



QUARTERLY ACTIVITIES REPORT

For the Quarter to 31 March 2015

TREASURE PROJECT, CYPRUS

- Six upgraded exploration licences in Black Pine Project area approved.
- Successful meeting with Cyprus Agricultural Department to upgrade two exploration licences in Vrechia Project area. Approval expected soon.

CORPORATE

- Renounceable rights issue to raise \$1.3 million withdrawn and revised capital strategy underway

During the quarter, BMG Resources Limited (the “Company”; ASX: BMG) completed limited technical work as it focussed on corporate matters. Eight exploration licences were submitted with the Cyprus Mines Department to replace four lapsing reconnaissance licences. The licences in the Black Pine Project area have already been approved (six in total). The two outstanding licences in the Vrechia Project area are expected to be approved soon after a successful meeting with the Cyprus Department of Agriculture.

The Company withdrew its renounceable rights issue due to a number of conditions not being satisfied and is working on an alternate capital strategy. The company has the financial support of its major shareholder, the Transcontinental Group, while it pursues an alternative capital strategy and remains confident about the long-term value of its core Cyprus project, and the potential of the Harts Range project.

TREASURE PROJECT – CYPRUS

BMG is exploring Cyprus for high-grade copper-gold-zinc-silver and nickel-copper-cobalt-gold deposits. Copper has been mined in Cyprus since the Bronze Age with more than 300 copper prospects recorded throughout the Troodos Mountains. The volcanic units that host these prospects extend for >170 km of strike length. Modern mining started in the 1920s with more than 74 million tonnes of massive sulphide ore extracted from 30 deposits in the following 50 years. The largest of these deposits was Mavravouni with 16.5 million tonnes at 4.5 % copper. Large-scale copper mining in Cyprus ended in the 1970s due to a number of historical factors and there has been little exploration or development since. Nevertheless, copper continues to be produced at the privately owned Skouriotissa Mine (4,328 tonnes of copper cathode in 2012).

To date, BMG has successfully drilled high-grade Cu-Au-Zn-Ag at Mala and high-grade Ni-Cu-Co-Au at Pevkos and Laxia. BMG is continuing to define drill targets to expand these discoveries and test its other advanced prospects. The Treasure Project includes nine (9) advanced prospects where copper

(+Au-Zn-Ag) was mined after 1920 and eleven (11) other prospects where evidence of similar mineralisation is exposed. In addition, BMG's Black Pine project area contains the Pevkos and Laxia Prospects where exposed massive sulphide veins containing very high-grade copper, nickel, cobalt and gold have been successfully drilled, and two other prospects are yet to be drilled. The Treasure Project has four project areas and currently comprises 19 licences for a total of 77.7 km².

