

## Treasure Copper Gold Project Cyprus



Sheared gossan with malachite at Laxia  
*Black Pine Project*

**January 2013**  
**ASX: BMG**

Vrechia Mine  
*Vrechia Project*

# TREASURE PROJECT OVERVIEW



- **Volcanic Hosted Massive Sulphides (VHMS) and shear hosted copper-gold project in Cyprus**
  - ✓ Mix of advanced and high potential exploration areas covering over 200km<sup>2</sup>
  - ✓ High grade copper and gold assays from key zones
  - ✓ Walk up drill target at Black Pine project (Laxia Prospect)
  - ✓ 1km strike x 150m width part of 5.5km long mineralised zone within licences.
- **Strong potential for high grade economic deposits**
  - ✓ Sampled grades as high as 18% Cu, and average 3.4% Cu from adits - (Black Pine – Laxia prospect)
  - ✓ High Au grade of 17g/t Au from a surface sample Average of 3.1g/t Au for all surface rock chip samples (Black Pine – Laxia prospect)
  - ✓ Nickel and cobalt credits in many samples
- **Near term production potential with good infrastructure and toll treatment options**



# ***TREASURE PROJECT OVERVIEW***

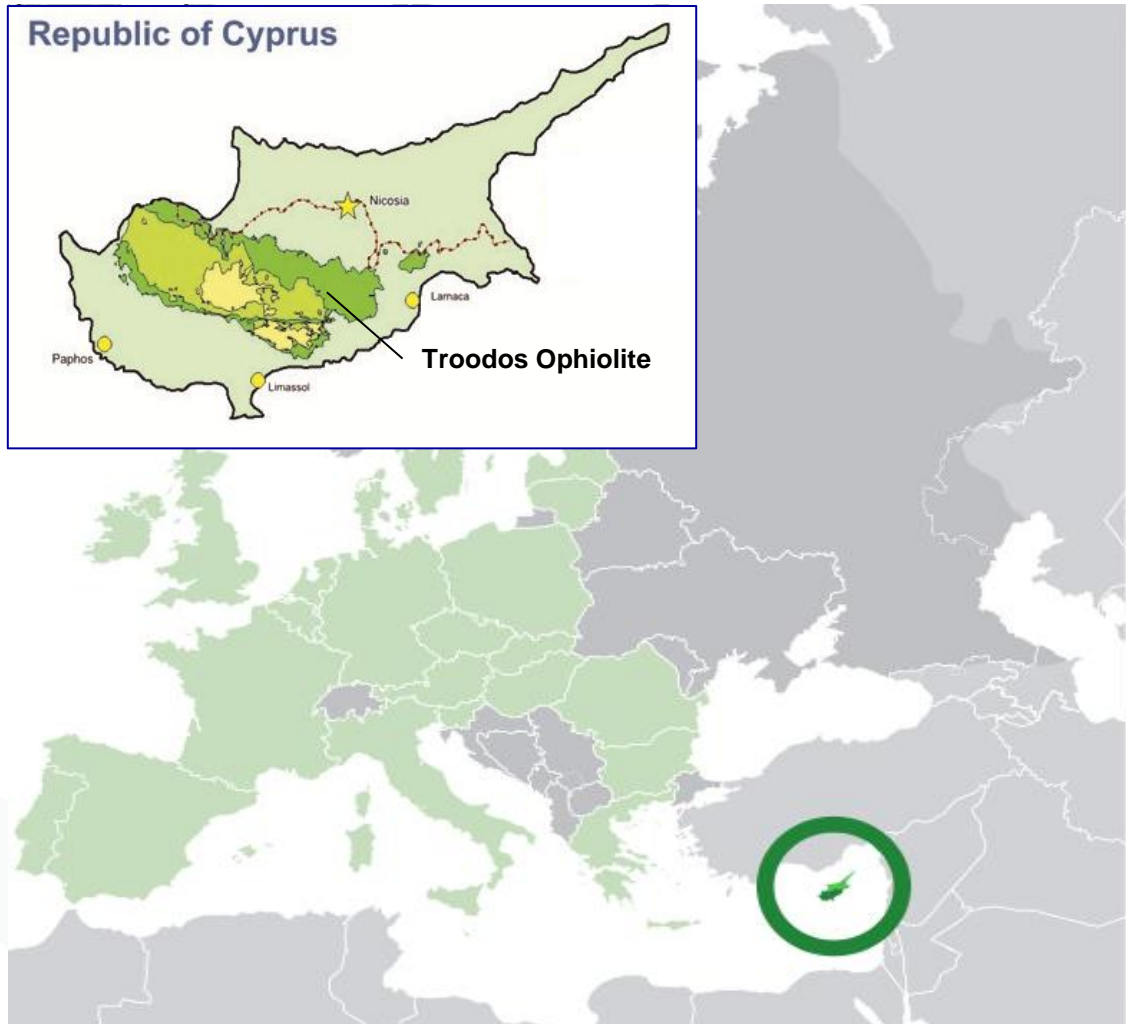
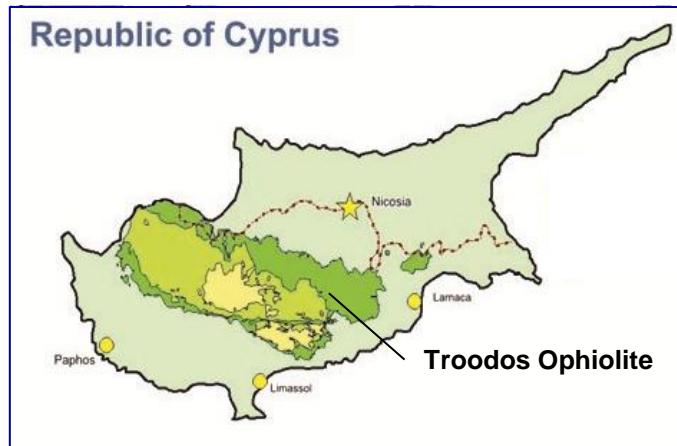


- **Highly Commercial acquisition terms linked to mining success**
  - ✓ Initially comprising \$400k cash and \$450k scrip
  - ✓ Upon BFS being completed further \$750k in scrip contingent
- **Experienced Management Team with strong commercial and technical strength**
- **New Appointment** - Chairman Mr Chris Eager
  - ✓ Mining Engineer, extensive corporate, copper/gold mining and mine development experience and expertise
  - ✓ Founding CEO Rio Blanco Porphyry copper project from IPO to takeover by Chinese investors
- **New Appointment** - Chief Operating Officer Dr Michael Green
  - ✓ Geologist with 15 years exploration experience, particularly copper, gold and nickel, 4 years experience with Treasure Project
  - ✓ Will be Cyprus based

