

BKM MANAGEMENT LIMITED

ABN: 61 009 146 543

Notice of Annual General Meeting and Explanatory Memorandum

Date: Friday 7th December 2012
Time: 3.30pm (AEST) (registration commencing 3.15pm)
Venue: The CFO Solution
Suite 1, 1233 High Street
Armadale
VICTORIA 3143

This Information Memorandum is dated 30th October 2012 and is provided to Members of BKM Management Limited ABN 61 009 146 543 ("the Company") to be considered in connection with an Annual General Meeting of the Company.

BKM MANAGEMENT LIMITED

ABN: 61 009 146 543

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of BKM Management Limited ("the Company") will be held at The CFO Solution, Suite 1, 1233 High Street, Armadale, Victoria, on Friday 7th December 2012 at 3.30pm (Melbourne, Victorian, daylight saving time) for the purpose of considering and, if thought fit, passing each of the resolutions referred to in this Notice of Annual General Meeting.

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**2012 Annual Financial Statements**

To lay before the Meeting and consider the 2012 Annual Financial Statements of the Company for the year ended 30th June 2012 comprising the Annual Financial Report, the Directors' Report and Auditor's Report. At the meeting, a representative of the Company's auditor, 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 2012 Remuneration Report

"That for the purpose of section 250R(2) of the Corporations Act, members hereby adopt the 2012 Remuneration Report as published in the Directors Report section of the Company's 2012 Annual Report."

Voting Exclusion Statement:

The Company will disregard all votes cast on Resolution 1 by, or on behalf of:

- *a member of the key management personnel (KMP), details of whose remuneration are included in the Remuneration Report for the year ended 30th June 2012; or*
- *a closely related party of a KMP,*

whether the votes are cast as a shareholder, proxy or in any other capacity.

However, the Company will not disregard a vote cast on Resolution 1 by a KMP or a closely related party of a KMP if it is cast as a proxy and it is not cast on behalf of a KMP or a closely related party of a KMP and either:

- *the proxy is appointed by writing that specifies how the proxy is to vote on the resolution proposed in Resolution 1; or*
- *the proxy is the Chairman of the meeting and the appointment of the Chairman as proxy specifies the way the proxy is to vote on Resolution 1 and expressly authorises the Chairman to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a KMP for the Company.*

Resolution 2: Retirement of Mr. Michael Sim as a Director of the Company

"That Mr. Michael Sim, who retires by rotation from office and is eligible for re-election, will not offer himself for re-election, and will therefore retire at the conclusion of the Annual General Meeting."

Resolution 3: Ratification of prior issue of shares to World Star Pte Ltd.

"That for the purpose of ASX Listing Rule 7.4, shareholders ratify the prior issue of 7,333,334 ordinary fully paid shares to World Star Pte Ltd as detailed in the Explanatory Memorandum which accompanied and formed part of the Notice of Annual General Meeting.

Voting Exclusion Statement:

The Company will disregard any votes cast on this resolution by World Star Pte Ltd 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 World Star Pte Ltd

"That for the purpose of ASX Listing Rule 7.1, shareholders approve the issue of up to 34,173,516 ordinary fully paid shares in the company at \$0.003 each to World Star Pte Ltd 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 a person who may participate in the proposed issue 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 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 Ong Sau Yin

"That for the purpose of ASX Listing Rule 7.1, shareholders approve the issue of up to 57,892,146 ordinary fully paid shares in the company at \$0.003 each to Ong Sau Yin 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 a person who may participate in the proposed issue 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 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.*

SPECIAL RESOLUTION**Resolution 6: Approval of 10% Placement Facility**

"That, pursuant to Listing Rule 7.1A, shareholders approve the issue of additional Equity Securities up to 10% of the issued capital of the Company (at the time of the issue) calculated in accordance to Listing Rule 7.1A.2, on the basis as set out in the Explanatory Memorandum which accompanied and formed part of the Notice of Annual General Meeting."

Voting Exclusion Statement:

The Company will, in accordance with ASX Listing Rule 14.11, disregard any votes cast in respect of Resolution 6 by a person who may participate in the 10% placement issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if this resolution is passed, and any associates of those persons. As at the date of this Notice of Meeting the Company has no specific plans to issue equity securities under the 10% placement issue and therefore it is not known who (if any) may participate in a potential (if any) issue of equity securities under the 10% placement issue.

However, the Company need not disregard a vote cast on the resolution 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 Chairman of 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.*

Further details in respect of this Resolution 6 are set out in the Explanatory Memorandum accompanying this Notice of Annual General Meeting.

