



# Treasure Project - Cyprus

*Drilling High Quality Exploration Targets*

July, 2014

## › **Exploration Results and Mineral Resources**

- › The information in this report that relates to Exploration Targets and Exploration Results is based on information compiled by Michael Green, a Competent Person who is a Member of the Australian Institute of Geoscientists (AIG). Dr Green is an executive director of BMG Resources Limited (BMG). Dr Green has sufficient experience that is relevant to the style of mineralisation and type of deposits under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves”. Dr Green consents to the inclusion in this report of the matters based on his information in the form and context in which it appears. The results referenced herein have been previously reported to the ASX under either the 2004 or 2012 JORC codes and there have been no material changes since reported.

## › **Exploration Targets**

- › The exploration targets are estimated from geological information including drill holes, outcrops and geological information and are shown as a range. The potential quantity and grade is conceptual in nature. There has been insufficient exploration to define the Mineral Resource and it is uncertain if further exploration will result in the determination of a Mineral Resource.

## › **Forward-Looking Statements**

- › This document may include forward-looking statements. Forward-looking statements include, but are not limited to, statements concerning BMG’s planned exploration programme and other statements that are not historical facts. Although BMG believes that its expectations reflected in these forward-looking statements are reasonable, such statements involve risks and uncertainties and no assurance can be given that actual results will be consistent with these forward-looking statements.

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# Key Personnel



**Christopher Eager**  
Chairman

Mr Eager is a Mining Engineer who has spent the majority of the past 25 years in mine development, management of mining companies and resources banking. From 2001 to 2007 he was CEO of Monterrico Metals Plc.



**Bruce McCracken**  
Managing Director

Mr McCracken is an experienced business executive having spent 20 years working across a broad range of industries based in Perth, Melbourne and Sydney. This has included corporate advisory and project finance roles. Mr McCracken joined the board of Regalpoint Resources Ltd in September 2013.



**Michael Green**  
Chief Operating Officer

Dr Green is a geologist with over 15 years' experience with managing all aspects of exploration programs in Australia and worldwide, targeting a broad range of commodities with a focus on gold, copper and nickel.



**Malcolm Castle**  
Non-Executive Director

Mr Castle has over 40 years' experience in exploration geology and property evaluation, working for major companies for 20 years as an exploration geologist. He has experience in iron ore, gold, base metals, uranium and mineral sands.



**Fleur Hudson**  
Company Secretary

Mrs Hudson has a Bachelor of Arts, Bachelor of Laws and Master of Laws degrees. Fleur has been a director of Transcontinental Group since 2009 and was appointed company secretary of Regalpoint Resources Ltd in 2010.

Significant commercial and technical experience

## High Quality Project Portfolio

- › Multiple high-potential Cu + Ni + Au targets
- › Well established Cu + Au province in Cyprus
- › Limited modern exploration
- › Favourable development economics - excellent road/port infrastructure in close proximity

## Near Term Value Catalysts

- › Upcoming drill programme at high impact targets – Pevkos and Mala
- › Continued field work at multiple high potential targets within Treasure Project

## Pathway to Development

- › **High quality project portfolio**
  - Target of >5M tonnes of +1.5% Cu +1.5g/t Au ±Ni ±Co
  - +US\$150/t value of contained metal
- › **Targeting a low cost operation**
  - Sub US\$50/t operating cost
  - Low CAPEX scalable operation
- › **Scalable production logistics**
  - Early cash flow from smaller scale operation with phased ramp-up in production



