



14 February 2013

## RENOUNCEABLE RIGHTS ISSUE TO RAISE \$4.4M

### Highlights

- **3-for-1 renounceable rights issue at 1.0c per share to raise \$4.4m (before costs)**
- **Offer proposed to be fully underwritten by Patersons Securities Limited**
- **Funds raised will enable BMG to progress the acquisition of the recently announced high grade Copper-Gold project in Cyprus (Treasure Project), and ongoing working capital requirements of the Company**
- **Equitable opportunity for shareholders to participate in the highly prospective Treasure Project**

Brazilian Metals Group Limited (ASX: BMG) (**BMG or the Company**) is pleased to announce an equity capital raising of \$4.4 million (before costs) via a pro-rata renounceable rights issue (**Rights Issue**) to be jointly managed by Patersons Securities Limited (**Patersons**) and Phillip Capital Limited and proposed to be fully underwritten by Patersons, subject to lodgement of a prospectus, which is expected to take place on or about 15 February 2013.

The Rights Issue will be made on the basis of 3-for-1, being 3 new shares for every 1 existing BMG share held, at an issue price of 1.0c per share. The Rights Issue will be offered to those Eligible Shareholders who are on the Company's register at the close of business on the relevant date, anticipated to be on or about Tuesday 26 February 2013. Assuming this date (which may change), the Rights Issue will be open for acceptance from Thursday 28 February 2013 until the closing date of Friday 15 March 2013. The Rights will trade on the ASX for 11 business days from Wednesday 20 February 2013.

The proceeds from the Rights Issue will be used for the acquisition of the Treasure Project and to progress exploration, as well as the ongoing working capital requirements of the Company. Our immediate priority will be to fast track a drilling program at the highly prospective Black Pine area with the aim of establishing a JORC compliant resource.

For further detail on the Treasure Project refer to the Company's ASX releases on 10 December 2012 announcing the acquisition and 25 January 2013 releasing an independent geologist's report from SRK Consulting (Australasia) Pty Ltd (**SRK Report**). The SRK Report provides an extensive overview

of the Treasure Project and verification of the Company's proposed exploration program and focus on high potential drill-ready targets.

The prospectus relating to the Rights Issue is anticipated to be lodged with ASIC and the ASX on or about Friday 15 February 2013.

The Rights Offer is not being made to any retail shareholders whose registered address is in a country other than Australia or New Zealand for the reasons which will be explained in the prospectus.

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

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

<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
Record Date for determining entitlements	Tuesday 26 February 2013
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
Closing Date of Offer	Friday 15 March 2013
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
Ordinary trading of New Shares on ASX commences	Tuesday 26 March 2013

The above dates are indicative only. The Company, in conjunction with Patersons as the proposed underwriter, reserves the right to vary the above dates, subject to the ASX Listing Rules and the Corporations Act.

BMG's Managing Director, Bruce McCracken said "This capital raising represents a transformational event for the Company. It will allow us to progress the acquisition of our recently announced Treasure copper-gold Project in Cyprus, and deliver what we believe will be an exciting new opportunity to create value for the Company and its investors."

"The Treasure Project is a portfolio of high grade copper-gold assets with the potential to be advanced quickly. With the funds from this capital raising, our immediate priority will be to fast

track the drilling program in the high grade Black Pine (Laxia) zone with the aim of establishing a JORC compliant resource, and progress initial scoping and pre-feasibility work for a mining operation.”

ENDS

**For further information please contact:**

Bruce McCracken, Managing Director  
Brazilian Metals Group  
Phone: +61 8 9424 9390

Fleur Hudson, Company Secretary  
Brazilian Metals Group  
Phone: +61 8 9424 9390

Email: [enquiries@bmgl.com.au](mailto:enquiries@bmgl.com.au)  
Website: [www.bmgl.com.au](http://www.bmgl.com.au)

**Competent Persons Statement**

*The information in this report that relates to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Malcolm Castle, a competent person who is a Member of the Australasian Institute of Mining and Metallurgy (“AusIMM”). Malcolm Castle is a consultant geologist employed by Agricola Mining Consultants Pty Ltd and is a non-executive Director of Brazilian Metals Group Limited. Malcolm Castle has sufficient experience that is relevant to the style of mineralisation and type of deposits under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves”. Malcolm Castle consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.*

*While the Company remains optimistic that it will report resources and reserves in the future, any discussion in relation to exploration targets or resource potential is only conceptual in nature. There has been insufficient exploration to define a Mineral Resource and it is uncertain if further exploration will result in the determination of a Mineral Resource.*

**BMG Overview**

*BMG is mining exploration and development company. The Company’s Rio Pardo Iron Project in Northern Minas Gerais is at an advanced exploration stage. The exploration program conducted by the Company has delineated a large area of Fe mineralisation at the Josilene – Scorpion prospect across a 13km strike length, and an exploration target of 2 to 3 billion tonnes at 16.2% to 18.5% Fe. This is based on surface mapping and drilling with 28 RC holes to date and the potential quantity and grade is conceptual in nature. There has been insufficient exploration to define a Mineral Resource and it is uncertain if further exploration will result in the determination of a Mineral Resource.*

*The Rio Pardo project remains a longer term opportunity with the potential to support a large scale, low cost mining operation. In the near term there are minimal expenditure requirements and the Company will seek to incrementally progress the opportunity without committing any significant cash expenditure, and revisit the program as market conditions improve. The Company has actively managed the project tenement holdings to focus on the core Josilene – Scorpion prospect, with areas of lower potential being relinquished.*