



5 November 2018

BMG Announces \$900,000 Placement to Strengthen its Position to Execute its Chilean Lithium Brine Strategy

Highlights

- **Placement to institutional and sophisticated investors raises \$0.9 million at \$0.009 per share to help realise the strong potential of BMG's Chilean lithium brine projects**
- **Capital raising follows the recent achievement of excellent geophysics results showing strong brine potential at the Company's Salar West project, providing scope to commence drilling in early CY19**
- **Peak Asset Management appointed as strategic advisor to assist the Company**
- **Shareholder offer proposed under the same terms as the Placement**

BMG Resources (ASX: BMG) (**BMG or the Company**) is pleased to announce the successful closing of an A\$900,000 share placement (**Placement**) to new and existing institutional and sophisticated investors.

BMG's Managing Director, Bruce McCracken, commented:

"BMG welcomes the strong support of new and existing institutional and sophisticated investors in this placement, which marks a positive step for the Company as we continue to progress the execution of the Chilean lithium joint venture we announced in August 2018. Completing this transaction will progress a transformational opportunity for the Company in the world's best lithium brine province.

"Completion of the transaction is anticipated in December 2018, subject to satisfaction of outstanding conditions precedent, with the first drilling program anticipated early in the new year. This is an exciting prospect as the Company recently identified strong lithium brine targets through completing a successful geophysics program at the Salar West prospect in the Salar de Atacama, which is the world's largest and purest active source of lithium."

The Company's shares are expected to recommence trading today following this announcement.

Placement details

The placement involves the issue of 98,766,659 new, fully paid ordinary shares (**New Shares**) at \$0.009 per new share (**Offer Price**) with 1 free BMGOA option attaching to each share issued (**Securities**), to raise \$888,900 (before costs). Peak Asset Management Pty Ltd has been appointed as strategic advisor to the Company and was lead manager for the Placement.

The offer price represents:

- A discount of approximately 10% to the \$0.01 closing price on 30 October 2018 (the last date of trading prior to the trading halt in connection with the placement); and
- A discount of 17% to the Volume Weighted Average Price (VWAP) for the 15-day period immediately prior to 30 October 2018.

The placement will be conducted in two tranches. The first tranche (**Tranche 1**) comprising 26,905,162 new shares, with one BMGOA option for each new share issued, at the Offer Price will be placed to sophisticated and institutional investors utilising the Company's 15% capacity under Listing Rule 7.1. Tranche 1 is expected to settle on 7 November 2018 and the new shares are expected to commence trading on 8 November 2018.

The second tranche (**Tranche 2**) of up to 71,861,497 new shares, with one BMGOA option for each new share issued, at the Offer Price will be placed to the same participants as Tranche 1, but subject to approval by shareholders at the Company's AGM on 29 November 2018.

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

New shares issued under the Placement will represent approximately 25.58% of BMG's existing share capital. On completion of Tranche 2 (assuming Tranche 2 is approved by shareholders), the Company will have 484,803,797 ordinary shares on issue.

Use of funds

The Placement was 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.

Share and Option Offer to Shareholders

The Company is also proposing to undertake a further capital raising offer of Shares and options, available to existing eligible shareholders at an issue price of \$0.009 per Share with one free BMGOA option attaching to each share issued, to raise up to \$500,000. The further capital raising offer will be made pursuant to a prospectus which will be announced shortly.

Further details regarding the Placement are set out in Annexure 1.

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*****

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Annexure 1: Capital Raising Key Information.

Placement	<ul style="list-style-type: none">• Placement of approximately 98,766,659 million new fully paid ordinary shares, with 1 free attaching BMGOA option for each share issued, to Institutional and Sophisticated investors to raise \$888,900 (before costs) under BMG's available placement capacity pursuant to ASX listing Rule 7.1.• Shareholder approval at the AGM on 29 November 2018 is required for Tranche 2 of the placement.
Offer Price	The Offer Price of \$0.009 represents a discount of 10% to the BMG closing price of \$0.01 on 30 October 2018, a discount of 17% to the volume weighted average price of the 15 days trading up to, and including, 30 October 2018.
Indicative Timetable	<ul style="list-style-type: none">• Announcement of Placement: 5 November 2018• Voluntary suspension lifted and BMG shares resume trading: 5 November 2018• Issue of Placement securities (Tranche 1): 7 November 2018• Quotation of Placement securities (Tranche 1): 8 November 2018• General meeting of BMG shareholders to approve issue of Second Tranche Placement securities (Tranche 2): 29 November 2018• Issue of Placement securities (Tranche 2): 4 December 2018• Quotation of Placement securities (Tranche 2): 5 December 2018
Ranking	On an equivalent basis with existing BMG Fully Paid Ordinary Shares and BMGOA Options.
Use of Proceeds	To provide the Company with funds to pursue investment opportunities, including the proposed Chilean Lithium JV announced on 22 August 2018, and general working capital.
Lead Manager	Peak Asset Management Pty Ltd