# REPUBLIC OF CYPRUS

## GENERAL OVERVIEW

- Cyprus was a British protectorate and Crown Colony from 1878 to 1960 – a boost to modern mining
- Independence granted in 1960 with strong Greek influence
- Military coup in 1974 backed by Greece prompted invasion by Turkish forces
- UN monitored buffer zone in place
- Joined the EU in 2004
- **Security of tenure guaranteed**
- Legal system a mix of English common law and civil law
- Population of around 1.12m (2011) and area of 9,251km<sup>2</sup>



# REPUBLIC OF CYPRUS

## MINERAL RESOURCES



- Long known for rich VHMS copper deposits since the Bronze Age hosted by Troodos Ophiolite
- Circa 66 million tonnes of copper ore mined in Cyprus since 1921
- 27 significant copper mines have been developed in the 20th Century with an average grade of 2.0% Cu
  - Skouritissa Mine continues in production as a heap leach operation
- The largest 8 surface and underground mines have accounted for most of the copper production at an average grade of 3.0% Cu
- Mining sector underdeveloped – minimal exploration from mid 1970s to 2005

Mine Name	Type	Avg. Cu (%)	Tonnes Treated (000's)	Cu Tonnes (000's)	Period
Mavrovouni	Underground	4.50	16,510	743	1929-1974
Skouriotissa	Underground/Surface	2.50	6,780	170	1921-1974
Limni	Surface	1.11	8,140	90	1937-1979
Kalavassos	Underground	1.75	1,910	33	1937-1966
Mousoulos	Underground	1.75	1,660	29	1964-1976
Lefka A	Surface	2.00	1,150	23	1968-1974
Apliki	Surface	1.80	1,060	19	1968-1971
Kokkiniyia	Underground	2.00	480	10	1973-1979
		<b>Ave 3.0%</b>	<b>37,700</b>	<b>1,117</b>	



Skouritissa mine



# CYPRUS

## *STRONG MINING HERITAGE*



West of Kambia Project



KOKKINONERO MINE



LIMNI MINE

West of Vrechia Project

Mathiatis Mine - Kambia Project



Kalavassos Mine – Black Pine Project

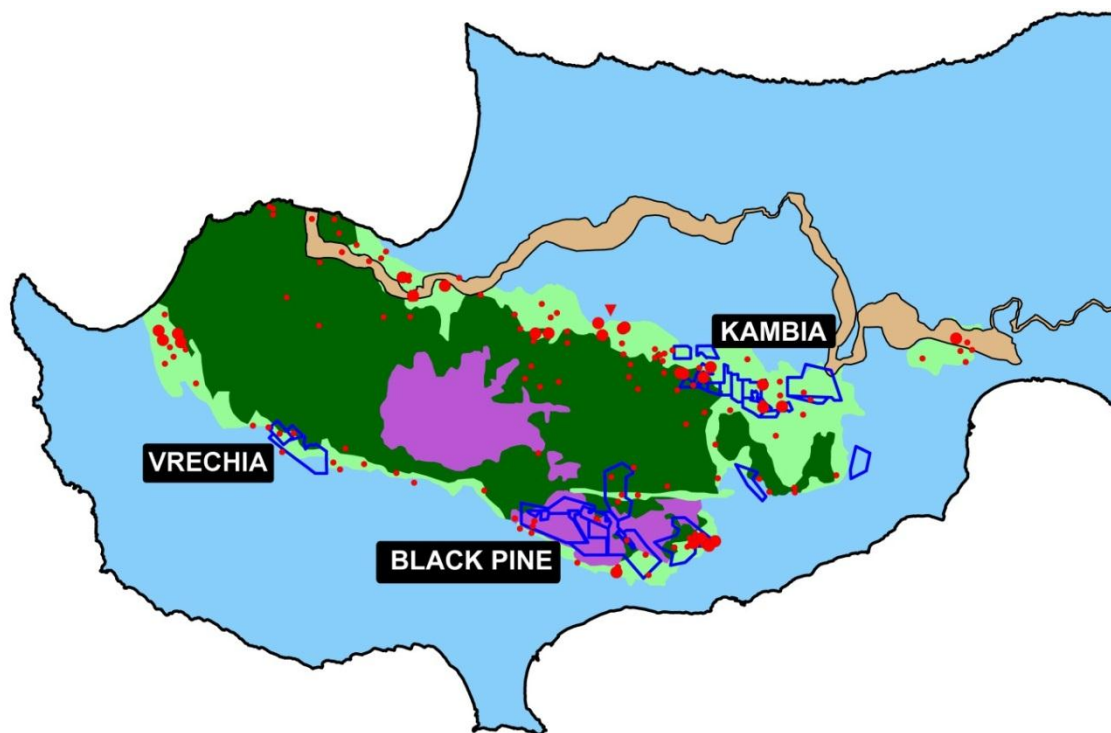


# TREASURE PROJECT

*VHMS and shear hosted Cu/ Au deposits with High Grade/  
Large Tonnage Potential*



- Regional mineralisation defined by the Troodos Ophiolite Complex
- Cu/Au VHMS and shear hosted deposits, with significant Ni and Co credits
- Treasure Project prospects sit within key areas for Cu/Au deposits Au , Ni and Co not included in the mineral inventory and remain underexplored
  
- **Three key project areas**
  - **Black Pine Project**
    - Laxia Prospect
    - Pevkos Prospect
  - **Kambia Project**
    - Mathiatas Prospect
    - Kappedhes Prospect
    - Agrelloti Prospect
    - Milestone 16 Prospect
  - **Vrechia Project**
    - Vrechia Mine Prospect



