ASX ANNOUNCEMENT

15 July 2021

MULTIPLE NEW TARGETS IDENTIFIED BY GEOPHYSICAL SURVEY AT HIGH-GRADE ABERCROMBY GOLD PROJECT IN WA

- **BMG has completed a high-resolution sub-audio magnetic (SAM) ground geophysical survey over the northern 3km of the Abercromby mineralised corridor, including the high-grade gold zones at the Capital and Capital North Prospects**
- **Designed to complement the existing project database, including the high-grade results from the December 2020 drill program**
- **Geophysical data has highlighted several structural trends that are interpreted to be controls on gold mineralisation**
- **Survey results highlight the potential for the discovery of further significant gold mineralisation along strike and at depth**
- **Next Abercromby drill program in advanced planning stage**

West Australian gold explorer BMG Resources Limited (**ASX: BMG**) (**BMG** or the **Company**) is pleased to report that it has completed a sub-audio magnetic survey (**SAM**) at its high-grade Abercromby Gold Project in the north-eastern Goldfields of Western Australia.

The SAM geophysical survey has provided high-resolution mapping of the structures in the northern part of the project area, which are the controls on gold mineralisation. This information has increased BMG's confidence in its geological and structural model for Abercromby, which will substantially assist in planning follow-up drilling.

BMG's recent work at Abercromby has confirmed a high-grade gold system with excellent growth potential.

The Company's maiden drill program at Abercromby was completed in December 2020 and was the first to be conducted at the project in more than 15 years. The program intersected wide intervals of gold mineralisation, including intercepts of bonanza grades, with several drill holes ending in gold mineralisation (refer to ASX Announcement on 9 March 2021 'Excellent New High Grade Gold Intercepts at Abercromby' for details of the results).

Preliminary metallurgical test work has been undertaken by BMG on recent samples from Abercromby. Results confirmed that the gold is free-milling and amenable to conventional carbon-in-leach (CIL) processing, with high gold recoveries achieved (refer to ASX Announcement on 20 April 2021 'High Gold Recoveries (Average 90%) from Metallurgical Testwork of Abercromby Drill Samples').

BMG Resources | ACN: 107 118 678 | T: (61 8) 9424 9390 | E: enquiry@bmgl.com.au | www.bmgl.com.au

BMG Managing Director Bruce McCracken said:

"The SAM survey has successfully identified known gold-bearing structures and also mapped continuity of these structures into areas where little or no drilling has taken place.

"This highlights the potential for considerable further growth of the mineralised footprint at Abercromby.

"These are exciting results that bode well for future ounce discovery, and we look forward to further exploring the potential of Abercromby when our upcoming drill program commences."

SAM Geophysical Survey

SAM is a geophysical technique that can provide a richer structural understanding of ore deposits through its ability to detect and map conductive signatures that represent structural trends.

The SAM survey was undertaken over the northern section of the Abercromby Project along a 3km strike, which is around half the overall length of the project area.

The survey has been successful in identifying the mineralised structural corridor that hosts the known high-grade gold zones at Capital and Capital North. Importantly, the survey has also highlighted the presence of link structures that when compared with the already drilled mineralised areas at Capital and Capital North, calibrate a repetitive pattern (primarily) immediately to the south of Capital; see Figure 1. This is very encouraging for the potential of this underexplored area to deliver further gold discoveries.

BMG plans to test these structural anomalies as part of its upcoming drilling campaign.

Given the positive results from the SAM survey, a further survey will be planned for the southern section of the project area which includes the Barrick and Archer targets – gold mineralisation has been intersected at these targets with little follow-up drilling.

