer, Shortfall Offer and Placement is to provide the Company with funds for the Company's exploration projects and for working capital purposes. Specifically, the funds raised will be allocated toward:

- exploration and project development activities at Abercromby, including resource expansion;
- RC drilling program at Bullabulling to test anomalous lithium targets;
- further fieldwork to test lithium targets at Invincible; and

- corporate costs and general working capital requirements.

#### 4.7 Potential dilutive effect of Options

The table below sets out the potential dilutive effect on Shareholders if Shares are issued on the exercise of all existing Options and all proposed Attaching Options following completion of the Offers assuming full (100%) subscription to the Entitlement Offer and Shareholder approval of the issue of Attaching Options to Placement participants:

Event	Number of Shares or Options	Shares issued on Option exercise	Number of Shares post-issue	Dilution (cumulative)
Shares on issue on completion of Entitlement Offer and Placement	602,489,572	-	602,489,572	-
Exercise of existing Options	12,487,500	12,487,500	614,977,072	2.07%
Exercise of Attaching Options issued under the Placement	40,000,000	40,000,000	669,977,072	11.2%
Exercise of Broker Options	15,000,000	15,000,000	684,497,072	13.61%
Exercise of Attaching Options issued under the Offers	32,165,971	32,165,971	717,143,043	19.02%

Notes:

The interests shown in the table above assume that:

1. the existing Options do not lapse prior to exercise or conversion;
2. Options are exercised in the sequence as shown above; and
3. no other Shares are issued prior to exercise of Options.

#### 4.8 Pro forma statement of financial position

Set out below is:

- (a) the audited consolidated statement of financial position of the Company as at 31 December 2022; and
- (b) the unaudited pro forma consolidated statement of financial position of the Company as at 31 December 2022 incorporating the effect of the Offers and the Placement.

The unaudited pro forma consolidated statement of financial position has been derived from the financial statements of the Company and adjusted to reflect pro forma assets and liabilities of the Company as if completion of the Offers had occurred by 31 December 2022. The historical and pro-forma information is presented in an abbreviated form. It does not include all of the disclosures required by the Australian Accounting Standards applicable to annual financial statements.

The pro forma statement of financial position has been prepared on the basis that there are no material movements in the assets and liabilities of the Company. No allowance has been made for expenditure incurred from 31 December 2022 to completion of the Offers, except for the following items:

- at 100% subscription to the Offers, the issue of 96,497,915 New Shares under the Offers (raising \$1,254,473) at \$0.013 per New Share and 120,000,000 New

Shares under the Placement (raising \$1,500,000 at \$0.0125 per New Share), raising a total \$2,754,572 before costs and expenses of the Offers; and

- at 50% subscription to the Offers, the issue of 48,248,958 New Shares under the Offers (raising \$627,237 at \$0.013 per New Share) and 120,000,000 New Shares under the Placement (raising \$1,500,000 at \$0.0125 per New Share), raising a total of \$2,127,237 before costs and expenses of the Offers; and
- costs of the Offers and the Placement will be approximately \$135,000 (at 100% subscription to the Offers) and \$131,000 (at 50% subscription to the Offers).

## Consolidated Pro Forma Statement of Financial Position

	31 December 2022 Reviewed	Subsequent events, including 50% subscription of Offers	Unaudited Pro- Forma 50% subscription	Subsequent events, including 100% subscription of Offers	Unaudited Pro- Forma 100% subscription
<b>Assets</b>					
<b>Current Assets</b>					
Cash	658,527	1,996,063	2,654,590	2,619,745	3,278,272
Prepayments	1,460	-	1,460	-	1,460
Other receivables	8,449	-	8,449	-	8,449
<b>Total Current Assets</b>	<b>668,436</b>	<b>1,996,063</b>	<b>2,664,499</b>	<b>2,619,745</b>	<b>3,288,181</b>
<b>Non-Current Assets</b>					
Exploration expenditure	18,561,269	-	18,561,269	-	18,561,269
Property, plant and equipment	2,038	-	2,038	-	2,038
<b>Total Non-Current Assets</b>	<b>18,563,307</b>	<b>-</b>	<b>18,563,307</b>	<b>-</b>	<b>18,563,307</b>
<b>Total Assets</b>	<b>19,231,743</b>	<b>1,996,063</b>	<b>21,227,806</b>	<b>2,619,745</b>	<b>21,851,488</b>
<b>Liabilities</b>					
<b>Current Liabilities</b>					
Trade and other payables	(80,362)	-	(80,362)	-	(80,362)
Employee benefits payable	(96,112)	-	(96,112)	-	(96,112)
<b>Total Current Liabilities</b>	<b>(176,474)</b>	<b>-</b>	<b>(176,474)</b>	<b>-</b>	<b>(176,474)</b>
<b>Total Liabilities</b>	<b>(176,474)</b>	<b>-</b>	<b>(176,474)</b>	<b>-</b>	<b>(176,474)</b>
<b>Net Assets</b>	<b>19,055,269</b>	<b>1,996,063</b>	<b>21,051,332</b>	<b>2,619,745</b>	<b>21,675,014</b>
<b>Equity</b>					
Contributed equity	63,317,829	1,996,063	65,313,972	2,619,745	65,937,574
Reserves	3,224,767	-	3,224,767	-	3,224,767
Accumulated losses	(47,487,327)	-	(47,487,327)	-	(47,487,327)
<b>Total Equity</b>	<b>19,055,269</b>	<b>1,996,063</b>	<b>21,051,332</b>	<b>2,619,745</b>	<b>21,675,014</b>

