



ASX ANNOUNCEMENT

28 May 2019

## BMG completes Chilean lithium joint venture and prepares for maiden drilling

- Formal Joint Venture documentation executed with Lithium Chile SpA over Chilean lithium brine projects
- Project area spans three claims over more than 20,000 hectares in Chile's "lithium triangle"
- Maiden drilling program at Salar West anticipated to commence within the next month, with first results expected early in Q1 FY20

BMG Resources Limited (ASX: BMG) (**BMG or the Company**) is pleased to announce it has formally commenced the Chilean lithium brine joint venture with Lithium Chile SpA (LCS) following execution of full formal documentation.

BMG entered a binding agreement with project owner LCS in 2018 to form a JV to progress and develop three Lithium brine projects, and executed a revised binding term sheet in February 2019 after undertaking due diligence investigations, an initial geophysical survey at Salar West, and expanding the project area.

The project area spans over 20,000 hectares across three claims in the Salar de Atacama, Salar de Pajonales and Salar de Tuyajto – Natalie in the Chilean region of the 'Lithium Triangle' - a region of the Andes encompassing parts of Northern Chile, southwest Bolivia and northwest Argentina, which is host to more than 50% of the world's lithium resources and the largest and highest grade lithium brine deposits in the world.

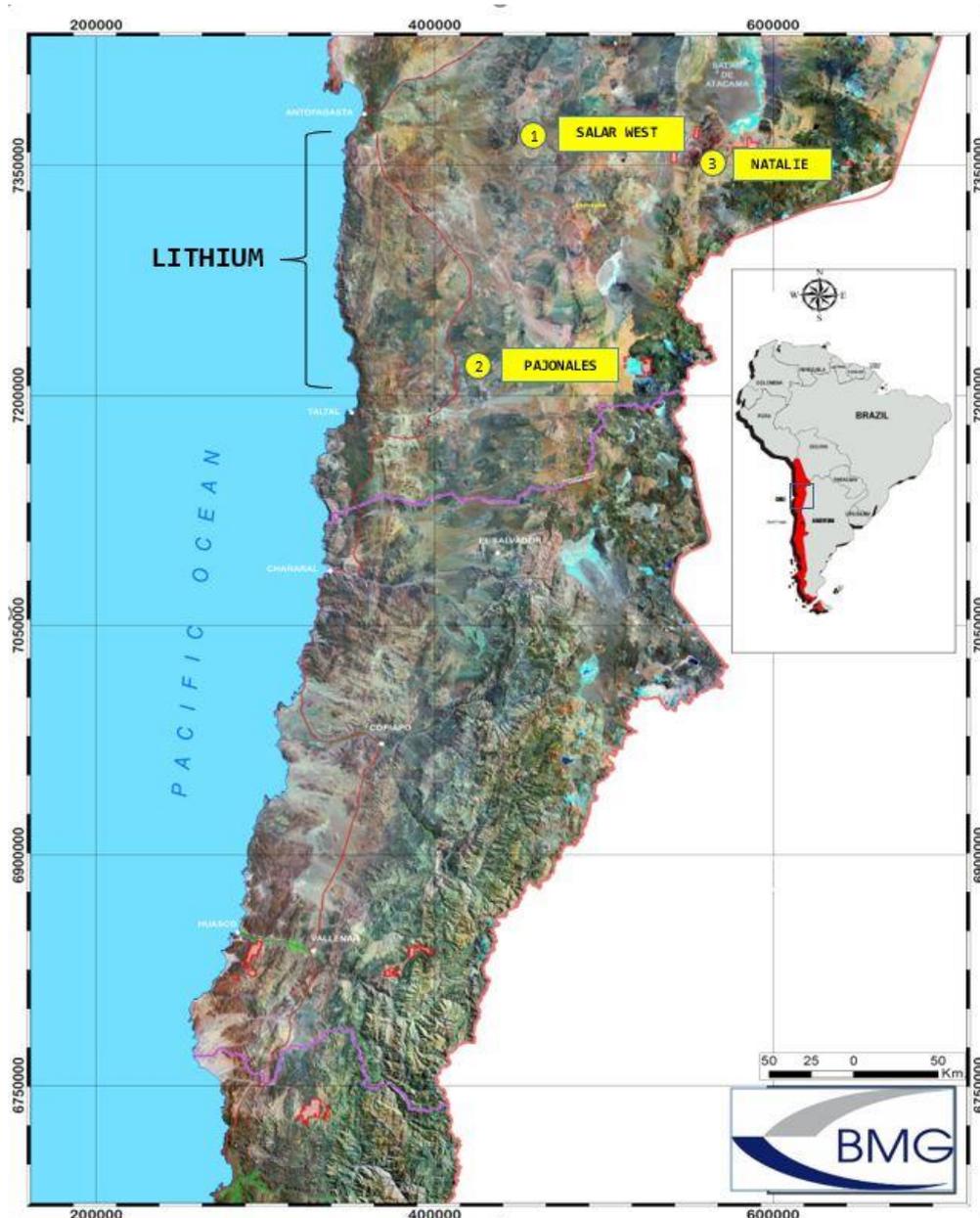
BMG is now preparing for its maiden drill program which is expected to commence within the next month. The drilling program is anticipated to comprise 2 diamond holes of around 200m each in the key conductive units in the Southern area (4,200 Ha) of Salar West identified in the recent geophysical surveys undertaken by BMG – refer ASX announcement on 8 April 2019. The initial drilling is expected to take 2 to 3 weeks from commencement, with first results to follow soon thereafter.

