



BMG Resources Limited
ACN 107 118 678

ASX ANNOUNCEMENT

27 OCTOBER 2016

NOTICE OF ANNUAL GENERAL MEETING

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

The Annual General Meeting will be held at 11.00am (WST) on 25 November 2016 at Level 14, 191 St Georges Terrace Perth Western Australia 6000.

Hardcopies of the Annual Report will be despatched to all shareholders who have requested it. Shareholders who have elected to receive the report in electronic format will be sent an electronic version of the Annual Report from Security Transfer Registrars.

The Notice of Annual General Meeting and the Annual Report can be located on the BMG Resources Limited website at www.bmgl.com.au.

*****ENDS*****

For further information, shareholders and media please contact:

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Fleur Hudson
Company Secretary
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BMG RESOURCES LIMITED

ACN 107 118 678

Circular to Shareholders

Including

NOTICE OF ANNUAL GENERAL MEETING

EXPLANATORY MEMORANDUM

Date of Meeting

25 November 2016

Time of Meeting

11.00am

Place of Meeting

BMG Resources Limited

Parmelia House

Level 14, 191 St Georges Terrace

Perth Western Australia 6000

These documents should be read in their entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.

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NOTICE OF MEETING

Notice is hereby given that the Annual General Meeting of BMG Resources Limited will be held at Parmelia House, Level 14, 191 St Georges Terrace Perth, Western Australia on **25 November 2016 at 11.00am (WST)**.

AGENDA

To consider, and if thought fit to pass, the resolutions set out below as ordinary resolutions (in respect of Resolutions 2, 3 and 4) and as a Special Resolution (in respect of Resolution 5).

Information on the proposals to which those Resolutions relate is contained in the explanatory memorandum which accompanies and forms part of this Notice of Meeting (**'Explanatory Memorandum'**). Words and expressions defined in the Explanatory Memorandum have the same meanings where used in this Notice of Meeting.

FINANCIAL STATEMENTS AND REPORTS

To receive and consider the Financial Statements, Directors' Report and Auditor's Report of BMG Resources Limited for the financial year ended 30 June 2016.

RESOLUTION 1 – THE ADOPTION OF THE REMUNERATION REPORT (NON-BINDING RESOLUTION)

To consider and, if thought fit, to pass the following resolution as a non-binding **ordinary resolution**:

"That, for the purpose of section 250R(2) of the Corporations Act and for all other purposes, the Remuneration Report as contained in the Company's Annual Report for the financial year ended 30 June 2016 be adopted."

RESOLUTION 2 – RE-ELECTION OF DIRECTOR – MR MALCOLM CASTLE

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

"That Mr Malcolm Castle (a Director appointed by the Board on 25 November 2010) who retires in accordance with Article 79 of the Company's constitution and Listing Rule 14.4 and, being eligible, offers himself for re-election, is re-elected as a Director."

RESOLUTION 3 – ELECTION OF DIRECTOR – MR SIMON TREVISAN

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

"That Mr Simon Trevisan, having been appointed by the Board as an additional Director on 15 April 2016, retires in accordance with Article 81(2) of the Constitution and, being eligible, offers himself for election, be elected as a Director."

RESOLUTION 4 – ELECTION OF DIRECTOR – MR ANTHONY TREVISAN

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

"That Mr Anthony Trevisan, having been appointed by the Board as an additional Director on 24 May 2016, retires in accordance with Article 81(2) of the Constitution and, being eligible, offers himself for election, be elected as a Director."

RESOLUTION 5 – APPROVAL OF ADDITIONAL PLACEMENT FACILITY

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

“That, for the purpose of Listing Rule 7.1A and for all other purposes, approval is given for the issue of Equity Securities up to 10% of the issued capital of the Company (at the time of the issue), calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions set out in the Explanatory Memorandum.”

Voting exclusion

In accordance with Listing Rule 7.3A.7, the Company will disregard any votes cast on this resolution by any person (and any associates of such a person) who may participate in the Additional Placement Facility and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed, and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

24 October 2016

By Order of the Board



Fleur Hudson

Company Secretary

NOTES

These notes form part of the Notice of Meeting.

