



ASX ANNOUNCEMENT

25 May 2020

Chilean Lithium JV Update

BMG Resources Limited (ASX: BMG) (**BMG** or **the Company**) advises that it has taken steps to terminate the Chilean Lithium JV in accordance with the terms of the JV. This follows a review by the Company of the ongoing JV operations and a determination that the Company's resources are better deployed elsewhere.

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.

The Company still retains its interest in the Treasure project in Cyprus (Cu-Au-Co-Ni) and is actively seeking new project opportunities as a key priority. The Company has some attractive opportunities currently under review and will update as appropriate as matters progress.

*****ENDS*****

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