



ASX ANNOUNCEMENT

20 December 2016

Rights Issue – Additional information required by Appendix 3B

On 24 November 2016, BMG Resources Limited (ASX: BMG) (**Company**) announced a renounceable offer to eligible shareholders pursuant to a prospectus (**Prospectus**) on the basis of five (5) new shares (**New Shares**) for every one (1) share held by shareholders at an issue price of \$0.008 per New Share to raise approximately \$2.56 million before costs, together with one (1) free attaching option (**Attaching Option**) for every two (2) New Shares issued (**Rights Issue**). The Attaching Options are exercisable at \$0.02 each on or before 30 June 2019. The Rights Issue was fully underwritten by Patersons Securities Limited.

The Rights Issue closed on 12 December 2016 and the shortfall to the Rights Issue (**Shortfall**) was placed by the underwriter Patersons Securities Limited as provided for by the underwriting agreement and disclosed in the Prospectus.

	New Shares	Attaching Options
New Shares and Attaching Options applied for pursuant to the Prospectus	167,486,319	83,743,160
New Shares and Attaching Options placed by Patersons Securities Limited	152,127,941	76,063,962
Totals	319,614,260	159,807,122

The listed securities on issue after the Rights Issue and the placement of the Shortfall are:

Fully paid ordinary shares	383,537,112
Options exercisable at \$0.02 by 30 June 2019	159,807,122

The additional information required to be provided by the ASX Listing Rules and the Appendix 3B is set out below.

An ASX Appendix 3B in respect of the New Shares and Attaching Options was announced on 24 November 2016. However, due to the rounding of entitlements, the number of Attaching Options issued has decreased marginally from 159,807,130 Attaching Options to 159,807,122 Attaching Options, being a difference of 8 Attaching Options. The attached Appendix 3B is to account for decreased number of Attaching Options that have been issued.

Top 20 Optionholders and Distribution Schedule

TWENTY LARGEST HOLDERS OF OPTIONS EXPIRING 30 JUNE 2019

Number	Option holder	Number of Options	Percentage of Options
1	TRANSCONTINENTAL INV PL	22,844,687	14.30%
2	MCCRACKEN BRUCE <MCCRACKEN FAM A/C>	8,641,687	5.41%
3	TRG EQUITY INV PL <TRG EQUITY INV A/C>	7,875,000	4.93%
4	JOJO ENTPS PL <SFI FAM A/C>	6,866,349	4.30%
5	SLIPLINE PL <BT WRAP A/C>	5,721,957	3.58%
6	MERRILL LYNCH AUST NOM PL	4,577,566	2.86%
7	MCCMAHON MICHAEL <S/F A/C>	4,500,000	2.82%
8	1215 CAP PL	4,470,853	2.80%
9	* TRG EQUITY INV PL	4,237,000	2.65%
10	HEWITT GABRIEL	3,750,000	2.35%
11	LAN MICHAEL HSIAU YUN	3,467,125	2.17%
12	TOLL JOHN HENRY <TOLL FAM DISCRET A>	3,433,174	2.15%
13	QUEENSLAND M M PL <SUPER A/C>	3,433,174	2.15%
14	ROSENTHAL JONATHAN	2,900,000	1.81%
15	T T NICHOLLS PL <SUPER ACCOUNT>	2,860,979	1.79%
16	CASTLE MALCOLM	2,721,110	1.70%
17	BRIZZI VINCENZO + RITA L <BRIZZI FAM S/F A/C>	2,549,838	1.60%
18	JASPER HILL RES PL <T ACCOUNT>	2,500,000	1.56%
19	FACTOR SHAUN + MICHELLE <FACTOR FAM SUPER A>	2,437,690	1.53%
20	TROCA ENTPS PL <COULSON SUPER A/C>	2,288,783	1.43%

* - Denotes merged holder

DISTRIBUTION SCHEDULE OF OPTIONS EXPIRING 30 JUNE 2019

Spread of Holdings	Holders	Securities	% of issued capital
NIL holding	-	-	-
1 - 1,000	2	375	.00 %
1,001 - 5,000	9	31,525	.02 %
5,001 - 10,000	3	23,100	.01 %
10,001 - 100,000	18	941,838	0.59 %
100,001 -	81	158,810,284	99.38 %
Total on register	113	159,807,122	100.00 %

