

Investor Presentation June 2019



Chile Lithium Brine

World's Highest-Grade Lithium Brine District

BMG Resources (ASX: BMG)





Exploration Results and Mineral Resources

The information in this report that relates to potential Exploration Results and Mineral Resources has been reviewed by Malcolm Castle, who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Castle has sufficient experience, which is relevant to the style of mineralization and type of deposit under consideration and to the activity, which they are undertaking to qualify as an Expert and Competent Person as defined under the VALMIN Code and in the 2015 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Castle consents to the inclusion in this report of the matters based on the information in the form and context in which they appear. Estimates of aquifer volumes in this report are conceptual in nature.

Forward-Looking Statements

This document may include forward-looking statements. Forward-looking statements include, but are not limited to, statements concerning BMG Resources Limited's planned exploration program and other statements that are not historical facts. Although BMG Resources Limited 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.

No Offer of Securities

The information contained in this presentation is for informational purposes only and does not constitute an offer to issue, or arrange to issue, securities or other financial products. The information contained in this presentation is not investment or financial product advice and is not intended to be used as the basis for making an investment decision. The presentation has been prepared without taking into account the investment objectives, financial situation or particular needs of any particular person.

No warranty of accuracy or completeness

No representation or warranty, express or implied, is made as to the fairness, accuracy, completeness or correctness of the information, opinions and conclusions contained in this presentation. To the maximum extent permitted by law, none of BMG Resources Limited, its directors, employees or agents, nor any other person accepts any liability, including, without limitation any liability arising out of fault or negligence, for any loss arising from the use of the information contained in this presentation. In particular, no representation or warranty, express or implied is given as to the accuracy, completeness or correctness, likelihood of achievement or reasonableness or any forecasts, prospects or returns contained in this presentation nor is any obligation assumed to update such information. Such forecasts, prospects or returns are by their nature subject to significant uncertainties and contingencies.

☑ **COMMODITY - Li**

- The world's highest-grade lithium brine district containing the world's largest lithium producers

☑ **LOCATION**

- Chile is a safe and stable jurisdiction with a well-established mining regulatory regime

☑ **STRONG LOCAL PARTNER**

- Delivering attractive opportunities to add to the portfolio

☑ **ACTIVE TARGETS**

- Drill-ready targets identified, additional acreage acquired and drilling to commence shortly

☑ **VALUE UPSIDE**

- Significant discount to peers with pre-drilling EV of <\$5m

Exposure to the right commodity, in the right location, with the right partner at the right time

Lithium Triangle

The Right Location – Strong Value Upside



- BMG is in good company in the world renowned Lithium Triangle
- SQM and Albemarle are operational in close proximity
- Chilean-focused ASX/ TSX small-cap Li players have delivered strong value upside in recent years
- Trend continues for other companies in the Lithium Triangle (Chile/Argentina/Bolivia)
- Fundamental value in sector has seen some spectacular gains
- BMG entry at very modest value indicates significant upside potential



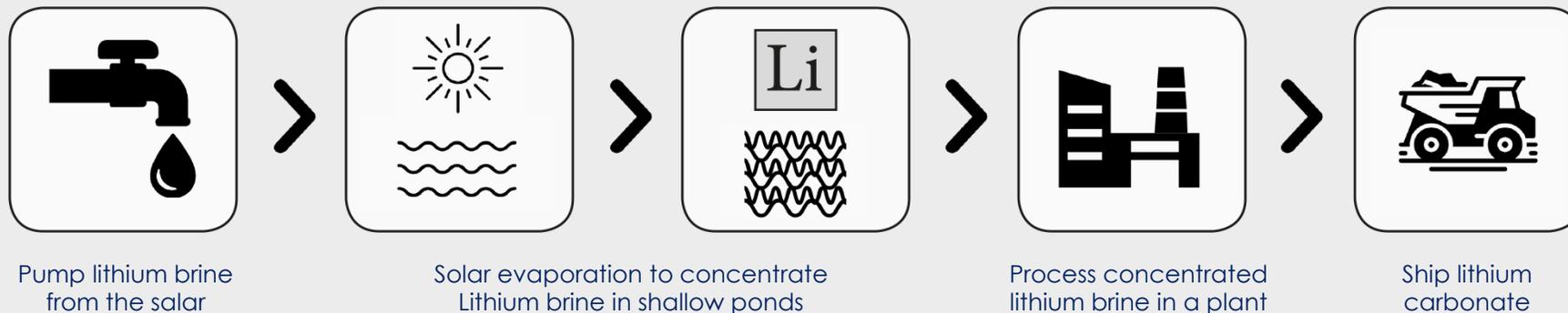
Lithium Brine

Inherent Advantages vs Hard Rock



- Accelerated exploration and development timetable
- Operationally simple
- Significant cost advantages
- Game changing processing technology is near – Direct Extraction
 - Process – 3 hours vs 1 to 2 years
 - Recoveries – 90% vs 40%
 - Environmentally friendly

