



24 November 2016

RENOUNCEABLE RIGHTS ISSUE TO RAISE \$2.56M

Highlights

- **5-for-1 renounceable rights issue at an issue price of 0.8c per share to raise \$2.56m (before costs), with one free attaching option exercisable at 2.0c and expiring on 30 June 2019 for every 2 shares subscribed.**
- **To be fully underwritten by Patersons Securities Limited.**
- **Funds raised will enable BMG to tidy up the Company's balance sheet and to raise working capital to pursue new investment opportunities.**

BMG Resources Limited (ASX: BMG) (**BMG** or **Company**) is pleased to announce an equity capital raising of approximately \$2.56 million (before costs) via a pro-rata renounceable rights issue (**Rights Offer**) that is to be fully underwritten and managed by Patersons Securities Limited (**Patersons**), subject to lodgement of a prospectus, which is expected to take place on or about Thursday, 24 November 2016.

The Rights Issue will be made on a 5-for-1 basis, being 5 new fully paid ordinary shares in BMG (**Share**) for every 1 existing Share held, at an issue price of 0.8c per Share. One free attaching option will be issued for every 2 Shares subscribed, with a strike price of 2.0c, expiring on 30 June 2019 (**Free Attaching Option**).

The Rights Issue will be offered to those BMG shareholders who have a registered address in Australia or New Zealand and who are on the Company's register at the close of business on the record date, anticipated to be on or about Wednesday, 30 November 2016. The Rights Issue is anticipated to be open for acceptance from 1 December 2016 until 5.00pm (Perth time) on 12 December 2016. Rights will trade on ASX from Tuesday, 29 November 2016 until Monday, 5 December 2016. Shareholders may apply for Shares and Free Attaching Options in excess of their entitlement subject to the terms of the Prospectus.

The Company has appointed Patersons to underwrite the Rights Offer. Directors Bruce McCracken and Malcolm Castle as well as entities in the Transcontinental Group have collectively agreed to subscribe for \$300,000 by way of entitlement and to sub-underwrite \$500,000 of the Rights Offer. Full details of the underwriting arrangements will be contained in the prospectus.

The proceeds from the Rights Offer will enable BMG to tidy up its balance sheet and pursue new investment opportunities.

Further details on how shareholders can participate in the Rights Offer will be set out in the prospectus.

The Company expects the Rights Offer to be conducted in accordance with the following timetable:

Event	Date
Announcement of Rights Offer	24 November 2016
Lodgement of Prospectus with ASIC (Appendix 3B lodged with ASX)	24 November 2016
Notice of Rights Offer sent to Shareholders	25 November 2016
Shares quoted on an "ex" basis; rights trading starts	29 November 2016
Record Date for determining entitlements	30 November 2016
Prospectus and Entitlement and Acceptance Form sent to Shareholders	1 December 2016
Opening Date of Rights Offer	1 December 2016
Rights trading ends	5 December 2016
New Shares quoted on ASX on deferred settlement basis	6 December 2016
Closing Date of Rights Offer	12 December 2016
New Shares and Free Attaching Options issued	16 December 2016
Ordinary trading of new Shares and Free Attaching Options commences	19 December 2016

The above dates are indicative only. The Company reserves the right to vary the above dates, subject to the ASX Listing Rules and the Corporations Act.

For further information regarding the Offer, please see the Company's announcements on the ASX website (www.asx.com.au) or the Company's website (www.bmgj.com.au). Alternatively, please contact Security Transfer Australia on +61 8 9315 2333 or the Company on +61 8 9424 9320 from 9.00am to 5.00pm Perth time, Monday to Friday.

*****ENDS*****

For further information, shareholders and media please contact:

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