

BKM MANAGEMENT LTD

Suite 1, 1233 High Street
Armadale Victoria 3143

AUSTRALIA

ABN: 61 009 146 543

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Fax: +61 3 9822 7735

30 November 2015

Dear Shareholder,

Invitation to Participate in Shareholder Share Purchase Plan

On 24 November 2015, BKM Management Ltd (**BKM** or the **Company**) announced a placement of up to 125,000,000 fully paid ordinary shares (**Shares**) in the capital of the Company at A\$0.0012 per Share to sophisticated and professional investors to raise approximately A\$150,000 (**Placement**).

The Board of Directors of BKM are now pleased to offer eligible shareholders the opportunity to participate in a Shareholder Share Purchase Plan (**Plan**) to acquire additional Shares at the same issue price of A\$0.0012 per Share as that paid by investors under the Placement.

Shareholders Eligible to Participate in the Plan

The right to participate in the offer under the Plan is optional and is available exclusively to Shareholders who are registered as holders of Shares at 5pm (WST) on the Record Date of 23 November 2015 and whose registered address is in Australia or New Zealand (**Eligible Shareholders**).

Share Purchase Plan

The Plan entitles Eligible Shareholders in the Company, irrespective of the size of their shareholding, to purchase up to A\$15,000 worth of Shares at a price of A\$0.0012 per Share (**Offer**). The Plan also enables Eligible Shareholders who hold shares as a "custodian" to participate in the Offer on behalf of each beneficiary on whose behalf the custodian is holding Shares up to a maximum amount of A\$15,000 worth of Shares for each beneficiary.

The issue price of the Offer represents a discount to the closing price of A\$0.002 per Share on 23 November 2015 (being the last trading day prior to the announcement of the Placement) and conforms with the pricing listed in the ASX listing rules LR7.2 Exemption 15

The amount an Eligible Shareholder can subscribe for will be restricted to a cumulative total of A\$15,000 worth of Shares.

Details of the Offer are set out in this letter and the enclosed Terms and Conditions together with an Entitlement and Acceptance Form.

For personal use only

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Current Projects

Details of the Company's current activities are set out in the announcements made by BKM to the ASX and are available from the ASX or BKM's website at www.bkmmanagement.com.

The funds raised under the Plan will be used by the Company in conjunction with funds raised from the recent Placement (at the same price as the Plan) to fund working capital and to investigate opportunities for a new business with an emphasis on soft commodities.

How much can you invest?

Under the Plan, Eligible Shareholders may only acquire a maximum of A\$15,000 worth of Shares under a share purchase plan in any 12 month period.

Subscription and Application Procedure

If you would like to participate in the Offer, you can either:

- make a BPAY[®] payment from your cheque or savings account by using the Biller Code and Reference Number shown on your Application Form which is required to identify your holding. If you make your payment using BPAY[®] you do not need to return your Application Form. New Zealand holders will not be able to make a payment using BPAY[®]. Payments made by BPAY[®] received after **5pm (WST) on 17 December 2015** will not be accepted.
- complete the enclosed Entitlement and Acceptance Form and send it together with your payment by cheque made payable to "BKM Management Ltd – SPP Account" and drawn in Australian currency for the correct amount, to BKM's share registry, Advanced Share Registry Services Ltd, at PO Box 1156, Nedlands, WA 6909, on or before the **Closing Date of 5pm (WST) on 17 December 2015**.

Applicants should not forward cash and direct bank transfers are not permitted.

Eligible Shareholders may participate by selecting only one of the following offers to purchase Shares under the Plan:

Total amount payable at A\$0.0012 per Share	Number of Shares which may be purchased
A\$1,500	1,250,000
A\$3,000	2,500,000
A\$6,000	5,000,000
A\$9,000	7,500,000
A\$12,000	10,000,000
A\$15,000	12,500,000

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Once an application has been made it cannot be revoked. All valid applications shall be deemed accepted if received before the **Closing Date of 5pm (WST) on 17 December 2015**. If the exact amount of money is not tendered with your application, BKM reserves the right to either:

- (i) return your Entitlement and Acceptance Form and/or payment and not issue any Shares to you; or
- (ii) issue to you the number of Shares that would have been issued had you applied for the highest designated amount that is less than the amount of your payment and refund the excess application money to you by cheque as soon as possible, without interest.

