



1 October 2014

**HIGH-GRADE GOLD-COPPER-ZINC-SILVER DISCOVERED
AT BMG'S CYPRUS PROJECT**

- Assay results confirm high-grade gold-copper-zinc-silver discovery at Mala Prospect, Cyprus (BMG: 100%)
- All 13 drill holes at the Mala Prospect intersect gold (Au)-copper (Cu)-zinc (Zn)-silver (Ag) mineralisation related to the target Volcanic-Hosted Massive Sulphide (VHMS) system
- Very high-grade potential confirmed with the best individual assay of:
 - 1 m at 15.5 g/t Au, 0.65 % Cu, 12.3 % Zn, 42 g/t Ag, from 48 m (MALRC007)
- High-grade main target “black smoker” zone identified with intercepts of:
 - 6 m at 3.70 g/t Au, 0.41 % Cu, 4.10 % Zn, 11.3 g/t Ag, from 46 m (MALRC007)
 - 5 m at 2.15 g/t Au, 0.23 % Cu, 1.80 % Zn, 5.1 g/t Ag, from 37 m (MALRC004)
 - 4 m at 1.46 g/t Au, 0.43 % Cu, 2.13 % Zn, 9.2 g/t Ag, from 54 m (MALRC003)
 - 3 m at 0.76 g/t Au, 1.30 % Cu, 1.48 % Zn, 2.3 g/t Ag, from 37 m (MALRC002)
 - 2 m at 2.16 g/t Au, 0.37 % Cu, 1.92 % Zn, 17.8 g/t Ag, from 21 m (MALRC011)
- Broad mineralised zones containing:
 - 25 m at 1.23 g/t Au, 0.34 % Cu, 1.16 % Zn, 4.2 g/t Ag, from 46 m (MALRC007)
 - 43 m at 0.59 g/t Au, 0.39 % Cu, 0.30 % Zn, 1.3 g/t Ag, from 33 m (MALRC004)
 - 24 m at 0.25 g/t Au, 0.06 % Cu, 0.44 % Zn, 1.1 g/t Ag, from 62 m (MALRC005)
- Mineralisation remains open to the north and northeast
- Revised exploration model has now identified several exciting new targets

BMG Resources Limited (ASX: BMG) (**BMG** or **the Company**) is pleased to announce that the recently completed RC drilling programme at the Company's 100 % owned Mala Prospect in Cyprus has intersected high-grade Gold-Copper-Zinc-Silver adjacent to the abandoned mine.

The assay results from the recently completed RC drilling programme have confirmed and extended the historic high-grade Copper-Zinc zone and also discovered widespread high-grade Gold and Silver mineralisation with the base metals. The known mineralisation remains open to the north and northeast of the mine and most of the area outside the Mala pit is untested. Geological evidence shows the Mala VHMS system to be quite large, and so there is great potential for additional Gold-Copper-Zinc-Silver discoveries nearby. Some exciting new targets have already been identified.

BMG Resources Limited Managing Director, Mr. Bruce McCracken, commented: “It is very pleasing to see the high-grade gold and silver results complementing the high-grade zinc and copper at Mala. We now know that this is a significant Gold-Copper-Zinc-Silver system and is probably comparable with other large deposits in Cyprus.”

MALA PROSPECT

The Mala Prospect comprises a modest open-cut mine where high-grade pyrite was excavated in the 1980s within a large area of gossan outcrops. Prior to mining at Mala, drilling identified widespread pyrite mineralisation, including a high-grade copper-zinc zone in eight (8) adjacent drill holes. Reconciling the historic work with the current configuration of the open-cut mine shows that a significant amount of the high-grade copper-zinc was not removed by previous mining and remains *in situ* to the north of the mine. None of the historic drilling was assayed for gold or silver, though subsequent surface work suggested that both are also present. The Mala Prospect has all the classic features of an ancient Volcanic-Hosted Massive Sulphide (VHMS) deposit where hydrothermal fluids deposit massive pyrite (\pm copper-zinc-gold-silver) at or near the sea-floor during a hiatus in local volcanic eruptions.