Background information

To assist you in deciding how to vote on the above Resolutions, background information to the Resolutions are set out in the Explanatory Memorandum forming part of this Notice of Meeting.

Recommendation

The Board believes that the above Resolutions are in the best interests of the Shareholders and (save where otherwise indicated in the Explanatory Memorandum) unanimously recommends that Shareholders vote in favour of each of them.

Voting Entitlements

The Directors have determined that, for the purpose of voting at the Meeting, Shareholders eligible to vote at the Meeting are those persons who are the registered holders of Shares at 11am (WST) on 24 November 2016.

How to vote

You may vote by attending the Meeting in person, by proxy, or by an authorised representative.

Voting in person

To vote in person, attend the Meeting on 25 November 2016 at 11.00am (WST) at Parmelia House, Level 14, 191 St Georges Terrace, Perth. Shareholders are asked to arrive at the venue 30 minutes prior to the time designated for the meeting, if possible, so that the Company may check their shareholding against the Company's share register and note attendances.

Voting by proxy

A Shareholder has the right to appoint a proxy (who need not be a Shareholder). A proxy can be an individual or a body corporate. A body corporate appointed as a Shareholder's proxy may appoint a representative to exercise any of the powers the body corporate may exercise as a proxy at the Meeting. The representative should bring to the meeting evidence of his or her appointment, including any authority under which the appointment is signed, unless it has previously been given to the Company.

If a Shareholder is entitled to cast two or more votes he may appoint two proxies and may specify the percentage of votes each proxy is appointed to exercise. If the Shareholder appoints two proxies and the appointment does not specify the proportion or number of the Shareholder's votes each proxy may exercise, each proxy may exercise half the votes.

To vote by proxy, the Proxy Form (together with the original of any power of attorney or other authority, if any, or certified copy of that power of attorney or other authority under which the Proxy Form is signed) must be deposited with the Company at the registered office Level 14, Parmelia House, 191 St Georges Terrace Perth WA 6000 or faxed to the Company (+61) (8) 9321 5932, not less than 48 hours before the time for holding the Meeting.

Lodgment of a Proxy Form will not preclude a Shareholder from attending and voting at the Annual General Meeting in person.

Corporate Shareholders should comply with the execution requirements set out on the Proxy Form or otherwise with the provisions of section 127 of the Corporations Act. Section 127 of the Corporations Act provides that a company may execute a document without using its common seal if the document is signed by:

- two directors of the company;
- a director and a company secretary of the company; or
- for a proprietary company that has a sole director who is also the sole company secretary, that director.

Corporate Representatives

A body corporate may elect to appoint an individual to act as its representative in accordance with section 250D of the *Corporations Act*, in which case the Company will require a certificate of Appointment of the Corporate Representative executed in accordance with the *Corporations Act*. The Certificate of Appointment must be lodged with the Company and/or the Share Registrar, Security Transfer Registrars Pty Ltd, before the Meeting or at the registration desk on the day of the Meeting. Certificates of Appointment of Corporate Representatives are available at Security Transfer Registrars Pty Ltd or on request by contacting Security Transfer Registrars Pty Ltd on telephone number (08) 9315 2333.

Questions from Shareholders

The Chairman will allow a reasonable opportunity for Shareholders to ask questions or make comments on the management and performance of the Company.

BDO Audit (WA) Pty Ltd, as the auditor responsible for preparing the Auditor's Report for the year ended 30 June 2016 (or its representative), will attend the Meeting. The Chairman will allow a reasonable opportunity for the Shareholders as a whole to ask the Auditor questions at the Meeting about:

- (a) the conduct of the audit;
- (b) the preparation and content of the Auditor's Report;
- (c) the accounting policies adopted by the Company in relation to the preparation of the Financial Statements; and
- (d) the independence of the Auditor in relation to the conduct of the audit.

To assist the Board and the Auditor of the Company in responding to any questions you may have, please submit any questions you may have by fax or to the address below by no later than five business days before the date of the Meeting.

