



## ASX ANNOUNCEMENT

22 July 2020

# JUNE 2020 QUARTERLY ACTIVITIES REPORT

- **Termination of Chilean Lithium Joint Venture**
- **Completion of Share Placement to raise working capital**
- **Evaluation of complementary investment opportunities**

BMG Resources Limited (ASX: BMG) (**BMG** or **the Company**) provides shareholders with the Company's June 2020 Quarterly Report.

### **Chilean Lithium Joint Venture**

In May 2020, the Company announced that following a strategic review, it had terminated its involvement in the Chilean Lithium Joint Venture (JV) in accordance with the terms of the JV.

BMG entered into the JV in May 2019 following two geophysical work programs undertaken by the Company at the Salar West properties which identified a highly conductive zone prospective for Lithium brine. The Company undertook a drilling program at Salar West in 2H 2019 to investigate the strong conductive unit, but did not find any significant traces of Lithium brine. The Company then undertook sampling fieldwork at the other key area, Pajonales, but did not find any significant indicators of Lithium brine. It also sought to conduct sampling at the smaller Natalie property, but was still settling access arrangements with the local community when the COVID-19 pandemic struck and the work program was put on hold. In light of the ongoing costs to maintain the JV and the results of work undertaken, the Company took the decision to terminate its involvement in the JV and focus its efforts elsewhere. The Company had not earned an interest in the JV properties at the time of termination.

There were no substantive exploration activities during the quarter.

### **Completion of Share Placement**

In June 2020, the Company raised \$172,670 for working capital purposes via a placement of ordinary shares to a number of unrelated qualified, professional and sophisticated investors. The shares were issued under the Company's ASX LR 7.1 capacity.



### New Strategic Investment Opportunities

During the quarter the Company continued to seek and evaluate new investment opportunities to complement the Company's existing mineral projects.

The Company has some attractive opportunities currently under review, and is hopeful of making further progress.

### Treasure Project, Cyprus

BMG retains its 30% free-carried interest in the Treasure Project in Cyprus, which is highly prospective for Cu, Au, Ni and Co. The Treasure Project comprises nine exploration licences covering a total geographical area of 31.56km<sup>2</sup>.

The Treasure Project's operator, New Cyprus Copper Company Limited, is the majority shareholder and is responsible for maintaining and progressing the project.

Project	Licence number	Status	Interest (%)	Notes	Activity during the quarter
<b>BLACK PINE</b>	AE4654	granted	100		
	AE4653	granted	100		
	AE4591	granted	100		
	AE4610	granted	100		
	AE4612	granted	100		
<b>MALA</b>	AE4674	granted	100		
<b>KALAVASSOS</b>	AE4607	granted	100		
	AE4608	granted	100		
<b>KAMBIA</b>	AE4649	granted	100		

### Corporate

The Company continued to carefully manage its cash resources during the quarter. The Non-Executive Directors, Greg Hancock, Simon Trevisan and Malcolm Castle, continued to accrue 50% of their monthly remuneration, and Tribis Pty Ltd, a major shareholder and related party to Mr Simon Trevisan, with whom the Company has an administrative services agreement, continued to accrue 50% of its monthly fee. Tribis received cash payments of \$18,000 during the quarter pursuant to the administrative services agreement. The Company paid \$75,510 in cash to directors during the period, including its managing director and reduced cash fees to non-executive directors.



## **Authority**

This announcement has been authorised for release by Bruce McCracken, Managing Director of BMG Resources Limited.

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

## **For further information, shareholders and media please contact:**

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## Appendix 5B

### Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

<b>BMG RESOURCES LTD</b>
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ABN

<b>96 107 118 678</b>
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Quarter ended ("current quarter")

<b>30 June 2020</b>
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<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation (if expensed)	(6)	(702)
(b) development	-	-
(c) production	-	-
(d) staff costs	(75)	(284)
(e) administration and corporate costs	(75)	(430)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	3
1.5 Interest and other costs of finance paid	-	(1)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	24	24
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(132)</b>	<b>(1,390)</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	-
(d) exploration & evaluation (if capitalised)	-	-
(e) investments	-	-
(f) other non-current assets	-	-

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
2.2 Proceeds from the disposal of:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	-
(d) investments	-	(372)
(e) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details if material)	-	-
<b>2.6 Net cash from / (used in) investing activities</b>	<b>-</b>	<b>(372)</b>

<b>3. Cash flows from financing activities</b>		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	172	517
3.2 Proceeds from issue of convertible debt securities	-	-
3.3 Proceeds from exercise of options	-	-
3.4 Transaction costs related to issues of equity securities or convertible debt securities	-	(29)
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	-	-
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
<b>3.10 Net cash from / (used in) financing activities</b>	<b>172</b>	<b>488</b>

<b>4. Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1 Cash and cash equivalents at beginning of period	234	1,551
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(132)	(1,390)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	-	(372)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	172	488

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
4.5	Effect of movement in exchange rates on cash held	6	3
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>280</b>	<b>280</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	15	19
5.2	Call deposits	265	215
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>280</b>	<b>234</b>

**6. Payments to related parties of the entity and their associates**

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

<b>Current quarter \$A'000</b>
(93)
-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

The Company paid \$75,510 in cash to directors during the period, including its managing director and reduced cash fees to non-executive directors.

The Company paid \$18,000 in reduced cash fees to related party Tribis Pty Ltd, pursuant to the administration services agreement between the Company and Tribis. Tribis Pty Ltd is a major shareholder and related party to Non-Executive Director, Mr Simon Trevisan.

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

<b>7. Financing facilities</b>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities		
7.2 Credit standby arrangements		
7.3 Other (please specify)		
7.4 <b>Total financing facilities</b>		
7.5 <b>Unused financing facilities available at quarter end</b>		
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

<b>8. Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (Item 1.9)	132
8.2 Capitalised exploration & evaluation (Item 2.1(d))	-
8.3 Total relevant outgoings (Item 8.1 + Item 8.2)	132
8.4 Cash and cash equivalents at quarter end (Item 4.6)	280
8.5 Unused finance facilities available at quarter end (Item 7.5)	-
8.6 Total available funding (Item 8.4 + Item 8.5)	280
8.7 <b>Estimated quarters of funding available (Item 8.6 divided by Item 8.3)</b>	2.12
8.8 If Item 8.7 is less than 2 quarters, please provide answers to the following questions:	
1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: N/A	
2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: N/A	
3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	

Answer:

N/A

## Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: .....22 July 2020.....

Authorised by: .....Bruce McCracken – Managing Director.....  
(Name of body or officer authorising release – see note 4)

## Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.