Source: SRK Consulting Independent Geologist's Report

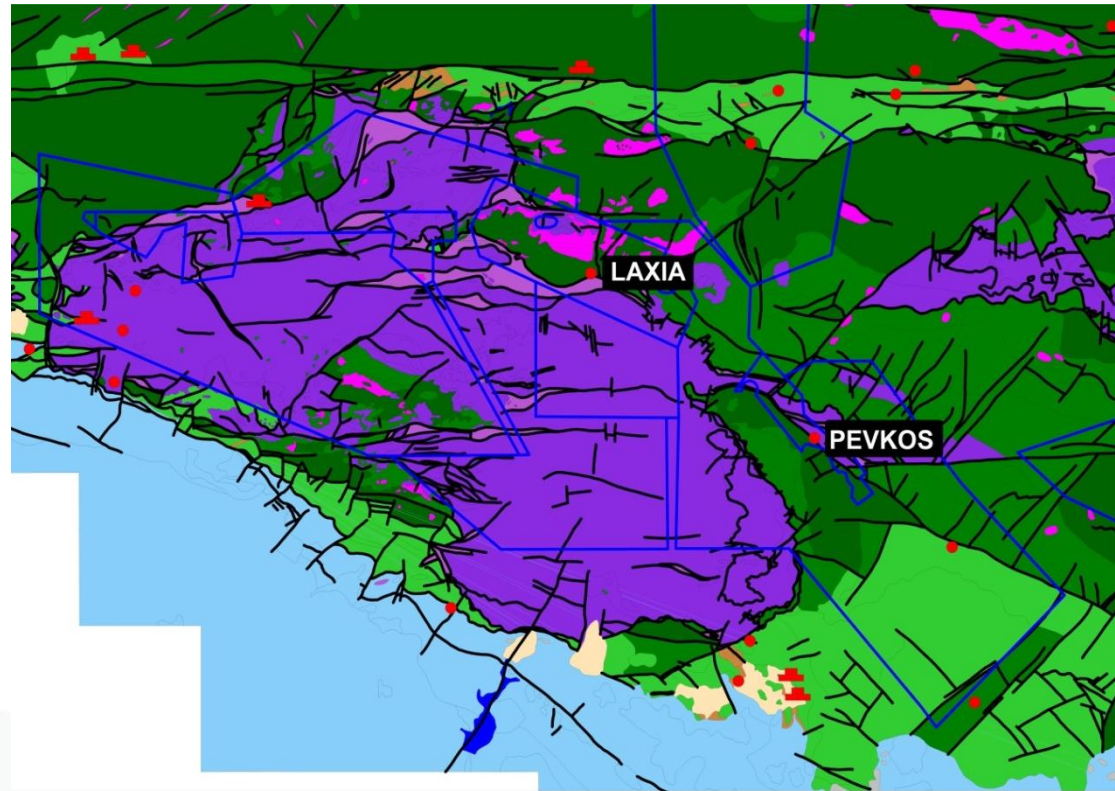
# BLACK PINE PROJECT

## *PRIMARY TARGET – LAXIA to PEVKOS*



### Black Pine Project

- Laxia drill target forms part of a 5.5km long mineralised zone extending to Pevkos
- **Reconnaissance sampling between Laxia and Pevkos confirms the continuity of the zone with reconnaissance mapping and sampling**
- Drilling at Laxia includes 16 diamond holes in 1951-52 and 1977 and 22 diamond holes at Pevkos in 1951
- 880m of adits were completed at Laxia, 640m of adits were completed at Pevkos
- The mineralisation is hosted by a shear zone breccias within serpentinite





# BLACK PINE PROJECT

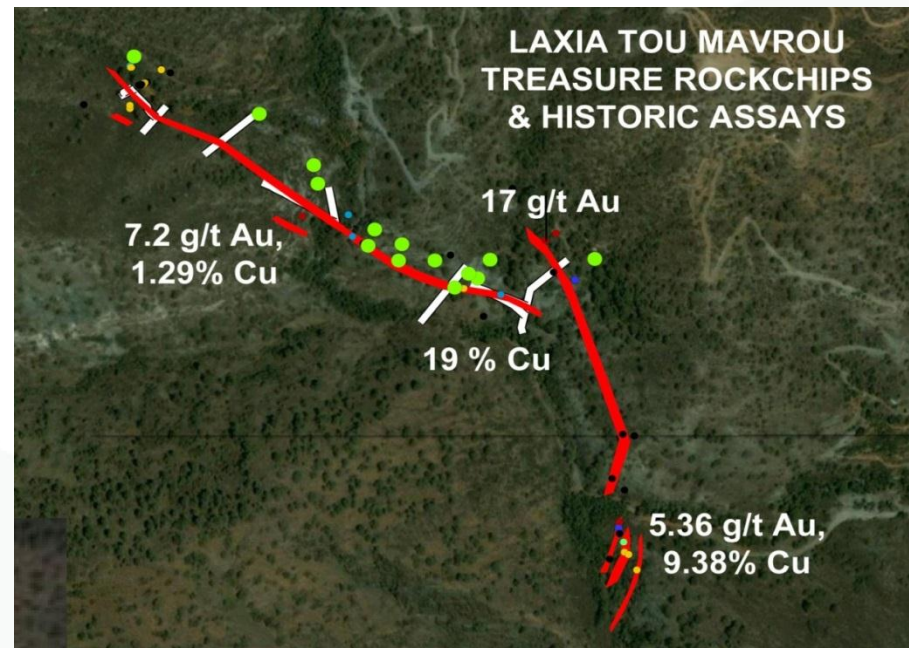
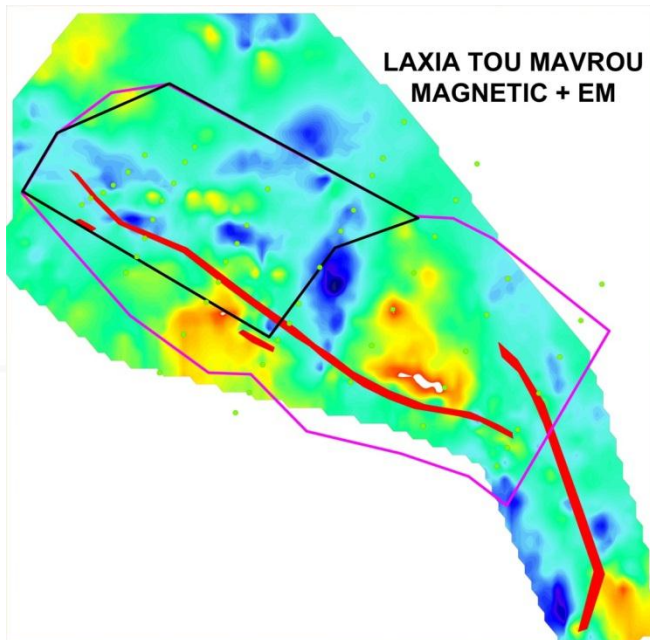
## PRIMARY TARGET – LAXIA PROSPECT



- Laxia has a 'walk-up' drill target defined by surface sampling, ground magnetics, previous drilling and adits within a significant zone of mineralisation
  - Immediate target area along 1km strike x 150m width
  - Gossans have been traced for 1400 metres
  - Ground EM surveys have defined the mineralisation