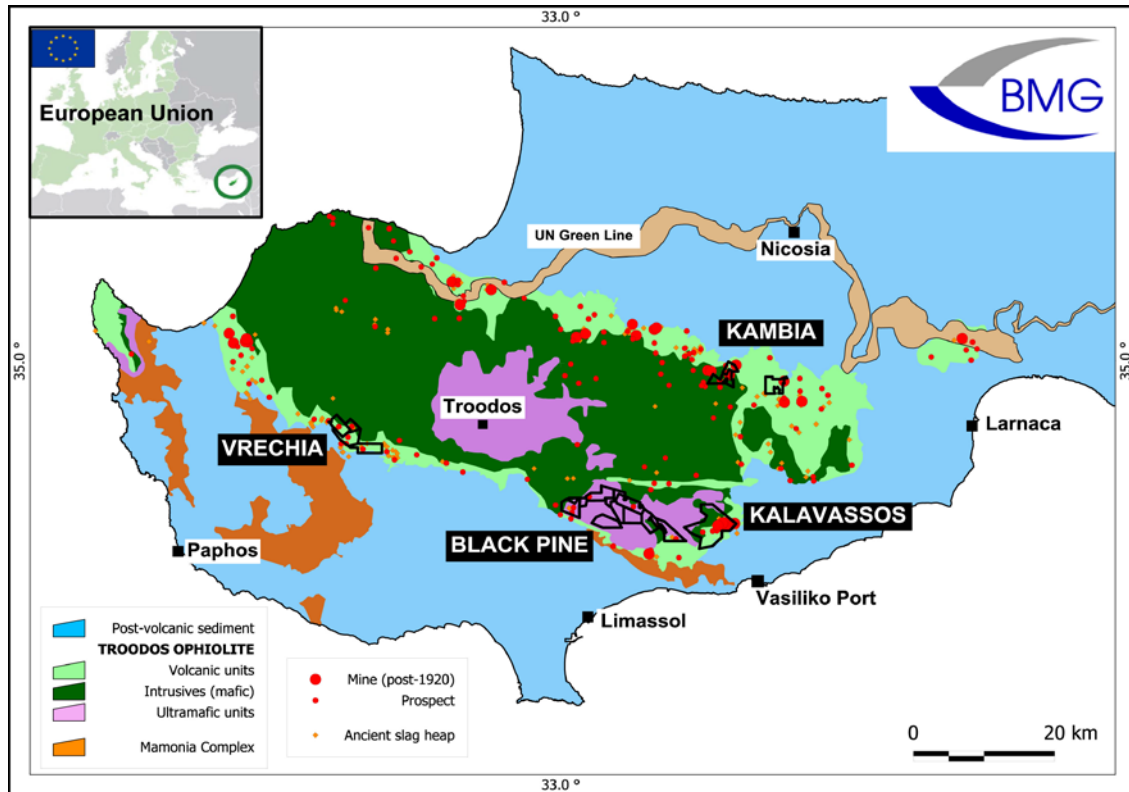


Figure 1: BMG's current tenement status in Cyprus

BLACK PINE PROJECT

The Black Pine Project is prospective for massive sulphide veins with very high-grade nickel-copper-cobalt-gold hosted by ultramafic rocks adjacent to dolerite intrusions. The Company's revised exploration model highlights >50 km strike within their tenure that is highly prospective for these veins. BMG has drilled small areas within the Pevkos and Laxia prospects with all holes intersecting nickel-copper-cobalt-gold sulphide veins. The best results were:

Pevkos

- 2 metres at 3.03 % Ni, 0.33 % Cu, 0.16 % Co and 3.00 g/t Au from 94 metres (PEVRC004), and
- 1 metre at 0.54 % Ni, 3.14 % Cu, 0.15 % Co and 2.30 g/t Au from 147 metres (PEVRC002).

Laxia

- 4.25 metres at 2.53 % Cu from 30.75 metres (LMD002),
- 4.18 metres at 1.72 % Cu, 1.18 g/t Au and 0.15 % Co from 33.1 metres (LMD005),
- 3.58 metres at 1.74 % Cu, 0.28 g/t Au and 0.05% Co from 112.9 metres (LMD007),
- 2.25 metres at 4.15 % Cu, 0.21 g/t Au and 0.10 % Co from 153.05 metres (LMD008),
 - including 0.45 metres @ 18.0 % Cu, 0.70 g/t Au and 0.37 % Co, and
- 2.61 metres at 1.70 % Cu, 4.2 g/t Au and 0.11 % Co from 188 metres (LMD011).

VRECHIA PROJECT

The Vrechia Project is prospective for high-grade copper-zinc-gold-silver within massive sulphide accumulations related to volcanic rocks. BMG's main focus has been the abandoned Mala mine where recent drilling intersected mineralisation in all holes. This drilling showed that the main high-grade massive sulphide body is relatively flat, but there also appears to be an extensive stockwork of mineralised veins beneath. The drill holes only covered a small area of the known mineralised corridor at Mala. The best results were:

- 9 metres at 0.65 %Cu, 0.40 g/t Au, 0.85 % Zn and 1.1 g/t Ag from 39 metres (MALRC002),
 - including 3 metres @ 1.30 % Cu, 0.76 g/t Au, 1.48 % Zn and 2.3 g/t Ag,
- 13 metres at 0.20 %Cu, 0.85 g/t Au, 0.91 % Zn and 4.5 g/t Ag from 48 metres (MALRC003),
 - including 4 metres @ 0.43 % Cu, 1.46 g/t Au, 2.13 % Zn and 9.2 g/t Ag,
- 39 metres at 0.39 %Cu, 0.59 g/t Au, 0.30 % Zn and 1.7 g/t Ag from 33 metres (MALRC004),
 - including 5 metres @ 0.23 % Cu, 2.15 g/t Au, 1.80 % Zn and 5.1 g/t Ag,
- 25 metres at 0.34 %Cu, 1.23 g/t Au, 1.16 % Zn and 4.2 g/t Ag from 46 metres (MALRC007),
 - including 1 metre @ 0.65 % Cu, 15.5 g/t Au, 12.3 % Zn and 42 g/t Ag, and
- 11 metres at 0.28 %Cu, 0.76 g/t Au, 0.72 % Zn and 5.5 g/t Ag from 18 metres (MALRC011),
 - including 2 metres @ 0.37 % Cu, 2.16 g/t Au, 1.92 % Zn and 17.8 g/t Ag.