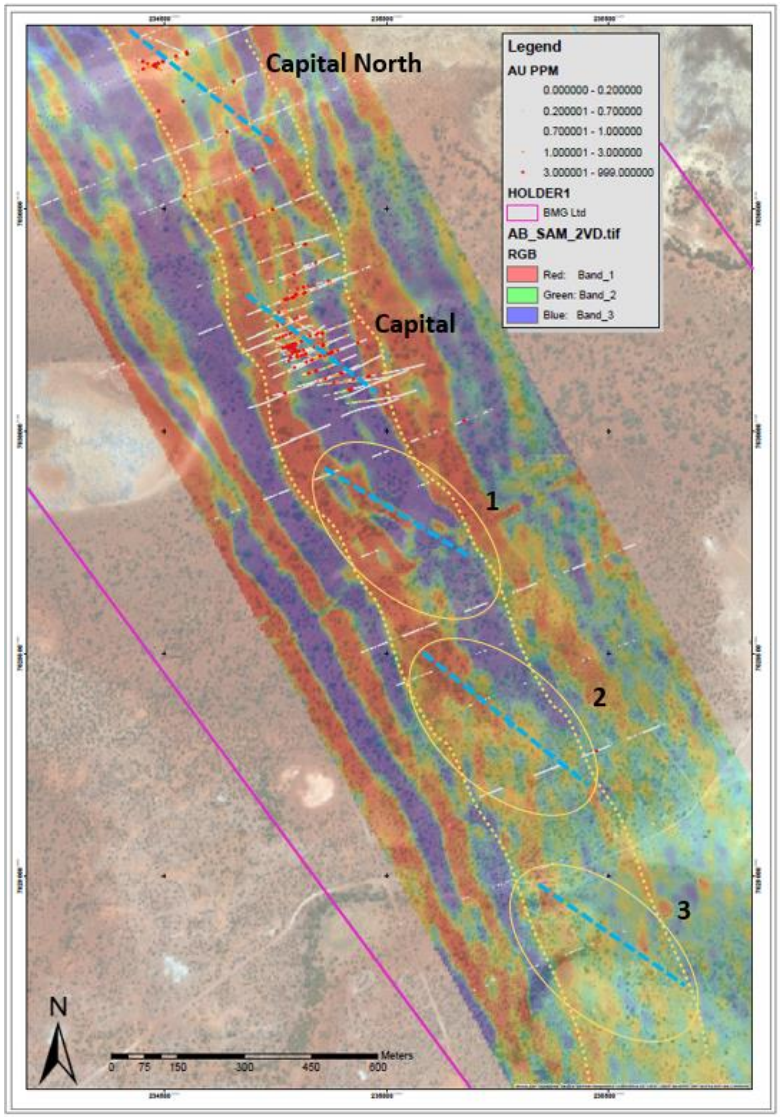

Figure 1 – SAM survey colour derivative conductivity image (SAM MMC 2VD) over aerial photography showing interpreted structural trends (yellow dotted lines) and NW link structures (blue dashed lines) within the NNW trending Abercromby shear zone. Note drill hits coloured by grade.

Major Drill Program Planned

A major drill program at the Capital Prospect is in the final planning stages. The program will focus on resource step-outs, extension holes and infill drilling.

Drill targets will include the areas labelled 1 through 3 in Figure 1, which are new structural zones identified by the SAM survey. These are high-priority targets for step out drilling to the south of the known gold mineralisation at Capital.

Given the considerable scale of each of these three targets, BMG is excited by the potential upside that positive results in these settings could have on the scale of the greater project.

The Company will provide a further update once the details of the drill program are finalised.

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About the Abercromby Project:

The Abercromby Project is located on the Wiluna Greenstone Belt, one of Western Australia's most significant gold-producing regions with a gold endowment of +40Moz Au – second only to Kalgoorlie globally in terms of historic production.

The geology at Abercromby is very favourable for gold mineralisation, with historic drilling at Abercromby having intersected multiple thick intervals of high-grade gold mineralisation to confirm the presence of a large high-grade gold system.

BMG holds 100% of Abercromby, which comprises the gold and other mineral rights (ex-uranium) of two granted mining leases (M53/1095 and M53/336).