Outcropping gossan with up to 17g/t Au



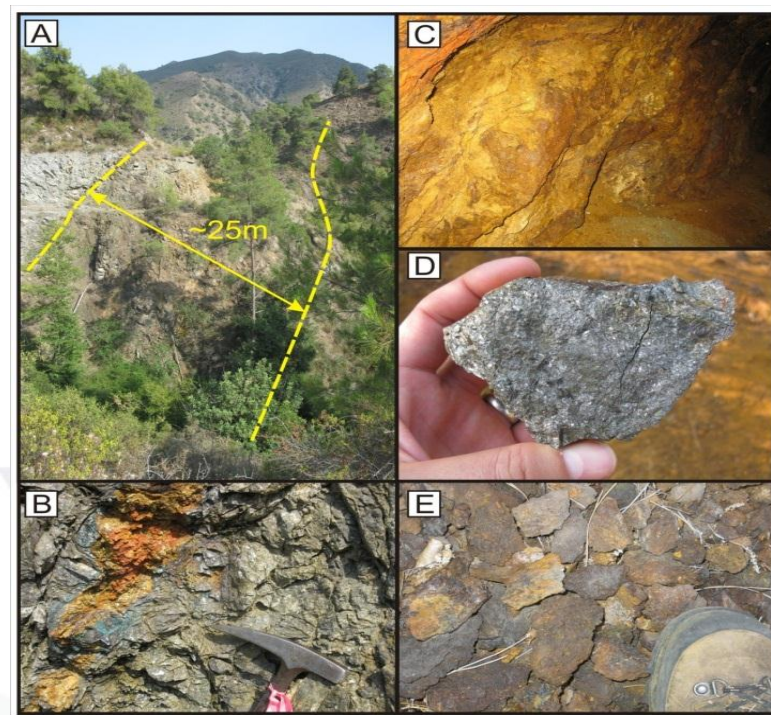
# BLACK PINE PROJECT

## LAXIA - ADIT CHANNEL SAMPLE RESULTS



- Adits (horizontal access tunnels) through the mineralised zone show wide, rich zones of copper confirmed by historical drill holes
  - Weighted average for **all** adit samples was **2.94% Cu over 122.3 metres**
- Laxia adit sampling included the following intervals:

Adit	Location		From	To	Interval (m)	Cu (%)
	Easting	Northing				
BΣ1b	510280	3852667	5	20	15	7.45
BΣ3	510278	3852656	13	35	22	4.27
ΓΣ1a	510048	3852775	43	54	11	3.02
ΓΣ3	509804	3852947	9	13.7	4.7	2.41
ΓΣ3a	509791	3852943	0	10	10	1.55
ΓΣ4a	509831	3852910	4	21	17	1.33
ΓΣ4a	509831	3852910	32	47	15	2.51
Weighted Average					94.7m	3.44%



- A. Looking SE, Cu-stained (malachite) and sheared gossan outcrop
- B. Sheared gossan with malachite
- C. Massive sulphide in adit ΓΣ3
- D. Massive pyrrhotite ± chalcopyrite from adit ΓΣ3
- E. Gossan which returned 17 g/t from sampling

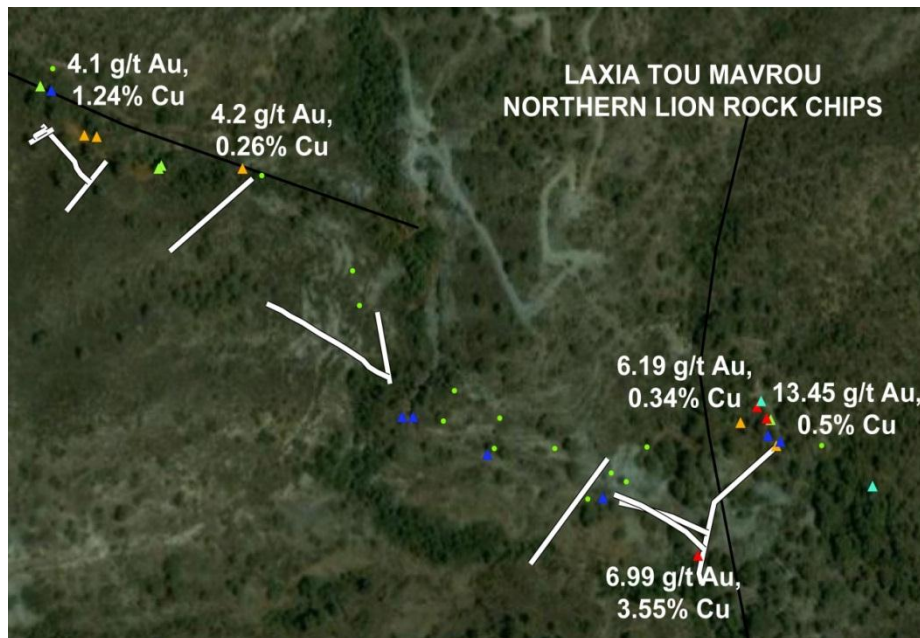


# BLACK PINE PROJECT

## LAXIA - SURFACE SAMPLES



- Significant Au grades from surface sampling of 21 rock chip samples along a 660m strike length
  - Maximum of **13.45 g/t Au** and **average of 3.11g/t Au**
  - 14 samples returned greater than 1 g/t Au



Sample Number	Location		Au (g/t)	Cu (%)	Co (ppm)	Ni (ppm)
	Easting	Northing				
Eastern Area						
21968	510400	3852700	1.84	0.52	839	1730
21221	510330	3852728	4.59	0.32	108	91
21223	510326	3852746	2.33	0.12	6	5
21224	510316	3852755	6.19	0.34	79	91
21225	510323	3852747	13.45	0.50	108	99
21226	510319	3852759	1.12	0.87	224	453
21227	510304	3852744	5.09	0.61	132	356
Central Area						
21969	510273	3852652	6.99	3.55	1755	1515
Western area						
21233	509883	3852922	2.25	0.68	779	1865
21234	509881	3852920	3.64	0.99	1275	1730
21235	509836	3852942	5.20	0.13	26	127
21236	509827	3852943	4.10	1.24	1420	1590
21238	509795	3852977	2.12	0.64	95	728
21951	509942	3852920	4.21	0.26	83	358

