

26 April 2023

BMG to raise up to \$2.75 million in oversubscribed Placement and Entitlement Issue

BMG funded for next phase of work at Abercromby and to pursue lithium potential at Invincible and Bullabulling projects

HIGHLIGHTS

- BMG to raise up to \$2.75 million (before costs) via Placement and Entitlement offers
- Firm commitments received to raise \$1.5 million via an oversubscribed placement of new shares
- BMG to offer a one (1) for four (4) Entitlement offer to existing shareholders of the Company to raise a further \$1.25 million
- Director shareholders intend to participate in the Entitlement offer
- Proceeds to fund drilling and project development activities at the Abercromby Gold Project including Resource expansion drilling at the Capital Deposit (**11.1Mt @ 1.45 g/t Au for 518koz Au**) and regional drilling of high priority targets
- Proceeds will also fund fieldwork to test lithium targets at Invincible and an RC drilling program at Bullabulling (under option) to test anomalous lithium targets

Gold and lithium explorer BMG Resources Limited (ASX: BMG) (BMG or Company) is pleased to announce that it has received firm commitments to raise \$1.5 million (before costs) via a placement (**Placement**) of 120 million new fully paid ordinary shares (**New Shares**) at \$0.0125 per share to institutional and sophisticated investors. Each participant in the Placement will also receive a one (1) for three (3) free attaching option, exercisable at \$0.025 by 30 September 2024 (**Attaching Option**).

The Placement, initially targeting circa \$1 million and utilising existing capacity under Listing Rules 7.1 and 7.1A (**Tranche 1**), was heavily oversubscribed. The Company accepted offers for a further circa \$0.5 million (**Tranche 2**) to bring the total placement amount to \$1.5 million.

In addition to the Placement, the Company intends to offer a one (1) for four (4) non-renounceable pro-rata Entitlement Issue (**Entitlement**) to existing shareholders to raise up to \$1.25 million (before costs) at an issue price of \$0.013 per share (the fractionally higher issue price than the Placement is necessary to comply with requirements of the ASX Listing Rules in respect of pro rata offers of securities). This will also include free Attaching Options.

The Tranche 2 component of the Placement and the issue of the Attaching Options to the Placement will be subject to shareholder approval, which is to be sought at the upcoming general meeting, expected to be held on or about 15 June 2023. BMG does not intend to list the Attaching Options.

Together, the Placement and the Entitlement offer will raise a maximum \$2.75 million.

The issue price of \$0.0125 per share under the Placement represents a 21.9% discount to BMG's last close prior to the Placement offer (20 April 2023) of \$0.016 per share and 24.6% discount to the 15-day VWAP.

BMG Resources Managing Director Bruce McCracken said:

“It is now game on for BMG. The outstanding maiden Mineral Resource at Abercromby, delivered from just three major drilling programs, is proof of our ability to leverage value from exploration spend through strategic, targeted drilling. This was reflected in the heavy oversubscriptions to the Placement.

“The Company is now funded to continue exploration and development activities in an excellent environment for gold and lithium exploration. We look forward to generating strong newsflow throughout 2023.

“Planning for drilling and development activities is underway for Abercromby with work designed to expand the resource at Capital and drill testing of the pipeline of exciting regional targets to the south.

“At Bullabulling, a maiden RC drilling program will test anomalous lithium pegmatites as we close in on potential project acquisition, and at Invincible, we will return to further test the lithium targets identified in early fieldwork.

“This is an exciting time to be a part of the BMG story. The Company thanks all participants who bid into the placement book, welcomes successful applicants to the register and encourages all shareholders to participate in the entitlement issue which is now underway.”

Placement

The Placement comprises the issue of 120,000,000 fully paid ordinary shares at an issue price of \$0.0125 per share to sophisticated and institutional investors, raising \$1.5 million (before costs). Tranche 1 of the Placement will comprise the issue of 81,497,914 shares under LR 7.1 (42,898,749 shares) and 7.1A (38,599,165 shares) to raise \$1.02 million. Tranche 2 of the Placement will comprise the issue of 38,502,086 shares, subject to shareholder approval, to raise \$0.48 million. Each participant in the Placement will receive Attaching Options, subject to shareholder approval, on a 1 for 3 basis exercisable at \$0.025 by 30 September 2024. This equates to a total of 40,000,000 Attaching Options, 27,165,971 for Tranche 1 and 12,834,029 for Tranche 2.

The issue price represents a 21.9% discount to BMG’s last close on 20 April 2023 of \$0.016 and a 24.6% discount to the 15-day VWAP.

Settlement of the Tranche 1 Placement Shares will occur on or about Friday 5 May and be made within the Company’s issue capacity under ASX Listing Rules 7.1 and 7.1A. Settlement of the Tranche 2 Placement Shares will occur following approval by shareholder at the general meeting expected to be held on or about 15 June 2023. The Attaching Options to the Placement Shares will also be issued following approval by shareholders at the general meeting.

Placement Shares will rank equally with existing fully paid ordinary shares.

Entitlement Issue

The non-renounceable entitlement issue will be offered to existing shareholders on a pro-rata basis of one (1) new share for every four (4) ordinary fully paid shares held in the Company on the Thursday 4 May 2023 (**Record Date**), at an issue price of \$0.013 per share to raise up to \$1.25 million (before costs). Each participant in the Entitlement offer will also receive Attaching Options on the same basis as the Placement offer (but the issue of the Attaching Options will not be subject to shareholder approval). This will comprise the issue of up to 96,497,915 shares and 32,165,972 Attaching Options. The issue price per share under the Entitlement offer is fractionally higher than the issue price of shares under the Placement to comply with requirements of the ASX Listing Rules in respect of pro rata offers of securities.