By mail: Level 14, Parmelia House
191 St Georges Terrace
Perth WA 6000

By facsimile: (within Australia) (+61) (8) 9321 5932

In person at the Registered Office: Level 14, Parmelia House
191 St Georges Terrace
Perth WA 6000

As required under section 250PA of the *Corporations Act*, at the Meeting, the Company will make available those questions directed to the Auditor received in writing at least five business days prior to the Meeting, being questions which the Auditor considers relevant to the content of the auditor's report or the conduct of the audit of the Annual Financial Report for the year ended 30 June 2016. The Chairman of the Meeting will allow a reasonable opportunity for the Auditor to respond to the questions set out on this list.

Annual Report

The Company advises that a copy of its Annual Report for the year ended 30 June 2016, is available to download at the website address, www.bmgil.com.au.

When you access the Company's Annual Report on-line, you can view it and print a copy.

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

However, if you did not elect to continue to receive a hard copy of the Company's Annual Reports and now (or sometime in the future) wish to receive a hard copy of the Company's Annual Reports, please contact Security Transfer Registrar Pty Ltd on (08) 9315 2333. They will be pleased to mail you a copy.

Enquiries

Shareholders are invited to contact the Company Secretary, Fleur Hudson, on (08) 9424 9300 if they have any queries in respect of the matters set out in these documents.

The Notice of Meeting, Explanatory Memorandum and Proxy Form should be read in their entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.

EXPLANATORY MEMORANDUM

INTRODUCTION

This Explanatory Memorandum is prepared for the information of Shareholders in connection with any business to be transacted at the Annual General Meeting of the Company to be held on 25 November 2016.

At the Meeting, Shareholders will be asked to consider Resolutions regarding:

- adoption of the Remuneration Report;
- re-election of Mr Malcolm Castle as a Director;
- election of Mr Simon Trevisan as a Director;
- election of Mr Anthony Trevisan as a Director; and
- approval of Additional Placement Facility.

Details of these proposals are set out in this Explanatory Memorandum, which Shareholders are encouraged to read carefully.

The purpose of this Explanatory Memorandum is to provide information that the Board believes to be material to Shareholders in deciding whether or not to pass the Resolutions set out in the Notice. This Explanatory Memorandum explains the Resolutions and identifies the Board's reasons for putting them to Shareholders. It should be read in conjunction with the accompanying Notice of Meeting.

1. Financial Statements and Reports

Shareholders are to receive and consider the Financial Statements, Directors' Report and the Auditor's Report of BMG Resources Limited for the financial year ended 30 June 2016.

Shareholders will be given a reasonable opportunity at the Annual General Meeting to ask questions of the Board and the Auditors in relation to the Annual Report for the financial year ended 30 June 2016.

2. Resolution 1 - Adoption of the Remuneration Report

The Remuneration Report for the Company for the financial year ended 30 June 2016 is contained in the Company's Annual Report for the year end 30 June 2016, which is available at www.bmgl.com.au. The Remuneration Report sets out the Company's remuneration arrangements for the Directors and Key Management Personnel of the Company.

The Chairman will allow a reasonable opportunity at the Annual General Meeting for Shareholders to ask questions about, or make comments on, the Remuneration Report.

Shareholders will be asked to vote for the adoption of the Remuneration Report at the Meeting. The vote on this Resolution is advisory only and does not bind the Directors or the Company. The Board will consider the outcome of the vote and comments made by Shareholders at the Meeting when reviewing the Company's remuneration policies

If 25% or more of votes that are cast are voted against the adoption of the Remuneration Report at two consecutive annual general meetings, Shareholders will be required to vote at the second of those annual general meetings on a resolution (a "spill resolution") to determine whether another meeting be held within 90 days at which all of the Directors (other than the managing director) must go up for re-election.

At the Company's previous annual general meeting the votes against the remuneration report was less than 25% of the votes cast on the resolution. As such, Shareholders do not need to consider a spill resolution at this Meeting.

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

Voting exclusion

The Company will disregard any votes cast on this Resolution by or on behalf of members of Key Management Personnel whose remuneration details are included in the Remuneration Report and any Closely Related Parties of those persons.

Key Management Personnel of the Company are the Directors and those other persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. The Remuneration Report identifies the Company's Key Management Personnel for the financial year ended 30 June 2016. Their Closely Related Parties are defined by the Corporations Act and include certain of their family members, dependents and companies they control.