# Focused Strategy – Republic of Cyprus

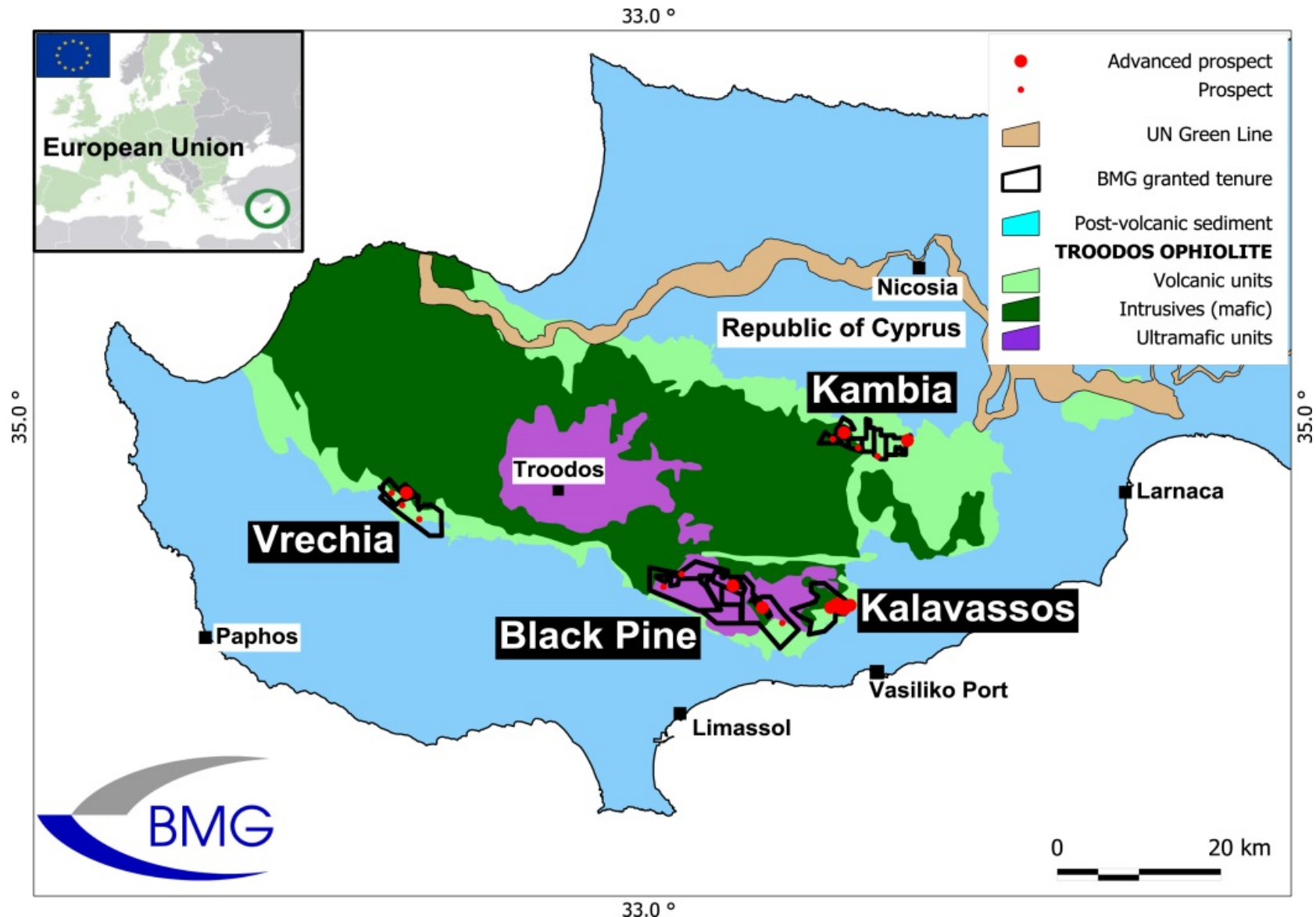
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- › Copper + Nickel + Gold exploration in Cyprus
- › Exploring a large, highly prospective, 100%-owned landholding covering many abandoned mines and known prospects
- › Imminent RC drilling programme at Pevkos (Ni-Cu-Co-Au) and Mala (Cu-Au) Prospects
- › Targeting near-term JORC Resource
- › Portfolio-based strategy to maximise value for shareholders
- › Seek complementary project opportunities that meet BMG's selection criteria

