



15 July 2015

BMG ENTERS INTO A HEADS OF AGREEMENT FOR POSSIBLE ACQUISITION

The Board of BMG Resources Limited (“BMG”, the “Company”) is pleased to announce that it has entered into a non-binding heads of agreement that contemplates the potential acquisition of the FitLink group of companies (“FitLink”).

FitLink is an established provider of fitness and business dual diploma courses across Australia, New Zealand and India. FitLink is 100% online and in its history has graduated 30,000+ students.

Fitlink is well positioned to deliver shareholder value. It is achieving attractive earnings with FY15 EBIT above \$2m (unaudited – to be verified during due diligence) and its management anticipates it will deliver significant year on year growth. The online education sector is currently growing at 12% and these trends are likely to continue, with students preferring the increased versatility of being able to complete a course from home with a flexible start/finish date.

Traditionally, FitLink has specialised in health and fitness accreditations, but recent partnerships with key industry players is enabling it to deliver an expanded and complimentary product offering. Students now have the ability to combine the knowledge learnt from their fitness course with an additional qualification, designed to diversify their skill set and increase their appeal to potential employers. Diplomas in Business, Management and Marketing are currently being offered with more to come. This initiative has already had a noticeable impact on actual revenue, from a resulting upswing in demand and significantly higher average sale per student.

The heads of agreement grants BMG a 40 business day exclusivity period to complete commercial, legal and financial due diligence on Fitlink and to execute a sale and purchase agreement. The heads of agreement is non-binding as to commercial terms, but binding as to exclusivity.

Any transaction that the Company may enter into will be subject to the operation of Listing Rule 11.1 and ASX’s requirements, which will include shareholder approval and re-compliance with admission requirements.

BMG cautions investors that there is no certainty that a transaction will be entered into following the exclusivity period, and investment decisions should be made in that context.

BMG is being advised by LinQ Corporate Pty Ltd.

ENDS

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