By the order of the Board



Phillip Hains
Company Secretary
30th October 2012

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: +61 8 9389 8033
Fax: +61 8 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 5.30pm on 5th December 2012 (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 Explanatory Memorandum (“this **Memorandum**”) accompanies and forms part of the Company’s Notice of the 2012 Annual General Meeting to be held at Suite 1, 1233 High Street, Armadale Victoria, 3143 on Friday 7th December 2012 at 3.30pm (Melbourne, Victorian, daylight saving time).

The Notice of the 2012 Annual General Meeting incorporates, and should be read together with, this Memorandum.

BUSINESS

2012 Annual Financial Statements

The 2012 Annual Financial Statements, comprising the Financial Report, Directors’ Report and Auditor’s Report for the year ended 30th June 2012 will be laid before the meeting. Shareholder will have the opportunity to ask questions about or make comments on the 2012 Annual Financial Statements and the management of the Company. A representative of the auditor will be invited to attend to answer questions about the audit of the Company’s 2012 Annual Financial Statements.

The Company’s 2012 Annual Financial Statements are set out in the Company’s 2012 Annual Report which can be obtained from Australian Stock Exchange website, www.asx.com.au or upon request to the Company Secretary at the Company’s registered office, Suite 1,1233 High Street, Armadale, Victoria, 3143, Australia (telephone +61 (0)3 9824 5254).

There is no requirement for these reports to be formally approved by Shareholders. No resolution is required to be moved in respect of this item.

2. RESOLUTIONS**ORDINARY BUSINESS - RESOLUTIONS**

Resolution 1: Shareholder approval of the 2012 Remuneration Report as published in the Directors Report section of the Company’s 2012 Annual Report.

Pursuant to the Corporations Act 2001 the Annual General Meeting of a listed company must propose a non-binding resolution that the Remuneration Report be adopted.

The purpose of Resolution 1 is to lay before the Shareholders the Company’s Remuneration Report for the year ended 30th June 2012 so that Shareholders may have the opportunity to discuss and put questions forward in respect of Remuneration Report and the management of the Company in accordance with the requirements under Corporations Act 2001.

The board will consider the outcome of the vote made by shareholders on the remuneration report at the meeting when reviewing the Company’s remuneration policies.

The 2012 Remuneration Report can be viewed in the 2012 Annual Report of the Company which can be downloaded from the ASX website.

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.

Undirected proxy’s held by the Chairperson will be voted in accordance with the Chairperson’s voting intention. The Chairpersons voting intention in relation to Resolution 1, is to vote ‘for’ the resolution.

Resolution 2: Retirement of Mr Michael Sim as a Director of the Company.

Pursuant to the Constitution of the Company, one-third of the Directors of the Company (excluding the Managing Director) are required to retire by rotation at each Annual General Meeting. 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 Michael Sim was first appointed to the board of BKM Management Limited as an Executive Director on 1st October 2010 and despite having the full support of the Board to do so, does not offer himself for re-election.

Resolution 3: Ratification of prior issue of shares to World Star Pte Ltd.

Resolution 3 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the prior issue of 7,333,334 fully paid ordinary shares to World Star Pte Ltd, a Singapore private company, on 11th October 2012, as payment of a finance facility fee in connection with several convertible notes that the Company has entered into with World Star in recent years. No funds were raised from the issue of these securities.

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:

- The fully paid ordinary shares were issued on 11th October 2012;
- The terms and conditions of the Shares allotted and issued are identical to the Company's existing fully paid ordinary Shares;
- The shares were issued for nil consideration; and
- The ordinary share price on 11th October 2012 was \$0.002.

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

Resolutions 4 and 5: Issue of ordinary shares to World Star Pte Ltd and Ong Sau Yin

The Company is seeking approval to issue up to 92,065,662 ordinary fully shares. These shares are to be issued to the following participants upon the conversion of 243,000 convertible notes, held by 2 different non-related note holders, into ordinary shares. The below table outlines the details of the convertible notes originally issued and their subsequent conversion into ordinary shares on or before 31/12/12.

	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
Ong Sau Yin*	143,000	\$1.00	\$ 143,000.00	9/11/2010	31/12/2012	10%	\$ 0.003	57,892,146
World Star Pte Ltd	100,000	\$1.00	\$ 100,000.00	30/09/2012	31/12/2012	10%	\$ 0.003	34,173,516
			<u>\$ 243,000.00</u>					<u>92,065,662</u>

*Convertible Note was originally held by Brooklyn International Inc. Brooklyn has sold all their convertible notes rights to Ong Sau Yin, a current BKM Management Ltd shareholder on 24th October 2012. Brooklyn International Inc is not a related party to Ong Sau Yin and no longer has any claims against the Company.

