



13 August 2014

DRILLING AT PEVKOS INTERSECTS SULPHIDE TARGETS IN ALL HOLES

- **All five holes at Pevkos Prospect successfully intersected the predicted sulphide-rich zones**
- **164 samples submitted for assay; results pending**
- **Drilling now underway at Mala Prospect testing for Copper-Gold in VHMS system**

Cyprus-focussed exploration company BMG Resources Limited (ASX: BMG) (**BMG or the Company**) is pleased to inform shareholders that the RC drilling programme at the Pevkos Prospect to test for Nickel-Copper-Cobalt-Gold sulphide mineralisation has been completed. Five (5) RC holes were completed for a total length of 911 metres, with three (3) holes targeted at the Eastern Lode and two (2) holes targeted at the Western Lode. **All holes intersected sulphide-rich zones.** 164 samples have been submitted for assay with results pending. Subsequently, the drill-rig mobilised to BMG's Mala Prospect and commenced drilling to test for Copper-Gold in the Volcanic-Hosted Massive Sulphide system.



Figure 1: Drilling the Western Lode at the Pevkos Prospect; looking north (PEVRC004)

PEVKOS PROSPECT

The Pevkos Prospect lies within an ultramafic-serpentinite complex adjacent to a large mafic (predominantly dolerite) intrusive complex. Two zones (Eastern and Western Lodes) of Nickel-Copper-Cobalt-Gold sulphides were previously identified within the ultramafic complex. BMG’s drilling has confirmed the sub-surface continuity of significant sulphide material within the ultramafic unit at both the Eastern and Western Lodes. All sulphide material within the ultramafic unit appears to have been introduced along fracture-fault zones. Additional sulphide-rich zones were also found in the mafic intrusive complex within a few metres of the geological contact and also at the contact. Observations from the completed drilling are consistent with the Pevkos Prospect being an orthomagmatic deposit.