### Note 1 Cash Reconciliation:

	Unaudited Pro-Forma 100% subscription
Cash 31 December 2022	658,527
Placement	1,500,000
Entitlement Offer	1,254,473
Costs of the Offers	(37,882)
Costs of Placement	(96,846)
<b>Unaudited Pro-Forma Cash</b>	<b>3,278,272</b>

## 5. Rights and liabilities attaching to New Securities

### 5.1 Rights and liabilities attaching to New Shares

The New Shares issued under this Prospectus will be fully paid ordinary shares in the capital of the Company and will rank equally with the Existing Shares.

The following is a broad summary (though not necessarily an exhaustive or definitive statement) of the rights and liabilities attaching to the Shares.

Full details of the rights and liabilities attaching to the Shares are contained in the Constitution and, in certain circumstances, are regulated by the Corporations Act, the Listing Rules, the ASX Settlement Rules and the common law. The Constitution is available for inspection free of charge at the Company's registered office.

- (a) **Share capital:** All issued Shares rank equally in all respects.
- (b) **Voting rights:** Subject to any rights or restrictions for the time being attached to any class or classes of Shares, at general meetings of Shareholders of classes of Shareholders:
  - (i) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
  - (ii) on a show of hands, every person present who is a shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
  - (iii) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or representative, one vote for the Share, but in respect of partly paid Shares has such number of votes as bears the same proportion to the total of such Shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).
- (c) **Dividend rights:** Subject to the rights of the persons (if any) entitled to Shares with special rights to dividend the Directors may declare such dividends out of profits as may appear to the Directors to be justified in accordance with the Corporations Act and may authorise the payment by the Company to the Shareholders of such a dividend. The Directors may authorise the payment to the Shareholders of such interim dividends as appear to the Directors to be justified by the profits of the Company. Subject to the rights of persons (if any) entitled to Shares with special rights as to dividend all dividends are to be declared and paid according to the amounts paid or credited as paid on the Shares in respect of which dividend is paid. Interest may not be paid by the Company in respect of any dividend, whether final or interim.
- (d) **Rights on winding-up:** If the Company is wound up, the liquidator may, with the authority of a special resolution of the Company, divide among the Shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders. The liquidator may, with the authority of a special resolution of the Company, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is

compelled to accept any Shares or other securities in respect of which there is any liability. Where an order is made for the winding up of the Company or it is resolved by special resolution to wind up the Company, then on a distribution of assets to members, Shares classified by ASX as restricted securities at the time of the commencement of the winding up shall rank in priority after all other Shares.

- (e) **Transfer of Shares:** Generally, Shares are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act or the Listing Rules.
- (f) **Further increases in capital:** Subject to the Constitution, the Corporations Act and the Listing Rules, the Company may allot or dispose of all or any of the Shares to such persons, and on such terms, as the Directors determine.

Subject to the Constitution, the Corporations Act and the Listing Rules, the Company may grant Options with rights of conversion to Shares or pre-emptive rights to any Shares, to any person, for any consideration, as the Directors resolve.

- (g) **Variation of rights attaching to shares:** Pursuant to section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders, vary or abrogate the rights attaching to Shares.

If at any time the Share capital is divided into different classes of Shares, the rights attached to any class (unless otherwise provided by the terms of issue of the Shares of that class), whether or not the Company is being wound up may be varied or abrogated with the consent in writing of the holders of three-quarters of the issued Shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the Shares of that class.

- (h) **General meeting:** Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with section 249D of the Corporations Act and the Constitution.

## 5.2 Terms and conditions of Attaching Options

The terms and conditions of the Attaching Options are as follows:

- (a) **Entitlement:** Each Option entitles the holder (**Option Holder**) to subscribe for one fully paid ordinary Share in the Company.
- (b) **No payment on grant:** The Option Holder is not required to pay any amount on the grant of an Option.
- (c) **Exercise price:** The exercise price of each Option is \$0.025 (**Exercise Price**).
- (d) **Expiry date:** Each Attaching Option may be exercised at any time before 5.00pm (WST) on or before 30 September 2024 (**Expiry Date**). Any Attaching Option not exercised by the Expiry Date will automatically expire.