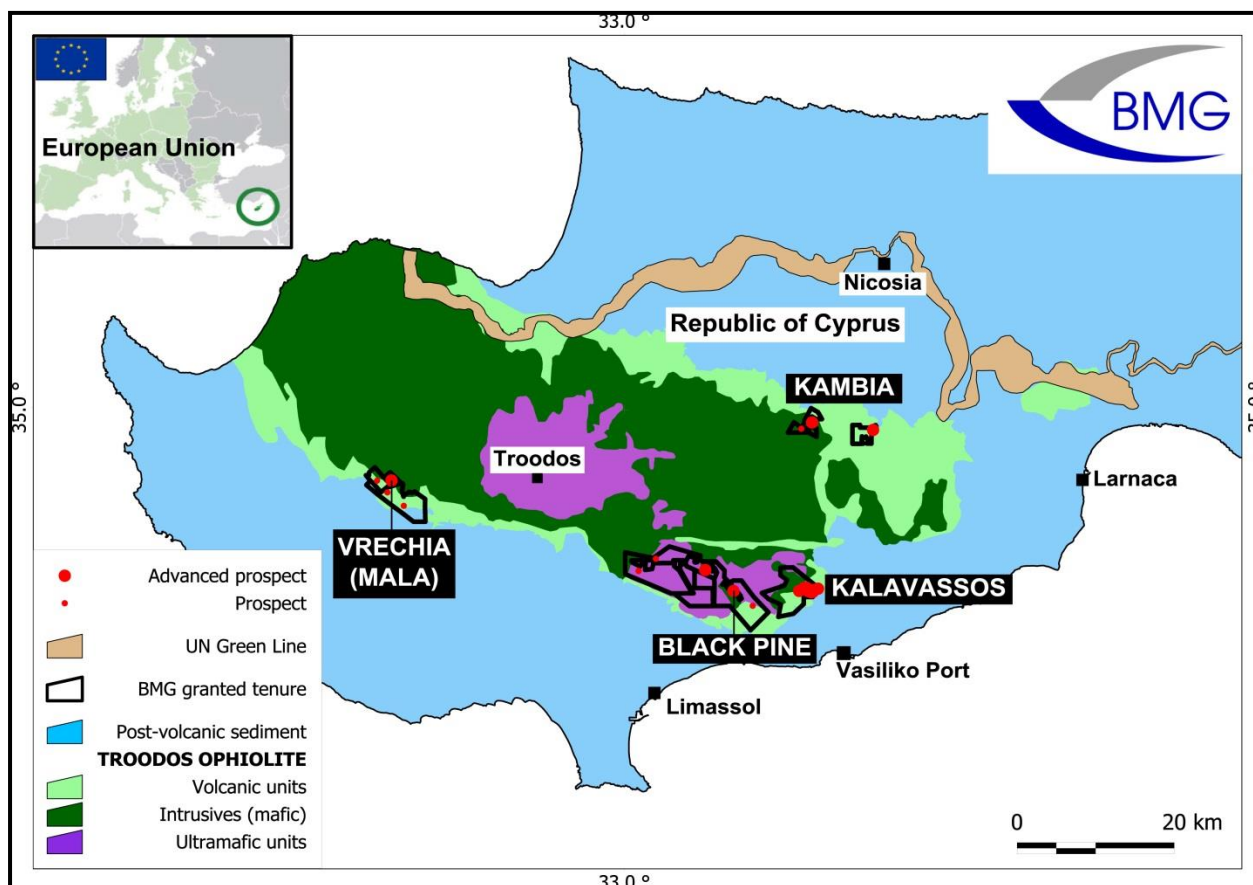


Figure 1: Location of Mala Prospect and BMG's other Cyprus projects and prospects.

DRILLING RESULTS

BMG recently completed 13 RC drill holes at the Mala Prospect for a total length of 1,092 metres. The drilling program was designed to confirm historic high-grade copper-zinc results, test for gold and silver and search for extensions of the known mineralisation. All holes intersected pyrite-rich sulphide zones related to the VHMS system. A simple geological framework for interpreting the geology at the Mala Prospect is shown in Figure 3. During a hiatus in local volcanic activity, hydrothermal fluids altered the Footwall Basalt and deposited gold-copper-zinc-silver and pyrite. The high-grade gold-copper-zinc-silver zone at the top of the Footwall Basalt is interpreted to be the "black smoker" unit and was probably deposited directly onto the ancient sea-floor. The eruption of

the Hangingwall Basalt shut the VHMS hydrothermal system down, and so the Hangingwall Basalt is unmineralised.

