

BKM MANAGEMENT LIMITED

ABN: 61 009 146 543

Notice of Annual General Meeting and Explanatory Memorandum

Date: 25th November 2011
Time: 10.30am (AEST) (registration commencing 10.15am)
Venue: The CFO Solution Pty Ltd
Suite 1
1233 High Street
Armadale
VICTORIA 3143

BKM MANAGEMENT LIMITED

ABN: 61 009 146 543

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given for the Annual General Meeting of BKM Management Limited (“the Company”) to be held at The CFO Solution, Suite 1, 1233 High Street, Armadale, Victoria, on 25th November 2011 at 10.30am (AEST).

This Notice of Meeting should be read in conjunction with the Explanatory Memorandum which accompanies and forms part of this Notice of Meeting.

If you have elected not to receive a printed copy of the annual report it is available on the ASX website.

BUSINESS

To receive and consider the Annual Financial Report of the Company for the year ended 30th June 2011 and the Reports by Directors and Auditors thereon. At the meeting, a representative of the Company’s auditors, William Buck Audit (VIC) will be available to answer any questions of the members.

ORDINARY BUSINESS - RESOLUTIONS

To consider, and if thought fit, to pass, with or without amendment, the following ordinary resolutions:

Resolution 1: Approval of the adoption of the 2011 Remuneration Report

“That, members hereby adopt the 2011 Remuneration Report as published in the Directors Report section of the Company’s 2011 Annual Report.”

Voting Exclusion Statement: In accordance with the Corporations Act the Company will disregard any votes cast in relation to this resolution by or on behalf of the Key Management Personnel (in any capacity) which includes the Directors and the nominated Key Management Personnel included in the remuneration report (Excluded Persons) and closely related parties of an Excluded Person. However an Excluded Person may cast a vote on the resolution if that person does so as a proxy appointed in writing that specifies how the proxy is to vote on the resolution and the vote is not cast on behalf of an Excluded Person. Further details, including in relation to the ability of the Chairman to vote undirected proxies are set out in the Explanatory Statement.

Resolution 2: Re-election of Mr. Evan McGregor to serve as a Director of the Company

“That Mr. Evan McGregor, a Director of the Company, who retires by rotation from office and is eligible for re-election to the office of Director at the Meeting, be and hereby is re-elected as a Director of the Company.”

Resolution 3 Issue of ordinary shares to Nerac Capital Holdings

“That, shareholders approve the issue of up to 42,219,178 ordinary fully paid shares in the company at \$0.003 each to Nerac Capital Holdings as per the terms set out in Explanatory Memorandum which accompanied and formed part of the Notice of Meeting.”

Voting Exclusion Statement: The Company will disregard any votes cast on this resolution by Nerac Capital and any of their associates. However the Company need not disregard a vote if:

- It is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- 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.

Resolution 4 Issue of ordinary shares to Brooklyn International Inc.

“That, shareholders approve the issue of up to 21,953,973 ordinary fully paid shares in the company at \$0.003 each to Brooklyn International Inc as per the terms set out in Explanatory Memorandum which accompanied and formed part of the Notice of Meeting.”

Voting Exclusion Statement: The Company will disregard any votes cast on this resolution by Brooklyn International Inc and any of their associates. However the Company need not disregard a vote if:

- It is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- 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.

Resolution 5 Issue of ordinary shares to Coastal Inc.

“That, shareholders approve the issue of up to 28,469,178 ordinary fully paid shares in the company at \$0.006 each to Coastal Inc as per the terms set out in Explanatory Memorandum which accompanied and formed part of the Notice of Meeting.”

Voting Exclusion Statement: The Company will disregard any votes cast on this resolution by Coastal Inc and any of their associates. However the Company need not disregard a vote if:

- It is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- 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.

Resolution 6 Issue of ordinary shares to Nerac Capital Holdings

“That, shareholders approve the issue of up to 20,312,329 ordinary fully paid shares in the company at \$0.006 each to Nerac Capital Holdings as per the terms set out in Explanatory Memorandum which accompanied and formed part of the Notice of Meeting.”