- (e) **Certificate or Holding Statement:** The Company must give the Option Holder a certificate or Holding Statement stating:
- (i) the number of Attaching Options issued to the Option Holder;
  - (ii) the Exercise Price of the Attaching Options; and
  - (iii) the date of issue of the Attaching Options.
- (f) **Transfer:**
- (i) The Options are transferable, subject to applicable law.
  - (ii) Subject to the Listing Rules and the Corporations Act, the Option Holder may transfer some or all of the Options at any time before the Expiry Date by:
    - A. a proper ASTC regulated transfer (as defined in the Corporations Act) or any other method permitted by the Corporations Act; or
    - B. a prescribed instrument of transfer.
  - (iii) An instrument of transfer of an Option must be:
    - A. in writing;
    - B. in any usual form or in any other form approved by the Directors that is otherwise permitted by law;
    - C. subject to the Corporations Act, executed by or on behalf of the transferor, and if required by the Company, the transferee; and
    - D. delivered to the Company, at the place where the Company's register of option holders is kept, together with the certificate (if any) of the Option to be transferred and any other evidence as the Directors require to prove the title of the transferor to that Option, the right of the transferor to transfer that Option and the proper execution of the instrument of transfer.
- (g) **Quotation of Attaching Options:** The Company will not apply to ASX for Official Quotation of Options.
- (h) **Quotation of Shares:** The Company will apply to ASX for Official Quotation of the Shares issued on exercise of Attaching Options.
- (i) **New issues:** The Option Holder is not entitled to participate in any new issue to Shareholders of Securities in the Company unless it has exercised its Attaching Options before the record date for determining entitlements to the new issue of Securities and participate as a result of holding Shares.
- (j) **Bonus issues:** If the Company makes a bonus issue of Shares or other Securities to Shareholders (except an issue in lieu of dividends or by way of dividend reinvestment) and a Share has not been issued in respect of the Option before the record date for determining entitlements to the issue, then the number of underlying Shares over which the Option is exercisable will be increased by the number of Shares which the Option Holder would have received if the Option Holder had exercised the Option before the record date for determining entitlements to the issue.

**(k) Reorganisation:**

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

**(l) Exercise of Attaching Options:**

- (i) To exercise Options, the Option Holder must give the Company or its Share Registry, at the same time:
  - A. a written exercise notice (in the form approved by the board of the Company from time to time) specifying the number of Attaching Options being exercised and Shares to be issued;
  - B. payment of the Exercise Price for the Shares, the subject of the exercise notice, by way of bank cheque or by other means of payment, approved by the Company; and
  - C. any certificate for the Attaching Options.
- (ii) The Option Holder may only exercise Options in multiples of 10,000 Options unless the Option Holder exercises all Options held by the Option Holder.
- (iii) Options will be deemed to have been exercised on the date the exercise notice and Exercise Price are received by the Company.
- (iv) If the Option Holder exercises less than the total number of Attaching Options registered in the Option Holder's name:
  - A. the Option Holder must surrender their Option certificate (if any); and
  - B. the Company must cancel the Option certificate (if any) and issue the Option Holder a new certificate or Holding Statement stating the remaining number of Options held by the Option Holder.

**(m) Issue of Shares on exercise of Options:**

- (i) Within five Business Days after receiving an application for exercise of Options and payment by the Option Holder of the Exercise Price, the Company must issue the Option Holder the number of Shares specified in the application.

- (ii) Subject to the Constitution, all Shares issued on the exercise of Options will rank in all respects (including rights relating to dividends) equally with the existing ordinary shares of the Company at the date of issue.
- (n) **Governing law:** These terms and the rights and obligations of the Option Holder are governed by the laws of Western Australia. The Option Holder irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of Western Australia.

## 6. Risk factors

### 6.1 Introduction

Activities in the Company, as in any business, are subject to risks which may impact on the Company's future performance.

Prior to deciding whether to subscribe for New Shares, Applicants should read the entire Offer Document and review announcements made by the Company to ASX ([www.asx.com.au](http://www.asx.com.au) under the code 'BMG') to gain an appreciation of the Company, its activities, operations, financial position and prospects.

An investment in New Securities should be considered speculative. New Securities do not carry any guarantee with respect to the payment of any dividends, returns of capital or the market value of those New Securities.

Applicants should also consider the risk factors set out in Section 0 above and in Sections 6.3 to 6.3 below which the Directors believe represent some of the general and specific risks that Applicants should be aware of when evaluating the Company and deciding whether to subscribe for New Shares. The following risk factors are not intended to be an exhaustive list of all of the risk factors to which the Company is exposed.

### 6.2 Mining exploration industry risks

Mineral exploration, development and mining activities are high-risk undertakings and there can be no assurance that any exploration or development activity in regard to the Company's current properties, or any properties that may be acquired in the future, will result in the discovery or exploitation of an economic resource.

Mineral exploration, development and mining may be hampered by circumstances beyond the control of the Company and are speculative operations which by their nature are subject to a number of inherent risks, including the following:

- (a) **Exploration and ability to exploit successful discoveries:** It may not always be possible for the Company to exploit successful discoveries which may be made in areas in which the Company has an interest. Such exploitation would involve obtaining the necessary licences or clearances from relevant authorities that may require conditions to be satisfied and/or the exercise of discretions by such authorities. It may or may not be possible for such conditions to be satisfied. Further, the decision to proceed to further exploitation may require participation of other companies whose interests and objectives may not be the same as the Company's.
- (b) **Mining and development risks:** Profitability depends on successful exploration and/or acquisition of reserves, design and construction of efficient processing facilities, competent operation and management and proficient financial management. Mining and development operations can be hampered by force majeure circumstances, environmental considerations and cost overruns for unforeseen events.
- (c) **Exploration costs:** The exploration costs of the Company are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions. Accordingly, no assurance can be given that cost estimates and underlying assumptions will be realised in practice, which may materially and adversely affect the Company's viability.