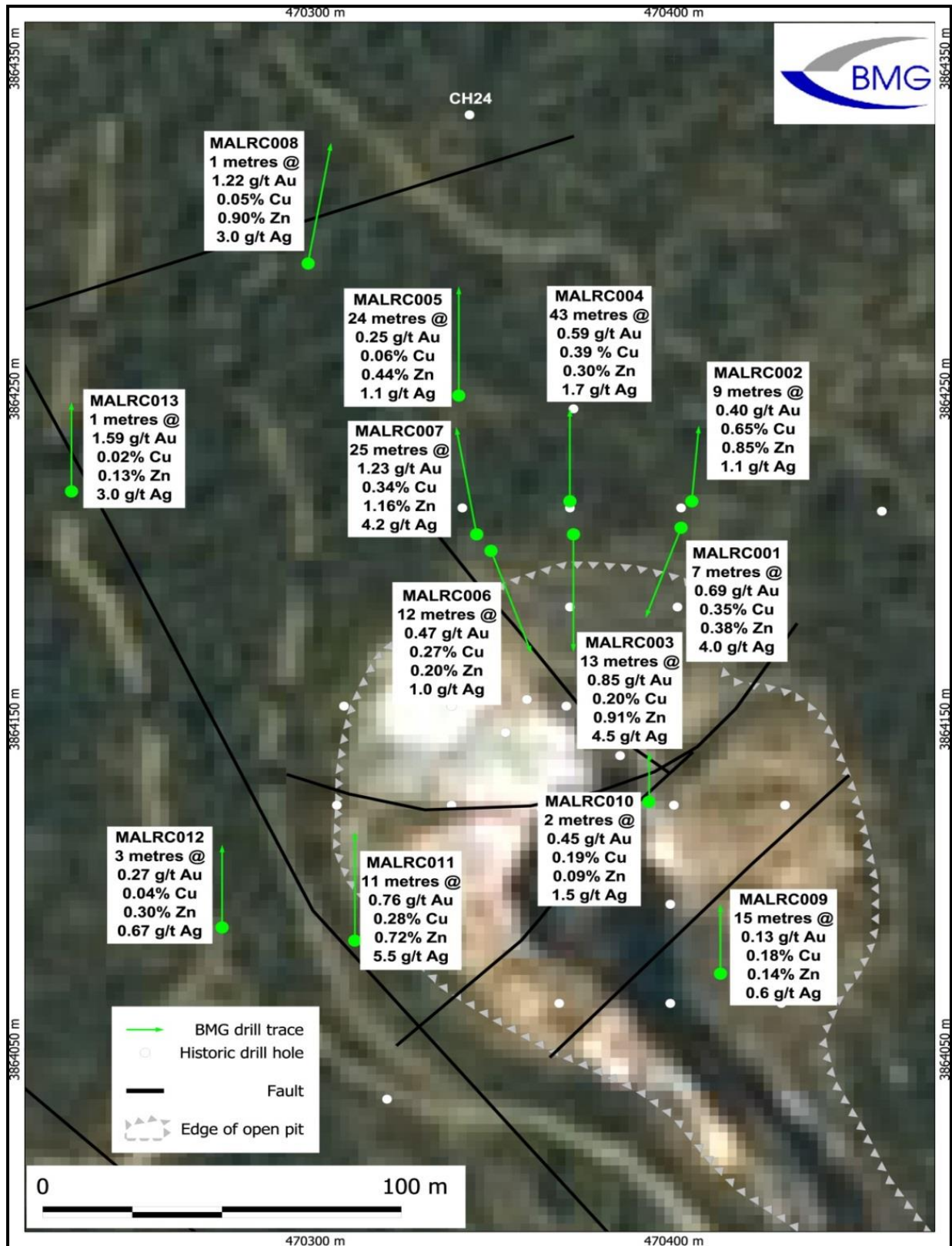


Figure 2: BMG drill hole results at Mala Prospect. SPOT satellite image as background.

Hole_ID	From (m)	To (m)	Width (m)	Gold (g/t)	Copper (%)	Zinc (%)	Silver (g/t)	Comment
NORTHERN ZONE								
MALRC001	55	62	7	0.69	0.35	0.38	4.0	
MALRC002	39	48	9	0.40	0.65	0.85	1.1	
including (from 44 m)			3	0.76	1.30	1.48	2.3	
MALRC003	48	61	13	0.85	0.20	0.91	4.5	
including (from 54 m)			4	1.46	0.43	2.13	9.2	
MALRC004	33	72	39	0.59	0.39	0.30	1.7	extent of current sampling
including (from 37 m)			5	2.15	0.23	1.80	5.1	
including (from 50 m)			2	1.01	0.737	0.03	2.0	
including (from 63 m)			1	0.84	1.01	0.15	2.0	
including (from 68 m)			1	0.45	3.04	0.04	2.0	
MALRC005	62	86	24	0.25	0.06	0.44	1.1	extent of current sampling
MALRC006	29	30	1	1.29	0.16	1.54	3.0	no adjacent assays
	41	53	12	0.47	0.27	0.20	1.0	minor fault above this zone
MALRC007	46	71	25	1.23	0.34	1.16	4.2	extent of current sampling
including (from 46 m)			14	2.0	0.34	2.0	6.1	
including (from 46 m)			6	3.7	0.41	4.1	11.3	
including (from 48 m)			1	15.5	0.65	12.3	42	
including (from 66 m)			4	0.42	0.68	0.09	2.8	
MALRC008	46	48	2	0.74	0.11	0.23	5.0	water >50 litre/minute from 39 metres
	69	70	1	1.22	0.05	0.90	3.0	
PIT FLOOR								
MALRC009	5	20	15	0.13	0.18	0.14	0.6	fault at 5 metres; extent of current sampling
MALRC010	1	3	2	0.45	0.19	0.09	1.5	collared in massive pyrite
EASTERN ZONE								
MALRC011	18	29	11	0.76	0.28	0.72	5.5	
including (from 21 m)			2	2.16	0.37	1.92	17.8	
MALRC012	29	32	3	0.27	0.04	0.30	0.67	strong gossan to 8 metres
MALRC013	56	57	1	1.59	0.02	0.13	3.0	strong gossan to 13 metres

Table 1: Summary of recent drilling results at Mala Prospect.