The maximum investment any shareholder may apply for will remain A\$15,000 even if a shareholder receives more than one Offer (whether in respect of a joint holding or because the shareholder has more than one holding under a separate account).

Additional Information and Important Dates

The Offer cannot be transferred and the Directors of the Company reserve the right to reject, or scale back, on an equitable basis, any application. Shares issued under the Plan will be issued no later than 10 business days after the Closing Date of the Offer. Application for quotation on ASX of the new Shares will be made immediately following the issue of those Shares.

The maximum amount proposed to be raised under the Offer is A\$450,000. However, should demand exceed this amount, the Directors reserve the right to accept over subscriptions or to scale back applications in their absolute discretion, subject to the limits imposed by ASIC policy and ASX Listing Rule 7.2.

If the Company rejects or scales-back an application or purported application, the Company will promptly return to the shareholder the relevant application monies, without interest.

On the last trading day immediately prior to the announcement date of the Offer, the closing price of the Shares traded on ASX was A\$0.002. The market price of the Shares in the Company may rise and fall between the date of the Offer and the date any Shares are issued to you as a result of your acceptance of this Offer. This means the subscription price you pay for the Shares may exceed the market price of the Shares at the date of issue of Shares under this Offer. The Board recommends you obtain your own financial advice in relation to the Offer and consider price movements of Shares in the Company prior to accepting this Offer.

Foreign offer restrictions

This document may not be released or distributed in any country other than Australia and New Zealand. This document does not constitute an offer to sell, or a solicitation of an offer to buy, securities in any other country.

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New Zealand investors

The BKM Shares offered under the Plan are not being sold or offered to the public in New Zealand, other than to existing shareholders of BKM with registered addresses in New Zealand to whom the offer of such BKM Shares is being made pursuant to the Securities Act (Overseas Companies) Exemption Notice 2013. Potential investors should note that this document has not been registered, filed with or approved by any New Zealand regulatory authority under the Securities Act 1978 or Financial Markets Conduct Act 2013 (New Zealand) and is not a product disclosure statement, investment statement or prospectus under New Zealand law. This document is not required to, and may not, contain all the information that a product disclosure statement, investment statement or prospectus under New Zealand law is required to contain.

U.S Investors

The BKM Shares offered under this Plan will not be registered under the U.S. Securities Act of 1993, as amended (U.S. Securities Act), or the securities law of any state or other jurisdiction of the United States, and may not be offered, sold or transferred in the United States or to, or for the account or benefit of a "U.S. person" as defined in Regulation S under the U.S. Securities Act (U.S. Person). You shall not distribute this document or any material relating to the Plan to any person in the United States and acknowledge that you will not submit an Application Form for any person in the United States or for any person who is, or is acting for the account or benefit of, a U.S. Person.

Shortfall Placement

If less than the maximum number of Shares available for subscription pursuant to this Offer are applied for, the shortfall may be placed at the discretion of the Directors.

Indicative Timetable

Record Date (5.00pm WST)	23 November 2015
Announcement Date of Plan	24 November 2015
Opening Date of Offer	30 November 2015
Closing Date of Offer (5.00pm WST)	17 December 2015
Dispatch Date for Holding Statements	23 December 2015
Quotation of Shares on ASX	28 December 2015

These dates are indicative only. The Company may vary the dates and times of the Offer without notice. Accordingly, Shareholders are encouraged to submit their Entitlement and Acceptance Forms as early as possible.

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Should you wish to discuss any information contained in this letter further, do not hesitate to contact BKM's Company Secretary, Mr Phillip Hains, on +61 3 9824 5254 or email, phillip@thecfo.com.au.

Yours faithfully,
BKM MANAGEMENT LTD



Phillip Hains
Company Secretary

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