



## QUARTERLY ACTIVITIES REPORT

For the Quarter to 31 March 2018

- During the quarter BMG remained actively focussed on identifying and evaluating new investment opportunities for the Company
- The Company undertook detailed due diligence on certain Bulgarian Minerals Projects but ultimately chose not to proceed
- Peter Munachen joined the Board in early January 2018 bringing a depth of commercial and financial experience and an extensive resources background
- Greg Hancock appointed as Non-Executive Chairman following the retirement of Anthony Trevisan
- The Treasure Project in Cyprus continues to proceed under management of New Cyprus, with BMG retaining a free carried interest

During the quarter BMG Resources Limited (the **Company**; ASX: **BMG**) remained actively focussed on securing a new investment opportunity for the Company.

### **BULGARIAN MINERALS PROJECTS**

In the Company's previous quarterly activities report for the period to 31 December 2017, the Company advised it had secured the rights to acquire call options over 100% of four gold and polymetallic development and exploration projects located in Bulgaria subject to due diligence (refer to ASX announcement on 17 January 2018).

In March, The Company completed its due diligence enquiries in relation to the Bulgarian Minerals Projects and chose not to proceed with the transaction.

### **TREASURE PROJECT - CYPRUS**

The Company retained its free-carried interest in the Treasure Project in Cyprus. The Treasure Project's operator, New Cyprus Copper Company Limited, is responsible for maintaining the project and continued progressing the Treasure Project during the Quarter.

## CORPORATE

As announced in the previous quarterly report, in January 2018, Mr Peter Munachen joined the Board, bringing with him over 30 years of experience in the resources sector and a depth of commercial and financial experience.

During the quarter, Mr Anthony Trevisan retired from the Board of the Company and non-executive director Mr Greg Hancock was appointed Chairman.

The Company continues to actively focus on identifying and evaluating new investment opportunities, and to carefully manage costs. Directors and management continued to substantially hold all fees (ie no charge or accrual) during the quarter. This position will be reviewed as the Company moves forward and secures new investment opportunities.

## TENEMENTS

The Treasure Project, of which BMG currently owns a 30% interest, comprises 10 exploration licences for a total of 36.654 km<sup>2</sup>.

Project	Licence number	Status	Interest (%)	Notes	Activity during the quarter
<b>BLACK PINE</b>	EA4589	granted	100		
	EA4590	granted	100		
	EA4591	granted	100		
	EA4610	granted	100		
	EA4612	granted	100		
<b>VRECHIA</b>	EA4457	granted	100		
<b>KALAVASSOS</b>	AE4607	granted	100		
	AE4608	granted	100		
<b>KAMBIA</b>	EA4447	granted	100		
	EA4448	granted	100		

ENDS

Bruce McCracken, Managing Director  
BMG Resources Limited  
Phone: +61 8 9424 9390  
Email: [enquiry@bmg.com.au](mailto:enquiry@bmg.com.au)  
Website: [www.bmg.com.au](http://www.bmg.com.au)

Sean Meakin, Company Secretary  
BMG Resources Limited  
Phone: +61 8 9424 9390  
Email: [enquiry@bmg.com.au](mailto:enquiry@bmg.com.au)

## 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, 01/05/13, 01/09/16

**Name of entity**

**BMG RESOURCES LTD**

**ABN**

**96 107 118 678**

**Quarter ended ("current quarter")**

**31 Mar 2018**

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (9 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	-	-
(b) development	-	-
(c) production	-	-
(d) staff costs	(18)	(33)
(e) administration and corporate costs	(110)	(201)
1.3 Dividends received (see note 3)		
1.4 Interest received	4	12
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(124)</b>	<b>(222)</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (9 months) \$A'000</b>
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	(3)	(3)
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(3)</b>	<b>(3)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of shares	-	-
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>-</b>	<b>-</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	1,292	1,390
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(124)	(222)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(3)	(3)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>1,165</b>	<b>1,165</b>

<b>5. Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1 Bank balances	4	1
5.2 Call deposits	1,161	1,291
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
<b>5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>1,165</b>	<b>1,292</b>

**6. Payments to directors of the entity and their associates**

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

<b>Current quarter \$A'000</b>
(18)
-

Director's fee for December 2017 to March 2018

**7. Payments to related entities of the entity and their associates**

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

<b>Current quarter \$A'000</b>
-
-

## Mining exploration entity and oil and gas exploration entity quarterly report

<b>8. Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

--

<b>9. Estimated cash outflows for next quarter</b>	<b>\$A'000</b>
9.1 Exploration and evaluation	-
9.2 Development	-
9.3 Production	-
9.4 Staff costs	-
9.5 Administration and corporate costs	50
9.6 Other (provide details if material)	-
<b>9.7 Total estimated cash outflows</b>	<b>50</b>

<b>10. Changes in tenements (items 2.1(b) and 2.2(b) above)</b>	<b>Tenement reference and location</b>	<b>Nature of interest</b>	<b>Interest at beginning of quarter</b>	<b>Interest at end of quarter</b>
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	None			
10.2 Interests in mining tenements and petroleum tenements acquired or increased	None			

**Compliance statement**

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here:  .....

(Director/Company secretary)

Date: 30 April 2018

Print name: .....SEAN MEAKIN.....

**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 that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, 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. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.