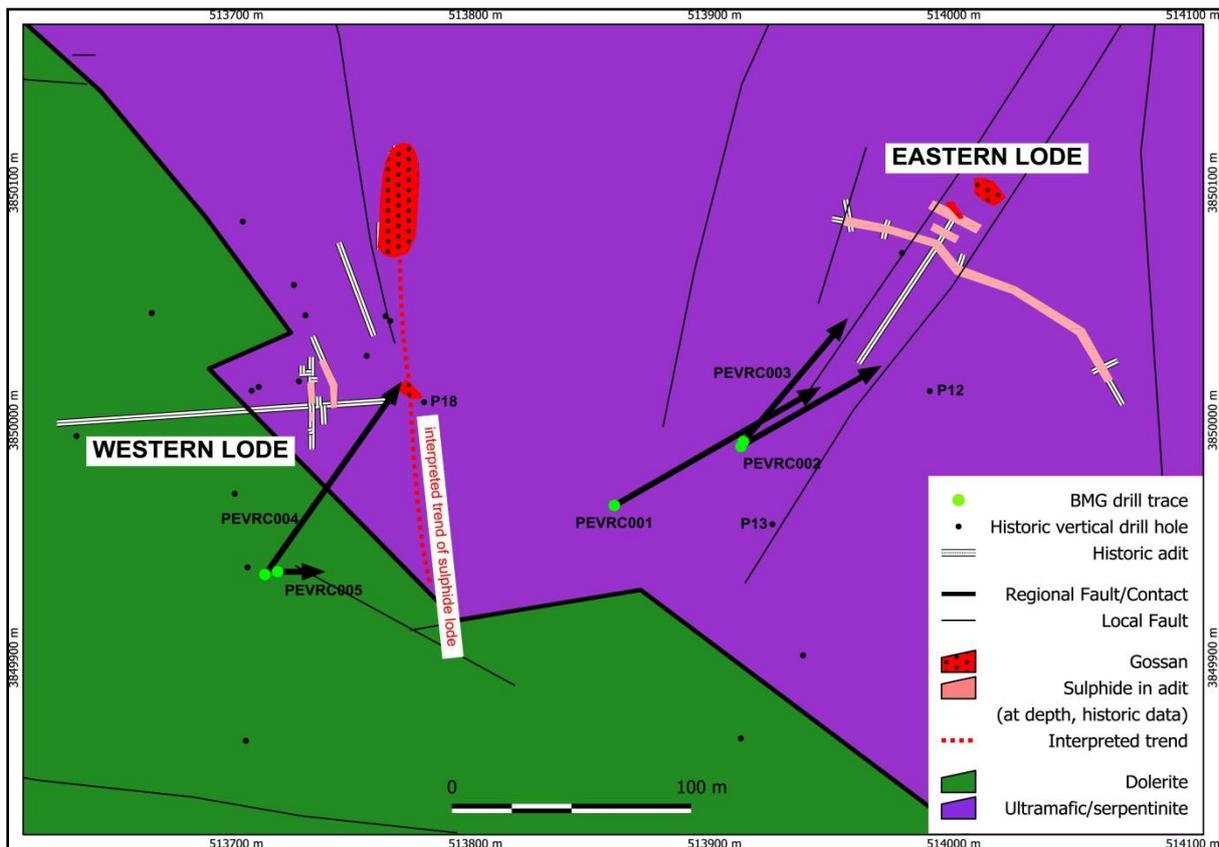


Figure 2: Location of drill holes at Pevkos Prospect with revised geological map

EASTERN LODGE

The first two drill holes were targeted at a very strong Transient ElectroMagnetic (TEM) conductor, which was interpreted to be the strike and down-dip extension of the Nickel-Copper-Cobalt-Gold-rich sulphide material exposed near the historic Eastern Lode workings. Both drill holes intersected a broad alteration zone containing variable amounts of sulphide, but included sub-zones with significant sulphide content. The sulphide zone appears to explain the presence of the TEM anomaly and correlates with the down-dip extension of the exposed sulphide mineralisation. The sulphide intersection in PEVRC001 suggests a down-dip extent of at least 180 metres. The results are also consistent with historic drilling at Pevkos, and show that some historic drill holes, such as P13, were too shallow to reach the main sulphide mineralisation.

A third hole was drilled at the Eastern Lode to intersect the sulphide zone identified in PEVRC002, but approximately 30 metres further north and directly beneath the exposed gossan. This hole also intersected a broad sulphide-bearing alteration zone with a sub-zone containing significant sulphide mineralisation.