Conventional Lithium Carbonate Production



3

Li

Lithium
6.941

Lightest metal in the
periodic table

High operating
voltage and high
energy storage density

Perfect for batteries –
light and energetic

DEMAND/ PRICE DRIVERS

- Battery demand for EVs and energy storage driving Li price growth
 - EV driven demand expected to increase significantly by 2025 and beyond (*McKinsey 2018*)
 - Emission policies from major economies driving reform
 - Automotive manufacturer (OEM) significant EV investment
- Decline in battery costs and higher energy density is driving significant Li demand growth
 - Battery costs decreased by over 75% since 2010 to 2017
 - McKinsey estimate a tipping point at US\$100/kWh when EVs will be cheaper than internal combustion engine (ICE) cars – *which is already close at <US\$150/kWh*

BMG's Chilean Lithium Brine Properties

The World's Best Lithium Province

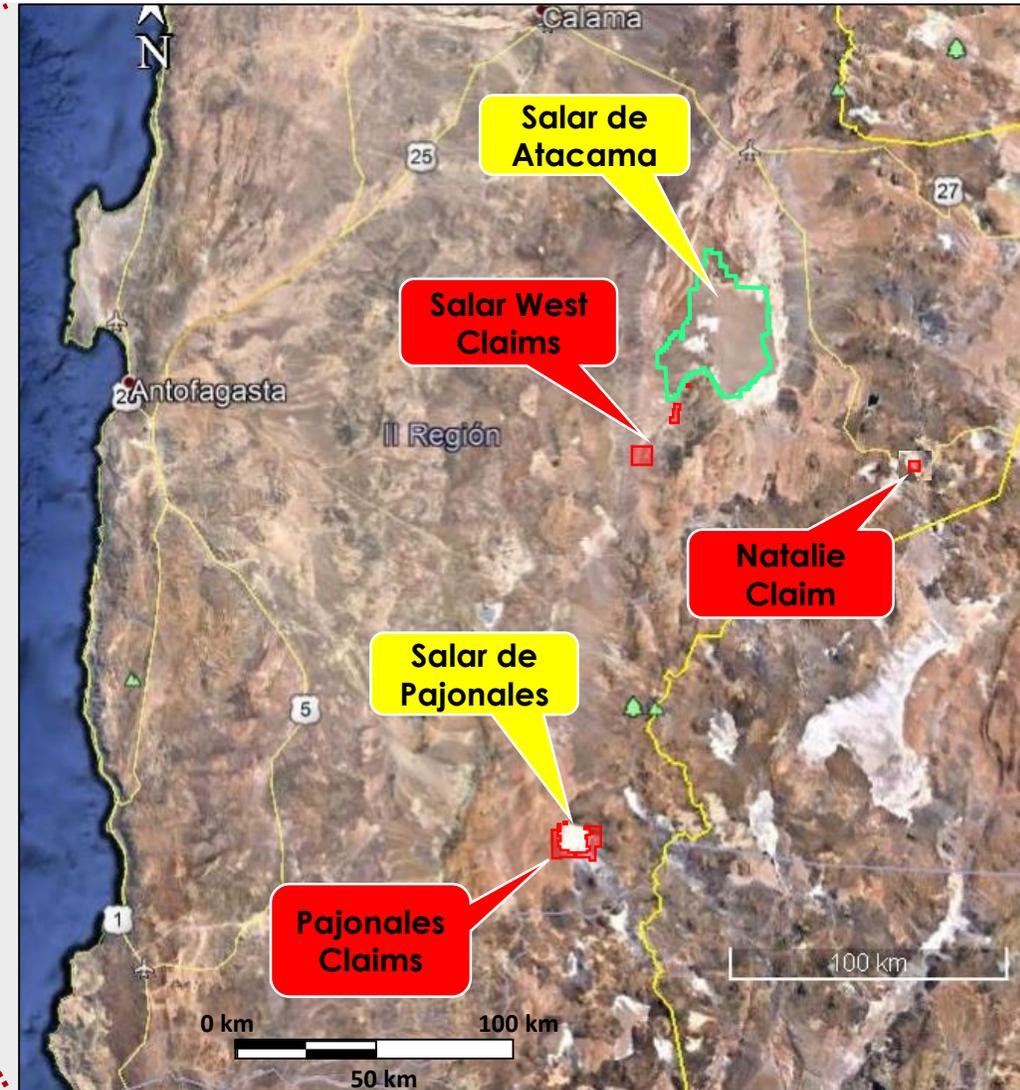


Salar de Atacama

- The world's largest and purest active source of lithium
- Contains c. 27% of global lithium reserves