KALAVASSOS PROJECT

The Company's tenure covers the entire historic Kalavassos Mining District where recorded production from thirteen (13) discrete copper-rich pyrite bodies was 4.62 million tonnes at >1.0 % copper. No significant exploration or development has been completed since the mines closed in the late 1970's. BMG is targeting extensions of the old mines and exploring other exposed mineralised areas that have not been previously tested. A large amount of archival material, including maps, underground plans and drill logs, has been obtained from the Cyprus Geological Survey and is currently being analysed to better constrain the extent of massive sulphide mineralisation in the abandoned mines and also identify additional mineralised domains that were not exploited.

Mine	Years of operation	Mining method	Ore mined (tonnes)	Copper %	Sulphur %	Residual (tonnes)
Kalavassos	1937-1956	Underground	1,910,000	1.0-2.5	33	
Mousoulos	1964-1976	Underground	1,660,000	1.0-2.5	40	940,000 (mainly sulphur ore)
Mavridhia	1971-1977	Open cut	400,000	1.5	30-40	200,000
Petra	1953-1957	Underground	226,000	1.0-2.5	25-46	300,000
Landaria	1963-1964	Underground	65,000	0.5	35-46	250,000
Mavri Sykia1	1954-1962	Underground	269,000	1.5-2.5	30-46	
Mavri Sykia2	1970-1977	Open cut	107,000	1.5-2.5	30-46	590,000
Platies	1955-1958	Glory hole	43,900	2.5-3.0	46	

Table 1: Published production and residual figures for Kalavassos copper deposits (Cyprus Geological Survey Department)

KAMBIA PROJECT

The Kambia project area is also prospective for high-grade copper-gold-zinc-silver related to volcanic rocks. The tenure includes the abandoned North Mathiatis and Kokkinochoma copper mines. Archival material obtained from the Cyprus Geological Survey includes maps, drill logs and mining plans covering these mines. Analyses of this archival material have identified numerous areas in BMG's tenure where further exploration is a high priority.

HARTS RANGE PROJECT, NORTHERN TERRITORY

The Harts Range Project contains a large established JORC-compliant resource of Heavy Minerals within unconsolidated surficial sand in dunes, channels and floodplains. The Heavy Mineral component of the sand is significant (average 33.8% by weight) and predominantly composed of AMH (alumino-magnesian hornblende) and garnet, but also lesser amounts of other minerals including rutile, ilmenite and leucoxene. The Project is located approximately 120 km north east of Alice Springs in the Northern Territory, Australia. The Project area is approximately 100 km east of the Alice Springs - Darwin rail line and straddles the Plenty Highway.