- (d) **Environmental risks:** The operations and activities of the Company are subject to its environmental laws and regulations. As with most exploration projects and mining operations, the Company's operations and activities are expected to have an effect on the environment, particularly if advanced exploration or mine development proceeds. The Company attempts to conduct its operations and activities to the highest standard of environmental obligation, including compliance with all environmental laws.
- (e) **Successful development of projects:** The business of exploration, project development and mining contains risks by its very nature. To prosper, it depends on the successful exploration and/or acquisition of reserves, design and construction of efficient production/processing facilities, competent operation and managerial performance and proficient marketing of the product. In particular, exploration is a speculative endeavour and force majeure circumstances, cost overruns and other unforeseen events can hamper mining operations.
- (f) **Realising value from projects:** The operations of the Company may be affected by various factors, including failure to locate or identify mineral deposits; failure to achieve predicted grades in exploration and mining; operational and technical difficulties encountered in mining; difficulties in commissioning and operating plant and equipment; mechanical failure or plant breakdown; unanticipated metallurgical problems which may affect extraction costs; adverse weather conditions; industrial and environmental accidents; industrial disputes; and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment.

No assurances can be given that the Company will achieve commercial viability through the successful exploration and/or mining of its tenement interests. Until the Company is able to realise value from its projects, it is likely to incur ongoing operating losses.

### 6.3 Company specific risks

The following risks have been identified as being key risks specific to an investment in the Company. These risks have the potential to have a significant adverse impact on the Company and may affect the Company's financial position, prospects and price of its quoted Securities.

- (a) **Small, speculative company:** The Company is a small company in terms of its market capitalisation and number of Shareholders. The Company's business in mineral exploration.
- (b) **Abercromby Project operation risk:** The mining rights associated with the Abercromby Project rely on the existing contractual relationship and arrangements with the underlying licence holder, Nova Energy. A breakdown in such relationship and arrangements could conceivably adversely affect the Company's ability to operate at the Abercromby Project.
- (c) **Native title risk:** In respect of the Invincible Project, the Company holds two exploration licences, E45/4553 and E45/6222 (**Invincible Licenses**). The Invincible Licences are located within the Nyamal #1 (WAD20/2019 – WC1999/008) and Nyamal #10 (WAD26/2019 – WCD2019/011) native title claim areas. Part of the claim over land on which both of the Invincible Licenses are held have been determined as existing and are held by Nyamal Aboriginal Corporation RNTBC (**Nyamal**). Part of the claim over land on which E45/4553 is located has been determined as existing and is held by Njamal Heritage Services Pty Ltd (**Njamal**).

The Company is not aware of potential additional native title determination claims over the area of the Invincible Licenses. It is possible that Nyamal and/or Njamal may lodge a native title compensation claim over the determined area, but the Company is not aware of any imminent claims and considers it unlikely that any such claim would be made.

- (d) **Commodities price and exchange rate fluctuations:** The revenue derived through the sale of mineral commodities exposes the potential income of the Company to mineral commodities price and exchange rate risks. Commodity prices fluctuate and are affected by numerous factors beyond the control of the Company. These factors include world demand for commodities, forward selling by producers and the level of production costs in major commodity-producing regions. Moreover, commodity prices are also affected by macroeconomic factors such as expectations regarding inflation, interest rates and global and regional demand for, and supply of, commodities.

Furthermore, the international prices of most commodities are denominated in United States dollars, whereas any income and the expenditure of the Company are and will be taken into account in the Australian dollar, exposing the Company to the fluctuations and volatility of the rates of exchange between those currencies.

- (e) **Future capital requirements:** The Company may require substantial further financing in the future for its business activities, in addition to amounts raised pursuant to the Offers. Any additional equity financing may be dilutive to Shareholders, may be undertaken at lower prices than the current market price (or the price under the Offers) or may involve restrictive covenants which limit the Company's operations and business strategy.

Although the Directors believe that additional capital can be obtained, no assurances can be made that appropriate capital or funding, if and when needed, will be available on terms favourable to the Company or at all. If the Company is unable to obtain additional financing as needed, it may be required to reduce, delay or suspend its operations and this could have a material adverse effect on the Company's activities and could affect the Company's ability to continue as a going concern.

- (f) **Joint venture parties, agents and contractors:** There is a risk of financial failure or default by a participant in any joint venture to which the Company is, or may become, a party or the insolvency or managerial failure by any of the contractors used by the Company in any of its activities or the insolvency or other managerial failure by any of the other service providers used by the Company for any activity.

- (g) **Competition:** The Company competes with other companies, including major mining companies in Australia and internationally. Some of these companies have greater financial and other resources than the Company and, as a result, may be in a better position to compete for future business opportunities. There can be no assurance that the Company can compete effectively with these companies.

- (h) **Key personnel:** Recruiting and retaining qualified personnel are important to the Company's success. The number of persons skilled in the exploration and development of mining properties is limited and competition for such persons is strong. There can be no assurance given that there will be no detrimental impact on the Company if such persons employed cease their employment with the Company.

- (i) **Insurance risk:** In certain circumstances the Company's insurance may not be of a nature or level to provide adequate insurance cover. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company.