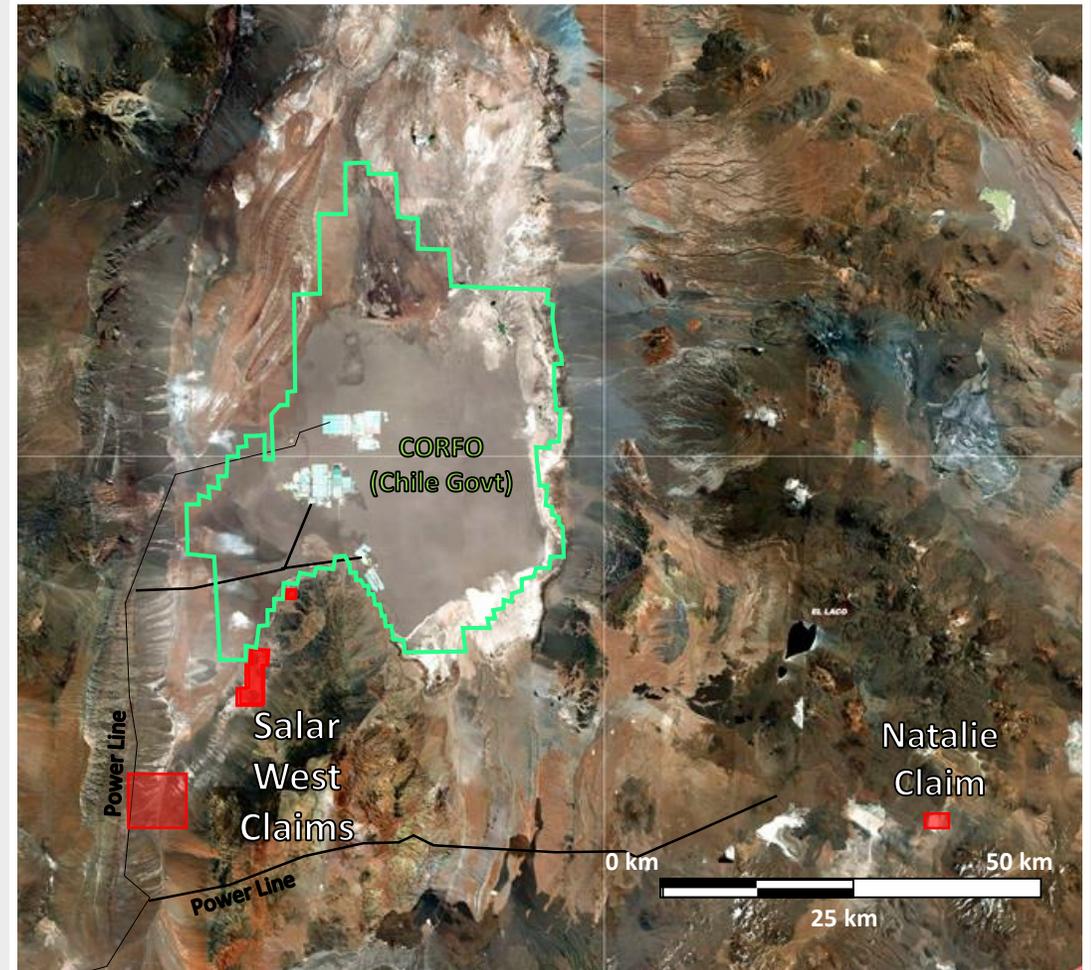


BMG claims:



The Right Neighbourhood

- CORFO – Chilean Economic Development Agency – holds significant area but is not a producer
- BMG's Salar West adjacent to SQM – the world's largest lithium producer
- Major lithium producer Albemarle is also active nearby
 - Holds a CORFO lease to produce 60k tpa of Li carbonate