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 92,065,662 ordinary shares will be issued;
- The ordinary shares will be issued on or before 31st December 2012, subject to shareholder approval;
- the deemed price at which the securities will be issued is \$0.003 (as set out above);
- 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 World Star Pte Ltd, and Ong Sau Yin; 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 4 and 5.

If you appoint the Chairperson as your proxy, and leave your vote undirected in relation to Resolutions 4 and 5 (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 4 and 5 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 4 and 5, 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 4 and 5.

SPECIAL RESOLUTION

Resolution 6: Approval of 10% Placement Facility

1. General

The ASX has recently introduced new fundraising rules to provide more flexibility for smaller companies to raise additional capital in an easier and potentially less costly manner. ASX Listing Rule 7.1A enables eligible entities to issue equity securities (as that term is defined in the ASX Listing Rules) up to 10% of its issued share capital through placements over a 12 month period after the Annual General Meeting (**10% Placement Facility**). The 10% Placement Facility is in addition to the Company's 15% placement capacity under ASX Listing Rule 7.1. An eligible entity for the purposes of ASX Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company is an eligible entity.

The Company is now seeking Shareholder approval by way of a special resolution to have the ability to issue equity securities under the 10% Placement Facility. The exact number of equity securities (if any) to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 (refer to section 2(c) below). The Company may use funds raised from any 10% Placement Facility for funding of specific projects and/or general working capital. It may also use the 10% Placement Facility for non-cash consideration purposes such as joint venture, licensing or collaboration agreements or the acquisition of new products (although the Company presently has no proposal to do so).

The Directors of the Company believe that Resolution 6 is in the best interests of the Company and unanimously recommend that Shareholders vote in favour of this Resolution.

2. Description of ASX Listing Rule 7.1A

(a) Shareholder approval

The ability to issue equity securities under the 10% Placement Facility is subject to shareholder approval by way of a special resolution at an annual general meeting.

(b) Equity Securities

Any equity securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of equity securities of the Company.

The Company, as at the date of the Notice, has on issue one classes of quoted equity securities, Shares.

(c) Formula for calculating 10% Placement Facility

ASX Listing Rule 7.1A.2 provides that eligible entities which have obtained shareholder approval at an annual general meeting may issue or agree to issue, during the 12 month period after the date of the annual general meeting, a number of equity securities calculated in accordance with the following formula:

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

A is the number of shares on issue 12 months before the date of the issue or agreement:

(A) plus the number of fully paid shares issued in the 12 months under an exception in ASX Listing Rule 7.2;

(B) plus the number of partly paid shares that became fully paid in the 12 months;

(C) plus the number of fully paid shares issued in the 12 months with approval of holders of shares under ASX Listing Rules 7.1 and 7.4; and

(D) less the number of fully paid shares cancelled in the 12 months.

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

D is 10%.

E is the number of equity securities issued or agreed to be issued under ASX Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with the approval of shareholders under ASX Listing Rules 7.1 or 7.4.

(d) ASX Listing Rule 7.1 and ASX Listing Rule 7.1A

The ability of an entity to issue equity securities under ASX Listing Rule 7.1A is in addition to the entity's 15% placement capacity under ASX Listing Rule 7.1.

The actual number of equity securities that the Company will have capacity to issue under ASX Listing Rule 7.1A will be calculated at the date of issue of the equity securities in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 (refer to section 2(c) above).

(e) Minimum Issue Price

The issue price of equity securities issued under ASX Listing Rule 7.1A must be not less than 75% of the VWAP of equity securities in the same class calculated over the 15 trading days immediately before:

- (i) the date on which the price at which the equity securities are to be issued is agreed; or
- (ii) if the equity securities are not issued within 5 trading days of the date in paragraph (i) above, the date on which the equity securities are issued.

(f) 10% Placement Period

Shareholder approval of the 10% Placement Facility under ASX Listing Rule 7.1A is valid from the date of the annual general meeting at which the approval is obtained and expires on the earlier to occur of:

- (i) the date that is 12 months after the date of the annual general meeting at which the approval is obtained; or
- (ii) the date of the approval by shareholders of a transaction under ASX Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking), **(10% Placement Period)**.

3. ASX Listing Rule 7.1A

The effect of Resolution 6 will be to allow the Directors to issue the equity securities under ASX Listing Rule 7.1A during the 10% Placement Period without using the Company's 15% placement capacity under ASX Listing Rule 7.1.