Insurance of all risks associated with mineral exploration and production is not always available and where available the costs can be prohibitive.

- (j) **Potential acquisitions:** As part of its business strategy, the Company may make acquisitions of or significant investments in companies, products, technologies or resource projects. Any such future transactions would be accompanied by the risks commonly encountered in making acquisitions of companies, products, technologies or resource projects.

#### 6.4 General investment risks

- (a) **General economic conditions:** Economic conditions, both domestic and global, may affect the performance of the Company. Factors such as fluctuations in currencies, commodity prices, inflation, interest rates, supply and demand and industrial disruption may have an impact on operating costs and share market prices. The Company's future performance and Share price can be affected by these factors, all of which are beyond the control of the Company or its Directors.

- (b) **Securities market conditions:** As with all securities market investments, there are risks associated with an investment in the Company. Share prices may rise or fall and the price of Shares might trade below or above the price payable for New Shares.

General factors that may affect the market price of Shares include economic conditions in both Australia and internationally, investor sentiment, local and international share market conditions, changes in interest rates and the rate of inflation, variations in commodity prices, the global security situation and the possibility of terrorist disturbances, changes to government regulation, policy or legislation, changes which may occur to the taxation of companies as a result of changes in Australian and foreign taxation laws, changes to the system of dividend imputation in Australia, and changes in exchange rates.

- (c) **Liquidity risk:** There cannot be any guarantee that there will continue to be an active market for Shares or that the price of Shares will increase. There may be relatively few buyers or sellers of Shares on ASX at any given time. This may affect the volatility of the market price of Shares. It may also affect the prevailing market price at which Shareholders are able to sell Shares held by them.
- (d) **Changes in government policy & legislation:** Any material adverse changes in relevant government policies or legislation of Australia or internationally may affect the viability and profitability of the Company, and consequently may affect returns to investors.
- (e) **Other:** Other risk factors include those normally found in conducting business, including litigation resulting from the breach of agreements or in relation to employees (through personal injuries, industrial matters or otherwise) or any other cause, strikes, lockouts, loss of service of key management or operational personnel, non-insurable risks, delay in resumption of activities after reinstatement following the occurrence of an insurable risk and other matters that may interfere with the business or trade of the Company.

## 7. Continuous disclosure documents

### 7.1 Continuous disclosure obligations

This is a prospectus for the offer of continuously quoted securities (as defined in the Corporations Act) of the Company and is issued pursuant to section 713 of the Corporations Act as a transaction specific prospectus. Accordingly, this Prospectus does not contain the same level of disclosure as an initial public offering prospectus.

The Company is a “disclosing entity” for the purposes of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. As a listed company, the Company is subject to the Listing Rules which require it to immediately notify ASX of any information concerning the Company of which it is or becomes aware and which a reasonable person would expect to have a material effect on the price or value of Shares, subject to certain exceptions.

Having taken such precautions and having made such enquiries as are reasonable, the Company believes that it has complied with the provisions of the Listing Rules as in force from time to time which apply to disclosing entities, and which require the Company to notify ASIC of information available to the stock market conducted by ASX, throughout the 12 months before the issue of this Prospectus.

The New Shares to be issued under this Prospectus are in a class of securities that were quoted on the stock market of ASX at all times in the 12 months before the issue of this Prospectus.

### 7.2 Documents available for inspection

The Company has lodged the following announcements with ASX since the lodgement of the Company’s half year financial report for the 6 month financial period ended 31 December 2022 on 16 March 2023:

Date	Description of ASX announcement
17 April 2023	518,000oz Maiden Mineral Resource for Abercromby Project
17 April 2023	Investor Presentation – April 2023
18 April 2023	Revision to ASX Announcements on 17 April 2023
21 April 2023	Trading Halt
26 April 2023	BMG to raise up to \$2.7m in Placement and Entitlement Issue
26 April 2023	Proposed issue of securities – BMG
26 April 2023	Proposed issue of securities – BMG
26 April 2023	Proposed issue of securities – BMG
28 April 2023	Quarterly Report and Appendix 5B
28 April 2023	Update - Proposed issue of securities - BMG
28 April 2023	Proposed issue of securities - BMG

Copies of documents lodged with ASIC in relation to the Company may be obtained from, or inspected at, an office of ASIC.

Copies of documents lodged with ASX, in relation to the Company, including the Company’s corporate governance policies, may be obtained from the Company’s website at [www.bmgl.com.au](http://www.bmgl.com.au) or at ASX’s website at [www.asx.com.au](http://www.asx.com.au).

The Company will provide a copy of each of the following documents, free of charge, to any person on request from the Prospectus Date until the latest Closing Date:

- (a) the financial report of the Company for the 6 month financial period ended 31 December 2022, being the financial report of the Company most recently lodged with ASIC before the issue of this Prospectus; and
- (b) any documents used to notify ASX of information relating to the Company in the period from lodgement of the annual financial report referred to in paragraph (a) above until the issue of the Prospectus in accordance with the Listing Rules as referred to in section 674(1) of the Corporations Act.

Copies of all documents lodged with ASIC in relation to the Company can be inspected at the registered office of the Company during normal office hours.