If you appoint the Chairman as your proxy and have not directed him how to vote, you are expressly authorising the Chairman to cast your undirected proxy on this Resolution in accordance with his stated intentions. The Chairman intends to vote all undirected proxies in favour of this Resolution.

If you appoint any other member of the Board, a member of senior management who is named in the Remuneration Report, or their Closely Related Parties as your proxy, they will not be able to vote your proxy on this Resolution unless you have directed them how to vote.

3. Resolution 2 – Re-election of Mr Malcolm Castle as a Director

Article 79 of the Constitution and Listing Rule 14.4 require that at each Annual General Meeting of the Company, one third of the Directors (to the nearest whole number) must retire from office. A retiring Director is eligible for re-election.

In accordance with Article 79 of the Constitution, Mr Malcolm Castle, being eligible, has offered himself for re-election as a Director.

A profile of Mr Malcolm Castle is contained in the Annual Report.

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

4. Resolutions 3 and 4 – Elections of Mr Simon Trevisan and Mr Anthony Trevisan as Directors

Article 81(1) of the Constitution provides that the Directors may appoint any person as a Director to fill a casual vacancy or as an addition to the existing Directors. However, under Article 81(2) of the Constitution, any such appointment concludes at the next general meeting of the Company following the appointment. The Director is then eligible for election but shall not be taken into account in determining the Directors who are to retire by rotation (if any) at that meeting.

Mr Simon Trevisan, having consented by notice in writing to act as a Director, was appointed by the Board as a Director on 15 April 2016 pursuant to Article 81(1) of the Company's constitution.

Mr Anthony Trevisan, having consented by notice in writing to act as a Director, was appointed by the Board as a Director on 24 May 2016 pursuant to Article 81(1) of the Company's constitution.

4.1 Resolution 3 – Election of Simon Trevisan

In accordance with Article 81(2) of the Constitution, Mr Simon Trevisan, being eligible, has offered himself for re-election as a Director.

A profile of Mr Trevisan is contained the Annual Report.

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

4.2 Resolution 4 – Election of Anthony Trevisan

In accordance with Article 81(2) of the Constitution, Mr Anthony Trevisan, being eligible, has offered himself for re-election as a Director.

A profile of Mr Trevisan is contained the Annual Report.

The Directors (other than Mr Anthony Trevisan) recommend that Shareholders vote in favour of Resolution 4.

5. Resolution 5 – Approval of Additional Placement Facility

5.1 General

Listing Rule 7.1A permits eligible entities that have obtained the approval of shareholders by Special Resolution at an annual general meeting to issue an additional 10% of issued capital by way of placements over a 12 month period (**Additional Placement Facility**).

The Company is an eligible entity (being an entity with market capitalisation of \$300 million or less and which is not included in the S&P/ASX 300 index) and seeks Shareholder approval under this Resolution for the Additional Placement Facility.

The effect of Shareholders approving Resolution 5 will be to allow the Company to issue Equity Securities under Listing Rule 7.1A in addition to the Company's 15% placement capacity under Listing Rule 7.1.

Resolution 5 is a Special Resolution. Accordingly, at least 75% of votes cast by Shareholders eligible to vote at the Meeting must be in favour of Resolution 5 for it to be passed.

5.2 Requirements of Listing Rule 7.1A

(a) Quoted securities

Any Equity Securities issued under the Additional Placement Facility must be in the same class as an existing class of Equity Securities of the Company that are quoted on ASX. As at the date of this Notice, the Company has one class of Equity Securities quoted on ASX, being fully paid ordinary shares.

(b) Number of Equity Securities that may be issued

Listing Rule 7.1 permits the Company to issue 15% of issued capital over a 12 month period without shareholder approval. The Additional Placement Facility under Listing Rule 7.1A is in addition to the Company's 15% placement capacity under Listing Rule 7.1. The effect of Shareholders passing this

Resolution is to allow the Company to issue up to 25% of its issued capital during the next 12 months without obtaining specific Shareholder approval beforehand.

The exact number of additional Equity Securities that the Company may issue under the Additional Placement Facility is not fixed but is calculated under a formula prescribed by the Listing Rules (set out below).