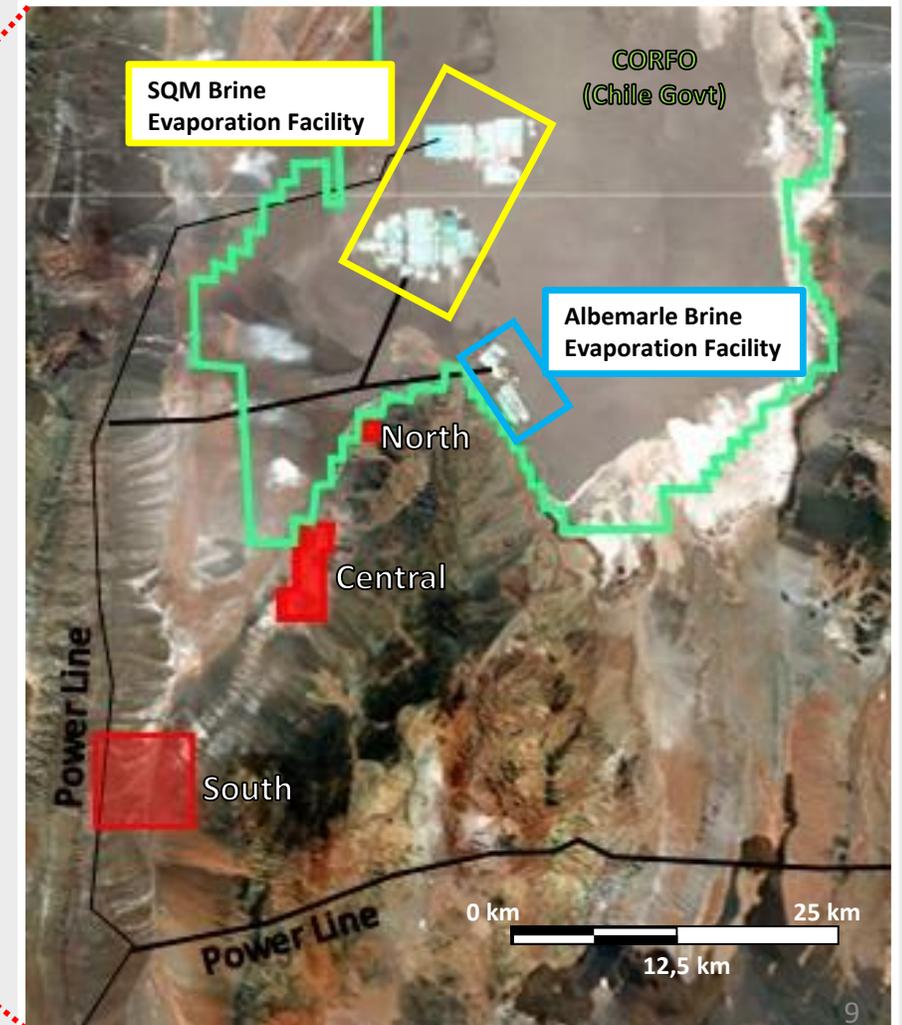
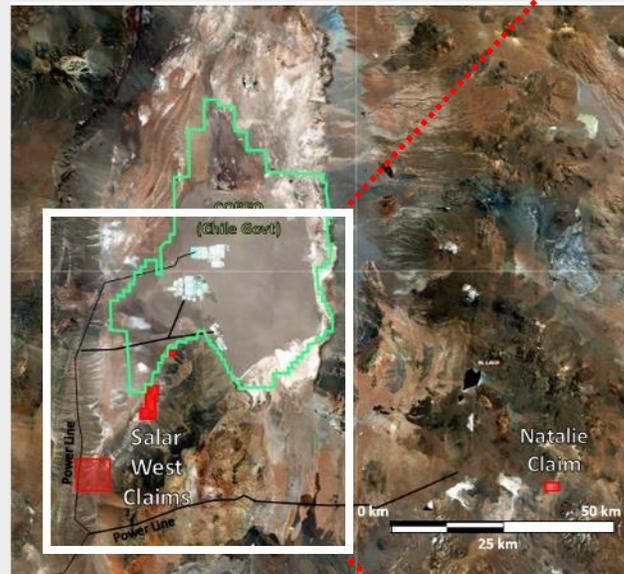