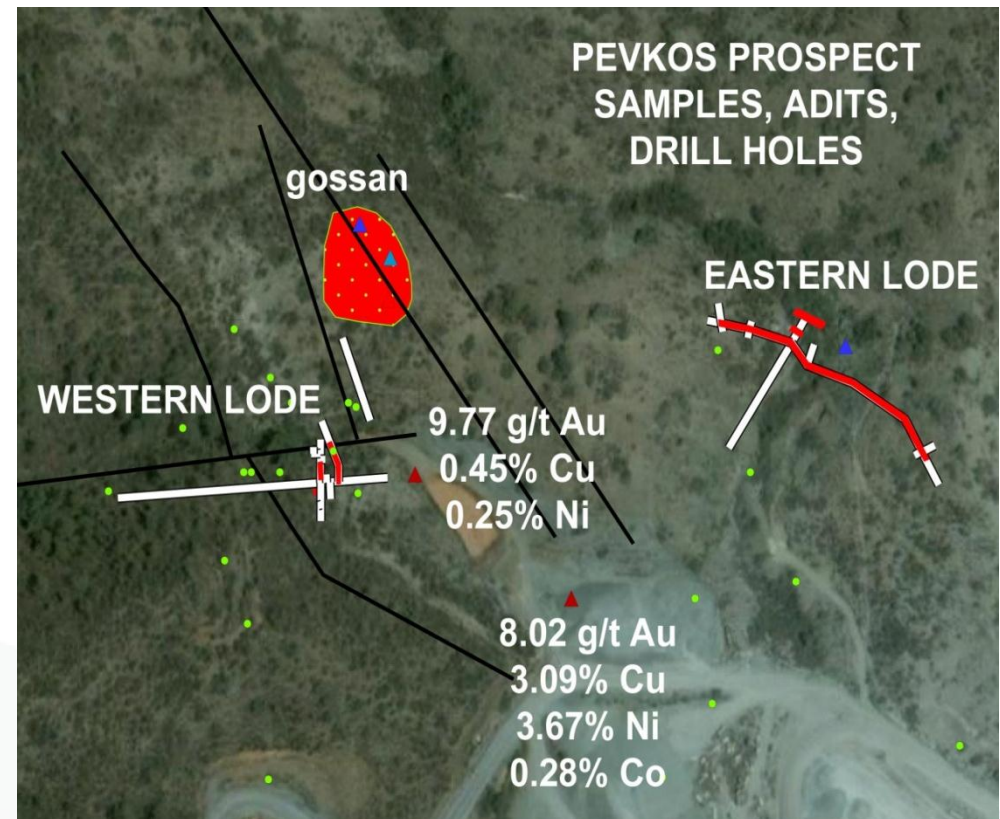
# BLACK PINE PROJECT

## PRIMARY TARGET – PEVKOS PROSPECT



- Pevkos prospect is an area of high potential with significant Cu, Au and Ni results from historic drilling, adits and surface sampling
  - **Multiple lodes have been intersected at >1% Cu**
  - 5 surface samples of massive sulphate material **averaged 5.5g/t Au**

Massive gossan at Adit entrance



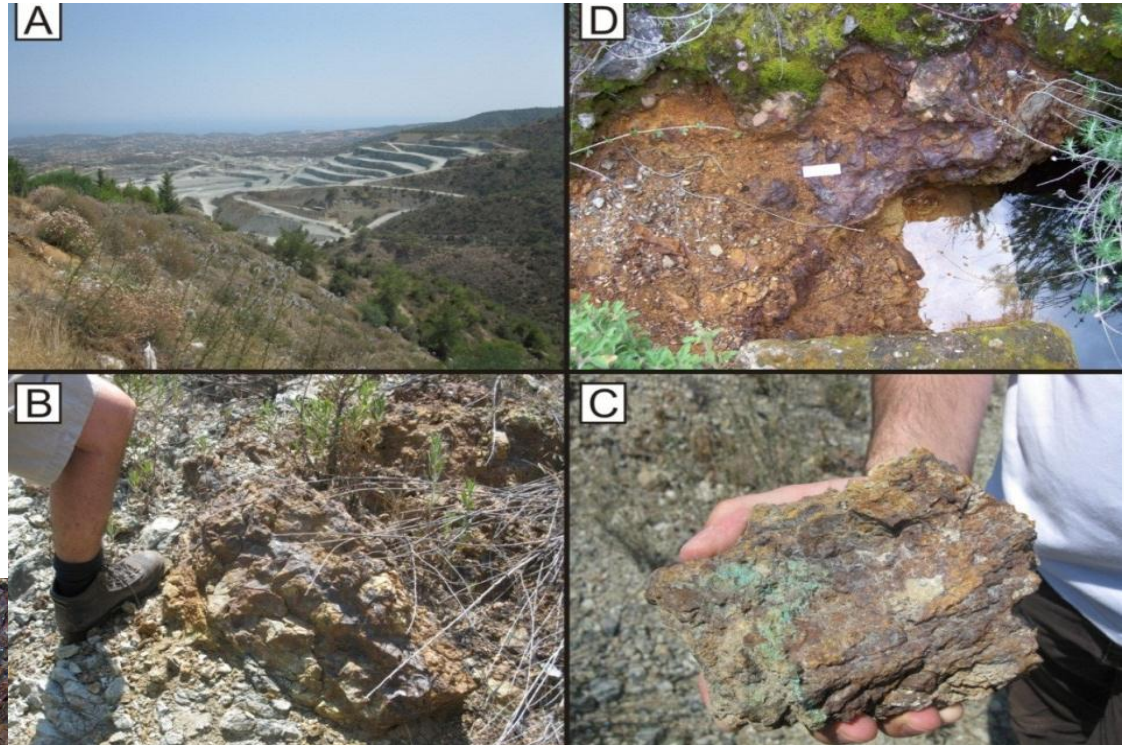


# BLACK PINE PROJECT

## PRIMARY TARGET – PEVKOS PROSPECT



Pevkos Gossan outcrop



- A. View of gabbro quarry from Pevkos
- B. Cu-stained (malachite) gossan at Pevkos
- C. Gossan with malachite staining between Pevkos and Laxia
- D. T2 adit entrance at Pevkos