## 8. Additional information

### 8.1 Litigation

As at the Prospectus Date, the Company is not involved in any material legal proceedings and the Directors are not aware of any material legal proceedings pending or threatened against the Company.

### 8.2 Interests of Directors

Other than as set out below or elsewhere in this Prospectus, no Director nor any entity in which a Director is a partner or director, has or has had in the two (2) years before the Prospectus Date, any interest in:

- (a) property acquired or proposed to be acquired by the Company in connection with its formation or promotion of the Offers; or
- (b) the Offers,

and no amounts have been paid or agreed to be paid (in cash or Shares or otherwise) and no other benefit has been given or agreed to be given to any Director or proposed director or to any entity in which such a Director or proposed director is a partner or director, either to induce him to become, or to qualify as, a Director or otherwise for services rendered by him or by the entity in connection with the formation or promotion of the Company or the Offers.

### 8.3 Security holding interests of Directors

At the Prospectus Date the relevant interest of each of the Directors in the Securities of the Company are as follows:

Director	Shares	Options	Performance Rights	Performance Shares
Gregory Hancock	Nil	Nil	8,000,000 <sup>1</sup>	Nil
Bruce McCracken	5,876,671	Nil	12,000,000 <sup>1</sup>	Nil
John Prineas	45,824,696	Nil	Nil	6,400,000 <sup>2</sup>
John Dawson	31,362,348	Nil	Nil	3,200,000 <sup>2</sup>

**Notes:**

- 1. Performance Rights structured in four equal tranches, with vesting conditions pertaining to the level of resources which may be reported on any of the Group's 100% owned Gold Projects and increase in the Company's share price.
- 2. Performance Shares acquired in Mr Prineas and Mr Dawson's capacity as vendors in a transaction whereby the Company acquired 100% of the share capital of Oracle Mining Pty Ltd in October 2022.

### 8.4 Intentions of Directors with respect to Entitlement Offer and participation in the Placement

Directors or their associated entities who are registered as Shareholders on the Record Date may participate in the Entitlement Offer, however, Directors and their associated entities or other Related Party of the Company may not subscribe for New Shares under the Shortfall Offer.

## 8.5 Remuneration of Directors

Details of remuneration provided to Directors and former Directors during the past two financial years is as follows:

Director	Financial year to 30 June 2022	Financial year to 30 June 2021
Gregory Hancock (Non-Executive Chairman)	\$229,507	\$184,460
Bruce McCracken (Managing Director)	\$475,975	\$390,454
John Prineas (Non-Executive Director)	\$39,600	\$28,293
John Dawson (Non-Executive Director)	\$39,600	\$28,293

### Notes:

1. Remuneration includes salary, annual and long service leave, post-employment benefits and Performance Rights. Refer to 2022 Annual Report and 2021 Annual Report for a full breakdown.
2. In respect of Gregory Hancock, his cash remuneration for the years ended 30 June 2022 and 30 June 2021 was \$60,000 in each year. Amounts of \$169,507 and \$124,460, in the 2022 and 2021 financial years respectively, relate to the amortisation of Performance Rights which were issued in October 2020. Mr Hancock has not yet received the benefit of these Performance Rights.
3. In respect of Bruce McCracken, his cash remuneration (including superannuation and leave entitlements) for the years ended 30 June 2022 and 30 June 2021 was \$221,714 and \$203,764 respectively. Amounts of \$254,261 and \$186,690, in the 2022 and 2021 financial years respectively, relate to the amortisation of Performance Rights which were issued in October 2020. Mr McCracken has not yet received the benefit of these Performance Rights.

## 8.6 Director indemnity deeds

The Company has entered into a deed of indemnity with each of the Directors.

Under the deeds the Company has undertaken, subject to the restrictions in the Corporations Act, to indemnify all Directors against all losses or liabilities incurred by each Director in their capacities as Directors.

## 8.7 Expenses of the Offers

The expenses of the Offers are expected to comprise the following estimated costs and are exclusive of any GST payable by the Company. The expenses assume that all New Shares offered under the Offers are issued.

Expense	Estimated amount (50% subscription to Offers)	Estimated maximum (100% subscription to Offers)
ASIC fees	\$3,206	\$3,206
ASX listing fees	\$3,966	\$6,035
Legal fees	\$17,500	\$17,500
Printing, distribution and Share Registry expenses	\$9,655	\$11,141
<b>Total</b>	<b>\$34,327</b>	<b>\$37,882</b>

## 8.8 Interests of experts and advisers

Other than as set out below or elsewhere in this Prospectus:

- all other persons named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus do not have, and have not had in the 2 years before the Prospectus Date, any interest in:
  - the formation or promotion of the Company;
  - property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offers; or
  - the Offers; and
- amounts have not been paid or agreed to be paid (whether in cash, Securities or otherwise), and other benefit have not been given or agreed to be given, to any of those persons for services provided by those persons in connection with the formation or promotion of the Company or the Offers.