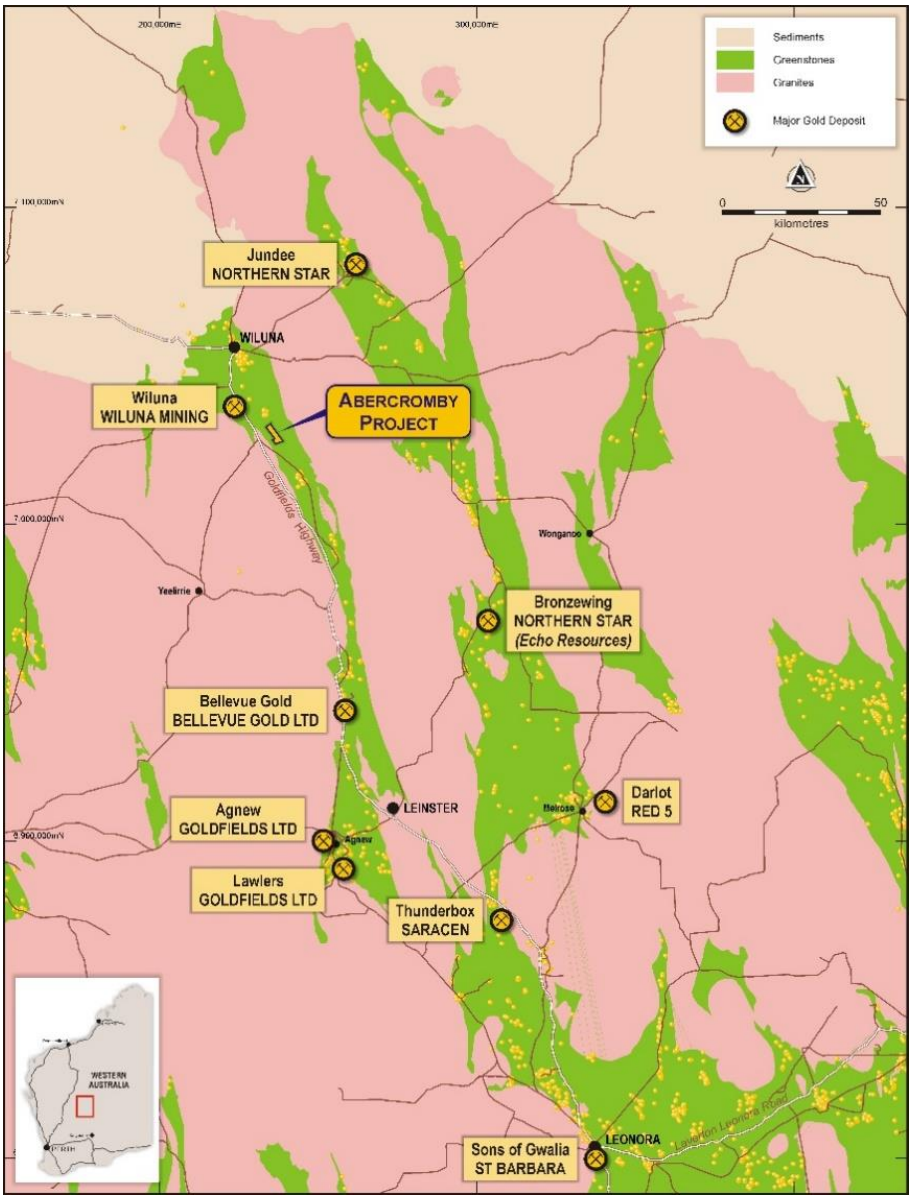

Figure 2 – Map showing the regional location of the Abercromby Gold Project with other major gold projects in the region also highlighted.

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

*****ENDS*****

For further information, please contact:

Bruce McCracken
Managing Director
BMG Resources Limited
Phone: +61 8 9424 9390
Email: enquiry@bmgl.com.au

Fraser Beattie
Media and investor relations
Cannings Purple
Phone: +61 421 505 557
Email: fbeattie@canningspurple.com.au

Competent Person Statement

The information in this report that relates to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Ben Pollard, a Competent Person who is a Member of the Australian Institute of Mining and Metallurgy. Mr Pollard is the Principal of Cadre Geology and Mining Pty Ltd and has been retained to provide technical advice on mineral projects.