Evaluating multiple copper-nickel-gold targets

# Treasure Project – Republic of Cyprus



# Treasure Project – Republic of Cyprus

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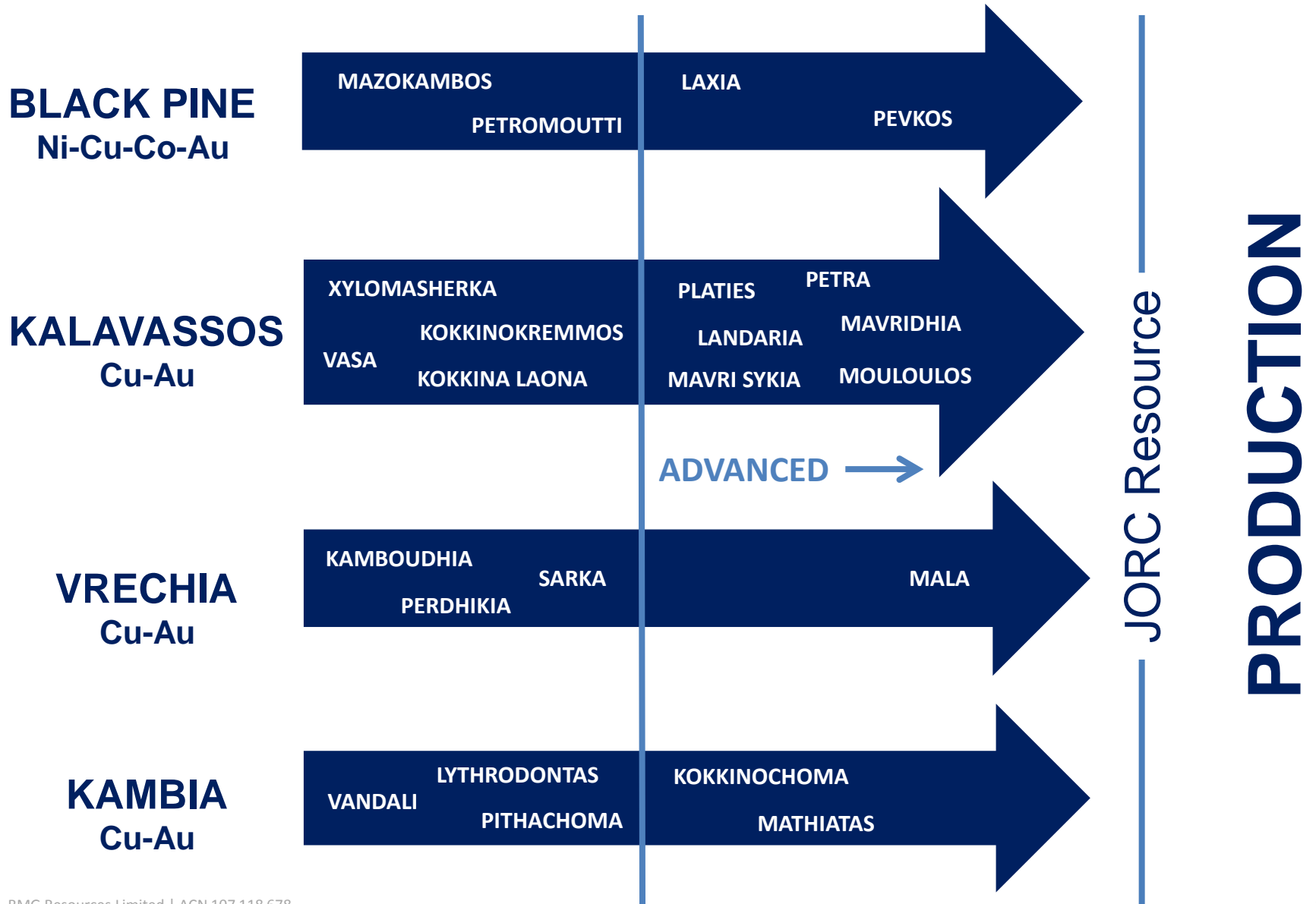
## **GLOBAL**

- › Well understood VHMS-style of sulphide deposit formed by sea-floor volcanism prospective for Cu-Au-Ag-Zn
- › Modern exploration in similar areas (eg. Oman) has identified many deposits
- › BMG identified Orthomagmatic prospects with high-grade Ni-Cu-Co-Au

## **CYPRUS**

- › Limited modern mineral exploration
- › 27 significant copper mines developed before 1970 with average grade of ~2.0% Cu
- › Best – Mavrovouni 16.5 Mt @ 4.5 % Cu
- › BMG has tenure covering abandoned mines and unexplored gossans