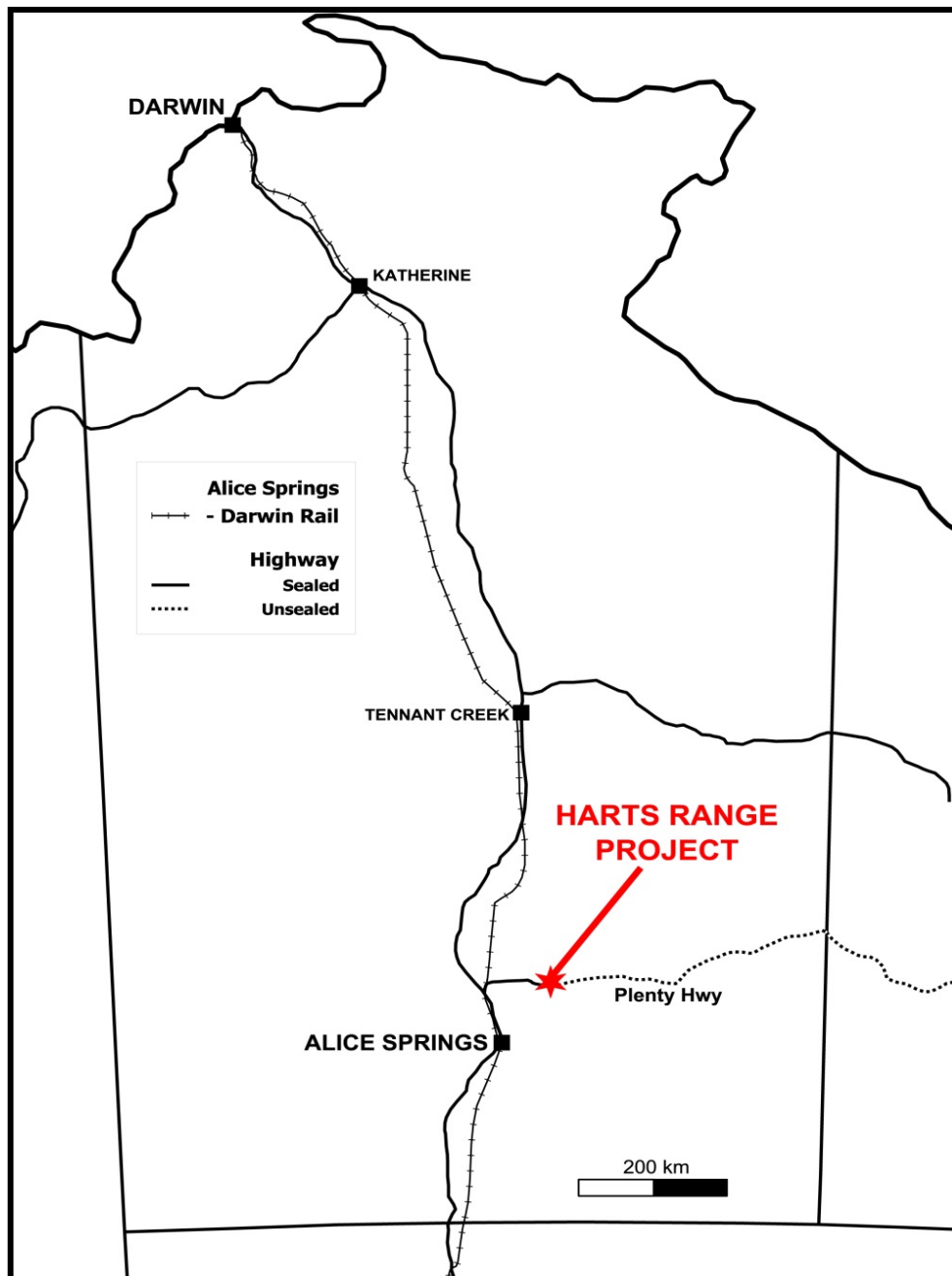


Figure 2: Location of the Harts Range Project, Northern Territory

Prior to 2009, Olympia Resources completed extensive technical, logistical and commercial work including:

- Grant of Mining Lease (ML23868; granted 12 August 2005 for 25 years),
- Mine Management Plan (Northern Territory Government, March 2008),
- Indigenous Land Use Agreement (ILUA) with Central Land Council (DI2003/008; registered with National Native Title Tribunal 20 November 2003), and
- Environmental Assessment (Public Environmental Report and various baseline studies).

During the 12 month option period BMG proposes to evaluate the following:

- **Products** – Previous studies of the Harts Range material have focussed primarily on the commercial viability of selling bulk garnet and garnet blends for industrial abrasive applications. Garnet can also be used for other purposes, such as filtration, and certain forms of garnet demand higher prices. Such garnet is known to be present at Harts Range and recent studies suggest that it is obtainable using standard mineral sands processing techniques. Other Heavy Minerals, such as rutile, leucoxene and ilmenite, are also present and may provide additional high-value products. BMG proposes to undertake further analysis to identify whether the processing circuit can be optimised to separate these, and possibly other high-value products.
- **Resources** – The distribution of these potential high-value products is not captured in the current resource. Some of the necessary information is contained within existing datasets, but it is expected that further test-work will be required to determine the amount and location of any high-value components. It may be necessary to recalculate the resource to account for a new product mix.
- **Markets** – Products such as garnet and titanium-based minerals have relatively established markets, whereas other potential products, such as the AMH, have less developed markets. Further work is required to develop the necessary markets.

MINERAL RESOURCE ESTIMATES 2009

Category	Material (t)	Garnet (t)	AMH (t)
Measured	35,642,000	2,380,000	9,374,000
Indicated	40,200,000	2,820,000	9,860,000
TOTAL MEASURED & INDICATED	75,842,000	5,200,000	19,234,000
Inferred	13,500,000	950,000	3,000,000
TOTAL ALL CATEGORIES	89,342,000	6,150,000	22,234,000

Table 2: Resource summary (Olympia Resources, 2009)

CORPORATE

During the quarter, the Company withdrew its partially underwritten renounceable rights issue to raise \$1.3 million due to a number of conditions not being satisfied. The Company remains confident about the long-term value of the Treasure and Harts Range Projects and has resolved to pursue an alternate capital strategy. All discretionary expenditure has been scaled back until further funding is obtained. All fees to directors and corporate and management fees to the Transcontinental Group (BMG's major shareholder) continue to be accrued, and the Transcontinental Group has provided a letter of financial support to the Company until the capital raising is completed.