Mr Pollard 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 'Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Pollard consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Disclaimer

Forward looking statements are statements that are not historical facts. Words such as "expects", "anticipates", "believes", "potential", "may" and similar expressions are intended to identify forward looking statements. These statements include, but are not limited to, statements regarding future production, resources and reserves and exploration results. All such statements are subject to risks and uncertainties many of which are difficult to predict and generally beyond the control of the Company, that could cause actual results to differ materially from those expressed in or implied by the forward looking statements. Investors should not construe forward looking statements as guarantees of future performance due to the inherent uncertainties therein.

Schedule 1 – JORC Disclosures

JORC TABLE 1 DISCLOSURES, ABERCROMBY PROJECT
JORC Code, 2012 Edition – Table 1

Section 1: Sampling Techniques and Data

Criteria	*JORC 2012 Explanation*	Comment
Sampling techniques	*• Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* *• Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* *• Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (e.g., 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases, more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g., submarine nodules) may warrant disclosure of detailed information.*	• Reverse Circulation (RC) and diamond core drilling was used to produce these samples. • For RC drilling each 1m interval is split to approximately 1-3kg using a rig mounted cone splitter. • For diamond core samples, intervals were selected based on geology with a min and max interval width of 0.3 and 1.3m downhole, respectively. • Each sample selected is sent for analysis to Nagrom in Kelmscott, Perth. • The sample is pulverised in the laboratory (total prep) to produce a sub sample for assaying. • All sampling was conducted using BMG QAQC sampling protocols which are in accordance with industry best practice. • All samples were prepared and assayed by an independent commercial laboratory whose instrumentation are regularly calibrated. • Sub-Audio Magnetics survey undertaken by GAP Geophysics over an area of 0.8km x 3km composed of 31 line kilometres of surveying with 100m between those lines. • System Details: ○ **Roving Magnetometer Acquisition System** Instrument Gap Geophysics TM-7 SAM receiver Sensor Geometrics G-822 Cs vapour Software SAMui v20.6 Sample rate 2400 Hz Components Total B-field Powerline frequency 50 Hz **Magnetometer Base Station** Magnetometer Gap Geophysics TM-7 Sample rate 1200 Hz, 0.5 Hz after averaging Sample resolution 1 pT **Transmitter System Transmitter** Gap GeoPak HPTX-80 Controller Internal Power supply Built-in Timing GPS synchronisation Current CTH01: 20.9 A Transmit frequency 12.5 Hz • Duty cycle 50 %
Drilling Techniques	*• Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• Drilling is via RC and diamond core drilling methods. • A Schramm drill rig was used for the majority of the drilling. • RC drilling was with a $5^{1/4}$" diameter face sampling hammer drill bit. Onboard air utilised to yield 1000psi / 2200cfm. Diamond core diameter was NQ2. • All holes were surveyed using a reflex Gyro north seeking gyroscopic instrument (or equivalent) to obtain accurate down-hole directional data where ground conditions allowed.