Resolution 6 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

4. Specific Information required by ASX Listing Rule 7.3A

Pursuant to and in accordance with ASX Listing Rule 7.3A, information is provided in relation to the approval of the 10% Placement Facility as follows:

- (a) The equity securities will be issued at an issue price of not less than 75% of the VWAP for the Company's equity securities over the 15 trading days immediately before:
 - (i) the date on which the price at which the equity securities are to be issued is agreed; or
 - (ii) if the equity securities are not issued within 5 trading days of the date in paragraph (i) above, the date on which the equity securities are issued.

- (b) If Resolution 6 is approved by the Shareholders and the Company issues equity securities under the 10% Placement Facility, the existing Shareholders' voting power in the Company will be diluted as shown in the below table (in the case of unlisted options, only if the unlisted options are exercised).

There is a risk that:

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

which may have an effect on the amount of funds raised by the issue of the equity securities.

The table below shows the dilution of existing Shareholders on the basis of the current market price of Shares and the current number of ordinary securities for variable "A" calculated in accordance with the formula in ASX Listing Rule 7.1A.2 as at the date of this Notice of Meeting.

The table below also shows:

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

Variable "A" in ASX Listing Rule 7.1A.2		Dilution		
		\$0.001 50% decrease in Deemed Price	\$0.002 Deemed Price	\$0.003 50% Increase in Deemed Price
Current Variable A 828,054,216 Shares	10% Voting Dilution	82,805,422 Shares	82,805,422 Shares	82,805,422 Shares
	Funds raised	\$82,805	\$165,610	\$248,415
50% increase in current Variable A 1,242,081,324 Shares	10% Voting Dilution	124,208,132 Shares	124,208,132 Shares	124,208,132 Shares
	Funds raised	\$124,208	\$248,416	\$372,624
100% increase in current Variable A 1,656,108,432 Shares	10% Voting Dilution	165,610,843 Shares	165,610,843 Shares	165,610,843 Shares
	Funds raised	\$165,610	\$331,220	\$496,830

Number of Share on issue as at 30th October 2012

828,054,216

The table has been prepared on the following assumptions:

- (i) The Company issues the maximum securities available under the ASX Listing Rule 7.1A being 10% of the Company's ordinary shares on issue at the date of this Notice of Meeting;
- (ii) The table does not demonstrate an example of dilution that may be caused to a particular shareholder by reason of placements under ASX Listing Rule 7.1A, based on that shareholder's holding at the date of the Meeting;
- (iii) 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%;
- (iv) The table only demonstrates the effect of issues of securities under ASX Listing Rule 7.1A. It does not consider placements made under ASX Listing Rule 7.1, the "15% rule";

- (v) The price of ordinary securities is deemed for the purposes of the table above to be \$0.002, being the closing price of the Company's listed securities on ASX on 11th October 2012 (**Deemed Price**). The Deemed Price is indicative only and does not consider the 20% discount to market that the securities may be placed at; and
- (vi) The table does not demonstrate the effect of the potential issue of ordinary shares upon the conversion of Convertible Notes that the Company currently has on issue.
- (vii) The table assumes that the issues of ordinary shares subject of resolutions 3 will be approved by shareholders.
- (c) The Company will only issue and allot the equity securities during the 10% Placement Period. The approval under Resolution 6 for the issue of the equity securities will cease to be valid in the event that Shareholders approve a transaction under ASX Listing Rule 11.1.2 (a significant change to the nature or scale of activities or ASX Listing Rule 11.2 (disposal of main undertaking).
- (d) The Company may seek to issue the equity securities for the following purposes:
- (i) non-cash consideration for:
- the further development of the Company's current projects;
 - acquisition or development of new project opportunities; or
 - paying suppliers of the Company.

In such circumstances the Company will provide a valuation of the non-cash consideration as required by ASX Listing Rule 7.1A.3; or

- (ii) cash consideration in such circumstances, the Company intends to use the funds raised towards:
- the further development of the Company's current projects;
 - acquisition or development of new project opportunities;
 - due diligence; and
 - general working capital.

The Company will comply with the disclosure obligations under ASX Listing Rules 7.1A (4) and 3.10.5A upon issue of any equity securities.

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the allottees of equity securities will be determined on a case-by-case basis having regard to factors including but not limited to the following:

- (i) the methods of raising funds that are available to the Company, including but not limited to, rights issue or other issue in which existing security holders can participate;
- (ii) the effect of the issue of the Equity Securities on the control of the Company;
- (iii) the financial situation and solvency of the Company; and
- (iv) advice from corporate, financial and broking advisers (if applicable).

The allottees under the 10% Placement Facility have not been determined as at the date of this Notice of Meeting but may include existing substantial Shareholders and/or new Shareholders who are not related parties or associates of a related party of the Company.