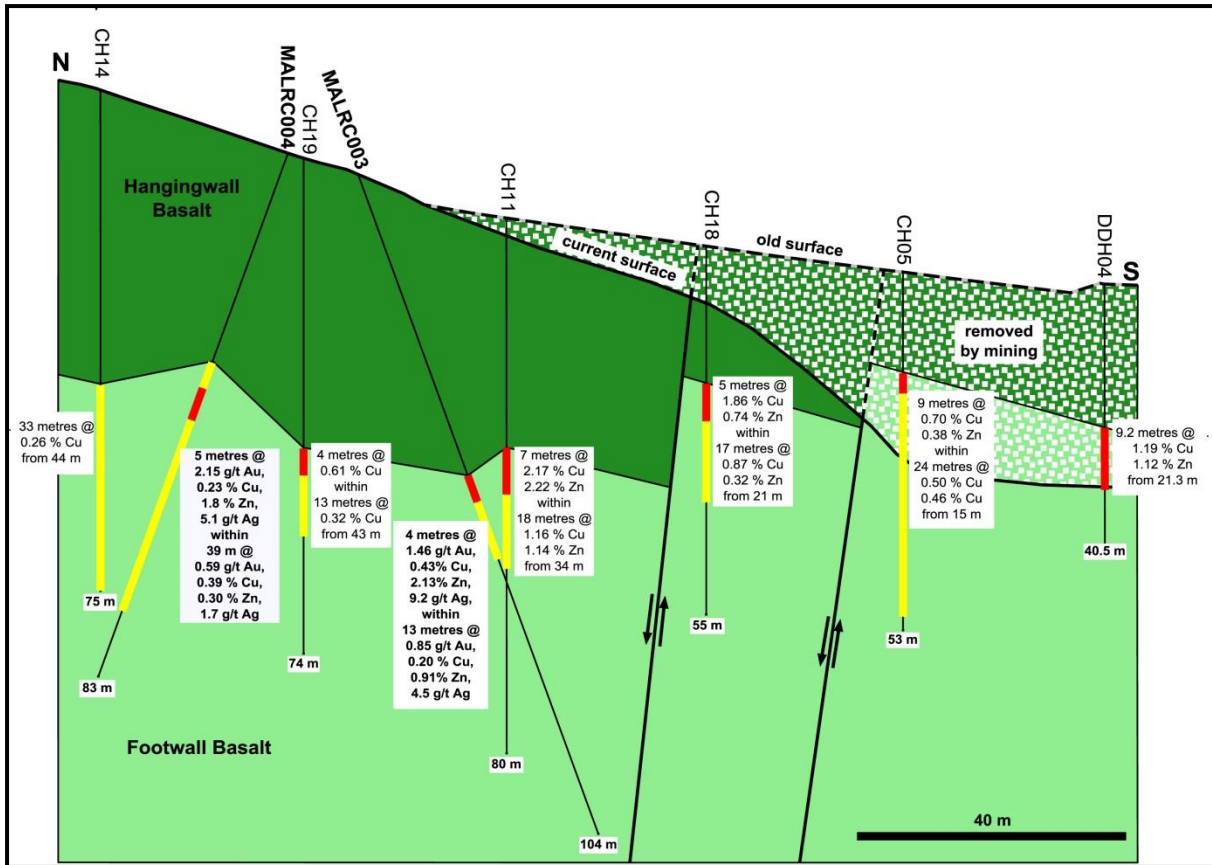


Figure 3: Section looking west shows drilling results of northern area. Red is high grade; yellow medium grade. BMG data are bold.

Seven (7) holes were collared immediately north of the pit and all drilled through unmineralised Hangingwall Basalt into the mineralised Footwall Basalt. All of these holes had a high-grade “black smoker” unit at the top of the Footwall Basalt with the best results coming from MALRC007, -004, -003 and -002. The zinc results are typically better and the copper results poorer than historic results from nearby drill holes. The medium-grade mineralisation is thickest in the northern three holes. There is evidence for mineralisation 90 metres further north with historic results from CH24 returning 5 metres at 0.26 % Cu and 0.96 % Zn from 100 metres. This depth of mineralisation suggests north-block-down faulting between MALRC005 and CH24.

Drill hole MALRC008 was collared to the northwest of the above holes and intersected a fault associated with substantial water (estimated at >50 litres/minute) from 39 metres. Beyond the fault is pyrite-rich Footwall Basalt and so no “black smoker” mineralisation was intersected.

Two holes (MALRC009, -010) were collared in the pit floor to determine the potential of the sulphide material left from mining. MALRC009 was collared in a faulted block of relatively unaltered Hangingwall Basalt, but crossed the fault at 5 metres to intersect intensely altered pyrite-rich Footwall Basalt. MALRC010 was collared directly into intensely altered pyrite-rich Footwall Basalt. Both holes returned modest gold-copper-zinc-silver assays consistent with the results from immediately beneath the high-grade “black smoker” unit. It seems unlikely that the “black smoker” unit remains in the main part of the pit.