Top 20 Shareholders and Distribution Schedule

TWENTY LARGEST HOLDERS OF SHARES

Number	Shareholder	Number of Shares	Percentage of Shares
1	TRANSCONTINENTAL INV PL	47,278,177	12.33%
2	TRG EQUITY INV PL <TRG EQUITY INV A/C>	18,900,000	4.93%
3	MCCRACKEN BRUCE <MCCRACKEN FAM A/C>	18,253,375	4.76%
4	JOJO ENTPS PL <SFI FAM A/C>	13,732,698	3.58%
5	SLIPLINE PL <BT WRAP A/C>	11,443,915	2.98%
6	* TRG EQUITY INV PL	10,168,800	2.65%
7	1215 CAP PL	9,430,053	2.46%
8	MERRILL LYNCH AUST NOM PL	9,155,132	2.39%
9	MCMAHON MICHAEL <S/F A/C>	9,000,000	2.35%
10	HEWITT GABRIEL	7,500,000	1.96%
11	LAN MICHAEL HSIAU YUN	6,934,250	1.81%
12	TOLL JOHN HENRY <TOLL FAM DISCRET A>	6,866,349	1.79%
13	QUEENSLAND M M PL <SUPER A/C>	6,866,349	1.79%
14	BRIZZI VINCENZO + RITA L <BRIZZI FAM S/F A/C>	6,119,610	1.60%
15	JASPER HILL RES PL <T ACCOUNT>	5,940,514	1.55%
16	ROSENTHAL JONATHAN	5,934,468	1.55%
17	TRANSCONTINENTAL RES GRP	5,879,985	1.53%
18	T T NICHOLLS PL <SUPER ACCOUNT>	5,721,958	1.49%
19	CASTLE MALCOLM	5,442,220	1.42%
20	JASPER HILL RES PL <T ACCOUNT>	5,000,000	1.30%

* - Denotes merged holder

DISTRIBUTION SCHEDULE OF SHARES

Spread of Holdings	Holders	Securities	% of issued capital
NIL holding	-	-	-
1 - 1,000	206	106,774	.03 %
1,001 - 5,000	171	461,230	.12 %
5,001 - 10,000	96	771,624	.20 %
10,001 - 100,000	196	7,568,641	1.97 %
100,001 -	161	374,628,843	97.68 %
Total on register	830	383,537,112	100.00 %

ENDS

For further information, shareholders and media please contact:

Fleur Hudson

Bruce McCracken

Company Secretary

Managing Director

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Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

BMG RESOURCES LIMITED

ACN

107 118 678

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|---|---|
| 1 | +Class of +securities issued or to be issued | Fully paid ordinary shares (Shares)

Options to acquire Shares (Options) |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 319,614,260 Shares

159,807,122 Options |
| 3 | Principal terms of the +securities (e.g. if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | Shares are fully paid ordinary shares

Options exercisable at \$0.02 each on or before 30 June 2019 |

4	<p>Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?</p> <p>If the additional +securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<p>No.</p> <p>Shares rank equally with existing ordinary shares.</p> <p>Options are a new class of security.</p>
5	Issue price or consideration	<p>Shares are issued at an issue price of \$0.008 each.</p> <p>Options are free attaching options issued at a ratio of 1 for every 2 Shares issued.</p>
6	<p>Purpose of the issue</p> <p>(If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>To raise funds to tidy up the Company's balance sheet and to pursue new investment opportunities.</p>
6a	<p>Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h in relation to the +securities the subject of this Appendix 3B, and comply with section 6i</p>	<p>Yes</p>
6b	The date the security holder resolution under rule 7.1A was passed	26 November 2015
6c	Number of +securities issued without security holder approval under rule 7.1	Nil

6d	Number of +securities issued with security holder approval under rule 7.1A	Nil						
6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	Nil						
6f	Number of +securities issued under an exception in rule 7.2	319,614,260 Shares 159,807,122 Options						
6g	If +securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the +issue date and both values. Include the source of the VWAP calculation.	N/A						
6h	If +securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	N/A						
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	57,530,566 under listing rule 7.1 38,353,711 under listing rule 7.1A						
7	+Issue dates Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A. Cross reference: item 33 of Appendix 3B.	16 December 2016						
8	Number and +class of all +securities quoted on ASX (including the +securities in section 2 if applicable)	<table><tr><th>Number</th><th>+Class</th></tr><tr><td>383,537,112</td><td>Ordinary Fully Paid Shares</td></tr><tr><td>159,807,122</td><td>Options exercisable at \$0.02 each on or before 30 June 2019</td></tr></table>	Number	+Class	383,537,112	Ordinary Fully Paid Shares	159,807,122	Options exercisable at \$0.02 each on or before 30 June 2019
Number	+Class							
383,537,112	Ordinary Fully Paid Shares							
159,807,122	Options exercisable at \$0.02 each on or before 30 June 2019							