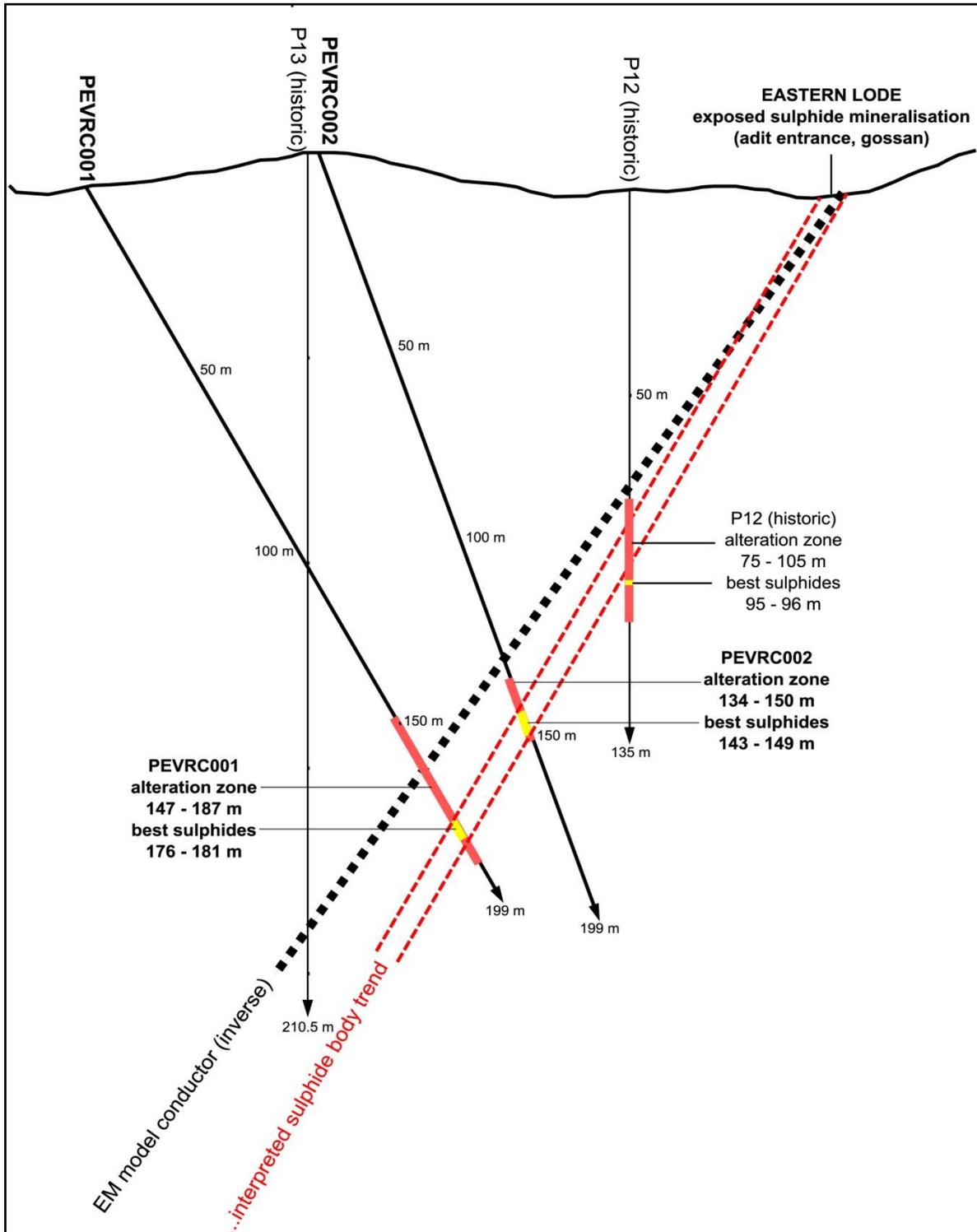


Figure 3: Section looking west showing preliminary drilling results at the Eastern Lode.

WESTERN LODE

Two holes were drilled into the Western Lode targeting areas where historic work had previously identified sulphide mineralisation. PEVRC004 was targeted beneath an exposed gossan and near the old workings. PEVRC005 was targeted to test the southerly mineralised trend defined by the alignment of gossan outcrops, but 80 metres south of any known gossan outcrop. Both holes were collared in the dolerite unit and drilled into the ultramafic unit. Both holes hit broad sulphide-bearing zones in the ultramafic unit with sub-zones containing significant sulphide mineralisation. Additional narrow zones within the ultramafic also contained visible sulphides. Importantly, sulphide-rich zones were found within the dolerite unit near the contact with the ultramafic and also along the contact with the ultramafic unit.

