



ASX ANNOUNCEMENT

7 June 2019

PROPOSED GRANT OF NEW OPTIONS TO HOLDERS OF BMGOA OPTIONS

BMG Resources Limited (**ASX: BMG**) (**BMG** or **the Company**) advises that, subject to shareholder approval at a general meeting, the Company intends to offer holders of BMGOA Options (expiry date 30 June 2019; exercise price \$0.02) the opportunity to subscribe for new options with an expiry date of 31 December 2019 and exercise price of \$0.02. The Company has resolved to extend this offer to reflect the longer than anticipated period in which BMG has established the Chilean Lithium JV and planned its maiden drill program.

The Company proposes to offer all persons holding BMGOA Options as at 30 June 2019 the opportunity to subscribe for a new option (**New Option**) on a 1 for 1 basis exercisable at \$0.02 on or before 31 December 2019, for a nominal amount of \$0.001 per New Option subscribed. BMGOA Option holders do not need to exercise their BMGOA Options in order to participate in the offer. Holders who exercise their BMGOA Options prior to the expiry date will also be able to participate in the offer. The subscription amount will help the Company to cover the cost of issuing the New Options, which will require approval by shareholders at a general meeting and a short form prospectus to be prepared.

If the New Options are fully subscribed and exercised, the Company may experience a cash inflow of up to \$6.9 million before costs in the second half of CY19.

The Company anticipates the Notice of Meeting for the general meeting will be circulated shortly. Shareholders who are also BMGOA Option holders will be ineligible to vote for the resolution at the general meeting. Holders of BMGOA Options who are related parties of the Company will not be able to participate in the offer without the specific approval of shareholders.

*****ENDS*****



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