



ASX ANNOUNCEMENT

21 December 2020

ABERCROMBY GOLD PROJECT – DRILLING UPDATE

- **BMG has completed its first drilling at the high-grade Abercromby gold project**
- **13 drill holes completed with 635m of diamond and 2,246m of RC drilling**
- **Visual indications that drilling has intersected multiple intervals of intense hydrothermal alteration characterised by quartz-carbonate-sericite veining and sulphides**
- **Zones of alteration show close association with lithological contacts that are interpreted to be the likely control on gold mineralisation, providing geological insight for future targeting and drilling**
- **First laboratory assays are expected in late-Jan 2021**

BMG Resources Limited (ASX: BMG) (**BMG** or the **Company**) is pleased to advise that it has completed approximately 2,880m of drilling at the Company's 100% owned Abercromby Gold Project in the north-eastern Goldfields of Western Australia.

Abercromby is located on the Wiluna Greenstone Belt, one of Western Australia's most significant gold-producing regions with a gold endowment of +40Moz Au, and surrounded by Northern Star Resources' (ASX: NST) Jundee and Wiluna Mining's (ASX: WMX) Wiluna operations.

Commenting on BMG's first drill campaign at Abercromby, managing director Bruce McCracken said:

"This successful maiden campaign by BMG – and the first drilling to be carried out at Abercromby in more than 15 years – has given us strong confidence in the potential of this high-grade project. The objective was to better understand the geology and potential continuity of the gold mineralisation at the Capital prospect.

"We look forward to receiving the assay results before incorporating them into our planning for the next round drilling at Abercromby early in 2021."

Preliminary drilling observations are highly encouraging

A number of drill holes intersected intervals of intense hydrothermal alteration with breccias containing quartz-carbonate-sericite veining with sulphides. This kind of mineralogy is known to be associated with gold mineralisation intersected elsewhere within the Abercromby project area.

A number of drill holes also intersected the basalt-gabbro contact, which is believed to be the lithological contact that acts as a control on gold mineralisation at Abercromby.

Importantly, the zones of alteration encountered by drilling show a close association with this lithological contact. This is a significant geological finding that will assist in further targeting of gold mineralisation and resource definition drilling.

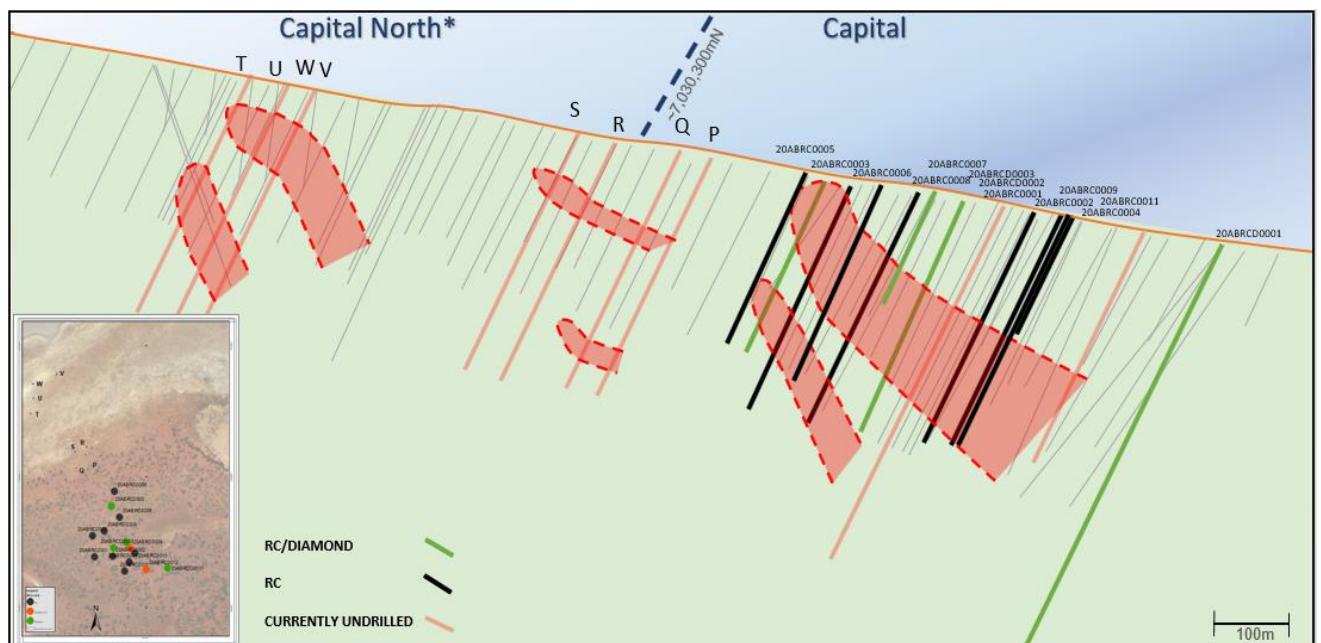
The Company awaits receipt of laboratory assays to confirm the extent of any gold mineralisation intersected, with first assays expected by late January 2021.

