

**ASX ANNOUNCEMENT****15 December 2016****Rights Issue – Shortfall notification and new issue date**

On 24 November 2016, BMG Resources Limited (ASX: BMG) (**Company**) announced a renounceable offer to eligible shareholders pursuant to a prospectus (**Prospectus**) on the basis of five (5) new shares (**New Shares**) for every one (1) share held by shareholders at an issue price of \$0.008 per New Share to raise approximately \$2.56 million before costs, together with one (1) free attaching option (**Attaching Option**) for every two (2) New Shares issued (**Rights Issue**). The Attaching Options are exercisable at \$0.02 each on or before 30 June 2019. The Rights Issue is fully underwritten by Patersons Securities Limited.

*Shortfall notification*

The Rights Issue closed on 12 December 2016. The Company has received valid applications for a total of 167,486,319 New Shares and 83,743,160 Attaching Options, leaving a shortfall of 152,127,941 New Shares and 76,063,970 Attaching Options under the Rights Issue (**Shortfall**).

The Shortfall is being placed by the underwriter Patersons Securities Limited as provided for by the underwriting agreement and disclosed in the Prospectus.

*New issue date*

The Company advises that the issue date of New Shares and Attaching Options to be issued under the Prospectus is expected to be Monday, 19 December 2016 and not Friday, 16 December 2016.

The revised timetable for the Rights Issue is as follows:

<b>Event</b>	<b>Date</b>
Rights Issue offer closed (Closing Date)	Monday, 12 December 2016
Notice to ASX of Shortfall	Thursday, 15 December 2016
New Securities issued	Monday, 19 December 2016
Quotation of New Securities on ASX commences	Tuesday, 20 December 2016

The above dates are indicative only and may be subject to change. The Directors may vary these dates subject to any applicable requirements of the Corporations Act or the Listing Rules.

**\*\*\*ENDS\*\*\***

**For further information, shareholders and media please contact:**

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