



**Brazilian Metals Group Limited**  
ACN 107 118 678

**ASX ANNOUNCEMENT**

**19 February 2013**

**Brazilian Metals Group Limited (“the Company”) – Despatch of Notice to Eligible Security Holders**

Brazilian Metals Group Limited (ASX: BMG) has despatched notices to its eligible security holders in accordance with its timetable for the renounceable pro rata entitlement offer. A copy of the notice sent to the eligible security holders is attached.

The ‘Ex’ entitlement date is 20 February 2013 and Record Date for determining entitlements is 26 February 2013.

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

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

Fleur Hudson  
Company Secretary  
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Bruce McCracken  
Managing Director  
+61 8 9424 9390



19 February 2013

<Eligible shareholder>  
<address>  
<address>

Dear Shareholder

**Renounceable pro rata entitlement offer**

On 14 February 2013 Brazilian Metals Group Limited (**BMG** or **Company**) announced a fully underwritten three (3) for one (1) renounceable pro rata entitlement offer at an issue price of \$0.01 per share to raise up to approximately A\$4.4 million (before expenses) (**Offer**).

The purpose of this letter is to provide you with key information about the Offer before the prospectus for the Offer is sent to eligible shareholders in accordance with the requirements of the Australian Security Exchange (**ASX**).

**Key information**

Key information in connection with the Offer and important dates are set out below for your reference:

- (a) The Offer is a renounceable pro-rata offer and is being undertaken on the basis of three (3) new fully paid ordinary shares (**New Share**) for every one (1) fully paid ordinary share held by eligible shareholders at \$0.01 cents per New Share.
- (b) Eligible shareholders include those shareholders whose registered address is within Australia or New Zealand as at the Record Date (**Eligible Shareholders**).
- (c) The record date for Eligible Shareholders is 5.00pm (WST) on Tuesday, 26 February 2013 (**Record Date**).
- (d) A maximum of 438,170,799 New Shares will be issued under the Offer. This number excludes shares which may be issued in the event that an option holder elects to exercise their right to convert their securities to ordinary shares prior to the Record Date. This number is also subject to a final reconciliation and rounding of entitlements.
- (e) After completion of the Offer, the Company will have up to 584,227,732 ordinary shares on issue, all of which will be quoted on the ASX. The Company will also have 136,756,414 listed options and 8,500,000 unlisted options on issue.

- (f) As a renounceable entitlement offer, rights are tradeable on the ASX and otherwise transferable. Eligible Shareholders who elect not to take up their full entitlement may receive some value in respect of those entitlements by selling their rights. Eligible Shareholders who wish to sell their rights should contact their broker. The Company has appointed Patersons Securities Limited as its nominee to sell the rights of ineligible shareholders.
- (g) New Shares will rank equally with the Company's existing fully paid ordinary shares.
- (h) Shareholder approval of the Offer is not required.
- (i) The Offer will be undertaken with a prospectus in accordance with section 713 of the Corporations Act 2001 (Cth).
- (j) The Offer is fully underwritten by Patersons Securities Limited (**Underwriter**).
- (k) Eligible Shareholders will be able to apply for additional New Shares by specifying the total number of New Shares they wish to apply for on their entitlement and acceptance form. Additional New Shares will only be allocated to the extent that there is a shortfall of acceptances under the Offer. The Underwriter, acting in consultation with the Company, has reserved its right to determine who is to receive any additional New Shares.
- (l) The Company does not have a dividend policy. Payment of future dividends will depend upon future profitability and the financial position of the Company.

#### **Use of the proceeds**

The funds raised under the Offer are intended to be applied as follows:

- (a) to fund the acquisition of Treasure Development Ltd, a privately owned Cypriot company that owns the portfolio of copper-gold assets in the Republic of Cyprus that make up the Treasure Project;
- (b) exploration;
- (c) debt repayment;
- (d) general working capital; and
- (e) the expenses of the Offer.

#### **Key dates**

Full details of the Offer are contained in the prospectus lodged with ASIC. A copy of the prospectus will be dispatched to each Eligible Shareholder together with personalised entitlement and acceptance forms, on or about Thursday 28 February 2013.

Key dates which shareholders should note are as follows:

| <b>Event</b>   | <b>Date</b>                     |
|--|---------------------------------|
| Announcement of Offer  | Thursday 14 February 2013       |
| Lodgement of Prospectus with ASIC (Appendix 3B lodged with ASX)  | Friday 15 February 2013         |
| Notice of Offer sent to Shareholders   | Tuesday 19 February 2013        |
| Shares quoted on an "ex" basis; rights trading starts  | Wednesday 20 February 2013      |
| <b>Record Date for determining entitlements</b>  | <b>Tuesday 26 February 2013</b> |
| Prospectus and Entitlement and Acceptance Form sent to Shareholders  | Thursday 28 February 2013       |
| Opening Date of Offer  | Thursday 28 February 2013       |
| Rights trading ends  | Thursday 7 March 2013           |
| New Shares quoted on ASX on deferred settlement basis  | Friday 8 March 2013             |
| <b>Closing Date of Offer</b>   | <b>Friday 15 March 2013</b>     |
| Latest date for issue and allotment of Shortfall Shares  | Friday 22 March 2013            |
| Allotment and despatch of holding statements for New Shares (including Shortfall Shares); deferred settlement trading ends | Monday 25 March 2013            |
| <b>Ordinary trading of New Shares on ASX commences</b>   | <b>Tuesday 26 March 2013</b>    |

These dates and times are indicative only and are subject to change. The Company reserves the right to amend this indicative timetable at any time and (subject to the Corporations Act and ASX Listing Rules) to extend the latest date for receipt of the Entitlement and Acceptances Forms, to accept late Entitlement and Acceptance Forms either generally or in particular cases, or to cancel the Offer without prior notice.

#### **Further information**

For further information on the Offer, please see the Company's announcements from 14 February 2013 as listed on the ASX website ([www.asx.com.au](http://www.asx.com.au)) or the Company's website ([www.bmgl.com.au](http://www.bmgl.com.au)). Alternatively, please contact Security Transfer Registrars Pty Ltd on +61 8 9315 2333 or the Company on +61 8 9424 9390.  
Yours sincerely

**Bruce McCracken**  
Managing Director