

Proposed Acquisition of Mining Rights

30 May 2019

BWA GROUP PLC
("BWA" or the "Company")

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BWA Group plc, the NEX Exchange Growth Market traded investment company, is pleased to announce that the Company has conditionally agreed to acquire the whole of the issued share capital of Kings of the North Corp ("KOTN"), a Canadian mineral company owning or having rights to five mining projects, mainly in Quebec (the "Acquisition"). All these resource areas are focussed predominantly on gold. KOTN is presently majority owned by St-Georges Eco-Mining Corp ("SX"), a company listed on the Canadian Stock Exchange (CSE: SX). The consideration payable for the Acquisition is Can\$7.5 million (approximately £4.3 million at current exchange rates).

The consideration is expected to be satisfied by the issue to SX and the other minority vendors of the sterling equivalent of Can\$7.5 million in nominal amount of unlisted, unsecured, convertible, interest-free loan notes in BWA, with an initial repayment date three years after issue ("Convertible Notes"). The Convertible Notes will include restrictions on conversion such that SX and the other minority vendors will not be able to own or control more than 29% of the voting rights of BWA. The Convertible Notes will be convertible into BWA shares at a rate equivalent to 0.5p per BWA share or, if higher, the market price of a BWA share at the time of conversion.

As part of the Acquisition, it is proposed that BWA will subscribe for Can\$300,000 worth of shares in SX at a price calculated by reference to the market price of the SX shares at the time of issue, subject to a minimum price of Can\$0.10 per SX share. The current sterling cost of such shares would be approximately £170,000. The subscription price for the SX shares would be satisfied in cash.

The Acquisition is conditional, amongst other things, on approval by BWA's shareholders and on BWA raising a minimum of £500,000 by means of an issue of new ordinary shares.

A circular containing further information about the Acquisition and convening a General Meeting of the Company is expected to be sent to shareholders in BWA as soon as practicable.

The Directors of BWA are responsible for the contents of this announcement.

For further information please contact:

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Market Abuse Regulation (MAR) Disclosure

The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulation (EU) No. 596/2014. Upon the publication of this announcement via a Regulatory Information Service, this inside information is now considered to be in the public domain.