



## QUARTERLY ACTIVITIES REPORT

**For the Quarter to 30 September 2016**

- Treasure Project in Cyprus proceeding under management of New Cyprus, with BMG retaining a free carried interest
- BMG is actively focussed on identifying and evaluating new investment opportunities for the Company
- The Company has undertaken a review of its strategic capital requirements and is currently evaluating capital initiatives

During the quarter and following the completion of the sale of a majority interest in the Treasure Project in Cyprus during the previous quarter, BMG Resources Limited (the **Company**; ASX: **BMG**) primarily focussed on evaluating new investment opportunities and undertaking a strategic review of its capital requirements.

The Company is currently reviewing a number of potential investment opportunities in the resources and non-resources sectors and is evaluating capital initiatives.

### **TREASURE PROJECT - CYPRUS**

BMG has a 30% interest in the Treasure Project in Cyprus. The Treasure Project's operator, New Cyprus Copper Company Limited (**New Cyprus**), is responsible for maintaining the project and continued progressing the Treasure Project during the Quarter.

The Treasure Project includes nine advanced exploration prospects where copper (+Au-Zn-Ag) was mined after 1920 and eleven other prospects where evidence of similar mineralisation is exposed. In addition, the 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 10 licences for a total of 36.654 km<sup>2</sup>.

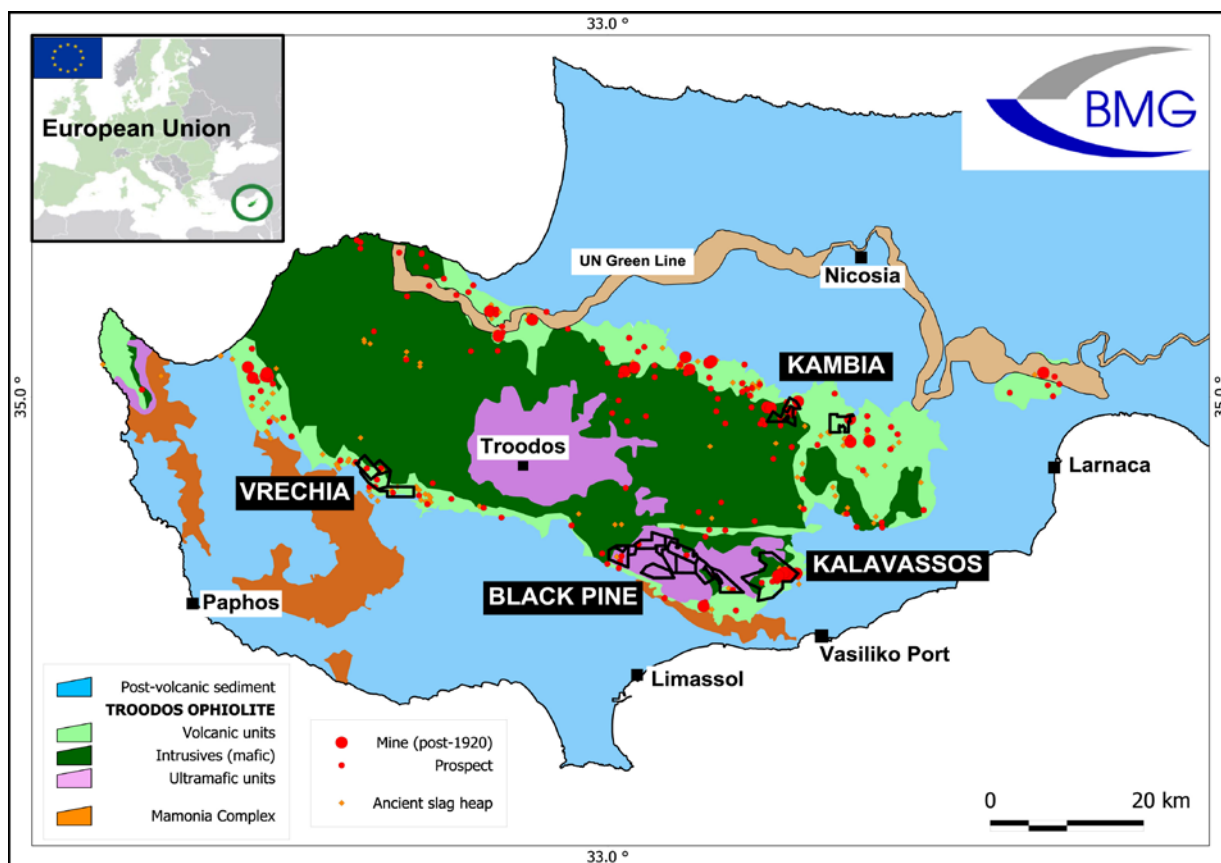


Figure 1: Treasure Project in Cyprus

## CORPORATE

BMG remains committed to securing a new business opportunity. The Company is currently reviewing a number of potential opportunities in the resources and non-resources sectors and is evaluating capital initiatives.