Expert/advisor	Service or function	Amount paid or to be paid
BDO Audit (WA) Pty Ltd	Auditor	BDO Audit (WA) Pty Ltd has been paid approximately \$94,042 (including GST) for the provision of auditing and other professional services to the Company in the period 2 years prior to the Prospectus Date.
Blackwall Legal LLP	Solicitors to the Company	<p>Blackwall Legal LLP will be paid approximately \$17,500 (plus GST) for services related to this Prospectus, including in relation to the Offers and other general legal due diligence advisory services.</p> <p>Blackwall Legal LLP has been paid \$48,472 (including GST) for legal services provided to the Company in the period 2 years prior to the Prospectus Date, including a portion of the fees above.</p>
Automic Group Pty Ltd	Share registry services	<p>Automic Group Pty Ltd will be paid approximately \$11,141 (plus GST) for services to be provided in relation to receiving and managing Applications under the Offers.</p> <p>Automic Group Pty Ltd has been paid or is entitled to be paid approximately \$44,497 (including GST) for the provision of share registry services to the Company in the period 2 years prior to the Prospectus Date.</p>

## 8.9 Consents and liability statements

The following parties have given their written consent to be named in the Prospectus in the form and context in which they are named and to the inclusion of a statement or report in this Prospectus in the form and context in which it is included:

<b>Party</b>	<b>Capacity in which named</b>	<b>Statement or report in this Prospectus</b>
BDO Audit (WA) Pty Ltd	Auditor	Auditors of the Company who reviewed the interim / half year report (as a whole) for the period ended 31 December 2022 (Half Year Report) which included the consolidated statement of financial position for the Company referred to in Section 4.3.
Blackwall Legal LLP	Solicitors to the Company	Not applicable.
Automic Group Pty Ltd	Share Registry	Not applicable.

Each of the parties named above as providing their consent:

- does not make, or purport to make, any statement in this Prospectus nor is any statement in this Prospectus based on any statement by any of those parties other than as specified in the table above; and
- to the maximum extent permitted by law, expressly disclaims any responsibility or liability for any part of this Prospectus other than a reference to its name and a statement contained in this Prospectus with consent of that party as specified in the table above.

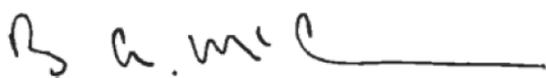
None of BDO Audit (WA) Pty Ltd, Blackwall Legal LLP and Automic Group Pty Ltd authorised or caused the issue of this Prospectus.

## 9. Directors' responsibility statement and consent

The Directors state that they have made all reasonable enquiries and that on that basis have reasonable grounds to believe that any statements made by the Directors in this Prospectus are not misleading or deceptive and that in respect of any other statements made in the Prospectus by persons other than the Directors, the Directors have made reasonable enquiries and on that basis have reasonable grounds to believe that the persons making the statement or statements were competent to make such statements; those persons have given their consent before lodgement of this Prospectus with ASIC or, to the Directors' knowledge, before any issue of New Shares pursuant to this Prospectus.

Each Director has consented to the lodgement of this Prospectus with ASIC and has not withdrawn that consent.

This Prospectus is signed for and on behalf of the Company pursuant to a resolution of the Board by:

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

**Bruce McCracken**  
Managing Director

for and on behalf of the Company

Dated: 1 May 2023

## 10. Glossary of Terms

<b>Abercromby</b>	The Company's flagship Abercromby Gold Project (11.1Mt @ 1.45 g/t Au for 518koz Au), located in the Agnew-Wiluna Greenstone Belt.
<b>AFSL</b>	Australian Financial Services Licence.
<b>Applicant</b>	A person who applies for New Securities in accordance with this Prospectus.
<b>Application</b>	A valid application for New Securities offered under this Prospectus.
<b>Application Monies</b>	The monies payable by Applicants to the Offers.
<b>ASIC</b>	The Australian Securities and Investments Commission.
<b>Associate</b>	Has the meaning set out in the Listing Rules.
<b>Attaching Options</b>	Options that may be issued under this Prospectus on the terms set out herein.
<b>ASX</b>	ASX Limited ACN 008 624 691 or the Australian Securities Exchange, as the context requires.
<b>ASX Listing Rules</b>	The listing rules of ASX.
<b>ASX Settlement</b>	ASX Settlement Pty Ltd ACN 008 504 532.
<b>ASX Settlement Rules</b>	The settlement rules of ASX Settlement.
<b>Board</b>	The board of Directors.
<b>Broker Options</b>	15,000,000 Options proposed to be issued to Argonaut Securities Pty Ltd in respect of the Placement, exercisable \$0.025 on or before 30 June 2025.
<b>Bullabulling</b>	The Bullabulling Gold-Lithium Project, located in the emerging Coolgardie gold and lithium region, which the Company has entered into a binding option to acquire 100% of.
<b>Business Day</b>	A day: (a) that is a business day as defined in the Listing Rules; and (b) which is not a Saturday, Sunday, public holiday or bank holiday in Perth, Western Australia.
<b>CHESS</b>	Clearing House Electronic Sub-register System operated by ASX Settlement.
<b>CHESS Statement or Holding Statement</b>	A statement of shares registered in a CHESS account.
<b>Closing Date</b>	The Entitlement Offer Closing Date and the Shortfall Offer Closing Date, or either one of those dates as the context requires.
<b>Company or BMG Resources or BMG</b>	BMG Resources Limited ACN 107 118 678.
<b>Constitution</b>	The constitution of the Company.
<b>Corporations Act</b>	<i>Corporations Act 2001</i> (Cth).
<b>Director</b>	A director of the Company as at the Prospectus Date.
<b>Eligible Jurisdictions</b>	Australia and New Zealand.

