



ASX ANNOUNCEMENT

15 APRIL 2016

COMPLETION OF CYPRUS DIVESTMENT AND BOARD CHANGES

BMG Resources Limited (**ASX: BMG or the Company**) has now completed the sale of a majority interest in its Cyprus Copper and Gold Project (**Treasure Project**) to New Cyprus Copper Company Ltd (**New Cyprus**) as previously announced - refer ASX release on 31 December 2015.

The key commercial terms for the divestment are as follows:

- New Cyprus has acquired an initial 70% interest in Treasure Development Limited (**TDL**), previously a wholly owned Cyprus subsidiary company of BMG which owns the Treasure Project
- New Cyprus has assumed ongoing responsibility for all costs and liabilities associated with the operation of TDL and the Treasure Project, including exploration expenditure and maintaining the tenements in good standing
- New Cyprus will pay BMG €35,000 within 5 days of completion and assume c.\$100,000 of liabilities relating to the Treasure Project
- New Cyprus will undertake a 2 year exploration program as agreed between the parties. Once completed, BMG will transfer to New Cyprus an additional 20% of the TDL (bringing New Cyprus's interest to 90%) and retain a 10% free carried interest in TDL
- New Cyprus may increase its interest in TDL to 100% by acquiring the remaining 10% of TDL by either:
 - Payment to BMG of \$2 million in cash within 12 months of reaching its 90% interest; or
 - Payment to BMG of a 1% Net Smelter Royalty from any future production until \$2 million is received by BMG plus a 10% share of any profits generated during this time

Following the completion of the Cyprus sale the Company has undertaken a board restructure as it focusses on new business opportunities. Christopher Eager and Michael Green will step down from the Board, effective immediately, and Simon Trevisan will join the Board as a director. Mr Trevisan is the Managing Director of the Transcontinental Group.

Mr Eager and Mr Green both joined the Board in early 2013 when BMG acquired the Treasure Project, and the Company thanks them for their valuable contributions throughout that time.

BMG is currently undertaking a review of capital initiatives and remains focussed on securing new business opportunities for the Company. BMG is currently reviewing opportunities in both the resources and non-resources sectors and will update when appropriate and as matters progress.

*****ENDS*****

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