Three (3) holes were collared west of the pit to test for extensions of the high-grade zone. MALRC011 was collared at the edge of the pit and intersected similar geology to that found to the north of the pit, including a 2 metre wide high-grade “black smoker” zone at the top of mineralised



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Footwall Basalt. MALRC012 and MALRC013 were collared further west in gossan material and intersected mineralised Footwall Basalt, but not the high-grade “black smoker” unit. The “black smoker” unit must be missing from this area and so it is interpreted that there must be a significant northwest-trending fault between these holes and MALRC011.

FUTURE WORK

The current assay results clearly demonstrate high-grade gold-copper-zinc-silver at the Mala Prospect and show the great potential for other high-grade discoveries in the immediate area. It is expected that the area immediately north of the pit can be extended further north and northeast to intersect the “black smoker” unit at the top of mineralised Footwall Basalt. Given that there are gossan outcrops around Mala within an area of at least 600 by 1,000 metres then there is clearly scope to discover other extensions of the high-grade “black smoker” unit. Most of the few historic drill holes beyond the mine site returned elevated copper-zinc mineralisation most likely in the Footwall Basalt. A number of high priority targets have already been identified for the next round of drilling.

ENDS

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ABOUT BMG RESOURCES

BMG is an ASX-listed company (ASX: BMG), focused on the exploration and development of its highly prospective copper-gold project in the Republic of Cyprus (Treasure Project), and more recently the acquisition of a 12 month option to acquire an advanced heavy mineral sands project in Australia (Harts Range).

BMG’s strategic acquisition of the Treasure Project in 2013 has provided the Company with an exploration footprint of ~120km² in Cyprus with significant leverage to an exciting mix of advanced prospects in a proven mineral district. The Treasure Project has multiple high quality exploration targets with copper and gold mineralisation identified across four main project areas - Black Pine, Vrechia, Kalavassos and Kambia.

APPENDICES – DRILLING TABLES

Hole ID	East	North	RL	Dip	Azimuth	Depth
MALRC001	470402	3864208	522	70°	200°	85
MALRC002	470405	3864216	523	70°	355°	67
MALRC003	470372	3864206	517	70°	180°	104
MALRC004	470371	3864216	520	70°	360°	83
MALRC005	470340	3864248	528	70°	360°	97
MALRC006	470349	3864201	512	70°	160°	97
MALRC007	470345	3864206	514	70°	350°	97
MALRC008	470298	3864288	536	70°	010°	109
MALRC009	470413	3864073	477	70°	360°	61
MALRC010	470393	3864125	473	70°	360°	43
MALRC011	470311	3864083	500	70°	360°	97
MALRC012	470274	3864087	510	70°	360°	73
MALRC013	470232	3864219	533	70°	360°	79

Table 2: Drill hole information. Co-ordinates in WGS84, Zone 36N and collected with handheld GPS. Holes not surveyed.



Hole_ID	From (m)	To (m)	Width (m)	Gold (g/t)	Copper (%)	Zinc (%)	Silver (g/t)
MALRC001	55	57	2*	0.29	0.184	0.17	4
	55	56	1*	0.35	0.254	0.03	2
	55	56	1*	0.35	0.109	0.28	5
	57	58	1	0.52	0.405	0.37	4
	58	59	1	1.23	0.585	0.52	7
	59	60	1	1.41	0.553	0.75	7
	60	61	1	1.10	0.589	0.70	6
	61	62	1	0.27	0.140	0.18	<1
MALRC002	39	41	2	0.22	0.060	0.18	1
	41	42	1	0.31	0.313	0.45	<1
	42	43	1	0.20	0.407	0.62	<1
	43	44	1	0.14	0.317	0.50	<1
	44	45	1	0.90	1.835	1.76	3
	45	46	1	0.60	1.610	0.45	2
	46	47	1*	0.75	0.466	2.16	2
	46	47	1*	0.80	0.456	2.31	2
	47	48	1	0.28	0.189	0.61	1
MALRC003	48	49	1	1.69	0.034	0.47	4
	49	50	1	0.14	0.029	0.30	1
	50	51	1	0.17	0.030	0.45	<1
	51	52	1	0.54	0.041	0.20	1
	52	53	1	0.78	0.033	0.08	3
	53	54	1	0.33	0.026	0.05	2
	54	55	1	1.11	0.069	1.71	5
	55	56	1	1.28	0.078	1.52	10
	56	57	1	2.52	0.435	4.44	16
	57	58	1	0.91	1.145	0.84	6
	58	59	1	0.29	0.160	0.23	2
	59	60	1	0.29	0.158	0.13	2
	60	61	1	0.44	0.127	0.13	2
MALRC004	33	35	2	0.20	0.016	0.06	5
	35	37	2	0.30	0.015	0.15	2
	37	39	2	1.66	0.034	0.78	3
	39	40	1	2.80	0.042	0.82	4
	40	41	1	2.06	0.107	2.90	3
	41	42	1*	2.49	0.882	3.54	12
	41	42	1*	2.61	0.938	3.89	13
	42	43	1	0.55	0.272	0.19	2
	43	44	1	0.28	0.420	0.22	1
	45	46	1	0.19	0.198	0.04	<1
	46	48	2	0.30	0.212	0.02	<1
	48	50	2	0.37	0.539	0.04	<1
	50	52	2	1.01	0.737	0.03	2
	52	54	2	0.21	0.656	0.03	1
	54	56	2	0.20	0.568	0.04	<1
	56	58	2	0.30	0.193	0.08	1
	58	60	2	0.66	0.024	0.04	3