Salar de Atacama – Salar West

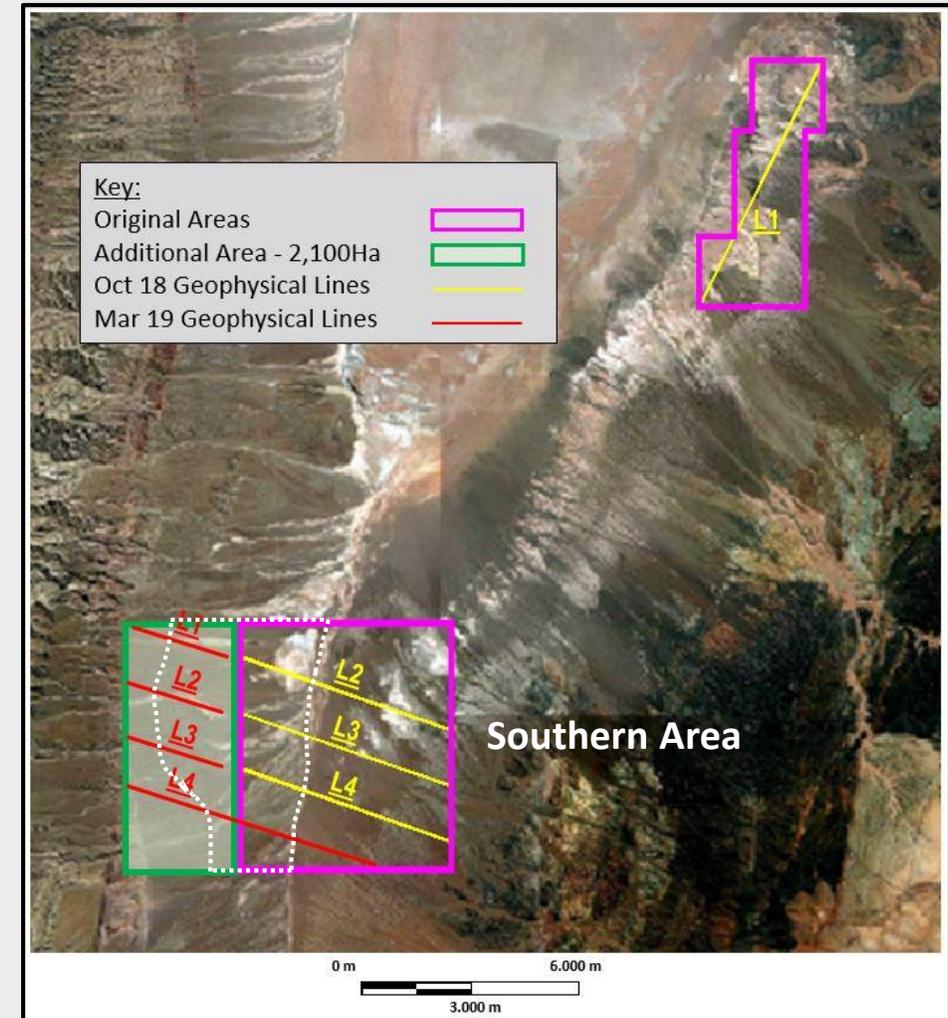
Three areas – North, Central and South



- Salar West claims – 8,000 Ha
- Adjacent to SQM's operations
- Located in the salar basin to the south
- Stage 1 and 2 transient electromagnetic (TEM) geophysical studies completed in Central and Southern areas



- TEM geophysics program confirmed large conductive target prospective for lithium brine production
- All TEM lines in the 6,300Ha Southern Area identified large conductive target beneath shallow dry gravel cover
- Conductive target:
 - Interpreted to be brine hosted in fractured and porous older sediments, where it has migrated south from the salar
 - Varies in thickness between 35m and 200m+, along the TEM lines, extending for over 6 km north-south
- Drilling program (fully funded) imminent:
 - Test the conductive target
 - Obtain samples for lithium brine analysis