Voting Exclusion Statement: The Company will disregard any votes cast on this resolution by Nerac Capital Holdings and any of their associates. However the Company need not disregard a vote if:

- It is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- 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.

Resolution 7 Issue of ordinary shares to Brooklyn International Inc.

“That, shareholders approve the issue of up to 74,085,479 ordinary fully paid shares in the company at \$0.006 each to Brooklyn International Inc as per the terms set out in Explanatory Memorandum which accompanied and formed part of the Notice of Meeting.”

Voting Exclusion Statement: The Company will disregard any votes cast on this resolution by Brooklyn International Inc and any of their associates. However the Company need not disregard a vote if:

- It is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or

- 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.

Resolution 8 Issue of ordinary shares to Essential Consulting.

“That, shareholders approve the issue of up to 7,110,502 ordinary fully paid shares in the company at \$0.006 each to Essential Consulting as per the terms set out in Explanatory Memorandum which accompanied and formed part of the Notice of Meeting.”

Voting Exclusion Statement: The Company will disregard any votes cast on this resolution by Essential Consulting and any of their associates. However the Company need not disregard a vote if:

- It is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- 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.

Resolution 9 Issue of ordinary shares to Innovation Marketing.

“That, for the purposes of ASX Listing Rule 10.11, shareholders approve the issue of up to 10,665,753 ordinary fully paid shares in the company at \$0.006 each to Innovation Marketing, a director related entity to Mr Evan McGregor, as per the terms set out in Explanatory Memorandum which accompanied and formed part of the Notice of Meeting.”

Voting Exclusion Statement: The Company will disregard any votes cast on this resolution by Innovation Marketing and any of their associates. However the Company need not disregard a vote if:

- It is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- 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.

Resolution 10 Ratification of the issue of convertible notes to World Star

“That, for the purposes of ASX Listing Rule 7.4, the shareholders grant subsequent approval for the issue of 120,000 convertible notes in the Company to World Star Pte Ltd and on the terms set out in the Explanatory Memorandum which accompanied and formed part of the Notice of Meeting.”

Voting Exclusion Statement: The Company will disregard any votes cast on this resolution by World Star and any of their associates. However the Company need not disregard a vote if:

- It is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- 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.

Resolution 11 Ratification of the issue of convertible notes to Brooklyn International

“That, for the purposes of ASX Listing Rule 7.4, the shareholders grant subsequent approval for the issue of 143,000 convertible notes to Brooklyn International Inc on the terms set out in the Explanatory Memorandum which accompanied and formed part of the Notice of Meeting.”

Voting Exclusion Statement: The Company will disregard any votes cast on this resolution by Brooklyn International and any of their associates. However the Company need not disregard a vote if:

- It is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- 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.

By the order of the Board



Phillip Hains
Company Secretary
26th October 2011

The accompanying Memorandum and the Proxy and Voting Instructions form part of this Notice of Meeting.

INFORMATION FOR SHAREHOLDERS

Proxy Instructions

A member who is entitled to vote at a meeting may appoint:

- (a) one proxy if the member is only entitled to one vote; and
- (b) one or two proxies if the member is entitled to more than one vote.

Where more than one proxy is appointed each proxy may be appointed to represent a specific proportion of the member's voting rights. If the appointment does not specify the proportion or number of votes each proxy may exercise, each proxy may exercise half of the votes in which case any fraction of votes will be disregarded.

The proxy form (and the power of attorney or other authority, if any, under which the proxy form is signed) or a copy or facsimile which appears on its face to be an authentic copy of the proxy form (and the power of attorney or other authority) must be lodged at the registered office of the Company or sent by facsimile transmission to the Company's registered office on +61 3 9822 7735 not less than 48 hours before the time for holding the Meeting, or adjourned meeting as the case may be, at which the individual named in the proxy form proposes to vote.

The proxy form must be signed by the member or his/her attorney duly authorised in writing or, if the member is a corporation, in a manner permitted by

the Corporations Act. A proxy given by a foreign corporation must be executed in accordance with the laws of that corporation's place of incorporation.

The proxy may, but need not, be a member of the Company.

A proxy form is attached to this Notice.