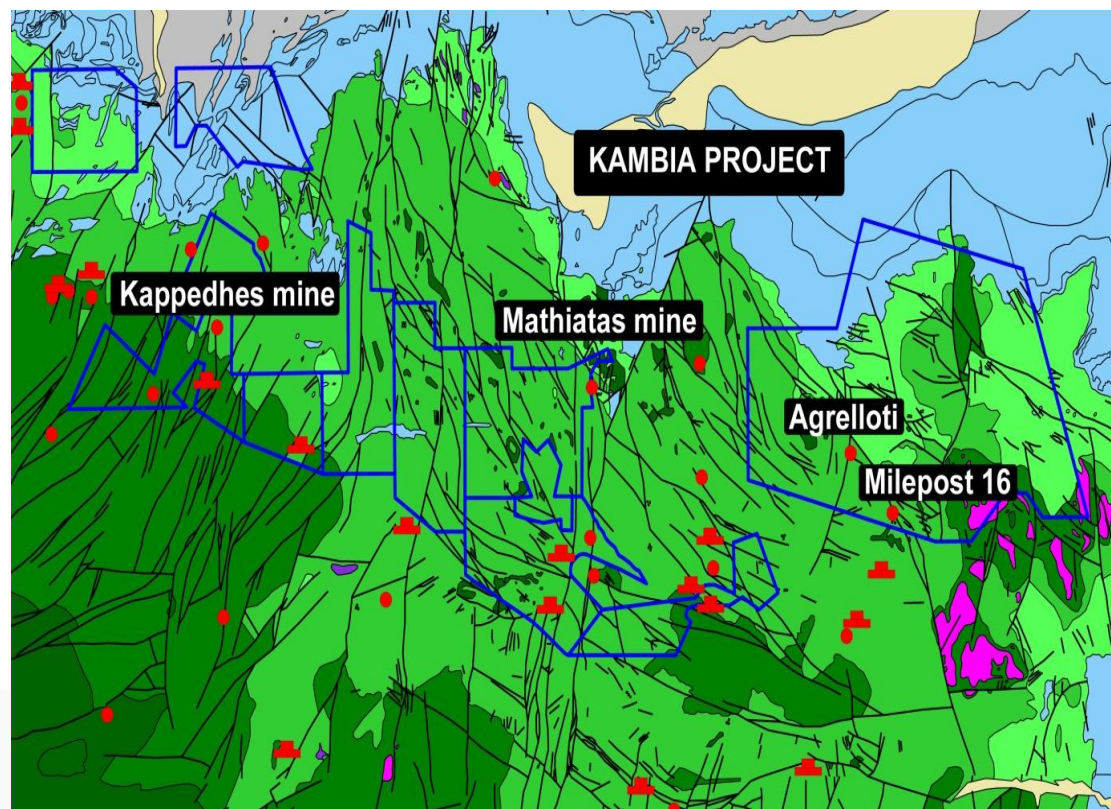


# KAMBIA PROJECT

## PRIMARY TARGET



- Kambia Project area includes the Kambia, Mathiatas, Kappedes mines and the adjacent Sha mine and includes several old workings
- Samples of iron rich gossan include **assays of 0.2% Cu, 1.38g/t Au, 3.47g/t Ag and 0.04% Cu, 4.98g/t Au, 4.56g/t Ag**
- Cu sulphide deposits and ancient slag dumps within project area
- Agrelloti prospect sampling returned **12.4g/t, 10.0g/t and 4.17g/t Au**
- Milestone 16 prospect returned 3 samples >1g/t with a high of 3.31g/t Au





# KAMBIA PROJECT

## PRIMARY TARGET



**Mathiatis Mine**



**Peristerka Mine**

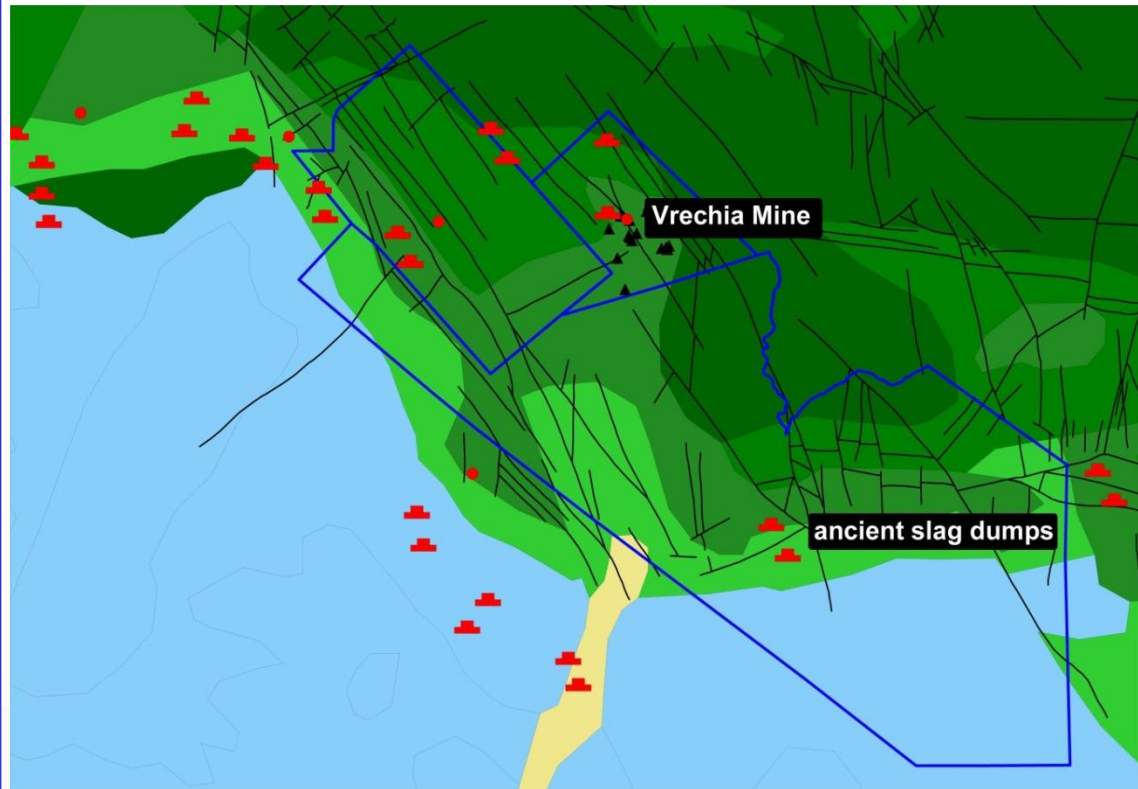


# VRECHIA PROJECT

## PRIMARY TARGET



- Includes the abandoned Vrechia Pyrite Mine in an area of high VHMS potential
- Historic mining at Vrechia within the project are included 80,000t at 0.55% Cu and 120,000t at 0.45% Cu
- Rock Chip assays from the Vrechia open pit include 1.64g/t Au
- The Vrechia project is along strike from Northern Lion Gold Corporation's Copper Project who have released very encouraging gold and copper results
- Northern Lion exploration nearby included 28.6m at 1.04% Cu and 4.5g/t Au
- There are numerous gossans in the area and ancient slag piles in the vicinity



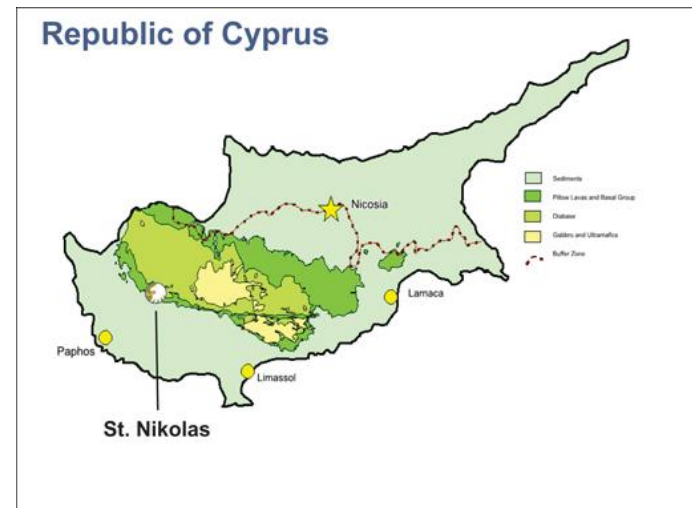


# VRECHIA PROJECT

## COMPETITOR ACTIVITY



- Northern Lion Gold Corp (TSX-V:NL) is exploring its St Nikolas Property just a few kilometres to the west of Vrechia Mine
- Drilling in 2011 by NL 800 metres to the west of the Vrechia Project are presented below.
- There are numerous gossans and a series of ancient slag dumps in the area.