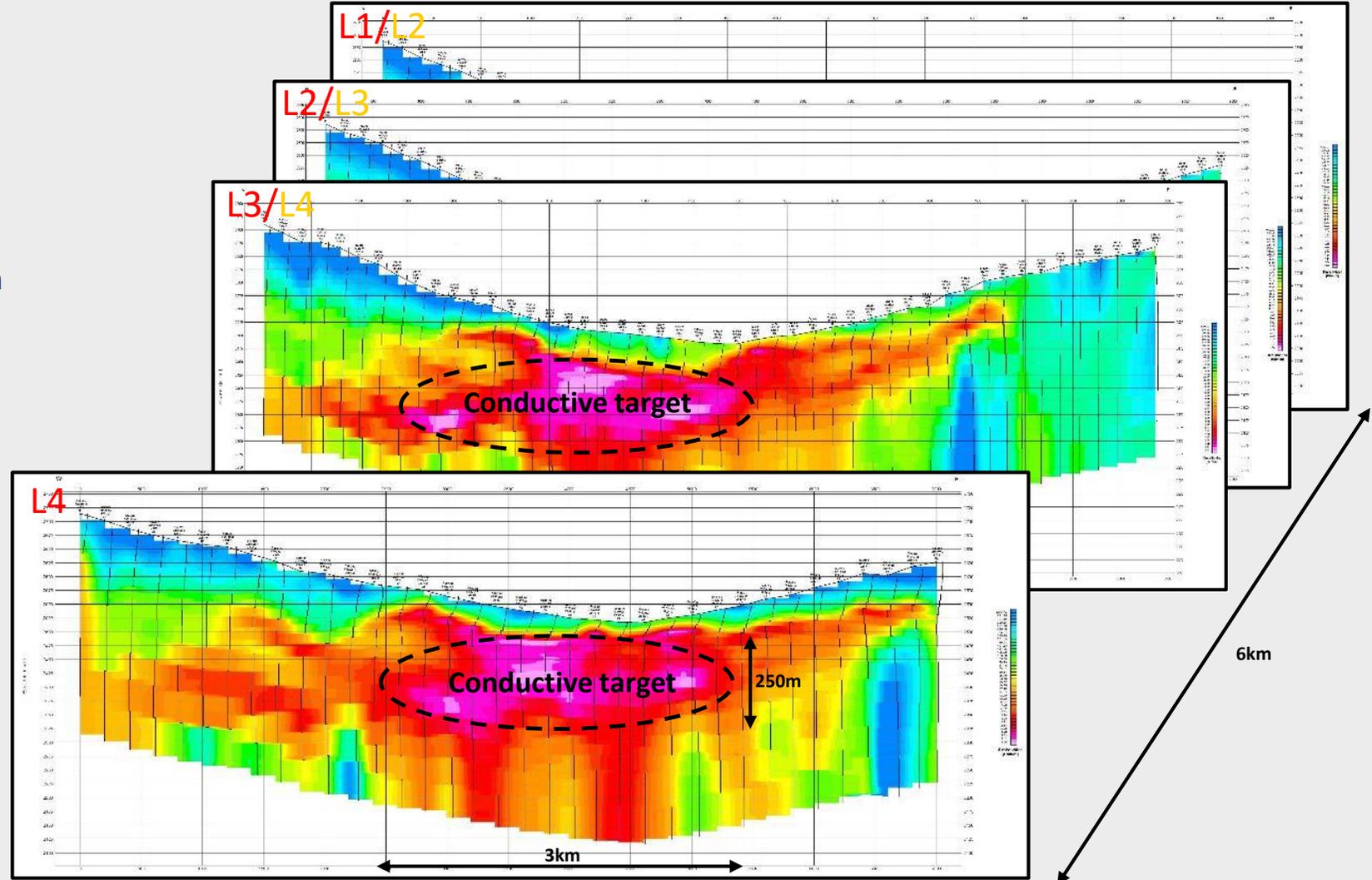


Salar West TEM Geophysical Results

Strong Conductive Targets



- TEM geophysics program confirmed conductive target beneath the low point in the Southern property
- Conductive target potentially represents brine that migrated south along faults and through porous older units outside the salar
- Low resistivity core of the conductive unit is approximately 2 - 3 km wide and 6 km in a North-South direction