Corporate Representatives

Any corporation which is a member of the Company may authorise (by certificate under common seal or other form of execution authorised by the laws of that corporation's place of incorporation, or in any other manner satisfactory to the chairperson of the Meeting) a natural person to act as its representative at any general meeting. A form of appointment can be obtained from the Company's share registry, Advance Share Registry Services Pty Ltd:

Phone: 08 9389 8033

Fax: 08 9389 7871

Voting Entitlement

For the purposes of the Corporations Act and Corporations Regulations shareholders entered on the Company's Register of Members as at 10.30am on 23rd November 2011 (Melbourne, Victoria time) are entitled to attend and vote at the meeting.

On a poll, members have one vote for every fully paid ordinary share held. Holders of options are not entitled to vote.

EXPLANATORY MEMORANDUM

1. INTRODUCTION

This Memorandum provides information about Resolutions proposed by the Directors of BKM Management Limited ABN 61 009 146 543 ("BKM" or "the Company") in the attached Notice of Annual General Meeting.

Members will be asked to consider resolutions approving:

2. THE RESOLUTIONS**Resolution 1: Shareholder approval of the 2011 Remuneration Report as published in the Directors Report section of the Company's 2011 Annual Report.**

Pursuant to the Corporations Act 2001 the Annual General Meeting of a listed company must propose a resolution that the Remuneration Report be adopted. Also pursuant to the Corporation Act, the vote on this Resolution is advisory only and does not bind either the Directors or the Company.

The purpose of Resolution 1 is to lay before the Shareholders the Company's Remuneration Report so that Shareholders may ask questions about or make comments on the management of the Company in accordance with the requirements of the Corporations Act 2001 and vote on a resolution to adopt the Remuneration Report for the year ended 30 June 2011.

Whilst the outcome of this resolution is not binding on the Company or the Board, sections 250U to 250Y of the Corporations Act which have only recently been enacted introduce a 'two strikes and re-election' process in relation to the shareholder vote on the Remuneration Report and provide that:

- A 'first strike' will occur if this Remuneration Report resolution receives a 'no' vote of 25% or more. If this occurs, the Company's subsequent remuneration report will contain an explanation of the Board's proposed action in response to the 'no' vote or an explanation of why no action has been taken by the Board.
- A 'second strike' will occur if the resolution to adopt the Remuneration Report at the 2012 Company Annual General Meeting also receives a 'no' vote of 25% or more. If this occurs, shareholders will vote at that Annual General Meeting to determine whether the Directors will need to stand for re-election at a separate, subsequent meeting (the 'spill resolution'). If the spill resolution passes with 50% or more of eligible votes cast, the spill meeting must take place within 90 days.

The 2011 Remuneration Report can be viewed in the 2011 Annual Report of the Company which can be downloaded from the ASX website.

If you have appointed the Chairperson as your proxy and you wish to direct the Chairperson to vote "against" or "abstain" in relation to Resolution 1, you should mark the relevant box in the attached proxy form.

The Company encourages all shareholders intending to nominate the Chairperson or any Key Management Personnel as their proxy, to cast their votes either "for", "against" or "abstain" in relation to Resolution 1.

If you have appointed the Chairman as your proxy but not directed as to how the Chairman should vote, the Chairman will not be permitted to vote the relevant shares in relation to Resolution 1.

Resolution 2: Shareholder approval to confirm the appointment of Mr. Evan McGregor, to serve as a Director of the Company.

Shareholders are asked to consider the re-election of Mr. Evan McGregor, who retires in accordance with the Company's Constitution and, being eligible for re-election, be re-elected as a Director to continue to serve his position of Non-Executive Director of the Company.

At each Annual General Meeting of the Company, one third of the Directors of the Company (except a Managing Director) must retire from office by rotation, in accordance with the Company's Constitution. No Director (except a Managing Director) shall retain office for a period in excess of three years without submitting himself or herself for re-election. A Director who retires from office by rotation and is eligible for re-election may offer him or herself for re-election.

Mr. McGregor was first appointed to the board of BKM Management Limited on 7th March 2002 and submits himself for re-election at this meeting.