**BMG Managing Director, Bruce McCracken, said:**

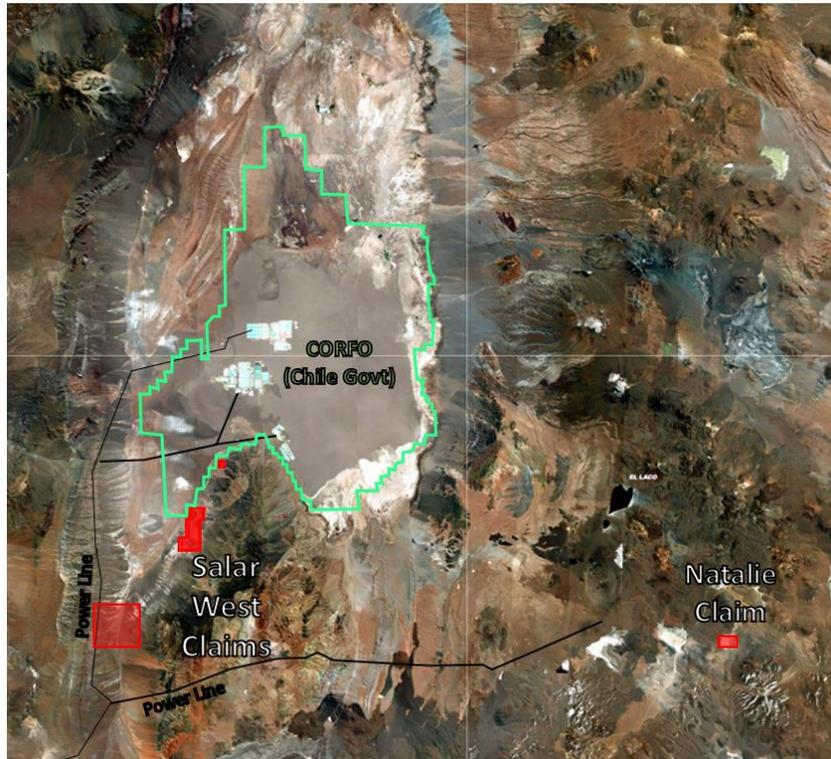
*"We are excited to have formalised our joint venture agreement with Lithium Chile SpA, and are now finishing preparations for our first drilling program at Salar West, which we expect to commence within the next month.*

*“Surveys we completed during due diligence identified a consistent strongly conductive unit on the southern properties, so we look forward to drilling this area with the support of our JV partners to gain a closer understanding of the scope of potential lithium resources.”*

BMG will invest US\$3.5 million over 3 years to earn a 50% interest in the projects – refer to ASX announcement on 11 February 2019 for the detailed terms.



**Figure 1 - Lithium JV Project Areas, Chile**



*Figure 2 - Location of the Salar West properties in the Salar de Atacama, Chile*

**\*\*\*ENDS\*\*\***

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