Recent Northern Lion Drill Intercepts at St Nikolas

Hole #	From (m)	To (m)	Interval (m)	Au (g/t)	Ag (g/t)	Cu (%)	Zn (%)
11SN02	10.1	38.7	28.6	4.5	19.08	1.04	0.24
incl	24.9	37.2	12.3	5.8	26.76	1.46	0.15
and	24.9	31.9	7.0	7.56	36.44	1.7	0.78
11SN03	18.45	65.4	47.0	0.56	7.81	0.1	0.22
incl	46.9	59.4	12.5	1.39	21.44	0.1	0.22
11SN05	49.4	90.8	41.4	0.89	4.2	0.29	0.1
incl	50.8	57.4	6.6	4.77	19.34	0.51	0.14
11SN06	35.45	41	5.6	0.72	21.47	0.1	0.19

# TREASURE PROJECT

## PROPOSED DEVELOPMENT PLAN



Period	Activities
NEAR TERM (0 – 12 months)	<ul style="list-style-type: none"> <li>▪ Immediate start to drilling on Laxia. Drill targets defined</li> <li>▪ Complete drilling and sampling of Black Pine (Laxia - Pevkos) prospect</li> <li>▪ Establish Preliminary Resource estimate in accordance with the JORC code 2012</li> <li>▪ Detailed EM Survey, mapping and sampling of the Laxia – Pevkos trend (5.5 km)</li> <li>▪ Reconnaissance and detailed mapping and sampling of Kambia and Vrechia Projects</li> <li>▪ Target selection for drill testing in Medium Term on all projects</li> </ul>
MEDIUM TERM (12 - 24 months)	<ul style="list-style-type: none"> <li>▪ Infill drilling at Laxia – Pevkos to upgrade resource confidence</li> <li>▪ Preliminary metallurgical testwork and marketing studies</li> <li>▪ Pre Feasibility Studies</li> <li>▪ Review contractor and off-take agreements and review export options</li> </ul>
LONGER TERM (24 - 48 months)	<ul style="list-style-type: none"> <li>▪ Establish full mining operation with expansion capability</li> <li>▪ Evaluate similar opportunities in the region for expansion</li> <li>▪ Access the toll treatment and export market</li> </ul>
STRENGTHS	<ul style="list-style-type: none"> <li>▪ Anticipated Low cost, highly profitable operations</li> <li>▪ Strong Gold, Nickel and Cobalt credits indicated</li> <li>▪ Well established infrastructure within close proximity</li> <li>▪ Depth of experienced mining personnel in surrounding regions</li> </ul>



# TREASURE PROJECT

## POTENTIAL SCOPING LEVEL ECONOMICS



- Contract mining, third party infrastructure and toll treatment will be used where possible, with multiple options within the region, to minimise capex and fund operations from cashflow
- Scoping Study to be undertaken to validate management expectations set out below
- Hellenic Copper produces premium grade copper from a SX-EW process at its Skouriotissa mine. BMG has had preliminary discussions re toll treatment options

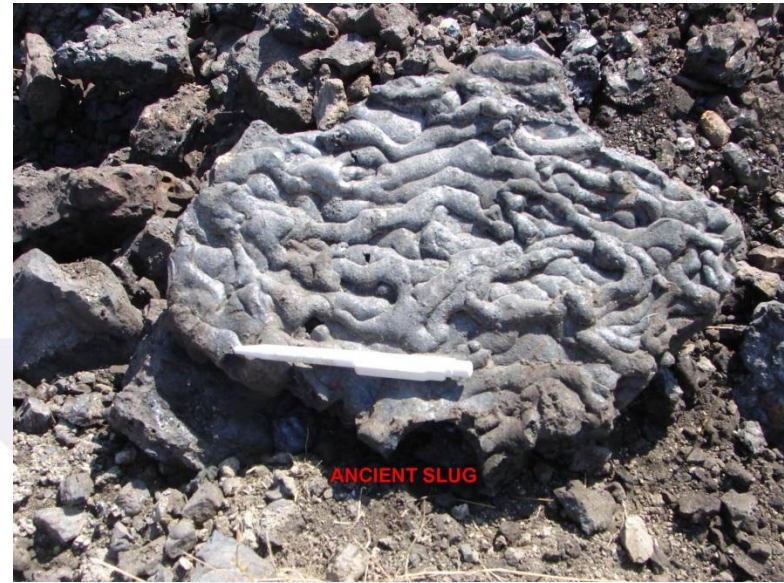
Assumptions	Stage 1	Stage 2
Production Rate	<ul style="list-style-type: none"> <li>Initial moderate scale start-up target with toll treatment where possible</li> </ul>	<ul style="list-style-type: none"> <li>A program of production from several mine sites will be considered with ROM delivery to a central plant depending on exploration success</li> </ul>
Target Start-up	<ul style="list-style-type: none"> <li>18 to 24 months</li> </ul>	<ul style="list-style-type: none"> <li>24 to 48 months</li> </ul>
Capex	<ul style="list-style-type: none"> <li>Centralised crushing and screening plant for transport to toll treatment facilities such as Skouriotissa or existing ore processing facility</li> </ul>	<ul style="list-style-type: none"> <li>Expansion of primary ore processing facility with transport by truck or aerial ropeway from outlying mines. This may lead to additional capital depending on scope of operations and staged scale-up to be evaluated</li> </ul>
Opex (mine gate)	<ul style="list-style-type: none"> <li>Contract mining option with contract processing and transport</li> </ul>	<ul style="list-style-type: none"> <li>Owner operated Mining and Processing with contract transport of concentrates</li> </ul>
Metal Recovery	<ul style="list-style-type: none"> <li>An initial multi-metal concentrate of Cu/Au/Co/Ni components to be produced depending on recovery characteristics</li> </ul>	<ul style="list-style-type: none"> <li>Similar to stage 1 profile</li> </ul>
Customers	<ul style="list-style-type: none"> <li>European metal producers</li> </ul>	<ul style="list-style-type: none"> <li>Consideration will be given to more distant markets</li> </ul>

# TREASURE PROJECT

## FAVOURABLE ACQUISITION TERMS



- Agreement to acquire 100% of the project
- Acquisition price of A\$1.6m in cash and scrip, with A\$750k contingent upon BFS milestone
  - \$100k initial payment – *paid November 2012*
  - \$300k completion payment – *post capital raising (by 30 June 2013)*
  - \$450k scrip payment – *capital raising terms (by 30 June 2013)*
  - \$750k scrip payment - *contingent upon completion of economic BFS, with issue price based on 5 day VWAP at the time of the BFS*



Copper slag from Roman times



# CAPITAL STRUCTURE



ASX Codes:	BMG/ BMGO
Ordinary Shares on Issue:	146 Million
Tradeable Options:	137 Million (ex at 20c until 31/03/2014)
Share Price:	\$0.024 (December 2012 - January 2013)
Market Capitalisation:	~\$3.5m



## **Mr Christopher John Eager – Chairman**

BEng, MBA – Mining Engineer

Mr Eager is a mining engineer with over 25 years experience in the industry across a broad range of roles. He is currently the Executive Chairman of Resmin Plc, a private mining group based in the UK. During his career Mr Eager has successfully founded and developed a number of listed mining companies, including Monterrico Metals Plc and Asia Energy Plc, and spent time as a resources banker with NM Rothschild (Australia) Limited.

