

For the period ended 30 June 2013

HIGHLIGHTS

OPERATIONS

- **50% Joint Venture interest with Malachite Resources Limited to develop Malachite's Lorena high grade gold project at Cloncurry, North West Queensland.**
- **Stormont gold project (Tasmania) Joint Venture Agreement executed. Final DPEMP and supplementary information submitted for EPA approval.**

CORPORATE

- **Forward gold sales of 3,000 ounces established at \$1,550 per ounce were liquidated delivering a net cash margin of approximately \$900,000 and brought to account during the quarter.**
- **Net free cash position \$2.509m at 30 June, Company remains debt free.**

CHAIRMAN'S COMMENTARY ON THE QUARTER

BCD Resources Chairman, Mr Clive Carroll, said:

“The highlight for our Company this quarter has been the final decision by the Board to formally commit to a Joint Venture with Malachite Resources Ltd for the development of the Lorena high grade gold project at Cloncurry, North West Queensland.

Our Company looks forward to the commencement of mining and processing of our Stormont Joint venture during the September quarter, subject to completion of necessary statutory approvals.”

OPERATIONS REPORT

LEFROY TAILINGS TREATMENT PROJECT

The project is now finalised and all necessary rehabilitation has been completed.

TASMANIA MINE REHABILITATION

Rehabilitation of the major historical Tailings Dam One was completed in the quarter. The rehabilitation exercise was the largest single rehabilitation in Tasmania to date and spanned approximately 25 hectares. Further implementation of the Decommissioning and Rehabilitation activities continued.

The Company has re-evaluated the means by which it will dispose of wetlands sludge material and a proposal has been submitted to the EPA. It is currently being considered by them. It is expected that the rehabilitation will be completed in stages over the next two years.

Approximately \$333,000 was expended on rehabilitation works during the quarter. Anticipated expenditures over the next six to twelve months should be minimal.

FUTURE PROJECTS

STORMONT GOLD JOINT VENTURE (BCD 50% economic interest)

Project approval processes and optimisation studies were completed during the quarter. Negotiation of mining and transport contracts are at an advanced stage. Mining is expected to commence in October subject to final approvals.

The project has been optimised due to the recent fall in gold prices, however, still remains robust and should generate satisfactory economic returns for the Company during late 2013/early 2014.

LORENA JV PROJECT (BCD 50% economic interest)

As previously advised BCD is earning a 50% economic interest and management rights to the Lorena Gold Project at Cloncurry in Queensland. Significant feasibility and approval works were carried out during the quarter. The Joint Venture Agreement has now been agreed and execution should take place in the near future. Further project updates will be provided during the September quarter.

CORPORATE REPORT

GOLD PRICING

Forward sales with a gold price of A\$1,550 per ounce for 3,000 ounces has been bought to account as cash in the quarter. Further gold hedging will continue in line with BCD's hedging policy.

CASH POSITION

Group free cash totalled A\$2.509 million at 30 June 2013. The Company is debt-free.

VICTORIAN COPPER PROJECT

Following the completion of the sale process of the Victorian copper assets for a total consideration of \$2.8 million, the first instalment of \$1.0 million was received in the quarter. The balance of funds will continue to be received by instalments of the coming twelve months, with the final instalment of \$0.5 million payable in cash or, at the option of BCD, in shares to the value of \$0.5 million should the assets reside in an ASX listed entity.

TASMANIA ROYALTY DISPUTE

The BCD Resources group continued its proceedings in the Supreme Court of Tasmania to recover alleged overpayment of Tasmanian mining royalty totalling \$2.6 million. These payments were made during the period 2003 to 2006 by the then receiver and manager of BCD and by the deed administrators of Allstate Explorations NL (now BCD Resources (Operations) NL). Mediation of the claims has been requested, and a date for mediation is expected in August 2013.

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