At the date of this Notice the Company has 63,922,852 Shares on issue. If Resolution 5 is passed as a Special Resolution, the Company will be permitted to issue (as at the date of this Notice):

- (i) 9,500,428 Equity Securities under Listing Rule 7.1 (15% placement capacity); and
- (ii) 6,392,285 Equity Securities under Listing Rule 7.1A (10% Additional Placement Facility).

(c) Formula for calculating Additional Placement Facility

If this Resolution 5 is passed, the Company may issue or agree to issue, during the 12 month period after this Meeting, the number of Equity Securities calculated in accordance with the following formula.

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

Where:

- A** is the number of fully paid ordinary securities on issue 12 months before the date of issue or agreement to issue:
- (a) plus the number of fully paid ordinary securities issued in the previous 12 months under an exception in Listing Rule 7.2;
 - (b) plus the number of partly paid ordinary securities that became fully paid in the previous 12 months;
 - (c) plus the number of fully paid ordinary securities issued in the previous 12 months with approval of holders of ordinary securities under Listing Rule 7.1 and 7.4; and
 - (d) less the number of fully paid ordinary securities cancelled in the previous 12 months.
- D** is 10%.
- E** is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of issue or agreement to issue that are not issued with the approval of holders of ordinary securities under Listing Rule 7.1 or 7.4.

5.3 Information required under the Listing Rules

(a) Minimum Price

Listing Rule 7.1A.3 provides that Equity Securities issued under rule 7.1A.2 must be issued at an issue price of not less than 75% of the volume weighted average price for securities in the relevant class, calculated over the 15 ASX trading days in which trades in the relevant class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or

- (ii) if the Equity Securities are not issued within 5 ASX trading days of the date in paragraph (i) above, the date on which the Equity Securities are issued.

(b) Risk of economic and voting dilution

If Resolution 5 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the Additional Placement Facility, then there is a risk to existing Shareholders of economic and voting dilution including the risk that:

- (i) the market price for Equity Securities in the same class may be significantly lower on the issue date of the new Equity Securities than on the date of this Meeting; and
- (ii) the new Equity Securities may be issued at a price that is at a discount to the market price for Equity Securities in the same class on the issue date

The table below identifies the potential dilution to existing Shareholders following the issue of Equity Securities under the Additional Placement Facility (based on the formula set out above) using different variables for the number of issued Shares and the market price of Shares. The numbers are calculated on the basis of the latest available market price of Shares before the date of this Notice and the current number of Shares on issue.

Number of Shares on issue	Dilution			
	Issue price (per Share)	\$0.005 (50% decrease in issue price)	\$0.010 (current issue price)	\$0.015 (50% increase in issue price)
63,922,852 (current)	10% voting dilution	6,392,285 shares	6,392,285 shares	6,392,285 shares
	Funds raised	\$31,961	\$63,923	\$95,884
95,884,278 (50% increase)	10% voting dilution	9,588,428 shares	9,588,428 shares	9,588,428 shares
	Funds raised	\$47,942	\$95,884	\$143,826
127,845,704 (100% increase)	10% voting dilution	12,784,570 shares	12,784,570 shares	12,784,570 shares
	Funds raised	\$63,923	\$127,846	\$191,769

The table above has been prepared on the following assumptions:

- (i) The current Shares on issue are the Shares on issue as at 24 October 2016.
- (ii) The issue price set out above is the closing price of the Shares on the ASX on 24 October 2016.
- (iii) The Company issues the maximum possible number of Equity Securities under the Additional Placement Capacity.
- (iv) The Company issues Shares only and does not issue other types of Equity Securities (such as options) under the Additional Placement Facility.
- (v) The impact of placements under Listing Rule 7.1 or following the exercise of options is not included in the calculations.

- (vi) The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
- (vii) The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the Additional Placement Facility, based on that Shareholder's holding at the date of the AGM.
- (viii) The table shows only the effect of the issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
- (ix) The issue of Equity Securities under the Additional Placement Facility consists only of Shares. If the Issue of Equity Securities includes options it is assumed that those options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.

(c) Additional Placement Facility period

Equity securities may be issued under the Additional Placement Facility at any time after the date of this Meeting until that date that is 12 months after this Meeting. The approval to the Additional Placement Facility under this Resolution will cease to be valid in the event that Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or Listing Rule 11.2 (disposal of main undertaking).