Further, if the Company were to pursue an acquisition and were it to be successful in acquiring new resources assets or investments, it is possible that the allottees under the 10% Placement Facility will be the vendors of the new resources assets or investments.

- (e) The Company has not previously obtained Shareholder approval under ASX Listing Rule 7.1A.
- (f) A voting exclusion statement is included in the Notice of Meeting to which this Explanatory Memorandum relates. At the date of that Notice, the Company has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in the issue of the Equity Securities. No existing Shareholder's votes will therefore be excluded under the voting exclusion in the Notice.

The Directors unanimously recommend Shareholders vote in favour of Special Resolution – Resolution 6.

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 Friday 7th December 2012 at 3.30pm (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 2012 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.

BKM MANAGEMENT LIMITED

ABN: 61 009 146 543

PROXY FORM**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")

ORWrite here the name of the person you are appointing if this person is **someone other than** the Chairman of

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 Friday 7th December 2012 at 3.30pm 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, YOU HAVE DEEMED TO HAVE AUTHORISED HIM/HER TO VOTE IN ACCORDANCE WITH THE CHAIRMAN'S VOTING INTENTION ON RESOLUTION 1, ALTHOUGH THE CHAIRMAN MAY OR MAY NOT HAVE A DIRECT OR INDIRECT INTEREST IN THE OUTCOME OF RESOLUTION 1. THE CHAIRMAN'S VOTING INTENTION IN RELATION TO RESOLUTION 1 IS TO VOTE 'FOR' THE RESOLUTION.

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 ALL RESOLUTIONS.

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

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

		<u>FOR</u>	<u>AGAINST</u>	<u>ABSTAIN*</u>
Resolution 1	Adoption of the 2012 Non-Binding Remuneration Report.	<input type="text"/>	<input type="text"/>	<input type="text"/>
Resolution 2	Retirement of Mr. Michael Sim as a Director of the Company.	<input type="text"/>	<input type="text"/>	<input type="text"/>
Resolution 3	Ratification of prior issue of shares to World Star Pte Ltd.	<input type="text"/>	<input type="text"/>	<input type="text"/>
Resolution 4	Issue of ordinary shares to World Star Pte Ltd.	<input type="text"/>	<input type="text"/>	<input type="text"/>
Resolution 5	Issue of ordinary shares to Ong Sau Yin.	<input type="text"/>	<input type="text"/>	<input type="text"/>
Resolution 6	Special Resolution- Approval of 10% Placement facility.	<input type="text"/>	<input type="text"/>	<input type="text"/>

* 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

Sole Director and
Sole Company Secretary

Security Holder 2

Director

Security Holder 3

Director / Company Secretary

Contact Telephone Number

Contact Name (PRINT)

Contact Daytime Telephone

Date

/ /2012

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 5.30pm (AEST) on 5th December 2012. 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:

Registered Office

Suite 1, 1233 High Street
Armadale, Victoria 3143, Australia.
Ph: +61 (0)3 9824 5254
Fx: +61 (0)3 9822 7735



ASIC

Australian Securities & Investments Commission

Level 24, 120 Collins Street
Melbourne VIC 3000
GPO Box 9827 Melbourne VIC 3001

Telephone: (03) 9280 3200
Facsimile: (03) 9280 3444

Our Reference: PMR2012-4820

9 November 2012

BKM Management Limited
Suite 1
1233 High Street
ARMADALE VIC 3143

Attention: Mr Phillip Hains – Company Secretary

Dear Mr Hains

BKM Management Limited ACN 009 146 543 (the Company)
Request for extension of time to hold Annual General Meeting (AGM)

I refer to your application lodged with the Australian Securities and Investments Commission (ASIC) on 5 November 2012 regarding the Company's request for ASIC to grant extension of time to hold its AGM for the financial year ended 30 June 2012.

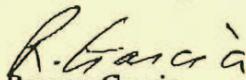
Under section 250P of *the Corporations Act 2001 (the Act)*, ASIC may extend the period within which section 250N of the Act requires a company to hold its AGM. After considering the information contained in your application, ASIC extends the period within which the Company must hold its AGM to **7 December 2012**.

Under subsection 250P(4) of the Act, ASIC imposes the condition that the Company gives written notice to the ASX Limited ACN 008 624 691 (ASX announcement) concerning ASIC's approval, providing an explanation of the need for the extension of time and stating the period to which the extension has been granted.

Please note that under subsection 250P(3) of the Act, the Company must hold its AGM within the extended period.

If you wish to discuss this matter, please contact me on (03) 9280 3229 or alternatively Pam Smith on (03) 9280 3486.

Yours sincerely


Ramon Garcia

Corporations
Australian Securities and Investments Commission