	Number	+Class
9	500,000	Options exercisable at \$0.35 each expiring on the earlier of the 3 rd anniversary of the date on which they vest or 6 months after Mr Bruce McCracken's employment with the Company ceases; vesting on the Company achieving a JORC inferred resource.
	500,000	Options exercisable at \$0.40 each expiring on the earlier of the 3 rd anniversary of the date on which they vest or 6 months after Mr Bruce McCracken's employment with the Company ceases; vesting on the Company achieving a JORC inferred resource of greater than 2 million tonnes
	500,000	Options exercisable at \$0.45 each expiring on the earlier of the 3 rd anniversary of the date on which they vest or 6 months after Mr Bruce McCracken's employment with the Company ceases; vesting on the Company achieving a JORC inferred resource of greater than 4 million tonnes or an indicated/measured resource greater than 2 million tonnes.
	500,000	Options exercisable at \$0.50 each expiring on the earlier of the 3 rd anniversary of the date on which they vest or 6 months after Mr Bruce McCracken's employment with the Company ceases; vesting on the Company's completion of a successful Feasibility Study.
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	Shares carry the same right to dividends as all other fully paid ordinary shares on issue. Options do not carry any right to dividends.

Part 2 - Pro rata issue

11	Is security holder approval required?	No
12	Is the issue renounceable or non-renounceable?	Renounceable
13	Ratio in which the +securities will be offered	5 new Shares for every 1 existing Share held, with 1 free attaching Option for every 2 new Shares issued

14	⁺ Class of ⁺ securities to which the offer relates	Shares are fully paid ordinary shares. Options are exercisable at \$0.02 each on or before 30 June 2019.
15	⁺ Record date to determine entitlements	5.00pm (WST) on 30 November 2016
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	Yes
17	Policy for deciding entitlements in relation to fractions	Fractions will be rounded to the nearest whole new Share, except where there is a half Share, in which case fractions will be rounded down
18	Names of countries in which the entity has security holders who will not be sent new offer documents <small>Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.</small>	Brazil, Chile, Cyprus, Germany, England, Hong Kong, Monaco, Malta, Malaysia, New Zealand, Singapore, United States of America, South Africa
19	Closing date for receipt of acceptances or renunciations	5.00pm (WST) on 12 December 2016
20	Names of any underwriters	Patersons Securities Limited
21	Amount of any underwriting fee or commission	\$107,297
22	Names of any brokers to the issue	Patersons Securities Limited
23	Fee or commission payable to the broker to the issue	\$40,000 (plus GST).
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders	N/A
25	If the issue is contingent on security holders' approval, the date of the meeting	N/A
26	Date entitlement and acceptance form and offer documents will be sent to persons entitled	1 December 2016

27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	24 November 2016
28	Date rights trading will begin (if applicable)	29 November 2016
29	Date rights trading will end (if applicable)	5 December 2016
30	How do security holders sell their entitlements <i>in full</i> through a broker?	Providing instructions to their broker in accordance with section 3.7 of the prospectus lodged on 16 March 2016 (Prospectus).
31	How do security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	Completing and lodging an Entitlement and Acceptance form or completing a BPay payment in accordance with section 3.2 of the Prospectus for those entitlements they wish to take up, and providing instructions to their broker, in accordance with section 3.7 of the Prospectus for those entitlements they wish to sell.
32	How do security holders dispose of their entitlements (except by sale through a broker)?	Complete and lodge a standard renunciation and acceptance form which is available from the Company's share registry, in accordance with section 3.7 of the Prospectus.
33	[†] Issue date	19 December 2016

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of ⁺securities
(tick one)

(a) ☒ ⁺Securities described in Part 1

(b) ☐ All other ⁺securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

35 ☒ If the ⁺securities are ⁺equity securities, the names of the 20 largest holders of the additional ⁺securities, and the number and percentage of additional ⁺securities held by those holders

36 ☒ If the ⁺securities are ⁺equity securities, a distribution schedule of the additional ⁺securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over