(d) Purposes for which issues under Additional Placement Facility may be made

The Company may issue Equity Securities under the Additional Placement Facility for the following purposes:

- (i) as cash consideration in which case the Company intends to use funds raised for the acquisition of new resources, assets and investments (including expenses associated with such an acquisition), continued exploration expenditure on the Company's current assets and general working capital; or
- (ii) as non-cash consideration for the acquisition of new resources assets and investments, in such circumstances the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3.

(e) Allocation policy

The Company will comply with disclosure obligations under the Listing Rules 7.1A(4) and 3.10.5A upon issue of any Equity Securities. The Company's allocation policy is dependent upon the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility.

The allottees of the Equity Securities to be issued under the Additional Placement Facility have not yet been determined. However, the allottees of Equity Securities could consist of current Shareholders or new investors (or both), none of whom will be a Related Party or an Associate of a Related Party of the Company.

The Company will determine the allottees at the time of the issue under the Additional Placement Facility, having regard to the following factors:

- (i) the purpose of the issue;
- (ii) the methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue or other offer where existing Shareholders may participate;

- (iii) the effect of the issue of the Equity Securities on the control of the Company;
- (iv) the circumstances of the Company, including, but not limited to, the financial position and solvency of the Company;
- (v) prevailing market conditions; and
- (vi) advice from corporate, financial and broking advisers (if applicable).

Further, if the Company is successful in acquiring new resources assets or investments, it is likely that the allottees under the Additional Placement Facility will be vendors of the new resources assets or investments.

(f) Previous approval under Listing Rule 7.1A

The Company previously obtained approval under Listing Rule 7.1A at the Annual General Meeting held on 26 November 2015.

The Company has not issued any Equity Securities in the 12 months preceding the date of the Annual General Meeting and so is not required to make any further disclosure pursuant to Listing Rule 7.3A.6.

5.3 Directors' recommendation

The Directors recommend that Shareholders vote in favour of this Special Resolution.

GLOSSARY

The following terms and abbreviations used in this Explanatory Memorandum have the following meanings:

Additional Placement Facility	Has the meaning given in Section 5.1 of the Explanatory Memorandum.
AGM	(a) a company's annual general meeting; or (b) the Annual General Meeting, as the context requires.
Annual General Meeting or Meeting	The annual general meeting of the Company to be held on 25 November 2016.
Annual Report	The Company's annual report including the reports of the Directors and the Auditor and the Financial Statements of the Company for the year ended 30 June 2016, which can be downloaded from the Company's website at www.bmgl.com.au .
ASIC	Australian Securities and Investments Commission.
Associate	Has the meaning set out in the Listing Rules.
ASX	ASX Limited (ACN 008 624 691) trading as the Australian Securities Exchange.
ASX Listing Rules or Listing Rules	The official listing rules of the ASX, as amended from time to time
Auditor	BDO Audit (WA) Pty Ltd.
Board	The board of Directors.
Chairman	The chairman of the Meeting.
Company or BMG	BMG Resources Limited (ACN 107 118 678).
Constitution	The constitution of the Company.
Corporations Act	<i>Corporations Act 2001</i> (Cth).
Closely Related Parties	Has the meaning set out in the Corporations Act.
Director	A director of the Company.
Equity Securities	Has the meaning given in the Listing Rules.
Key Management Personnel	Those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise).
Notice of Meeting or Notice	The notice convening the AGM which accompanies this Explanatory Memorandum.
Option	An option to acquire a Share.
Proxy Form	The proxy form attached to the Notice of Meeting.
Related Party	Has the meaning given to that term in section 228 of the Corporations Act.

Remuneration Report	The remuneration report appearing in the Annual Report.
Resolution	A resolution set out in the Notice.
Special Resolution	<p>A resolution:</p> <ul style="list-style-type: none"> (a) of which an intention to propose the resolution has been set out and the resolution has been stated in the Notice; and (b) that has been passed by at least 75% of the votes cast by members entitled to vote on the resolution.
Share	A fully paid ordinary share in the Company.
Share Registrar	Security Transfer Registrars Pty Ltd.
Shareholder	A registered holder of a Share.