# Pathways to Production



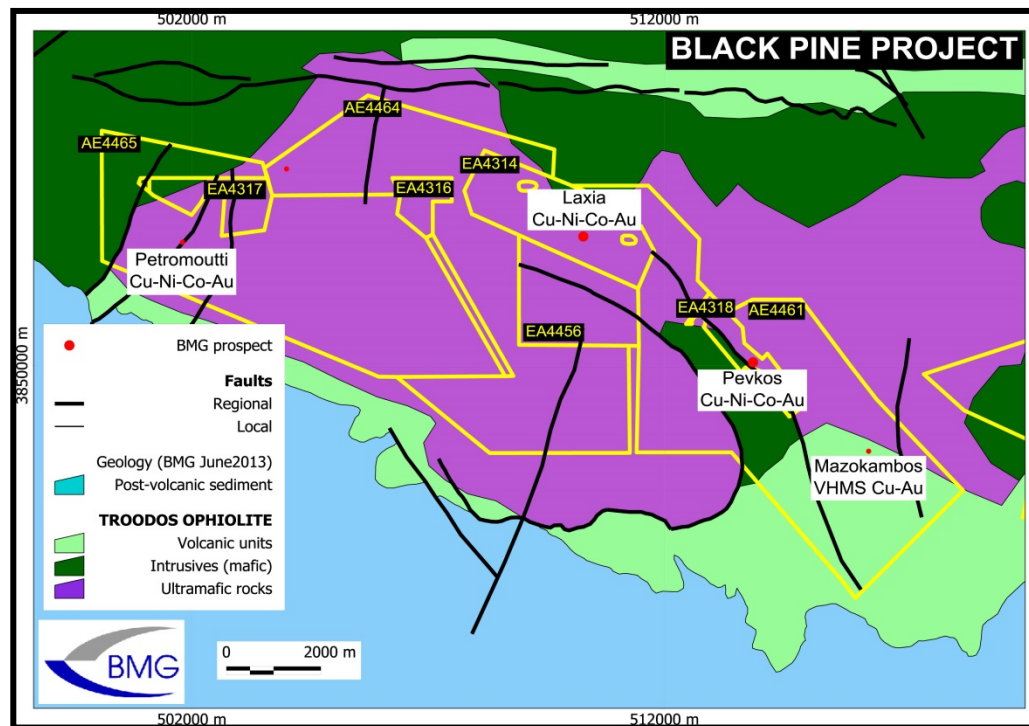


# BLACK PINE – Orthomagmatic Ni-Cu-Co-Au



## *Orthomagmatic Model*

- › High-grade Nickel-Copper-Cobalt-Gold sulphides near contact with dolerite intrusions
- › RC drilling at Pevkos is imminent