Hole_ID	From (m)	To (m)	Width (m)	Gold (g/t)	Copper (%)	Zinc (%)	Silver (g/t)
	60	62	2	0.38	0.319	0.04	1
	62	63	1	0.31	0.189	0.05	<1
	63	64	1	0.84	1.01	0.15	2
	64	65	1	0.28	0.167	0.28	1
	65	66	1	0.06	0.250	0.05	<1
	66	67	1	0.08	0.294	0.03	<1
	67	68	1	0.23	0.464	0.06	<1
	68	69	1	0.45	3.04	0.04	2
	69	70	1	0.27	0.379	0.03	<1
	70	72	2	0.16	0.148	0.02	<1
MALRC005	62	63	1*	0.61	0.067	1.0	6
	62	63	1*	0.71	0.071	0.95	5
	63	64	1	0.40	0.031	0.45	2
	64	65	1	0.35	0.071	0.45	2
	65	66	1	0.42	0.025	0.46	3
	66	67	1	0.18	0.032	0.46	1
	67	68	1	0.15	0.048	0.71	1
	68	69	1	0.07	0.041	0.52	<1
	69	70	1	0.17	0.027	0.36	<1
	70	71	1	0.31	0.039	0.58	1
	71	72	1	0.13	0.032	0.40	<1
	72	73	1	0.07	0.026	0.23	1
	73	74	1	0.13	0.038	0.47	1
	74	75	1	0.28	0.031	0.55	3
	75	76	1	0.18	0.035	0.30	<1
	76	77	1	0.16	0.026	0.26	1
	77	78	1	0.34	0.092	0.50	1
	78	79	1	0.13	0.070	0.47	1
	79	80	1	0.57	0.037	0.37	1
	80	81	1	0.12	0.031	0.11	<1
	81	82	1	0.40	0.141	0.94	1
	82	83	1	0.34	0.104	0.32	1
	83	84	1	0.24	0.202	0.17	1
	84	85	1	0.11	0.059	0.11	<1
	85	86	1	0.12	0.092	0.29	<1
MALRC006	29	30	1	1.29	0.159	1.54	3
	41	42	1*	0.55	0.395	0.39	2
	41	42	1*	0.56	0.375	0.36	1
	42	43	1	0.65	0.660	0.06	1
	43	44	1	0.45	0.350	0.01	<1
	44	45	1	0.99	0.212	0.01	2
	45	46	1	0.58	0.218	0.05	1
	46	47	1	0.30	0.452	0.08	<1
	47	48	1	0.41	0.114	0.13	1
	48	49	1	0.52	0.287	1.02	2
	49	50	1	0.48	0.246	0.38	1
	50	51	1	0.29	0.145	0.16	2

Hole_ID	From (m)	To (m)	Width (m)	Gold (g/t)	Copper (%)	Zinc (%)	Silver (g/t)
	51	52	1	0.18	0.061	0.15	1
	52	53	1	0.21	0.069	0.02	<1
MALRC007	46	48	2	1.04	0.012	0.07	1
	48	49	1	15.5	0.654	12.3	42
	49	50	1	2.03	0.803	1.99	10
	50	51	1	1.52	0.550	9.19	10
	51	52	1*	0.95	0.456	0.74	4
	51	52	1*	0.93	0.443	0.75	4
	52	53	1	0.66	0.358	1.15	3
	53	54	1	1.00	0.310	0.71	2
	54	55	1	0.60	0.424	0.62	4
	55	56	1	0.66	0.195	0.45	2
	56	58	2	0.67	0.159	0.30	3
	58	60	2	0.89	0.327	0.07	<1
	60	62	2	0.23	0.354	0.52	4
	62	64	2	0.10	0.080	0.03	<1
	64	65	1	0.06	0.051	0.05	<1
	65	66	1	0.32	0.084	0.03	5
	66	67	1	0.50	0.660	0.08	2
	67	68	1	0.38	1.015	0.11	2
	68	69	1	0.40	0.503	0.06	2
	69	70	1	0.38	0.564	0.10	5
	70	71	1	0.30	0.400	0.05	<1
MALRC008	46	48	2	0.74	0.108	0.23	5
	54	56	2	0.35	0.012	0.01	1
	68	69	1	0.10	0.032	0.28	1
	69	70	1*	0.99	0.048	0.83	3
	69	70	1*	1.44	0.053	0.98	3
	84	85	1	0.09	0.124	0.05	<1
	85	86	1	0.11	0.104	0.01	<1
	86	87	1	0.30	0.028	0.14	1
MALRC009	5	6	1	0.18	0.062	0.07	2
	6	7	1	0.29	0.131	0.04	4
	7	8	1	0.14	0.071	0.01	<1
	8	9	1	0.18	0.111	0.08	<1
	8	9	1	0.21	0.151	0.09	<1
	9	10	1	0.39	0.306	0.15	2
	10	11	1	0.29	0.095	0.15	1
	11	12	1	0.18	0.064	0.17	<1
	12	13	1	0.06	0.136	0.06	<1
	13	14	1	0.08	0.312	0.02	<1
	14	16	2	0.02	0.313	0.19	<1
	16	18	2	0.05	0.241	0.19	<1
	18	20	2	0.01	0.114	0.31	<1
MALRC010	1	2	1	0.50	0.312	0.16	2
	2	3	1	0.40	0.074	0.03	1