Directors Recommendation:

The Board (other than Mr. McGregor) unanimously recommends that shareholders vote in favour of Mr. McGregor's appointment.

If you appoint the Chairperson as your proxy, and leave your vote undirected in relation to Resolution 2 (that is, you have not marked your vote 'for', 'against' or 'abstained'), you are deemed to have directed the Chairperson to vote in accordance with the Chairpersons voting intention.

The Chairpersons voting intention in relation to Resolution 2, is to vote 'for' the resolution.

If you have appointed the Chairperson as your proxy and you wish to direct the Chairperson to vote "against" or "abstain" in relation to Resolution 2, you should mark the relevant box in the attached proxy form.

The Company encourages all shareholders intending to nominate the Chairperson or any Key Management Personnel as their proxy, to cast their votes either "for", "against" or "abstain" in relation to Resolution 2.

Resolutions 3 to 8: Issue of Ordinary Shares to Convertible Note Holders

The Company is seeking approval to issue up to 194,150,639 ordinary fully shares. These shares are to be issued to the following participants upon the conversion of 857,000 convertible notes, held by 5 different note holders, into ordinary shares. The below table outlines the details of the convertible notes originally issued and their subsequent conversion into ordinary shares before 30/11/11.

	Notes qty	Value per note	Total funds received	Date of Issue of Notes	Crystallisation date of Notes	Interest Rate	Issue price per share	Total Shares to be issued
Nerac Capital Holdings	100,000	\$1.00	\$ 100,000.00	01/04/2009	30/11/2011	10%	\$ 0.003	42,219,178
Brooklyn International Inc.	52,000	\$1.00	\$ 52,000.00	01/04/2009	30/11/2011	10%	\$ 0.003	21,953,973
Coastal Inc.	153,000	\$1.00	\$ 153,000.00	1/10/2010	30/11/2011	10%	\$ 0.006	28,469,178
Nerac Capital Holdings	110,000	\$1.00	\$ 110,000.00	1/11/2010	30/11/2011	10%	\$ 0.006	20,312,329
Brooklyn International Inc.	402,000	\$1.00	\$ 402,000.00	9/11/2010	30/11/2011	10%	\$ 0.006	74,085,479
Essential Consulting	40,000	\$1.00	\$ 40,000.00	01/04/2011	30/11/2011	10%	\$ 0.006	7,110,502
	857,000		\$ 857,000.00					194,150,639

These convertible notes were issued under ASX Listing Rule 7.1.

ASX Listing Rule 7.1 prohibits a listed entity from issuing or agreeing to issue more than 15% of its issued capital in a 12 month period without shareholder approval (15% Limit), unless an exception applies. Shareholder approval is now sought so the Company may retain the ability to issue further shares or options up to 15% of the Company's Shares under Chapter 7 to take advantage of opportunities to obtain available funds in the future, if required.

The Company provides the following information in relation to the transaction:

- Up to 194,150,639 ordinary shares will be issued;
- The ordinary shares will be issued on or before 30 November 2011, subject to shareholder approval.
- the deemed price at which the securities will be issued are between \$0.003-0.006 (as set out in the table on the previous page);
- the terms and conditions of the Shares allotted and issued are identical to the Company's existing fully paid ordinary Shares;
- the name of the allottee(s) are Nerac Capital Holdings, Brooklyn International Inc, Coastal Inc, and Essential Consulting; and
- Funds raised by issue of the convertible notes were used for working capital purposes.

The Directors recommend that shareholders vote in favour of Resolutions 3 to 8.

If you appoint the Chairperson as your proxy, and leave your vote undirected in relation to Resolutions 3 to 8 (that is, you have not marked your vote 'for', 'against' or 'abstained'), you are deemed to have directed the Chairperson to vote in accordance with the Chairpersons voting intention.

The Chairpersons voting intention in relation to Resolutions 3 to 8 is to vote 'for' the resolutions.

If you have appointed the Chairperson as your proxy and you wish to direct the Chairperson to vote "against" or "abstain" in relation to Resolutions 3 to 8, you should mark the relevant box in the attached proxy form.