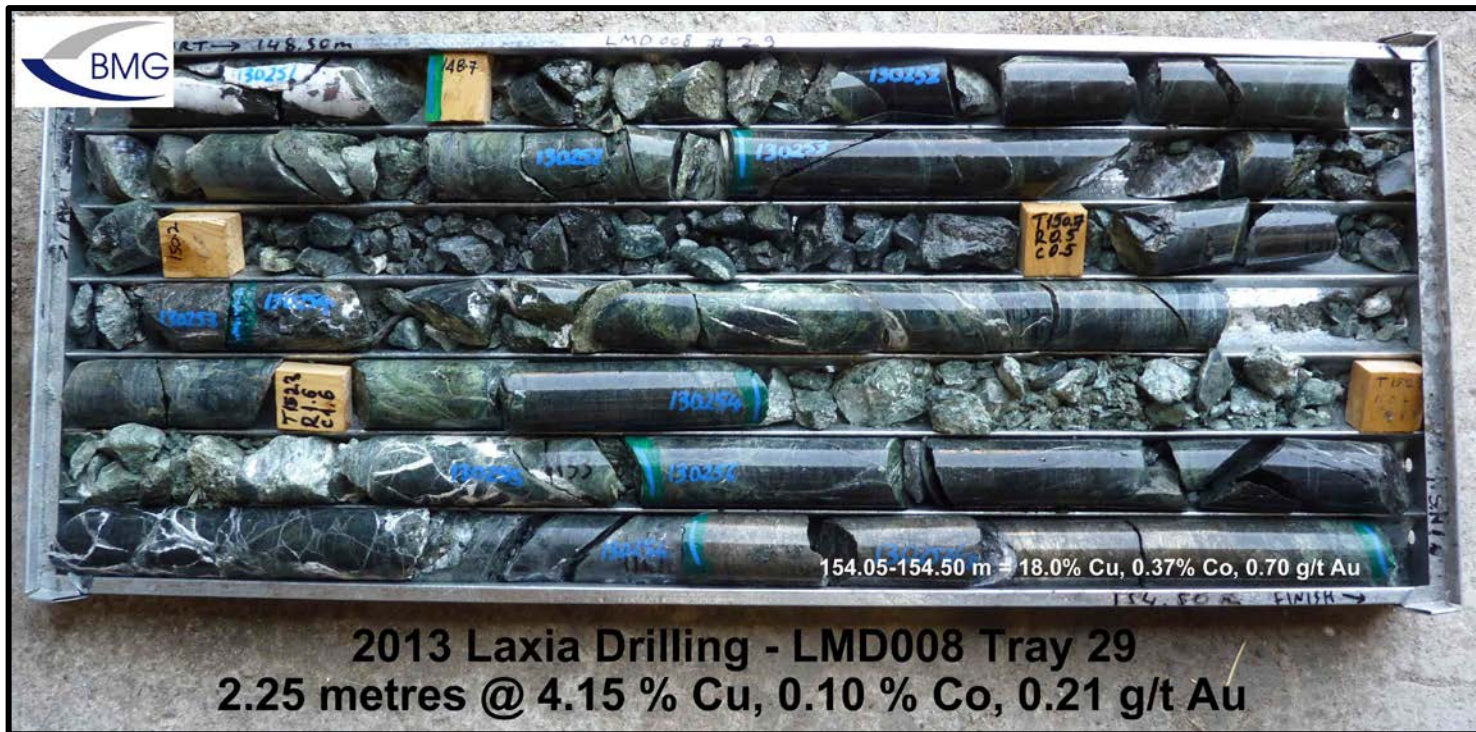
- › Three known prospects
- › BMG has >50 km strike length of possible mineralised contacts
- › Area poorly explored and mapped
- › Use of mineral maps derived from ASTER multi-spectral satellite to identify most prospective area
- › Field crew checking with handheld XRF
- › Globally significant Cu-Ni deposits

# BLACK PINE – Orthomagmatic Ni-Cu-Co-Au



## *Laxia Drilling Highlights 2013*

- › 13 diamond drill holes for 1,567 m
- › All holes intersect 20 - 40 m wide sulphide-rich zone
- › Very high-grade copper, cobalt & gold within narrow massive sulphide units
- › Sulphide mineralisation related to later dolerite dykes