Drill sample recovery	*• Method of recording and assessing core and chip sample recoveries and results assessed.* *• Measures taken to maximise sample recovery and ensure representative nature of the samples.* *• Whether a relationship exists between sample recovery and grade and whether sample bias*	• Drilling recoveries are logged and recorded and captured within the project database. Core loss is noted where it occurs. • Overall, recoveries are generally considered good and there has been no significant loss of sample material due to ground or drilling issues in the results reported in the RC. In the diamond drilling, some intervals of core loss exist in the regolith – where assays have been reported in these intervals, the missing interval has diluted the reported result (that is, it has been accounted for at zero g/t Au) • Each individual sample is visually checked for recovery, moisture, and contamination. • The style of expected mineralisation and the consistency of the mineralised intervals are expected to preclude any issue of sample bias due to material loss or gain.
Logging	*• Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* *• Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc)* *• The total length and percentage of the relevant intersections logged.*	• RC chips and core were geologically logged using predefined lithological, mineralogical, and physical characteristic (colour, weathering etc.) logging codes. • RC logging was completed on one metre intervals at the rig by the geologist. A subsample of washed and sieved RC chips from each metre was collected and stored sequentially in numbered plastic chip trays. • DDH was logged by geological intervals for geological (alteration, lithology, mineralogy), structural information (including detailed geotechnical logging) and oxidation state. • Logging was predominately qualitative in nature, although vein and sulphide percent was estimated visually. All new core has been photographed wet and dry. • All holes are logged in full
Sub-sampling techniques and sampling preparation	*• If core, whether cut or sawn and whether quarter, half or all core taken.* *• If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* *• For all sample types, the nature, quality and appropriateness of the sample preparation technique.* *• Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* *• Measures taken to ensure that the sampling is representative of the in-situ material collected, including for instance results for field duplicate/second-half sampling* *• Whether sample sizes are appropriate to the grain size of the material being sampled.*	• Each one metre RC drill interval is collected using a cone splitter. • No composite samples are taken. • BMG drilling utilizes QAQC regime consisting of certified reference material checks, blanks, and duplicates. • Sample sizes are considered to be appropriate to correctly represent the geological model and the style of mineralisation.
Quality of assay data laboratory tests	*• The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* *• For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* *• Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• QAQC protocols utilising Certified Reference Material (standards), blanks and duplicates were used. All checks passed quality test thresholds. • All samples were prepared and assayed by an independent commercial laboratory whose instrumentation are regularly calibrated, utilising appropriate internal checks in QAQC.

Verification of sampling and assaying	*• The verification of significant intersections by either independent or alternative company personnel.* *• The use of twinned holes.* *• Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* *• Discuss any adjustment to assay data.*	• Data collected in the field on paper and or digital logs, then transferred to the project database once collated and checked. • No twinned holes • All data is validated by the supervising geologist and sent to the Perth office for further validation and integration into a *Microsoft Access* database.
Location of data points	*• Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* *• Specification of the grid system used.* *• Quality and adequacy of topographic control.*	• Drill holes were located using handheld GPS. • Drill hole collar positions will be accurately surveyed utilising DGPS survey equipment to an accuracy of +/- 0.01m. Down holes surveys were completed using gyro. • The grid system used for locating the collar positions of drillholes is GDA2020. RL's referenced are a site grid RL and will be corrected to a true AHDRL at the first opportunity. • **SAM Navigation and Positioning** GPS Trimble Ag114 Corrections Differential – VBS Sample rate 1 Hz • Datum, co-ordinate system GDA94, MGA zone 51
Data spacing and distribution	*• Data spacing for reporting of Exploration Results.* *• Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* *• Whether sample compositing has been applied.*	• Drilling has been completed on a variable grid drilled orthogonal to the mineralisation, generally toward 248° • Data spacing and distribution is so far thought to be insufficient to establish the degree of geological and grade continuity appropriate for Mineral Resources – establishing it will be the primary goal of the next round. • Raw samples have not been composited.
Orientation of data in relation to geological structure	*• Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* *• If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• Drilling is predominantly conducted at -60 degrees orthogonal to strike and as such drill holes intersect the mineralisation close to perpendicular. As such, the orientation of drilling is not likely to introduce a sampling bias.
Sample Security	*• The measures taken to ensure sample security.*	• Chain of custody protocols used for the new BMG drill samples ensures sample security and integrity.
Audits and Reviews	*• The results of any audits or reviews of sampling techniques and data.*	• No audits or reviews of the sampling techniques and data have been undertaken to date.

