

## **BKM MANAGEMENT LIMITED**

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### **BKM Signs Share Purchase Agreement for Graphite Project**

**Melbourne: 28 June 2013.** The Directors of BKM Limited are pleased to announce that after extensive due diligence and negotiation, agreement has been reached on the acquisition of the previously announced Lymex Tenements / Oakdale Graphite Project company and related programme.

The proposed programme will involve detailed evaluation drilling of the oxidised graphite horizons with the objective of delineating an initial JORC compliant resource in excess of 10 million tonnes of greater than 7% Total Contained Graphite.

The acquisition is subject to Shareholder and regulatory approvals. A Notice of Meeting is currently being completed including relevant support information and reports to enable Shareholder to make an informed decision.

In summary, the business of the General Meeting is for the Company's Shareholders to approve:

- the Company making a significant change to the nature and scale of its activities by acquiring Lymex Tenements pursuant to a Share Sale Agreement with Lymex Ltd. Lymex Tenements holds the 9 licences comprised in the Tenements. The acquisition of Lymex Tenements will see the Company focus its activities on the development of graphite and base metals on the Tenements, which has not been the focus of the Company's activities to date;
- the Consolidation of the Company's existing share capital on a 67:1 basis in connection with the transaction to acquire Lymex Tenements;
- the issue and allotment of 25,000,000 Shares and 12,500,000 Options to Lymex Shareholders as consideration for the acquisition of Lymex Tenements;
- the issue and allotment of up to an additional 15,000,000 Shares to Lymex Shareholders on the achievement of certain milestones (and subject to granted ASX Waiver under LR 7.3.2, see below);
- the proposed issue and allotment of Shares at an issue price of \$0.20 per Share to raise capital under a Prospectus to be issued for the Company's application for readmission in accordance with Listing Rules Chapters 1 and 2. As part of this capital raising, the Company's existing shareholders will be granted a priority right to subscribe for Shares
- the appointment of three (3) new directors to the Board of the Company; and
- the Company changing its name to 'Oakdale Resources Limited'.

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**Snapshot of the project:**

Diamond drilling has identified a wide (>200m) graphite bearing stratigraphic unit containing bands of crystalline graphite. These graphite bands have been identified in widely spaced drill holes. Metallurgical studies on the 30 to 40 metre thick oxidised zone indicates excellent recoveries of jumbo, coarse, medium and fine flake graphite. Given the high metamorphic grade of the graphite, even the recovered amorphous graphite is crystalline and should demand a premium sale price. The proposed programme will involve detailed evaluation drilling of the oxidised graphite horizons with the objective of delineating an initial JORC compliant resource in excess of 10 million tonnes of greater than 7% Total Contained Graphite.

For and on behalf of the Board,

Yours faithfully;

A handwritten signature in black ink, appearing to be 'Phillip Hains', written over a light grey watermark that reads 'For personal use only'.

**Phillip Hains**  
Company Secretary  
28 June 2013

Attached: Terms of ASX Waiver from Listing Rule 7.3.2

## Terms of ASX Waiver from Listing Rule 7.3.2

### "DECISION

1. Based solely on the information provided, ASX Limited ("ASX") grants BKM Management Limited (the "Company") a waiver from listing rule 7.3.2 to the extent necessary to permit the notice of meeting seeking shareholder approval for the issue of 15,000,000 ordinary fully paid shares (the "Deferred Consideration Securities") to Lymex Tenements Pty Ltd ("Lymex Tenements"), as part of the consideration for the acquisition of Lymex Tenements, to state that the Deferred Consideration Securities will be issued more than 3 months after the date of the shareholders' meeting, on the following conditions.
  - 1.1. The Notice of Meeting sets out in detail the milestones which must be satisfied prior to the issue of the Deferred Consideration Securities.
  - 1.2. The milestones which must be satisfied for the Deferred Consideration Securities to be issued are not varied.
  - 1.3. For any annual reporting period during which any of the Deferred Consideration Securities have been issued or remain to be issued, the Company's annual report must set out in detail the number of Deferred Consideration Securities issued in that annual reporting period, and the number of Deferred Consideration Securities that remain to be issued, and the basis on which those securities may be issued.
  - 1.4. For any half year or quarter year report during which any of the Deferred Consideration Securities have been issued or remain to be issued, the Company's interim report and quarterly activities report must include a summary statement of the number of Deferred Consideration Securities issued during the reporting period, and the number of Deferred Consideration Securities that remain to be issued, and the basis on which those securities may be issued.
  - 1.5. The Deferred Consideration Securities must be issued no later than 60 months from the date of the Company's meeting to approve the issue of the Deferred Consideration Securities.
  - 1.6. The Company releases the terms of the waiver to the market immediately.
2. ASX has considered listing rule 7.3.2 only and makes no statement as to the Company's compliance with other listing rules.

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