



16 July 2014

**CONTRACTOR NOW ON SITE AT PEVKOS AND PREPARING TO DRILL
NICKEL-COPPER-COBALT-GOLD SULPHIDE TARGETS THIS WEEK**

BMG Resources Limited (ASX: BMG) ("**BMG**") is pleased to advise that the contractor has arrived on site and that drilling is anticipated to commence at the Pevkos Prospect (Black Pine Project) in Cyprus by the end of the week. The Pevkos drilling will be immediately followed by drilling at the Mala Prospect (Vrechia Project).

Drilling at Pevkos is targeting two discrete zones about 250 metres apart where massive and disseminated sulphides were discovered in the 1950s. Recent assays have demonstrated very high-grade Nickel-Copper-Cobalt-Gold from sulphide material found at surface or in waste dumps. The main targets are strong Transient-ElectroMagnetics (TEM) conductors which modelled as a >300 metre down-dip extension of the exposed eastern zone. The western zone will be targeted where historic drilling and tunnels intersected significant sulphides.

The main target at Mala is within and adjacent to the abandoned open-cut mine where a zone of massive pyrite containing >2 % Copper was previously identified. Recent work indicates that Gold is associated with the Copper. Other high-priority massive sulphide targets within 250 metres of the mine will also be investigated.

More than 20 holes have been planned for a 2,000 metre RC programme. The first assays are expected in August.

BMG will provide further updates as the drilling progresses.

ENDS

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