

## AUSTRALIA

BGS AU

Not Rated

## Market Statistics

Exchange:	ASX
Symbol:	BGS
Price:	\$0.02
52 Wk Hi/Low:	[\$.035] [\$.004]
Shares O/S (m):	728.0
Avg. Vol. /d (30 Days, in '000):	71,968
Latest Financing:	Apr-13
Size/Price:	2m @ A\$.021
Market Cap (A\$m):	\$15.3
Cash (A\$m):	\$2.3
Debt (A\$m):	\$0.0
Enterprise Value (A\$m):	\$13.0

## Major Shareholders

Top 20	55.0%
Directors & Management	7.0%
Deck Chair Holdings	6.0%
Macquarie Bank Metals & Mining	4.0%

## Management

Kevin Joyce	Managing Director
-------------	-------------------

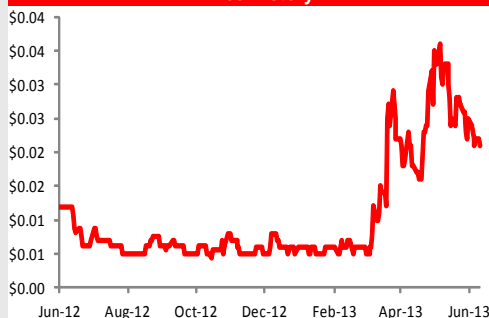
## Directors

Winton Willesee	Non- Executive Chariman
Hugh Bresser	Non-Executive Dir.

## Corporate Profile

BGS is a diversified mining junior focussed on targeting multi-million ounce gold systems in Mali and Liberia. The companies' three key projects are the Massigui and Dankassa projects in Mali and the Basawa project in Liberia.

## Price History



Data as at: 14/06/2013

Source: Factset, Iress, Company reports.

Macquarie Securities (Australia) Limited

## Birimian Gold

## A well earned head start in Mali

## Company profile

- BGS is a diversified mining junior focussed on targeting multi-million ounce gold systems in Mali and Liberia. The companies' three key projects are the Massigui and Dankassa projects in Mali and the Basawa project in Liberia.
- BGS secured the permits that comprise the Massigui project in October 2012 where the company has recently intersected some high grade gold intercepts.

## Massigui- Ore body under the head frame of Morila

- **Land holding secured.** BGS secured the 1,638km<sup>2</sup> land holding that abuts and surrounds the 6Moz Morila Gold Mine. Morila was commissioned in October 2000. In 2002 Morila produced more than 1Moz of gold at a recovered grade of 12g/t at a cash cost of US\$74/oz.
- **April placement 30% premium to market.** BGS recently completed a \$2m placement in April to Sprott Global Resources, a resource specialist fund at a 30% premium to the last traded price.
- **High-grade gold.** As part of their current drilling campaign at the Ntiola prospect, within the Massigui Project, BGS recently intercepted:
  - ⇒ 11m at 4.21g/t Au from 33m
  - ⇒ 22m at 3.46g/t Au from 78m
  - ⇒ 4m at 7.68 g/t Au from 45m
  - ⇒ 20m at 2.13 g/t Au from 85m

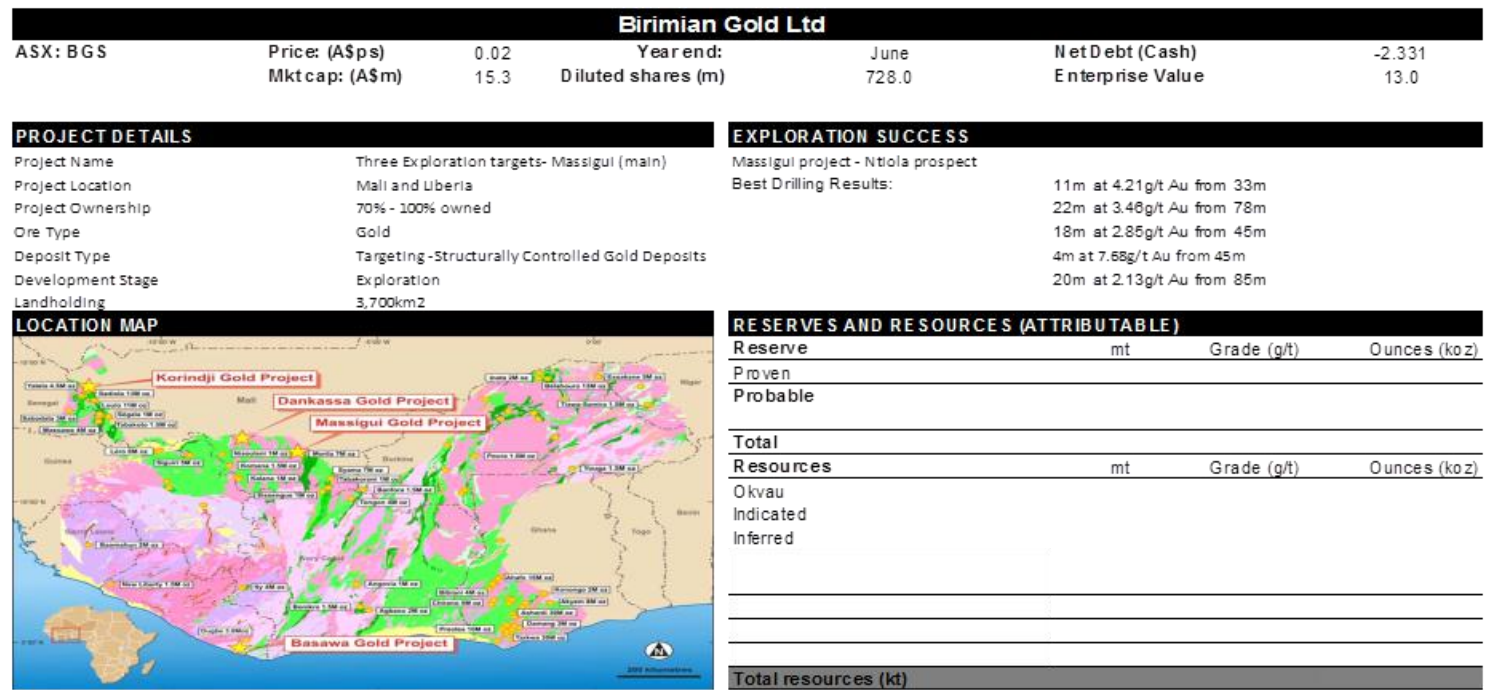
- **Open along strike and down dip.** Gold mineralisation intersected in drilling extends over 500m along strike with a down hole thickness of 50m. The geology and alteration is highly analogous to the high-grade, bulk tonnage Morila deposit located 25km's away. Gold mineralisation at Morila has a strike length of less than 250m with high grade zones extending 900m down dip.