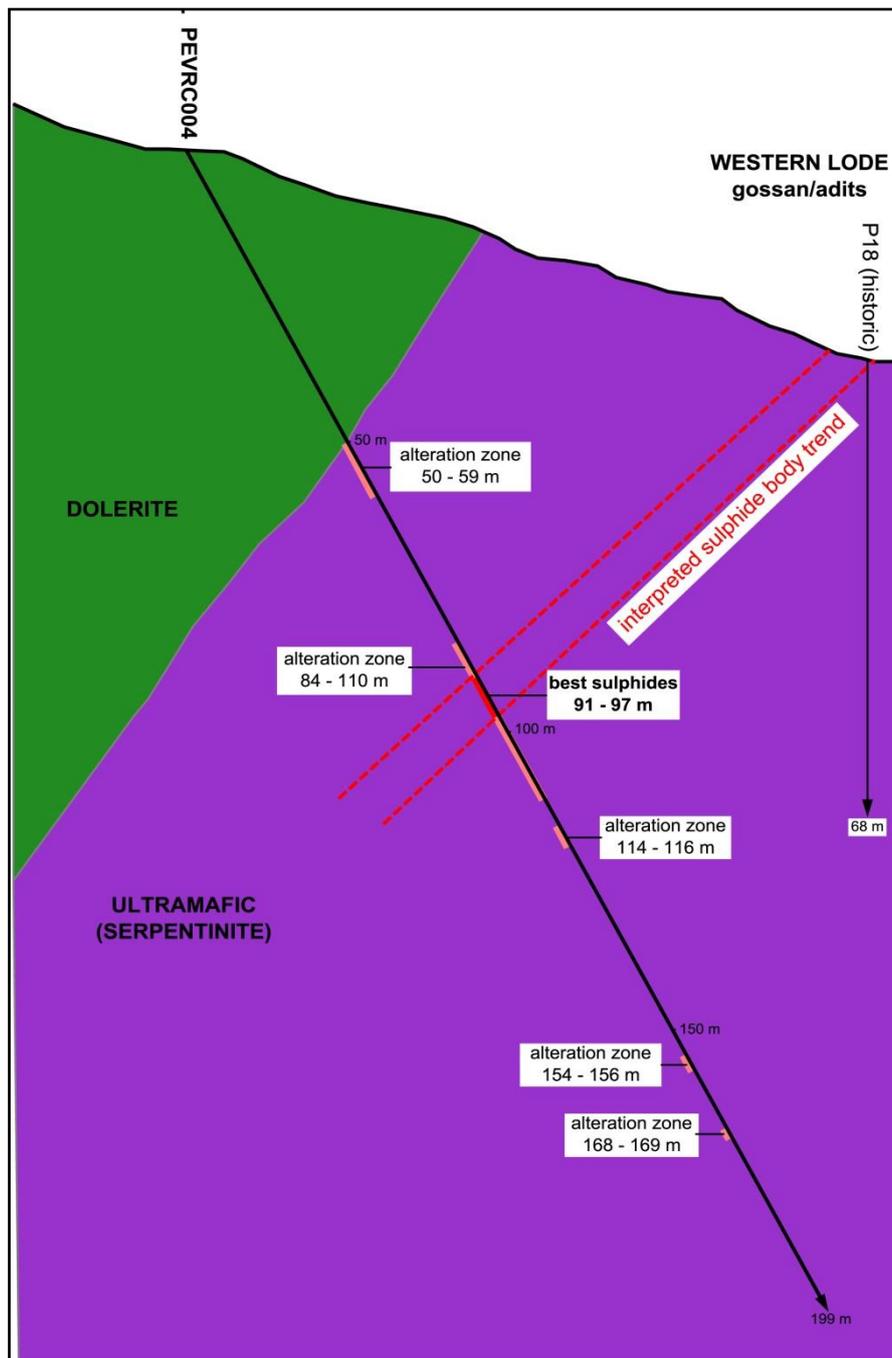


Figure 4: Section looking west showing preliminary drilling results at the Western Lode.

Hole ID	East	North	Dip	Azimuth	Depth
PEVRC001	513858	3849964	60°	060°	199
PEVRC002	513911	3849989	70°	060°	199
PEVRC003	513912	3849991	70°	040°	199
PEVRC004	513712	3849935	60°	035°	199
PEVRC005	513707	3849936	80°	090°	115

Table 1: Drill hole information. Co-ordinates in WGS84, Zone 36N and collected with handheld GPS. Holes not surveyed.

ENDS

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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 a full-time employee and executive director of BMG Resources 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.