## **Mr Bruce Alexander McCracken – Managing Director**

BCom, LLB, MBA, GAICD - Corporate

Mr McCracken is a business executive with 20 years experience across a broad range of industries. Prior to joining BMG he was Corporate Development Director of the Kirin Group-owned Lion Pty Ltd focused on the execution of strategic growth opportunities, primarily through M&A. He was previously Senior Vice-President Mergers & Acquisitions with Deutsche Bank, Group Manager, Corporate Development for industrial materials Amatek Group, and was originally a banking and finance lawyer.

## **Dr Michael Godfrey Green – Chief Operating Officer and Executive Director**

B.Sc. (Hons), PHD, MAusIMM – Applied Geology

Dr Green is a geologist with over 15 years experience in Australia and overseas managing all aspects of exploration programs across a broad range of minerals, including Copper, Gold and Nickel. He is currently operating as an independent geological consultant with 'Remote Area GeoScience', and has been the consulting geologist to the Treasure Project for the past 4 years. Dr Green is a member of the Australian Institute of Geoscientists (MAIG) and a Competent Person for the purposes of ASX releases on mineral resources.



## **Mr Malcolm John Castle – Non-Executive Director**

B.Sc. (Hons), GCertAppFin (Sec Inst), MAusIMM – Applied Geology

Mr Castle has over 40 years experience in exploration geology and project evaluation. He has wide experience in a number of commodities including iron ore, gold, base metals, uranium and mineral sands, and has been responsible for project discovery through to feasibility study and development in a number of projects. He was a founding member of Fortescue Metals Group, and a key member of the team developing the definitive feasibility study for the Cloudbreak and Christmas Creek projects. Mr Castle is a Member of the Australasian Institute of Mining and Metallurgy (AusIMM).

## **Mr Anthony Augustine Trevisan – Non-Executive Director**

Mr Trevisan has over 30 years corporate experience in the establishment and management of companies, equity and debt financings, mergers and acquisitions, restructuring of mineral resources, petroleum and property based public companies. He has held senior executive positions in listed public companies in the oil & gas, mining, industrial and property sectors, including; Mediterranean Oil & Gas Plc, Arabex Petroleum NL founder and executive director, Callina NL executive chairman, TRG Properties and the Roy Weston Group executive chairman

## **Mr Robert James Pett – Non-Executive Director**

BA(Hons), MA (Econ), FAICD - Mineral Economist

Mr Robert Pett is a minerals economist with over 27 years experience in exploration and mining. He has overseen the successful exploration, development, operation and financing of a number of mining projects worldwide. This includes gold and nickel mines in Australia and gold mines in East and West Africa. He has also been involved in grass roots discoveries and exploration projects. He holds a Masters Degree from Queens University Canada. Mr Pett is Chairman of Ausgold Ltd (Katanning Gold discovery), Indochina Minerals Ltd and A-cap Resources Ltd and a director of Regalpoint Resources Ltd.

## ***Brazilian Project***

*BMG is mining exploration and development company. The Company's Rio Pardo Iron Project in Northern Minas Gerais, Brazil, is at an advanced exploration stage. The exploration program conducted by the Company has delineated a large area of Fe mineralisation at the Jsilene – Scorpion prospect across a 13km strike length, and an exploration target of 2 to 3 billion tonnes at 16.2% to 18.5% Fe. This is based on surface mapping and drilling with 28 RC holes to date. The the potential quantity and grade is conceptual in nature. There has been insufficient exploration to define a Mineral Resource and it is uncertain if further exploration will result in the determination of a Mineral Resource.*

*The Rio Pardo project remains a longer term opportunity with the potential to support a large scale, low cost mining operation. In the near term there are minimal expenditure requirements and the Company will seek to incrementally progress the opportunity without committing any significant cash expenditure, and revisit the program as market conditions improve. The Company has actively managed the project tenement holdings to focus on the core Jsilene – Scorpion prospect, with areas of lower potential being relinquished.*

**Brazilian Metals Group Limited**  
14<sup>th</sup> Floor, 191 St Georges Terrace  
Perth, Western Australia, 6000  
Phone 61(8) 9424 9390  
[enquiry@bmgl.com.au](mailto:enquiry@bmgl.com.au)  
[www.bmgl.com.au](http://www.bmgl.com.au)



# DISCLAIMERS



## **Exploration Results and Mineral Resources**

The information in this report that relates to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Malcolm Castle, a competent person who is a Member of the Australasian Institute of Mining and Metallurgy ("AusIMM"). Malcolm Castle is a consultant geologist employed by Agricola Mining Consultants Pty Ltd and is a non-executive Director of Brazilian Metals Group Limited. Malcolm Castle has sufficient experience that is relevant to the style of mineralisation and type of deposits 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". Malcolm Castle consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

## **Exploration Targets**

The exploration targets are estimated from geological information including drill holes, outcrops and geological information and are shown as a range. The potential quantity and grade is conceptual in nature. There has been insufficient exploration to define the Mineral Resource and it is uncertain if further exploration will result in the determination of a Mineral Resource.

## **Forward-Looking Statements**

This document may include forward-looking statements. Forward-looking statements include, but are not limited to, statements concerning BMG's planned exploration program and other statements that are not historical facts. Although BMG believes that its expectations reflected in these forward-looking statements are reasonable, such statements involve risks and uncertainties and no assurance can be given that actual results will be consistent with these forward-looking statements.

## **No Offer of Securities**

The information contained in this presentation is for informational purposes only and does not constitute an offer to issue, or arrange to issue, securities or other financial products. The information contained in this presentation is not investment or financial product advice and is not intended to be used as the basis for making an investment decision. The presentation has been prepared without taking into account the investment objectives, financial situation or particular needs of any particular person.

## **No warranty of accuracy or completeness**

No representation or warranty, express or implied, is made as to the fairness, accuracy, completeness or correctness of the information, opinions and conclusions contained in this presentation. To the maximum extent permitted by law, none of Brazilian Metals Group Limited, its directors, employees or agents, nor any other person accepts any liability, including, without limitation any liability arising out of fault of negligence, for any loss arising from the use of the information contained in this presentation. In particular, no representation or warranty, express or implied is given as to the accuracy, completeness or correctness, likelihood of achievement or reasonableness or any forecasts, prospects or returns contained in this presentation nor is any obligation assumed to update such information. Such forecasts, prospects or returns are by their nature subject to significant uncertainties and contingencies.

## **Sources of Information**

SRK Consulting, Bucci, L, 2013, "Independent Geologists Report on the Base and Precious Metal Assets of Treasure Development Limited in the Republic of Cyprus", Prepared for Brazilian Metals Group Limited, SRK Consulting (Australasia) Pty Ltd, January 2013