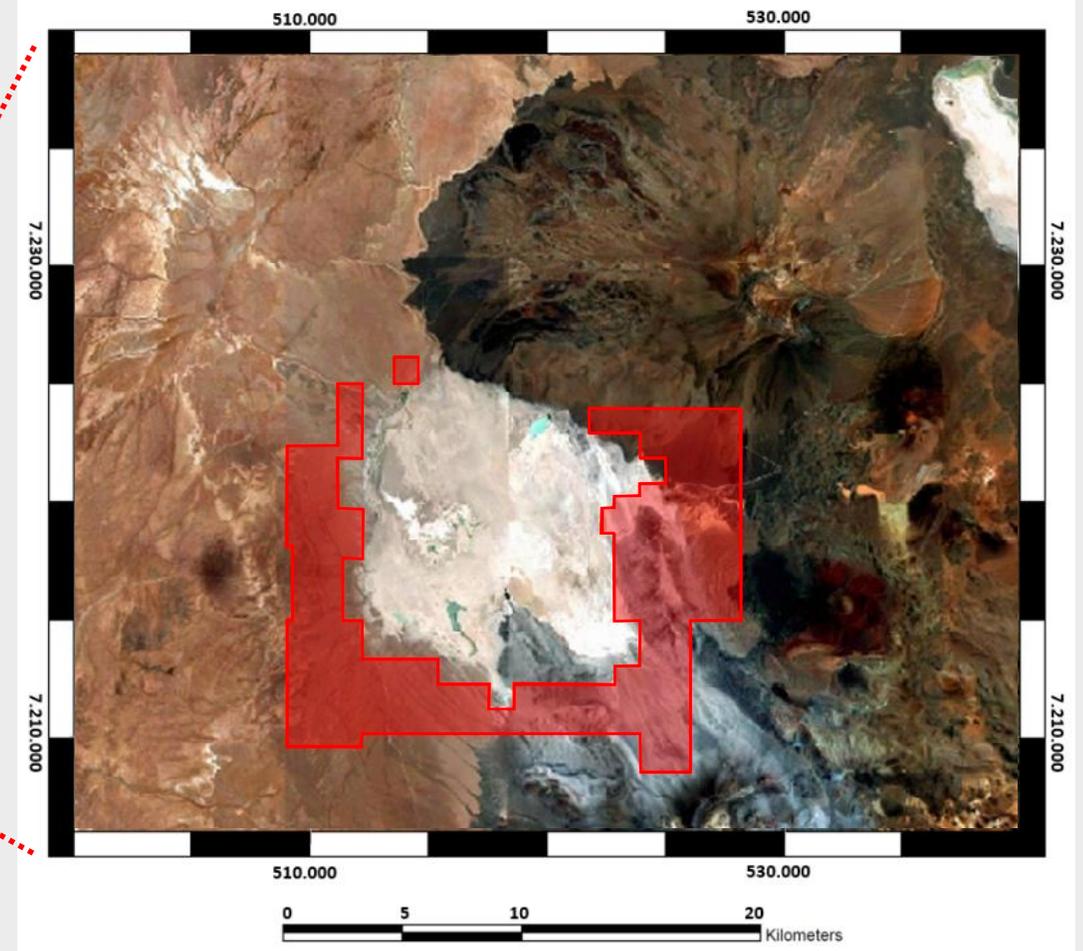


Salar de Pajonales

Pajonales Claims



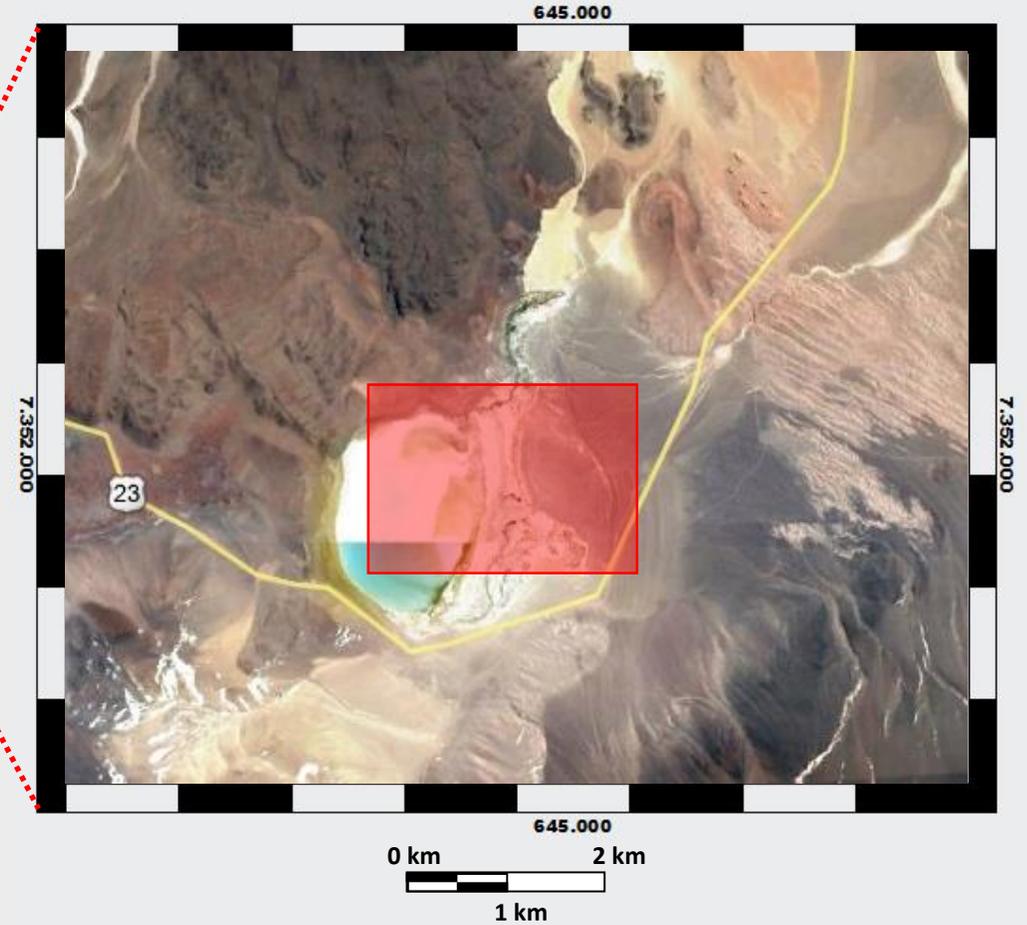
- 11,500 Ha with further areas under review
- Salar de Pajonales has high grade borates and halite deposits
- Geophysics proposed to be undertaken shortly



Salar de Tuyajto Natalie Claim



- 600 Ha covering most of the brine rich salar
- Samples at surface currently being analysed
- Geophysics proposed to delineate depth and size of aquifer



Two Phase Exploration Program Development Timeline



Phase One - 6 months

▪ Salar West

- Initial 2 hole Diamond/ Sonic Drilling to test the centre of the conductivity target
- Resource drilling/ JORC Estimate
- Scoping Work