- **A well earned head start.** BGS has entered into an agreement with Randgold Resources (RRS:LSE, Not Rated) whereby RRS will provide BGS with their exploration database including geological, geochemical and geophysical surveys for areas within the Massigui project. In return RRS will retain a first right of refusal on any assets the company may divest within the Massigui project area. We equate this to a 2 year head start and a ~\$5m saving for BGS.
- **Feeding Morila the Gorilla.** Open pit mining at Morila ceased in 2009. Since this time the mine has been treating stockpiles of 0.8g/t Au material through the large 4Mtpa processing plant. Stockpile processing is scheduled to be completed in 2014. The existing Morila infrastructure may provide the company with opportunities to treat their ore.
- **Next Steps at Ntiola.** BGS over the coming months will be conducting some more drilling with a view to scoping out the potential size of the resource at Ntiola.
- **Other projects.** BGS will be conducting further work at their Dankassa project in Mali and early stage stream sediment and mapping at their Basawa project in Liberia.

## Shareholders &amp; Management

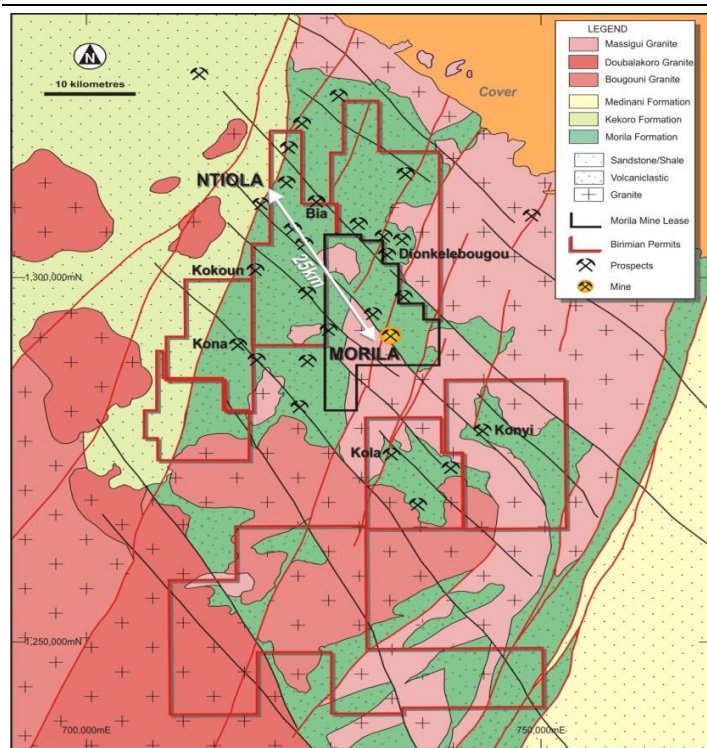
Managing director Kevin Joyce has spent 7 years in country and brings a wealth of experience and has previously worked with Resolute Mining in Mali. Management and Directors hold 4% the company, Sprott Global holds 14%, Macquarie Bank Metals and Mining division holds a 4% holding and the Top 20 account for 55% of the share register

Fig 13 BGS at a glance



Source: Company reports, Macquarie Research, May 2013

Fig 14 Nearology ~25km's to Morila- Ntiola highly analogous alteration to the high grade to 6Moz Miriola deposit



Source: BGS Company Reports, Macquarie Research, May 2013

Fig 15 Drilling success at Massigui- Ntiola prospect, hanging together and open in all directions.