The Company is continuing to manage expenditure very closely with the Transcontinental Group (BMG's major shareholder) providing financial support while a new investment opportunity is secured. Fees to directors and corporate and management fees to the Transcontinental Group continue to be accrued.

## COMPETENT PERSON'S STATEMENT

*The information in this report that relates to Exploration Results and Mineral Resources of the Company 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 mineralisation 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 2012 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.*

## TENEMENTS

The Treasure Project, of which BMG currently owns a 30% interest, now 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		
	EA4594	expired	100		not renewed
	EA4595	expired	100		not renewed
	EA4591	granted	100		granted
	EA4596	expired	100		not renewed
	EA4610	granted	100	replaces EA4314	granted
	EA4612	granted	100	replaces EA4318	granted
<b>VRECHIA</b>	EA4457	granted	100		
	EA4592	expired	100	replaces AE4462	not renewed
	EA4593	expired	100	replaces AE4462	not renewed
	EA4609	expired	100	replaces EA4313	not renewed
<b>KALAVASSOS</b>	AE4607	granted	100	replaces AE4547	granted
	AE4608	granted	100	replaces AE4547	granted
<b>KAMBIA</b>	EA4447	granted	100		
	EA4448	granted	100		renewed
	EA4611	expired	100	replaces EA4315	not renewed

## ENDS

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# 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")

**30 September 2016**

### Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'000	Year to date (3 months) \$A'000
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for (a) exploration & evaluation	-	-
	(b) development	-	-
	(c) production	-	-
	(d) administration	(25)	(25)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	-	-
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other (provide details if material)	-	-
<b>Net Operating Cash Flows</b>		<b>(25)</b>	<b>(25)</b>
<b>Cash flows related to investing activities</b>			
1.8	Payment for purchases of:	-	-
	(a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.9	Proceeds from sale of: (a) prospects	-	-
	(b) subsidiary	-	-
	(c) other fixed assets	-	-
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other (written off cash in subsidiary)	-	-
<b>Net investing cash flows</b>		<b>-</b>	<b>-</b>
1.13	Total operating and investing cash flows (carried forward)	<b>(25)</b>	<b>(25)</b>

+ 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)	(25)	(25)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	-
	<b>Net financing cash flows</b>	-	-
	<b>Net increase (decrease) in cash held</b>	(25)	(25)
1.20	Cash at beginning of quarter/year to date	29	29
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	<b>Cash at end of quarter</b>	4	4

**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	-
1.24	Aggregate amount of loans to the parties included in item 1.10	-
1.25	Explanation necessary for an understanding of the transactions	

**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	349
3.2	Credit standby arrangements	-

+ See chapter 19 for defined terms.

### Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	-
4.2 Development	-
4.3 Production	-
4.4 Administration	20
<b>Total</b>	<b>20</b>

### 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	4	29
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (Security Deposit for Bank Guarantee)	-	-
<b>Total: cash at end of quarter (item 1.22)</b>	<b>4</b>	<b>29</b>

### 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	<b>Preference securities</b> (description)				
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3	<b>+Ordinary securities</b>	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	<b>+Convertible debt securities</b> (description)				
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	<b>Options</b> (description and conversion factor)	500,000	-	Exercise price \$0.35	Expiry date 13 December 2016
		500,000	-	\$0.50	31 December 2017
		500,000	-	\$0.35	
		500,000	-	\$0.40	
		500,000	-	\$0.45	
		1,000,000	-	\$0.50	
		300,000	-	\$0.35	15 December 2016
		300,000	-	\$0.40	15 December 2016
		300,000	-	\$0.45	15 December 2016
		800,000	-	\$0.50	15 December 2016
7.8	Issued during quarter				
7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	<b>Debentures</b> (totals only)				
7.12	<b>Unsecured notes</b> (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.



31 October 2016

Sign here: ..... Date: .....  
(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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