The following ASX announcements regarding BMG's activities and projects were released since the last quarterly report.

Date	Headline
11/03/2015	Consolidated Interim Financial Report for the Half Year Ended 31 December 2014
11/02/2015	Suspension from official quotation ASX Codes: BMGN and BMGO
11/02/2015	Entitlement Offer
30/01/2015	Quarterly Activities Report to 31 December 2014 and Appendix 5B

TENEMENTS

During the last quarter of 2014, BMG lodged applications to upgrade four (4) reconnaissance licences (AE4461, 4462, 4464, 4465) with eight (8) exploration licences (EA4589-4596). BMG has been informed that the six licence applications in the Black Pine Project have all been approved and will be granted soon. The two new exploration licences in the Vrechia Project are still in application status, but it is expected that they will also be approved and granted soon after a successful meeting with the Cyprus Department of Agriculture. The Treasure Project comprises a total of 77.68 km².

Project	Licence number	Status	Interest (%)	Notes	Activity during the quarter
BLACK PINE	EA4314	granted	100		
	EA4316	granted	100		
	EA4317	granted	100		
	EA4318	granted	100		
	EA4456	granted	100		
	EA4589	approved	100	replaced AE4461	approved
	EA4590	approved	100	replaced AE4461	approved
	EA4594	approved	100	replaced AE4464	approved
	EA4595	approved	100	replaced AE4464	approved
	EA4591	approved	100	replaced AE4465	approved
	EA4596	approved	100	replaced AE4465	approved

Project	Licence number	Status	Interest (%)	Notes	Activity during the quarter
VRECHIA	EA4313	granted	100		
	EA4457	granted	100		renewed
	EA4592	application	100	replaces AE4462	application
		application	100	replaces AE4462	application
KALAVASSOS	AE4547	granted	100	reconnaissance	
KAMBIA	EA4315	granted	100		
	EA4447	granted	100		
	EA4448	granted	100		
HARTS RANGE	ML23868	granted	90	mining licence; option	

ENDS

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COMPETENT PERSON'S STATEMENT

The information in this report that relates to Exploration Results for the Treasure Project, Cyprus, is based on information compiled by Dr Michael Green, a Competent Person who is a Member of the Australian Institute of Geoscientists (MAIG). Dr Green is an executive director of BMG Resources Limited and a consultant geologist with Khalkeus Minerals Limited. Dr Green has sufficient experience that is relevant to the style of mineralisation and type of deposit 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 the report of the matters based on his information in the form and context in which it appears.

The results referenced herein for the Laxia Prospect were reported to the ASX on:

- **22 July 2013 – High grade copper intersected in maiden drilling programme**
- **6 September 2013 – Further high grade copper-gold intersected in maiden drilling programme**
- **11 October 2013 – High grade copper-gold mineralisation confirmed at Laxia Prospect, Cyprus**

under the 2004 JORC Code. They have not been updated since to comply with the 2012 JORC Code on the basis that the information has not materially changed since it was reported.

The results referenced herein for the Pevkos Prospect were reported to the ASX on:

- **13 August 2014 – Drilling at Pevkos Intersects Targets in All Holes**
- **28 August 2014 - Assay Results Confirm Discovery of High Grade Nickel-Copper-Cobalt-Gold Mineralisation, Pevkos Prospect, Cyprus**

under the 2012 JORC Code. There have been no material changes since these results were last reported.

The results referenced herein for the Mala Prospect were reported to the ASX on:

- **18 December 2013 - High Grade Copper-Zinc Mineralisation at Mala Prospect – Vrechia**
- **9 September – Drilling Program Planned for High-Priority Copper-Gold Targets at Mala (Vrechia) and Pevkos (Black Pine) in Cyprus**
- **1 October 2014 – High-Grade Gold-Copper-Zinc-Silver Discovered at BMG's Cyprus Project**

under the 2012 JORC Code. There have been no material changes since these results were last reported.