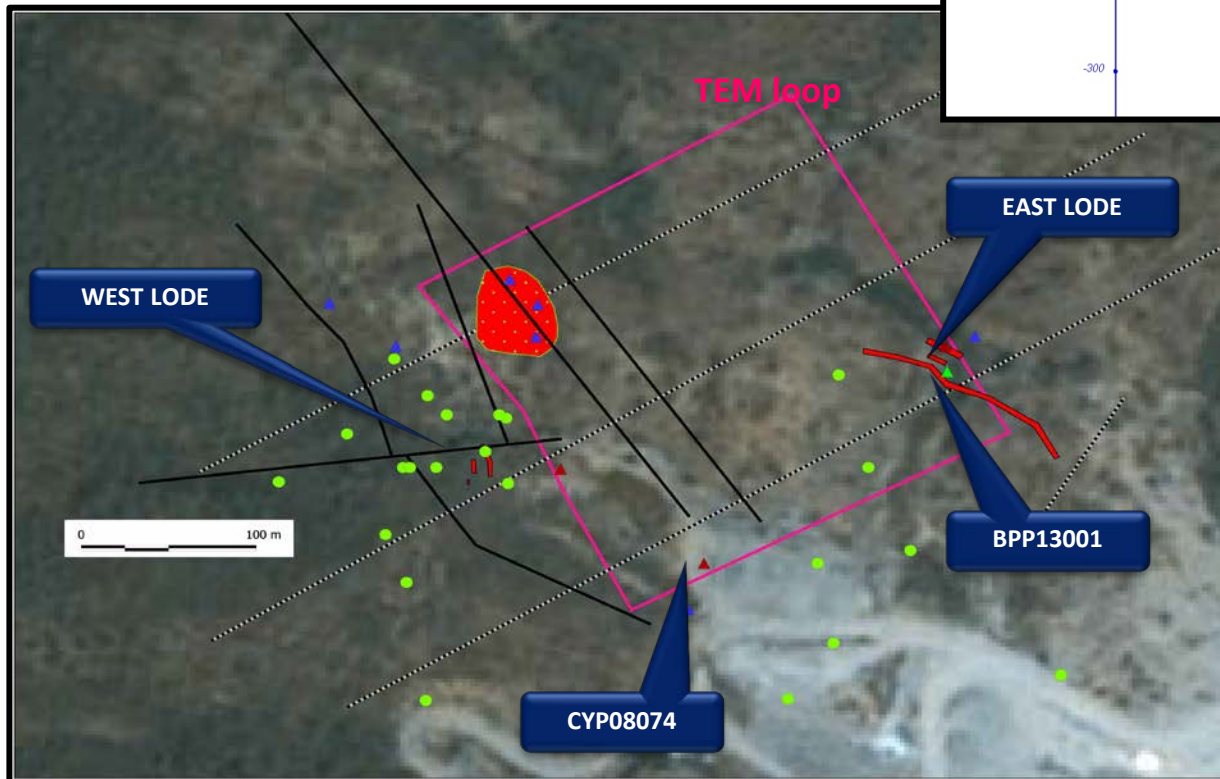
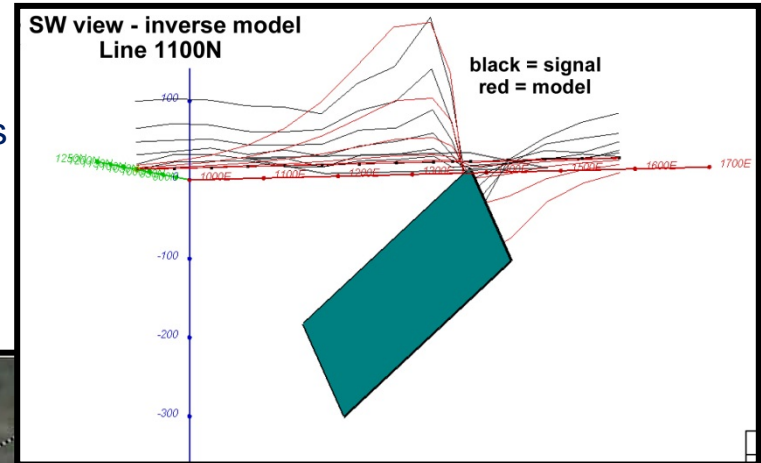


# BLACK PINE – Orthomagmatic Ni-Cu-Co-Au



## Pevkos Prospect – Drilling Imminent

- › High-grade Ni-Cu-Co-Au samples from waste piles
- › Robust Ground TEM conductor (2010)
- › Correlates with historic drill results



### CYP08074

- 3.67 % Ni, 7.58 g/t Au, 3.09 % Cu, 0.28 % Co

**Contained Metal Value**  
**c.US\$1,300/t**

### BPP13001

- 1.98 % Ni 18.25 g/t Au, 0.35 % Cu, 0.26 % Co

**Contained Metal Value**  
**c.US\$1,250/t**

*Metal values used in US\$:*  
Cu = \$7,000/t, Ni = \$18,850/t  
Co = \$31,000/t, Au = \$1,300/oz



# BLACK PINE – Orthomagmatic Ni-Cu-Co-Au



## *Pevkos Prospect – Drilling Imminent*

- › Targeting two zones of massive and disseminated sulphide mineralisation discovered in the 1950's
- › Assays of waste piles at Pevkos returned:  
**3.67% Ni, 3.09% Cu, 0.28% Co, 7.58g/t Au** and  
**1.98% Ni, 0.35% Cu, 0.26% Co, 18.25g/t Au**