Section 2: Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	*JORC 2012 Explanation*	Comment
Mineral tenement and land tenure status	*• Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* *• The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• Gold and other mineral rights (except uranium and thorium) contained within the Abercromby tenure are owned 100% by BMG. No material issues exist with the underlying tenure. • The tenements are in good standing.
Exploration done by other parties.	*• Acknowledgment and appraisal of exploration by other parties.*	• Gold exploration at the Project area has been carried out by three previous explorers – CRA in 1995/97, Outokumpu in 2001 and Perilya in 2004. • CRA initially identified gold mineralisation at Abercromby in 1995. They completed 84 drill holes – 82 reverse circulation (RC)/Percussion and 2 RC/diamond in the Capital area. Holes were initially drilled on 200m, and some infill 100m, spaced traverses. Holes were generally 60m and lesser 120m apart. All bar 6 of the RC holes drilled to the west at -60 degrees. Final hole depths varied from 75m to 183m deep. The remaining 6 RC holes were drilled vertically. • Though CRA located and drilled tested the gold mineralisation the hole spacing is relatively broad and considered ineffective to test potential continuity between holes. • Outokumpu completed a small number of drill holes. It is believed the company did not pursue the gold opportunity but instead focused on nickel exploration at Honeymoon Well which was their priority target. • Perilya was the last dedicated gold explorer at the Project under a joint venture earn-in arrangement. Whilst further work was planned to follow-up on initial gold intersections, Perilya elected to pursue other 100% owned exploration opportunities in its portfolio. • Norilsk Nickel completed some drilling on the project in 2007/2008 but mostly to satisfy expenditure commitments.
Geology	*• Deposit type, geological setting and style of mineralisation.*	• Abercromby is a lode hosted orogenic gold deposit typical in type to much of the gold occurrences in Western Australia's Eastern Goldfields. • The lode is developed amongst Archaean mafic rocks and gold is generally localised within the sheared and quartz veined host rock.
Drill hole Information	*• A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* *• easting and northing of the drill hole collar* *• elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* *• dip and azimuth of the hole* *• down hole length and interception depth* *• hole length.*	• Not shown here due to irrelevance to current announcement, however this information exists in past announcements.

	• If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.	
Data aggregation methods	*• In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.* *• Where aggregate intercepts incorporate short lengths of high-grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* *• The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• Length weighted averaging of the drill hole intercepts are applied. No maximum or minimum grade truncations are used in the calculations. • The reported assays have been length weighted averages. A lower arbitrary cut off is not applied, rather, intervals are selected based on continuous anomalism, with no top cut applied. High grade intercepts internal to broader zones of mineralisation are reported as included intervals. If an interval includes core loss, the lost interval is accounted for at zero g/t Au. • No metal equivalents have been used.
Relationship between mineralisation widths and intercept lengths	*• These relationships are particularly important in the reporting of Exploration Results.* *• If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* *• If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').*	• Drill hole intersections may not be true widths – but generally thought to be around 90% of true width. • The gold mineralisation identified to date at Abercromby consists of a number of interpreted mineralised lodes striking approximately 340˚ and dipping steeply (80°-85°) to the east. Drilling is predominantly conducted at -60 degrees orthogonal to strike and as such drill holes intersect the mineralisation as close to perpendicular as possible.
Diagrams	*• Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• Refer to Figures in the text.
Balanced reporting	*• Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• All significant results are reported as appropriate.
Other substantive exploration data	*• Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• All significant results are reported as appropriate. With respect to the geophysical results reported, Sub Audio Magnetic data acquisition was done by GAP Geophysics and post processing was completed by Resource Potentials Pty Ltd – both organisations are reputable and professional geophysical service providers with ample experience in the WA Goldfields. Post processed data was interpreted by both BMG and Resource Potentials to produce the targets presented in this announcement.
Further work	*• The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* *• Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• Exploration within the Abercromby Project is ongoing. • BMG Resources is focusing on staged development drilling at Abercromby in addition to mine planning, metallurgical studies and development studies as required. • Exploration drilling at priority targets over the next 12 months is planned. • Future exploration programs may change depending on results and strategy.