



8 November 2018

Settlement of Tranche 1 Placement and A\$0.5 million Securities Purchase Plan Offer

Settlement of Tranche 1 Placement

BMG Resources (ASX: BMG) (**BMG** or **Company**) is pleased to announce that further to its announcement on 5 November 2018 of the successful closing of an A\$0.9 million share placement (**Placement**) to new and existing institutional and sophisticated investors, the Company has today issued, 26,905,162 new shares, with one BMGOA option for each new share issue, as Tranche 1 of the Placement.

Tranche 2 of the Placement is subject to approval by shareholders at the Company's Annual General Meeting (**AGM**) on 29 November 2018 and is expected to be completed immediately after the AGM.

The new shares and options issued under the Placement will rank equally with BMG's existing ordinary shares and quoted BMGOA options on issue.

Securities Purchase Plan offer to Shareholders

The Company is also pleased to announce that it proposes to raise up to an additional \$500,000 (before costs) through a Security Purchase Plan (**SPP**) offer of 55,555,556 shares and 55,555,556 options, available to existing eligible shareholders at an issue price of \$0.009 per share and one free BMGOA option attaching to each share issued. Each option is exercisable at \$0.02 each on or before 30 June 2019.

The record date for determining shareholders' entitlement to participate in the SPP was **5:00pm (WST) on Wednesday, 7 November 2018 (Record Date)**.

Each eligible shareholder has the opportunity to participate in the SPP and apply for up to 1,666,667 shares at an issue price of \$0.009 per share, totalling \$15,000.

The SPP will be offered under a prospectus to be separately released to ASX.

Use of funds

The Placement and SPP are undertaken to provide funds to pursue investment opportunities, including the proposed Chilean Lithium JV announced on 22 August 2018, together with general working capital for the Company.

Further details of the use of funds are contained in the Company's prospectus.

Further details of SPP

The SPP offer will be made to shareholders who had a registered address in Australian or New Zealand at the Record Date.

The SPP is not underwritten, however the Company will, in conjunction with Peak Asset Management, seek to place any shortfall to the SPP on a best endeavours basis within 3 months of the close of the SPP, subject to shareholder approval at the AGM.

The SPP offer will open on Monday, 12 November 2018 and is scheduled to close at 5:00pm (WST) on Friday, 30 November 2018.

The prospectus for the SPP contains information on the status of the Company's transaction to acquire an interest in the Chilean Lithium Projects, details of the proposed use of funds raised, details of the SPP offer and information about the effect of the Placement and SPP on the capital structure and finances of the Company.

A copy of the prospectus will be available on the Company's website at www.bmgl.com.au/investors/asx-releases

Conditions to SPP offer

The issue of shares and options under the SPP is conditional upon either:

- (a) shareholder approval being obtained at the AGM for the issue of up to 222,222,222 new shares and 222,222,222 options; or
- (b) ASX granting the Company a waiver from Listing Rule 7.1 to permit the issue of offer securities under the SPP to eligible shareholders without shareholder approval.

The issue of securities not acquired by eligible shareholders under the SPP is subject to shareholder approval at the AGM.

The Company will apply to ASX for a waiver from Listing Rule 7.1 to permit the issue of securities to eligible shareholders under the SPP without shareholder approval. If ASX does not grant the requested waiver, the issue of securities under the SPP and the shortfall to the SPP will be subject to Shareholders approving resolution 5 of the Notice of AGM at the Company's AGM.

Indicative timetable

Set out below is the indicative timetable for the Placement and the SPP:

Event	Target Date
Record Date for determining Shareholders' entitlements to participate in the SPP	5:00pm (WST) on Wednesday, 7 November 2018
Lodgement of prospectus with ASIC	Thursday, 8 November 2018
Despatch of prospectus	Monday, 12 November 2018
Opening date of SPP and shortfall offers	Monday, 12 November 2018
Annual General Meeting	Thursday, 29 November 2018

Issue of Tranche 2 Placement securities	Thursday, 29 November 2018
Closing date of offers	5:00pm (WST) on Friday, 30 November 2018
Issue of SPP and shortfall securities	Monday, 3 December 2018
Despatch of holding statements	Monday, 3 December 2018
ASX quotation of new shares and new options issued under SPP and shortfall to SPP	Tuesday, 4 December 2018

Note: The above dates are indicative only and subject to change. The Company may vary these dates without notice, including whether to close an offer early, extend an offer, or accept late applications, either generally or in particular cases.

For further information please see the Company's announcements on the ASX website (www.asx.com.au) or the Company's website (www.bmgil.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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