- › Drilling a very strong south-west dipping conductor which correlates with down-dip projection of exposed massive sulphide
- › RC drilling programme set to commence by July 14
- › 4 holes for ~700 metres are planned for the upcoming drilling at Pevkos

# VRECHIA - VHMS Cu-Au

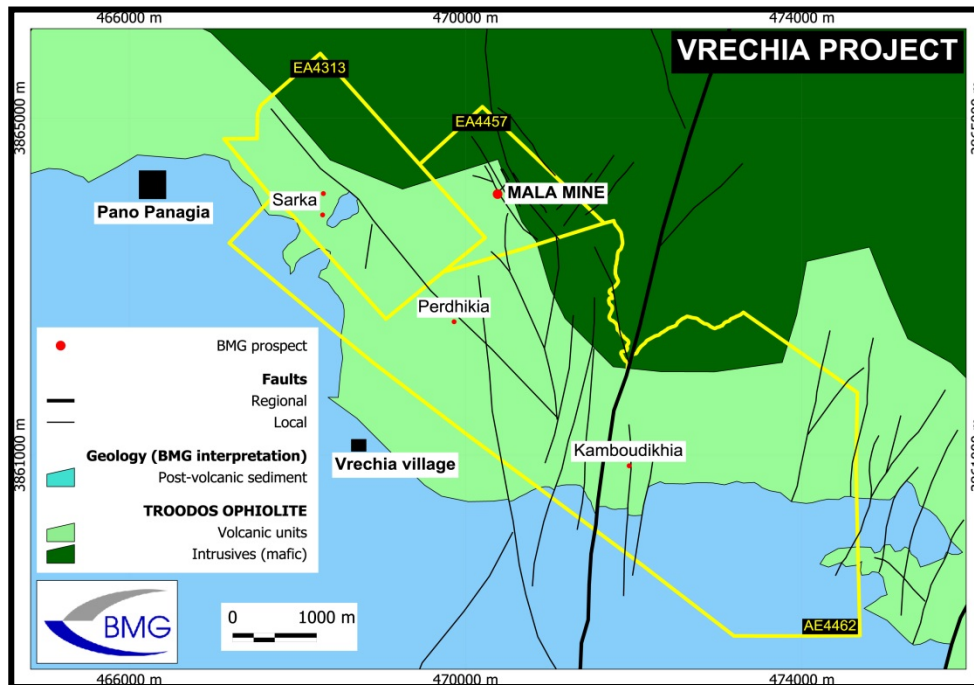


## *Mala Prospect – Drilling Imminent*

- › Drilling at abandoned Mala Mine
- › Targeting area where previously 8 adjacent drill holes returned >2% Cu
- › No gold assays in historic drilling



Mala open-pit looking northwest



- › Other targets for drilling include extensive areas of iron-oxides (gossan)
- › Other prospects in licence area progressing
- › Surface sampling suggests there is significant potential to delineate gold mineralisation



# VRECHIA - VHMS Cu-Au

## *Mala Prospect – Drilling Imminent*

- › High-grade Cu-Zn-Au-Ag targets within massive sulphide accumulations related to seafloor volcanics (VHMS)
- › Upcoming programme to confirm and extend previous high grade copper results (>2.0% Cu) with gold assays
- › First assays for gold to be obtained in this drilling programme