The Feasibility Study and Resource Estimates referenced herein for the Harts Range Project were reported to the ASX by Olympia Resources Limited (ASX: OLY, now MZI) on:

- **18 June 2004 [Olympia Resources Limited - Prospectus],**
- **21 September 2004 [Harts Range Garnet Recovery Increased to 75%],**

- 12 September 2005 [**Mining Lease Granted for Harts Range Abrasives Project**],
- 9 January 2007 [**Olympia Resources Board Approves the Harts Range Abrasive Project**] and
- 30 January 2009 [**Increases in Tonnage and Garnet Grade of Harts Range Resource**]

under the 2004 JORC Code. The details pertaining to resource estimation and mineralisation resource were prepared by Mr John Baxter who at the time was a Member of the Australasian Institute of Geoscientists (RPGeo) and a Member of the Australasian Institute of Mining and Metallurgy (“AusIMM”) and qualified as a competent person to report on these matters. There have been no material changes since these results were last reported.

The author of this Report is not aware of any new information or data that materially affects the information included in the Harts Range Resource Estimates, 2009 and, in the case of mineral resources that all the material assumptions and technical parameters underpinning the estimates in the Harts Range Resource Estimates, 2009 continue to apply and have not materially changed. The form and context in which the findings of Mr Baxter are presented have not been materially modified.

The information in this report that relates to Exploration Results, Exploration Targets, Mineral Resources or Ore Reserves for the Harts Range Project is based on information reviewed by Mr Malcolm Castle who is a Member of the Australasian Institute of Mining and Metallurgy (“AusIMM”). Mr Castle is a non-executive director of BMG Resources Limited and a consultant geologist with Agricola Mining Consultants Pty Ltd. He has sufficient experience that is relevant to the styles of mineralisation and types of deposit 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. Mr Castle consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/2013

Name of entity

BMG RESOURCES LTD

ABN

96 107 118 678

Quarter ended ("current quarter")

31 March 2015

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (9 months) \$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration & evaluation	(65)	(582)
(b) development	-	-
(c) production	-	-
(d) administration	(35)	(181)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	-	3
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
Net Operating Cash Flows	(100)	(760)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	(1)
1.9 Proceeds from sale of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
Net investing cash flows	-	-
1.13 Total operating and investing cash flows (carried forward)	(100)	(761)

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(100)	(761)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	77	147
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	-
	Net financing cash flows	77	147
	Net increase (decrease) in cash held	(23)	(614)
1.20	Cash at beginning of quarter/year to date	108	697
1.21	Exchange rate adjustments to item 1.20	(3)	(1)
1.22	Cash at end of quarter	82	82

Payments to directors of the entity, associates of the directors, related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	10
1.24	Aggregate amount of loans to the parties included in item 1.10	-
1.25	Explanation necessary for an understanding of the transactions	
	Payment of consulting fees and legal fees	

Non-cash financing and investing activities

- 2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows
- | |
|------|
| None |
|------|
- 2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest
- | |
|--|
| |
|--|

Financing facilities available

Add notes as necessary for an understanding of the position.

		Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities	-	-
3.2	Credit standby arrangements	-	-

+ See chapter 19 for defined terms.

Estimated cash outflows for next quarter

		\$A'000
4.1	Exploration and evaluation	20
4.2	Development	-
4.3	Production	-
4.4	Administration	10
Total		30

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	18	73
5.2 Deposits at call	64	35
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	82	108

Changes in interests in mining tenements and petroleum tenements

	Tenement reference and location	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements and petroleum tenements relinquished, reduced or lapsed	None		
6.2	Interests in mining tenements and petroleum tenements acquired or increased	None		

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference securities (description)				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	63,922,852	63,922,852		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5 +Convertible debt securities (description)				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options (description and conversion factor)			<i>Exercise price</i>	<i>Expiry date</i>
	1,400,000	-	\$0.20	01 July 2016
	2,600,000	-	\$0.22	01 July 2016
	5,000,000	-	\$0.035	13 December 2016
	5,000,000	-	\$0.05	
	5,000,000	-	\$0.035	
	5,000,000	-	\$0.04	
	5,000,000	-	\$0.045	
	10,000,000	-	\$0.05	
	3,000,000	-	\$0.035	
	3,000,000	-	\$0.04	
	3,000,000	-	\$0.045	
	8,000,000	-	\$0.05	
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.11 Debentures (totals only)				
7.12 Unsecured notes (totals only)				

+ See chapter 19 for defined terms.

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does /does not* (*delete one*) give a true and fair view of the matters disclosed.



Sign here: Date:30 April 2015.....
(Director/Company secretary)

Print name:Fleur Hudson.....

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements and petroleum tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement or petroleum tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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