The Company encourages all shareholders intending to nominate the Chairperson or any Key Management Personnel as their proxy, to cast their votes either "for", "against" or "abstain" in relation to Resolutions 3 to 8.

Resolutions 9: Issue of Ordinary Shares to Innovation Marketing

The Company is seeking shareholder approval under ASX Listing Rule 10.11 to issue up to 10,665,753 ordinary fully shares to Innovation Marketing, a director related entity to Mr Evan McGregor.

On 1 April 2011 the Company issued 60,000 convertible notes to Innovation Marketing with a conversion price of \$0.006 each and bearing interest at 10% pa. The convertible notes had the same terms as those issued to holders the subject of resolutions 5 to 8.

The Company is now wishing to convert the convertible notes into Ordinary Shares, subject to shareholder permission, on or before 30 November 2011.

The Company provides the following information in relation to the transaction:

- Up to 10,665,753 ordinary shares will be issued;
- The ordinary shares will be issued on or before 30 November 2011, subject to shareholder approval.
- the deemed price at which the securities will be issued are \$0.006 each;
- the terms and conditions of the Shares allotted and issued are identical to the Company's existing fully paid ordinary Shares;
- Funds raised by issue of the convertible notes were used for working capital purposes; and
- Approval for this resolution is not required under Listing Rule 7.1.

At the date of this notice, Innovation Marketing holds 49,900,600 ordinary shares in the Company representing an 8.5% holding. After the issue of this equity, Innovation Marketing could potentially own 60,566,353 ordinary shares representing a 7.4% holding, taking into consideration equity to be issued subject to resolutions 3 to 8 and 11.

The Directors, other than Mr McGregor recommend that shareholders vote in favour of this Resolution 9.

If you appoint the Chairperson as your proxy, and leave your vote undirected in relation to Resolution 9 (that is, you have not marked your vote 'for', 'against' or 'abstained'), you are deemed to have directed the Chairperson to vote in accordance with the Chairpersons voting intention.

The Chairpersons voting intention in relation to Resolution 9 is to vote 'for' the resolution.

If you have appointed the Chairperson as your proxy and you wish to direct the Chairperson to vote "against" or "abstain" in relation to Resolution 3, you should mark the relevant box in the attached proxy form.

The Company encourages all shareholders intending to nominate the Chairperson or any Key Management Personnel as their proxy, to cast their votes either "for", "against" or "abstain" in relation to Resolution 9.

Resolutions 10 & 11 - Ratification of the Issue of a Convertible Notes to World Star & Brooklyn International

The Company is seeking ratification under ASX Listing Rule 7.4 for the issue of 120,000 convertible notes with a issue price of AUD1.00 each issued to World Star Pte Ltd (World Star), a Singapore private company, on 1 October 2010 (resolution 4); and 143,000 convertible notes with an issue price of AUD1.00 each issued to Brooklyn International Inc (Brooklyn), a Hong Kong proprietary company, on 9 November 2010 (resolution 5). These notes were issued under ASX Listing Rule 7.1.

ASX Listing Rule 7.1 prohibits a listed entity from issuing or agreeing to issue more than 15% of its issued capital in a 12 month period without shareholder approval (15% Limit), unless an exception applies. Shareholder approval is now sought so the Company may retain the ability to issue further shares or options up to 15% of the Company's Shares under Chapter 7 to take advantage of opportunities to obtain available funds in the future, if required.

Summary of key terms of the convertible notes:

- Issue date:

- World Star – 9 November 2010
- Brooklyn – 1 October 2010
- Interest rate:10% pa
- Redeemable on or before:
 - World Star - 30 September 2012
 - Brooklyn - 30 November 2011.
- Convertible to ordinary fully paid shares at \$0.006 each. Upon conversion, share will rank equally with existing ordinary shares.
- Maximum number of ordinary fully paid shares that can be issued on conversion of the convertible notes:
 - World Star - 29,000,000 ordinary shares
 - Brooklyn – 23,000,000 ordinary shares
- The closing price for ordinary shares on 1 October, 2010 was \$0.008.
- The closing price for ordinary shares on 9 November, 2010 was \$0.006.
- Funds raised from the issue of these convertible notes were used for working capital purposes.