<b>Eligible Shareholder</b>	A Shareholder who is: <ul style="list-style-type: none"> <li>(a) a registered holder of Shares on the Record Date;</li> <li>(b) has a registered address in Australia or New Zealand as shown in the Share Registry;</li> <li>(c) not in the United States or a U.S. Person or acting for the account of or benefit of a U.S. Person; and</li> <li>(d) eligible under all applicable securities laws to receive an offer under the Entitlement Offer.</li> </ul>
<b>Entitlement</b>	The number of New Shares that an Eligible Shareholder is entitled to apply for under the Entitlement Offer, as determined by the number of Existing Shares held by that Shareholder as at the Record Date.
<b>Entitlement and Acceptance Form</b>	The entitlement and acceptance form accompanying this Prospectus.
<b>Entitlement Offer</b>	The offer of New Securities under this Prospectus to Eligible Shareholders as described in Section 2.1.
<b>Entitlement Offer Closing Date</b>	The closing date for the Entitlement Offer as stated in Section 2.6.
<b>EFT</b>	Electronic funds transfer.
<b>Excluded Shareholder</b>	A Shareholder as at the Record Date whose registered address is not situated in an Eligible Jurisdiction.
<b>Existing Share</b>	A share issued before the Prospectus Date.
<b>Existing Shareholder</b>	A holder of an Existing Share.
<b>General Meeting</b>	A general meeting of Shareholders convened by the Company.
<b>Invincible</b>	The Company's Invincible Gold-Lithium Project, located in the central Pilbara and hosts 12.5km of the Warrawoona shear.
<b>Listing Rules</b>	The listing rules of ASX.
<b>Lodgement Date</b>	The date of lodgement of the Prospectus with ASIC as set out on page iii.
<b>Native Title</b>	<i>Native Title Act 1993</i> (Cth).
<b>New Securities</b>	New Shares and Attaching Options
<b>New Shares</b>	The Shares that may be issued under this Prospectus on the terms set out herein.
<b>Offer Period</b>	The period commencing on the Opening Date and ending on the Closing Date.
<b>Offer Price</b>	The issue price of New Shares under the Offers, being \$0.013 per New Share.
<b>Offers</b>	The Entitlement Offer and the Shortfall Offer.
<b>Official Quotation</b>	Official quotation by ASX.
<b>Opening Date</b>	The opening date of the Entitlement Offer as set out in Section 2.6
<b>Option</b>	An option to subscribe for a Share.
<b>Option Holder</b>	The holder of an Option.

<b>Performance Rights</b>	Rights granted by the Company entitling the holder to acquire Shares subject to satisfaction of vesting and/or performance conditions.
<b>Placement</b>	The issue of a minimum of 81,497,914 Shares and a maximum of 120,000,000 Shares to professional and sophisticated investors at \$0.0125 per Share as outlined in Section 1.3.
<b>Placement Participant</b>	An investor who is allocated Shares under the Placement.
<b>Placement Participant Offer</b>	The offer of Attaching Options under this Prospectus to Placement Participants as described in Section 2.10.
<b>Privacy Act</b>	<i>Privacy Act 1988</i> (Cth).
<b>Prospectus</b>	This prospectus, including any electronic or online version of this prospectus.
<b>Prospectus Date</b>	The date of this Prospectus, being the date this Prospectus was lodged with ASIC.
<b>RC</b>	Reverse circulation drilling.
<b>Record Date</b>	The date at which entitlement of Shareholders to participate in the Entitlement Offer is determined, being 5.00pm (WST) on Friday, 04 May 2023.
<b>Related Body Corporate</b>	Has the meaning given to it in section 50 of the Corporations Act.
<b>Related Party</b>	A Director or other person who is a 'related party' of the Company within the meaning given to that in the Listing Rules.
<b>Section</b>	A section of this Prospectus.
<b>Securities</b>	Shares and/or Options.
<b>Share</b>	A fully paid ordinary share in the capital of the Company.
<b>Share Registry</b>	The Company's share registry, Automic Group Pty Ltd.
<b>Shareholder</b>	The holder of a Share.
<b>Shortfall</b>	The number of New Shares offered under this Prospectus for which valid Applications have not been received from Eligible Shareholders before the Closing Date.
<b>Shortfall Application Form</b>	An application form for New Shares under the Shortfall Offer.
<b>Shortfall Offer</b>	The offer of Shortfall Shares under this Prospectus.
<b>Shortfall Offer Closing Date</b>	The closing date for the Shortfall Offer as stated in Section 2.6.
<b>Shortfall Shares</b>	New Shares not subscribed for under the Entitlement Offer.
<b>U.S. Person</b>	Any person in the United States or any person that is, or is acting for the account or benefit of, a "U.S. person" (as defined in Regulation S under the United States Securities Act of 1933, as amended).
<b>VWAP</b>	Volume weighted average price.
<b>WST</b>	Western Standard Time, being the time in Perth, Western Australia.



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