37 ☐ A copy of any trust deed for the additional ⁺securities

Entities that have ticked box 34(b)

38 Number of ⁺securities for which ⁺quotation is sought

N/A

39 ⁺Class of ⁺securities for which quotation is sought

N/A

40	<p>Do the ⁺securities rank equally in all respects from the ⁺issue date with an existing ⁺class of quoted ⁺securities?</p> <p>If the additional ⁺securities do not rank equally, please state:</p> <ul style="list-style-type: none">• the date from which they do• the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment• the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment	N/A					
41	<p>Reason for request for quotation now</p> <p>Example: In the case of restricted securities, end of restriction period</p> <p>(if issued upon conversion of another ⁺security, clearly identify that other ⁺security)</p>	N/A					
42	<p>Number and ⁺class of all ⁺securities quoted on ASX (including the ⁺securities in clause 38)</p>	<table><tr><th>Number</th><th>⁺Class</th></tr><tr><td>N/A</td><td>N/A</td></tr></table>	Number	⁺ Class	N/A	N/A	
Number	⁺ Class						
N/A	N/A						

Quotation agreement

- ⁺Quotation of our additional ⁺securities is in ASX's absolute discretion. ASX may quote the ⁺securities on any conditions it decides.
- We warrant the following to ASX.
 - The issue of the ⁺securities to be quoted complies with the law and is not for an illegal purpose.
 - There is no reason why those ⁺securities should not be granted ⁺quotation.
 - An offer of the ⁺securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
 - If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.
- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
- 4 We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.



Sign here: (Company secretary) Date: 20 December 2016

Print name: Fleur Hudson

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Appendix 3B – Annexure 1

Calculation of placement capacity under rule 7.1 and rule 7.1A for eligible entities

Introduced 01/08/12 Amended 04/03/13

Part 1

Rule 7.1 – Issues exceeding 15% of capital	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
Insert number of fully paid ⁺ ordinary securities on issue 12 months before the ⁺ issue date or date of agreement to issue	63,922,852
Add the following: <ul style="list-style-type: none"> • Number of fully paid ⁺ordinary securities issued in that 12 month period under an exception in rule 7.2 • Number of fully paid ⁺ordinary securities issued in that 12 month period with shareholder approval • Number of partly paid ⁺ordinary securities that became fully paid in that 12 month period Note: <ul style="list-style-type: none"> • <i>Include only ordinary securities here – other classes of equity securities cannot be added</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	319,614,260
Subtract the number of fully paid ⁺ ordinary securities cancelled during that 12 month period	Nil
“A”	383,537,112

Step 2: Calculate 15% of “A”	
“B”	0.15 <i>[Note: this value cannot be changed]</i>
Multiply “A” by 0.15	57,530,566
Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used	
Insert number of +equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued: <ul style="list-style-type: none"> • Under an exception in rule 7.2 • Under rule 7.1A • With security holder approval under rule 7.1 or rule 7.4 Note: <ul style="list-style-type: none"> • <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	Nil
“C”	Nil
Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1	
“A” x 0.15 <i>Note: number must be same as shown in Step 2</i>	57,530,566
Subtract “C” <i>Note: number must be same as shown in Step 3</i>	Nil
Total [“A” x 0.15] – “C”	57,530,566 <i>[Note: this is the remaining placement capacity under rule 7.1]</i>

Part 2

Rule 7.1A – Additional placement capacity for eligible entities	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
“A” <i>Note: number must be same as shown in Step 1 of Part 1</i>	383,537,112
Step 2: Calculate 10% of “A”	
“D”	0.10 <i>Note: this value cannot be changed</i>
Multiply “A” by 0.10	38,353,711
Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used	
Insert number of +equity securities issued or agreed to be issued in that 12 month period under rule 7.1A <i>Notes:</i> <ul style="list-style-type: none"> • This applies to equity securities – not just ordinary securities • Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed • Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained • It may be useful to set out issues of securities on different dates as separate line items 	Nil
“E”	Nil

Step 4: Subtract “E” from [“A” x “D”] to calculate remaining placement capacity under rule 7.1A	
“A” x 0.10 <i>Note: number must be same as shown in Step 2</i>	38,353,711
Subtract “E” <i>Note: number must be same as shown in Step 3</i>	Nil
Total [“A” x 0.10] – “E”	38,353,711 <i>Note: this is the remaining placement capacity under rule 7.1A</i>