▪ Pajonales and Natalie

- Geophysics

Phase Two - 6 to 12 months

▪ Salar West

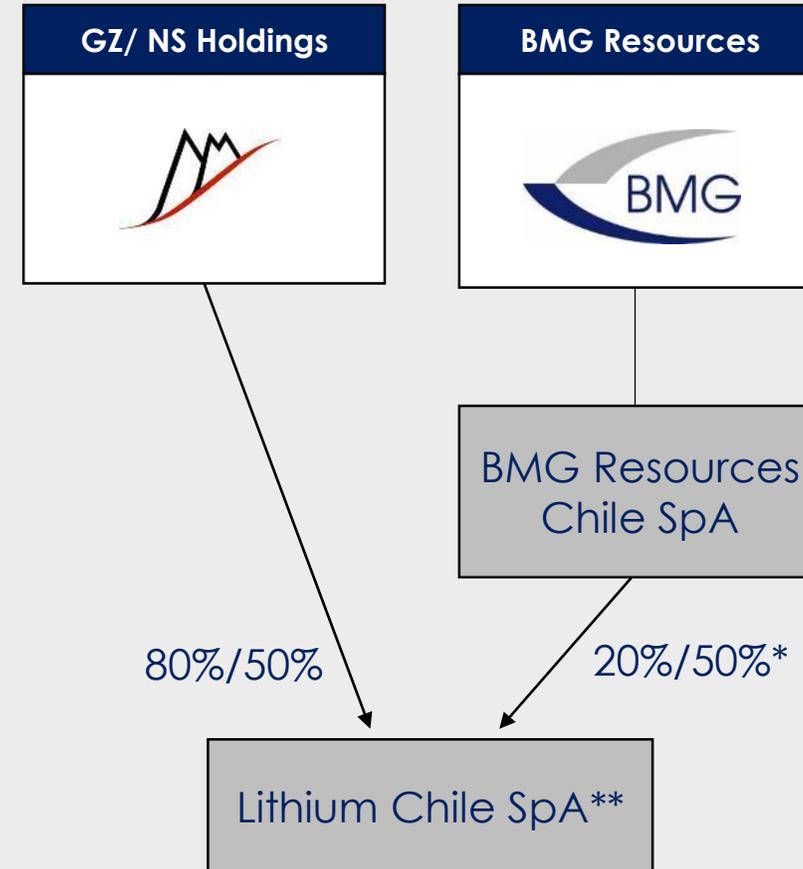
- Pumping tests / Monitoring

▪ Pajonales and Natalie

- Drilling
- JORC Estimate



- Strategic business alliance for lithium brine exploration and development with Lithium Chile SpA (“LCS”)
- BMG right to earn 50% JV interest over 3 years via US\$3.5m investment (at BMG’s discretion)
- LCS:
 - Experienced Chilean geologists
 - Assumed key role in sourcing and delivering additional exploration and development opportunities for BMG
 - Providing management and operational support
- BMG anticipates LCS to continue to provide attractive opportunities to add to its portfolio, having recently increased the acreage by 70% at no additional cost



* Right to earn 20% interest in Year 1 for US\$1.7m (\$0.7m cash/ scrip consideration and US\$1m JV expenditure); and a further 30% interest over 2 years for US\$1.8m (US\$1.5m JV expenditure and US\$0.3m cash/scrip consideration)

**Chilean JV SPV holding 100% of Lithium properties



Greg Hancock
CHAIRMAN

BA (Econs), B.Ed (Hons), F.Fin

- Over 25 years of capital markets experience in Australia and the UK
- Specialist areas of mining and natural resources and the finance and management of small companies
- Joined the board in February 2017, and is currently chairman of Ausquest Limited, and non-executive director of Zeta Petroleum Plc, Strata X Energy Limited, Golden State Mining Limited, Cobra Resources Limited and King Island Scheelite Limited



Bruce McCracken
MANAGING DIRECTOR

Bcom, LLB, MBA, GAICD

- Experienced business executive with over 20 years working across a broad range of industries in senior corporate and specialised investment and corporate advisory roles
- Previous specialist corporate advisory and M&A focus on mining and natural resources and diversified industrials, and project finance for mining projects
- Has practiced as a solicitor in banking and finance, and worked in the private equity sector
- Joined the BMG board in July 2011 and is currently a former director of AssetOwl Limited (previously Regalpoint Resources Limited)



Simon Trevisan
DIRECTOR

BEc, LLb (Hons), MBT

- Managing Director of Tribis and Iris Residential
- Significant experience in the promotion and management of public companies, particularly in mining and oil and gas
- Joined the board in April 2016, and is currently chairman of AssetOwl Limited and non-executive director of Zeta Petroleum Limited



Malcolm Castle
DIRECTOR

BSc (Hons), GSertAppFin (Sec Inst), MAusIMM

- Over 40 years experience in exploration geology and mining project evaluation and development
- Extensive experience across all major minerals classes
- Member of AusIMM and a 'Competent Person' and 'Expert' for JORC and 43-101
- Joined the board in November 2010



- Targeting strategic battery minerals investment opportunities – lithium identified as high priority target
- Transformational JV completed in the world’s best lithium brine district – **The Atacama District, Chile**
 - Host to the world’s highest grade, lowest cost lithium operations
- BMG’s portfolio covers over 20,000 hectares
- Strong local partner provides opportunity to further increase project area
- Lithium outlook remains highly attractive
- Chile is a stable jurisdiction with a well-established mining regime
- BMG is well-positioned for value creation:
 - Lithium peers indicate value potential
 - Current market valuation offers significant upside
 - Work program with re-rating potential

BMG Capital Structure (As at 20 June 2019)

Shares – ordinary issued	557.73m
Options outstanding (Jun 19 @ \$0.02)	346.5m*
Market Capitalisation at 1.2c/share	\$6.69m
Debt	\$0.0m
Cash (31 Mar 2019)	\$1.86m
Stock Code	ASX: BMG
Top 20 Shareholders	61%

** Current proposal to provide new Dec 19 @ \$0.02 Options to holders for \$0.001 per Option upon expiry*



Bruce McCracken

Managing Director

+61 8 9424 9390

enquiry@bmgl.com.au

Tim Dohrmann

Investor Relations

+61 (0) 468 420 846

tim@nwrcommunications.com.au