At the date of this notice:

- Neither World Star or Brooklyn are related parties to the Company.
- World Star is not a substantial holder of the Company.
- Brooklyn holds 69,722,373 ordinary shares representing a 11.95 % holding. Post conversion of the notes into ordinary shares, Brooklyn could potentially hold 96,076,163 ordinary shares in the Company representing a 11.79% holding, taking into consideration equity to be issued subject to resolutions 3 to 9.

The Directors recommend that shareholders vote in favour of Resolutions 10 & 11.

If you appoint the Chairperson as your proxy, and leave your vote undirected in relation to Resolutions 10 & 11 (that is, you have not marked your vote 'for', 'against' or 'abstained'), you are deemed to have directed the Chairperson to vote in accordance with the Chairpersons voting intention.

The Chairpersons voting intention in relation to Resolutions 10 & 11, is to vote 'for' the resolutions.

If you have appointed the Chairperson as your proxy and you wish to direct the Chairperson to vote "against" or "abstain" in relation to Resolutions 10 & 11, you should mark the relevant box in the attached proxy form.

The Company encourages all shareholders intending to nominate the Chairperson or any Key Management Personnel as their proxy, to cast their votes either "for", "against" or "abstain" in relation to Resolutions 10 & 11.

3. ACTION TO BE TAKEN

Shareholders are requested to either attend personally at the forthcoming Annual General Meeting to be held at The CFO Solution, Suite 1, 1233 High Street, Armadale, Victoria, on 25th November 2011 at 10.30am (AEST), or otherwise to forward their proxy form duly completed to be received at the registered office of the Company at Suite 1, 1233 High Street, Armadale, Victoria (or by facsimile to +61 (0)3 9822 7735) at least forty-eight (48) hours prior to the commencement time for holding the meeting.

4. GLOSSARY

"AEST" means Australian Eastern Daylight Saving Time.

"AGM" means the Annual General Meeting of the Company the subject of this Notice of Meeting.

"Annual General Meeting" means the Annual General Meeting of the Company the subject of this Notice of Meeting.

"ASIC" means the Australian Securities and Investments Commission.

"ASX" means ASX Limited [ACN: 008 624 691] and, where the context permits, the Australian Securities exchange operated by ASX Limited.

"ASX Listing Rules" means the listing rules of the ASX.

"BKM" means the Company or BKM Management Limited ABN 61 009 146 543.

"BKM Share" means an ordinary fully paid share in the capital of BKM which rank equally with the existing quoted ordinary shares of the Company.

"Company" means BKM Management Limited (ABN 61 009 146 543)

"Corporations Act" means Corporations Act 2001 (Cth).

"Directors" means (unless the context suggests otherwise) the Directors of BKM from time to time.

"Meeting" means the 2011 Annual General Meeting of BKM at which the Resolutions will be considered.

"Memorandum" means this Information Memorandum.

"Resolutions" means the resolutions put forward in the Company's Notice of Annual General Meeting, of which this Information Memorandum forms part.

"Shareholder(s)" means a person appearing on the Company's share register as a holder of a BKM Share.

"Trading Days" means days on which the Company's fully paid ordinary BKM Shares are traded on the ASX.

"VWAP" means Volume Weighted Average share Price.

All correspondence to:
 BKM Management Limited
 PO Box 8694
 Armadale, Victoria
 Australia 3143
 Ph: +61 (0)3 9824 5254
 Fx: +61 (0)3 9822 7735

Appointment of Proxy

I/We being a member/s of BKM Management Limited and entitled to vote hereby appoint

	the Chairman of the Meeting (mark with an "X")	OR		Write here the name of the person you are appointing if this person is someone other than the Chairman of the Meeting.
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or failing the person named, or if no person is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the Annual General Meeting of BKM Management Ltd at The CFO Solution, Suite 1, 1233 High Street, Armadale, Victoria, on 18th November 2011 at 10.30am and at any adjournment of that meeting.