Hole_ID	From (m)	To (m)	Width (m)	Gold (g/t)	Copper (%)	Zinc (%)	Silver (g/t)
MALRC011	18	19	1	0.39	0.056	0.53	8
	19	20	1	0.68	0.101	0.08	1
	20	21	1	0.29	0.078	0.92	1
	21	22	1*	1.96	0.457	1.30	14
	21	22	1*	2.05	0.481	1.27	15
	22	23	1	2.31	0.279	2.56	21
	23	24	1	0.87	0.320	0.39	5
	24	25	1	0.40	0.105	0.15	1
	25	26	1	0.49	1.145	0.12	2
	26	27	1	0.33	0.202	0.20	1
	27	28	1	0.23	0.124	1.58	5
	28	29	1	0.35	0.205	0.16	1
MALRC012	29	30	1	0.49	0.020	0.12	<1
	30	31	1	0.17	0.091	0.74	1
	31	32	1	0.15	0.020	0.03	1
MALRC013	56	57	1	1.59	0.015	0.13	3

Table 3: Selected results used for Table 1 from drilling programme at Mala Prospect; 156 of 266 assays completed; * field duplicate.

COMPETENT PERSON'S STATEMENT

The information in this report that relates to Exploration Results 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 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. 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 Mala Prospect (Vrechia Project) were reported to the ASX on 18 December 2013 [**High Grade Copper-Zinc Mineralisation at Mala Prospect – Vrechia**] under the 2012 JORC Code. There have been no material changes since these results were last reported.*

JORC Code, 2012 Edition – Table 1 report template

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling. Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information. 	<ul style="list-style-type: none"> Reverse circulation drilling was used to obtain one (1) metre samples. >95 % of samples were dry, except MALRC008. Individual metres contained 30 to 40 kg on average. Each metre was logged for geology, magnetic susceptibility and portable XRF (reconnaissance only, so not reportable). Selected metres were then sub-sampled for laboratory assay with dry samples collected using a riffle splitter and wet samples collected by hand. Laboratory samples averaged about 1.2 kg. Certified Reference Material (4.58 g/t Gold, 6.1 g/t Silver, 4241 ppm Copper, 1265 ppm Zinc), blanks and field duplicates were inserted into the laboratory sample stream and showed no anomalies. Samples were assayed by ALS Global with sample preparation and gold assays in Romania and base metals completed in Ireland.
Drilling techniques	<ul style="list-style-type: none"> Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc). 	<ul style="list-style-type: none"> Reverse-circulation (RC) drilling using a 5.5 inch face-sampling bit.
Drill sample recovery	<ul style="list-style-type: none"> Method of recording and assessing core and chip sample recoveries and results assessed. Measures taken to maximise sample recovery and ensure representative nature of the samples. Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material. 	<ul style="list-style-type: none"> Individual metres were captured into large plastic bags. Nearly all samples were dry. Individual metres contained 30 to 40 kg on average. Sample recoveries were consistent and considered very good. Sub-samples for laboratory assay were collected using a riffle splitter for dry material and by hand-grab for wet material.
Logging	<ul style="list-style-type: none"> Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. 	<ul style="list-style-type: none"> Each metre was logged for geology, magnetic susceptibility and portable XRF (reconnaissance only so not reportable).

Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography. The total length and percentage of the relevant intersections logged. 	
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> If core, whether cut or sawn and whether quarter, half or all core taken. If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry. For all sample types, the nature, quality and appropriateness of the sample preparation technique. Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling. Whether sample sizes are appropriate to the grain size of the material being sampled. 	<ul style="list-style-type: none"> Sub-samples for laboratory assay were collected using a riffle splitter for dry material and by hand-grab for wet material. Certified Reference Material (4.58 g/t Gold, 6.1 g/t Silver, 4241 ppm Copper, 1265 ppm Zinc), blanks and field duplicates were inserted into the sample stream and showed no anomalies. It is believed that the sampling methods used were adequate for this type of material. Field duplicates repeated well.
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established. 	<ul style="list-style-type: none"> Samples were assayed by ALS Global with sample preparation and gold assays in Romania and base metals completed in Ireland. Standard sample preparation techniques were employed. Gold was tested using 30 gram fire-assay (Au-AA25). Base and other metals (Ag, As, Bi, Ca, Cd, Co, Cu, Fe, Hg, Mg, Mn, Mo, Ni, P, Pb, S, Sb, Tl, Zn) were tested with a highly oxidizing digestion with ICP-AES finish (ME-ICPORE). Certified Reference Material (4.58 g/t Gold, 6.1 g/t Silver, 4241 ppm Copper, 1265 ppm Zinc), blanks and field duplicates were inserted into the sample stream and showed no anomalies. ALS Global inserted their QA/QC samples into the laboratory sample stream. Portable XRF results are qualitative and not considered reportable.
Verification of sampling and assaying	<ul style="list-style-type: none"> The verification of significant intersections by either independent or alternative company personnel. The use of twinned holes. Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. Discuss any adjustment to assay data. 	<ul style="list-style-type: none"> Field duplicates of high-grade zones repeated well. New results broadly confirm historic results.
Location of data points	<ul style="list-style-type: none"> Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. 	<ul style="list-style-type: none"> Drill collars only surveyed by hand-held GPS. No downhole surveys completed. All maps in UTM Zone 36; WGS 84

Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> • <i>Specification of the grid system used.</i> • <i>Quality and adequacy of topographic control.</i> 	
Data spacing and distribution	<ul style="list-style-type: none"> • <i>Data spacing for reporting of Exploration Results.</i> • <i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i> • <i>Whether sample compositing has been applied.</i> 	<ul style="list-style-type: none"> • No reliable data spacing for the Mala Prospect has been established yet. • Sample compositing was used for some zones where indications of mineralization were weak.
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> • <i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i> • <i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i> 	<ul style="list-style-type: none"> • Information is currently limited to assess these criteria. • It is believed that the current work is a fair assessment of the Mala Prospect.
Sample security	<ul style="list-style-type: none"> • <i>The measures taken to ensure sample security.</i> 	<ul style="list-style-type: none"> • All samples were packed in boxes and hand delivered to the courier.
Audits or reviews	<ul style="list-style-type: none"> • <i>The results of any audits or reviews of sampling techniques and data.</i> 	<ul style="list-style-type: none"> • None

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	<ul style="list-style-type: none"> • <i>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</i> • <i>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</i> 	<ul style="list-style-type: none"> • EA4457 is an exploration licence. The licence is 100 % owned by Treasure Development Limited, which is in turn 100 % owned by BMG. • The Mala Prospect is within government land and is managed by the Forestry Department. It is covered by a Union Nature 2000 birds directive. • The licence is secure with all payments and obligations up to date. • No impediments to exploration are known.
Exploration done by other parties	<ul style="list-style-type: none"> • <i>Acknowledgment and appraisal of exploration by other parties.</i> 	<ul style="list-style-type: none"> • All known historic results have been reported to the ASX by BMG.
Geology	<ul style="list-style-type: none"> • <i>Deposit type, geological setting and style of mineralisation.</i> 	<ul style="list-style-type: none"> • Volcanic-Hosted Massive Sulphide deposit in basalt domain. Sea-floor hydrothermal deposit associated with elevated heat-flow caused

Criteria	JORC Code explanation	Commentary
		by magmatic activity.
Drill hole Information	<ul style="list-style-type: none"> • A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: <ul style="list-style-type: none"> ○ easting and northing of the drill hole collar ○ elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar ○ dip and azimuth of the hole ○ down hole length and interception depth ○ hole length. • If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case. 	<ul style="list-style-type: none"> • All drilling information is provided in the body of the report. • Assayed samples not reported contained only background Gold-Copper-Zinc-Silver and are considered barren.
Data aggregation methods	<ul style="list-style-type: none"> • In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated. • Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. • The assumptions used for any reporting of metal equivalent values should be clearly stated. 	<ul style="list-style-type: none"> • Data aggregation included simple mean of field duplicates. • Some samples were composited in the field.
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> • These relationships are particularly important in the reporting of Exploration Results. • If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. • If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg ‘down hole length, true width not known’). 	<ul style="list-style-type: none"> • The high-grade “black smoker” was probably relatively flat-lying then deposited, but has since been faulted and tilted. The reported widths are considered to closely approximate true widths.
Diagrams	<ul style="list-style-type: none"> • Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views. 	<ul style="list-style-type: none"> • See body of report
Balanced reporting	<ul style="list-style-type: none"> • Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results. 	<ul style="list-style-type: none"> • Apart from the intervals reported in the body of the report the rest of the holes are considered barren for Gold-Copper-Zinc-Silver.

Criteria	JORC Code explanation	Commentary
Other substantive exploration data	<ul style="list-style-type: none"> Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances. 	<ul style="list-style-type: none"> None currently known
Further work	<ul style="list-style-type: none"> The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling). Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive. 	<ul style="list-style-type: none"> Field mapping to understand the location and displacement of faults. Identifying areas covered by Hangingwall Basalt to drill through to intersect uppermost part of Footwall Basalt. Drilling to identify new mineralized domains.