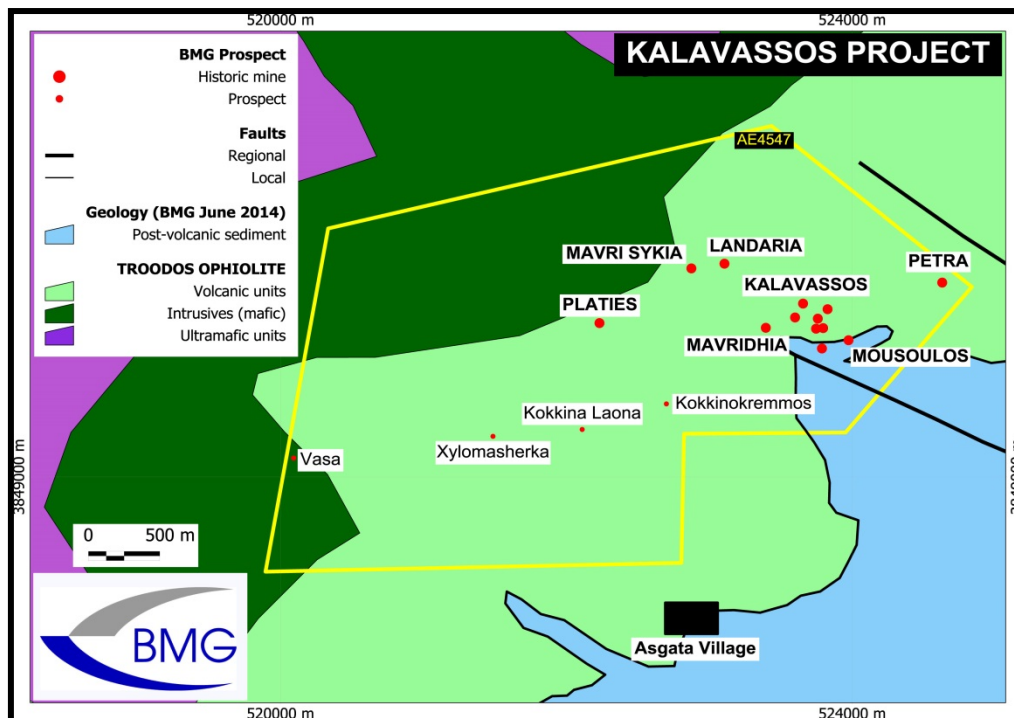


- › 20 holes for 1,300 metres planned for upcoming drilling programme at Mala Prospect
- › RC drilling at Mala will commence in mid-July following drilling at Pevkos

# KALAVASSOS - VHMS Cu-Au



- › New granted licence covers all historic Kalavassos mines
- › 13 massive sulphide bodies discovered and mined between 1937-77
- › Recorded production included 4.62 million tonnes at >1.0% Copper
- › Remnant massive sulphide recorded at 2.28 million tonnes (no specified grade, non-JORC)



- › No gold or silver values provided for mined massive sulphide
- › Historic mining of 61,450 tonnes of oxide zone produced 16,490 oz gold (8.3 g/t), and 34,740 oz silver (17.7 g/t)
- › Review of historic data underway to upgrade BMG's mapping systems and define strategy

# Proposed Development Plan



## NEAR TERM (0 – 12 months)

- › **Drilling at Pevkos (Ni-Cu-Au-Co) and Mala (Cu-Au)**
- › Integrate Kalavassos archival material into mapping system
- › Develop priority drill targets at Kalavassos
- › Define further drill targets across all projects and drill test
- › **Define a JORC compliant resource**

## MEDIUM TERM (12 - 24 months)

- › Upgrade any defined resources
- › Preliminary metallurgical testwork and marketing studies
- › **Pre Feasibility Studies**
- › Review contractor and off-take agreements
- › Review export options

## LONGER TERM (24 - 48 months)

- › Establish full mining operation with expansion capability
- › **Evaluate similar opportunities in the region for expansion**
- › Access the toll treatment and export market

## STRENGTHS

- › **Anticipated low cost, highly profitable operations**
- › Strong gold, nickel and cobalt credits indicated
- › Well established infrastructure within close proximity
- › Depth of experienced mining personnel in surrounding regions

# Capital Structure

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ASX Code	BMG
Ordinary Shares on Issue	629 million
Share Price	A\$0.009 (7/7/14)
Market Capitalisation	A\$5.6m
Cash (31 <sup>st</sup> March, 2014)	A\$0.9m

- › Attractive pipeline of growth projects with expansion potential
- › Significant potential for high-grade Volcanic-Hosted Massive Sulphide (VHMS) / Orthomagmatic deposits across 100%-owned project holdings (~150 km<sup>2</sup>)
- › Successful drilling programme confirmed high-grade copper-gold mineralisation at Laxia (Black Pine) prospect
- › Imminent drilling of high grade nickel, copper and gold targets at Pevkos (Black Pine) and Mala (Vrechia) prospects
- › Project areas have excellent infrastructure and access
- › Experienced key personnel with strong commercial and technical expertise

High value proposition ahead of further drilling at Treasure Project





## Contact Us

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