Entitlements may only be exercised by Eligible Shareholders being persons with a registered address on the Company’s Share Register in Australia or New Zealand. The Entitlement offer shares will be issued pursuant to a prospectus under section 713 of the Corporations Act to be lodged with ASIC on Tuesday 9 May 2023. Placement shares will not carry an entitlement to participate in the Entitlement offer.

Eligible shareholders will be given the opportunity to apply for additional securities in excess of their entitlement, via a shortfall facility which shall be allocated at the discretion of the BMG Board.

Director shareholders intend to participate in the Entitlement offer.

To apply for shares under the Entitlement offer, Eligible Shareholders should follow the instructions on the personalised Application Form that will be sent to their contact address recorded on our share registry at Automic. Shareholders should check and if required update their contact details on our share registry. The Company encourages shareholders to provide an email address for communications in order to avoid delays in delivery of the Application Form

Free Attaching Options

Participants in the Placement and the Entitlement offers will be entitled to receive one (1) free attaching option exercisable at \$0.025 on or before 30 September 2024 for every three (3) fully paid ordinary shares subscribed for under the Placement and the Entitlement offers.

The issue of the Attaching Options in respect of the Placement is subject to and conditional on the receipt of shareholder approval. BMG intends to seek the requisite approval at a general meeting expected to be held on or about 15 June 2023.

If shareholder approval is not received at the General Meeting for the issue of the Attaching Options, the participants in the Placement will be issued the shares for which they subscribed but will not be issued any Attaching Options.

The Attaching Options will be offered under a prospectus to lodged with ASIC and ASX. The Attaching Options are not intended to be quoted on the ASX.

Use of Proceeds

Proceeds of the Placement and Entitlement offers are intended to be applied toward general working capital to ensure that the Company is funded to execute strategic exploration and development activities.

This will include:

- Exploration and project development activities at Abercromby including Resource expansion;
- RC drilling program at Bullabulling (under option) to test anomalous lithium targets; and
- Further fieldwork to test lithium targets at Invincible.

Indicative Placement and Entitlement Offer timetable

The indicative timetable below remains subject to change at the Company's discretion, subject to compliance with applicable laws and the ASX Listing Rules.

Event	Date
Announcement of the Placement and Entitlement Offer and lodgement of Appendix 3B with the ASX	Wednesday, 26 April 2023
Lodgement of Prospectus with ASIC and ASX	Friday, 28 April 2023
Existing shares quoted on 'EX' basis	Wednesday, 3 May 2023
Record Date for determining Entitlements	Thursday, 4 May 2023
Anticipated Settlement of new shares issued under Tranche 1 of the Placement	Friday, 5 May 2023
Issue of new shares under Tranche 1 of the Placement	Monday, 8 May 2023

Prospectus and Entitlement Offer and Acceptance Form dispatched to Eligible Shareholders	Tuesday, 9 May 2023
Closing Date of Entitlement Offer (Offer closes 5:00pm WST)*	Tuesday, 30 May 2023
Announcement to ASX of the results of the Entitlement Offer and any shortfall to the offer	Tuesday, 6 June 2023
New Shares issued under Entitlement Offer expected to commence normal trading on ASX	Wednesday, 7 June 2023

**The Directors may extend the Closing Date by giving at least 3 Business Days' notice to ASX prior to the Closing Date. As such the date the securities are expected to commence trading on ASX may vary.*

This announcement has been authorised for release by the Board of BMG.

*****ENDS*****

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Competent Persons Requirements

The information that relates to Mineral Resources was first reported by the Company in its announcement to the ASX on 17 April 2023, together with a revised release on 18 April 2023. The Company is not aware of any new information or data that materially affects the information included in this announcement and that all material assumptions and technical parameters underpinning the estimates and context in the which the Competent Person's findings are presented have not been materially modified from the original market announcements.

Cautionary Note Regarding Forward-Looking Information

Forward looking statements are statements that are not historical facts. Words such as "expects", "anticipates", "believes", "potential", "may" and similar expressions are intended to identify forward looking statements. These statements include, but are not limited to, statements regarding future production, resources and reserves and exploration results. All such statements are subject to risks and uncertainties many of which are difficult to predict and generally beyond the control of the Company, that could cause actual results to differ materially from those expressed in or implied by the forward looking statements. Investors should not construe forward looking statements as guarantees of future performance due to the inherent uncertainties therein.

About BMG

BMG Resources (ASX: BMG) is developing its portfolio of 100%-owned projects located in Tier 1 and emerging gold and lithium districts in Western Australia.

At BMG's flagship **Abercromby Gold Project (11.1Mt @ 1.45 g/t Au for 518koz Au)**, located in the Agnew-Wiluna Greenstone Belt, the Company is pursuing a dual exploration strategy targeting Resource growth at the Capital Deposit, and pursuing a pipeline of regional targets that are highly prospective for further Capital-style mineralisation.

The **Invincible Gold-Lithium Project** is located in the central Pilbara and hosts 12.5km of the Warrawoona shear.

The **South Boddington Gold Project**, located in the Saddleback Greenstone belt that hosts the giant 40Moz+ Boddington deposit.

BMG has entered into a binding option to acquire a 100% interest in the **Bullabulling Gold-Lithium Project**, located in the emerging Coolgardie gold and lithium region.