IMPORTANT INSTRUCTIONS FOR RESOLUTION 1: IF THE CHAIRMAN OF THE MEETING IS YOUR PROXY AND YOU HAVE NOT DIRECTED HIM/HER HOW TO VOTE ON RESOLUTION 1, THE CHAIRMAN WILL BE PREVENTED FROM CASTING YOUR VOTE ON RESOLUTION 1. IF THE CHAIRMAN IS YOUR PROXY AND YOU WISH TO HAVE YOUR VOTE COUNTED, YOU ARE ENCOURAGED TO DIRECT YOUR PROXY HOW TO VOTE BY MARKING 'FOR', 'AGAINST' OR 'ABSTAIN' IN RELATION TO RESOLUTION 1.

THE CHAIRMAN INTENDS TO VOTE 100% OF UNDIRECTED PROXIES IN FAVOUR OF RESOLUTIONS 2 TO 4.

Voting directions to your proxy – please mark "X" to indicate your directions

		<u>FOR</u>	<u>AGAINST</u>	<u>ABSTAIN*</u>
<u>Resolution 1</u>	Adoption of the 2011 Non-Binding Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<u>Resolution 2</u>	Re-Election of Mr. Evan McGregor to serve as a Director of the Company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<u>Resolution 3</u>	Issue of ordinary shares to Nerac Capital Holdings	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<u>Resolution 4</u>	Issue of ordinary shares to Brooklyn International Inc	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<u>Resolution 5</u>	Issue of ordinary shares to Coastal Inc.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<u>Resolution 6</u>	Issue of ordinary shares to Nerac Capital Holdings	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<u>Resolution 7</u>	Issue of ordinary shares to Brooklyn International Inc	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<u>Resolution 8</u>	Issue of ordinary shares to Essential Consulting	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<u>Resolution 9</u>	Issue of ordinary shares to Innovation Marketing	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<u>Resolution 10</u>	Ratification of the issue of convertible notes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<u>Resolution 11</u>	Ratification of the issue of convertible notes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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

PLEASE SIGN HERE - This section must be signed in accordance with the instructions overleaf to enable your directions to be implemented.

Individual or Security Holder 1	Security Holder 2	Security Holder 3
Sole Director and Sole Company Secretary	Director	Director / Company Secretary

Contact Telephone Number

	/	/
Contact Name (PRINT)	Contact Daytime Telephone	Date

How to Complete This Proxy Form

- 1. Your Name and Address**
This is your name and address as it appears on the company’s share register. If this information is incorrect, please contact the Company’s share registry to arrange for changes to be made.
- 2. Appointment of a Proxy**
If you wish to appoint the Chairman of the Meeting as your proxy, mark the box. If the person you wish to appoint as your proxy is someone other than the Chairman of the Meeting please write the name of that person. If you leave this section blank, or your named proxy does not attend the meeting, the Chairman of the Meeting will be your proxy. A proxy need not be a security holder of the Company.
- 3. Votes on Items of Business**
You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be noted on any item by inserting the percentage or number of securities you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.
- 4. Appointment of a Second Proxy**
You are entitled to appoint up to two persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company’s share registry or you may copy this form.
- 5. Signing Instructions**
You must sign this form as follows in the spaces provided:
 Individual: were the holding is in one name, the holder must sign.
 Joint Holding: where the holding is more than one name, all the security holders should sign.
 Power of Attorney: to sign under a Power of Attorney, you must have already lodged this document with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney.
 Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the Company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or Company Secretary. Please indicate the office held by signing in the appropriate place.

If a representative of the corporation is to attend the meeting the appropriate “Certificate of Appointment of Corporate Representative” should be produced prior to admission. A form of the certificate may be obtained from the Company’s share registry.

Lodgement of a Proxy

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below not later than 48 hours before the commencement of the meeting at 10.30am (AEST) on 18th November 2011. Any Proxy Form received after that time will not be valid for the scheduled meeting.

Documents may be lodged by posting, delivery or facsimile to:

<p><u>Registered Office</u> Suite 1, 1233 High Street Armadale, Victoria 3143, Australia. Ph: +61 (0)3 9824 5254 Fx: +61 (0)3 9822 7735</p>
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