Drill campaign

BMG’s maiden drill program at Abercromby was designed to test the nature and continuity of known gold mineralisation at the Capital prospect, which has yielded multiple thick high-grade gold intersections.

13 drill holes have been completed by BMG, comprising approximately 2,246m of RC drilling and 635m of diamond coring. Table 1 below contains details of these completed drill holes.

Figure 1 – Schematic orthographic view (looking north-east) of the Capital prospect, showing completed RC drill holes (black), completed diamond drill holes (green) and remaining planned drill holes (in red), with historic holes (in grey) over a field of view approximately 1,000m x 300m. Red-shaded areas show interpreted positions of high-grade gold shoots. Inset bottom left image shows collar locations of drill holes in plan view.



A number of planned holes (refer P to T in Figure 1) were not completed due to time constraints and will be added to the 2021 drill campaign. Additional drilling at Abercromby will be planned once assay results are received and reviewed.

Observations of drill hole data referred to above are based on visual interpretation and are, therefore, preliminary in nature. A conclusive determination of any gold or other metal values in the drill holes will be confirmed when laboratory assays are available.

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 high-grade gold interpreted to be hosted in dolerite sill associated with granophyric zone – similar to gold deposits at St Ives and across the Kalgoorlie Golden Mile. Historic drilling at Abercromby has 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 Project with other major gold projects in the region also highlighted.

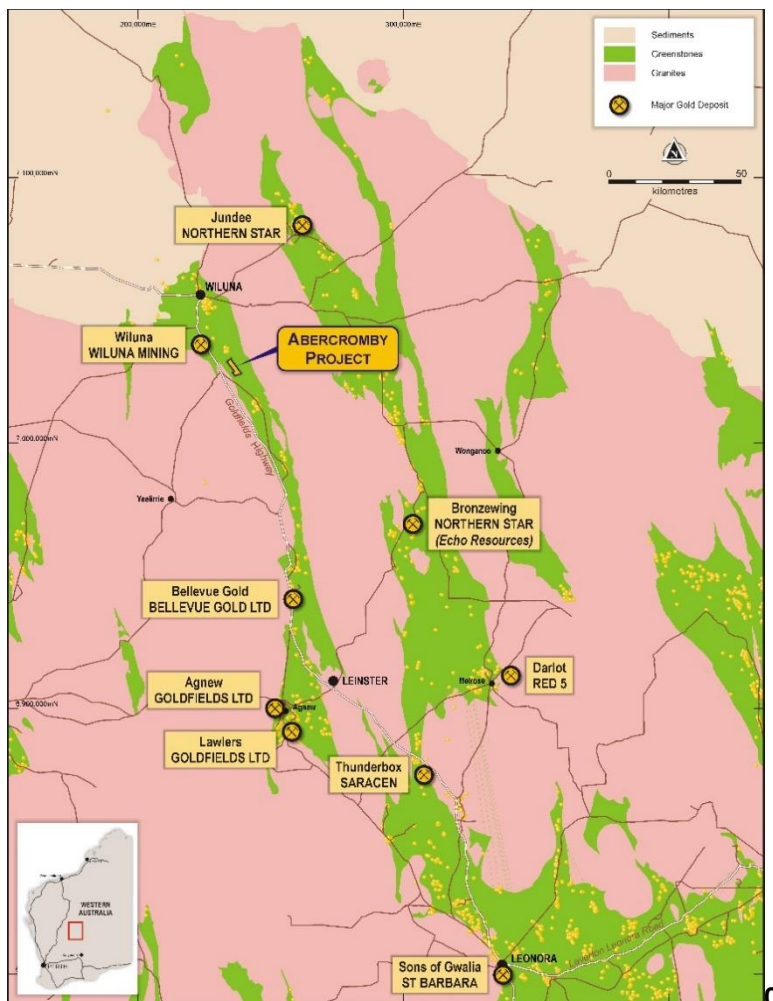


Table 1 – Drill hole details for drill holes completed in the current campaign at Abercromby.

Hole ID	Prospect	East	North	RL	Depth	Azi	Dip
20ABRCD0001	Capital	235085	7030151	2500	420.8	-60	248
20ABRCD0002	Capital	234922	7030247	2500	360.8	-60	248
20ABRCD0003	Capital	234871	7030227	2500	240.5	-60	248
20ABRC0001	Capital	234795	7030192	2500	71	-60	248
20ABRC0002	Capital	234868	7030194	2500	150	-60	248
20ABRC0003	Capital	234863	7030387	2500	252.7	-60	248
20ABRC0004	Capital	234932	7030172	2500	250	-60	248
20ABRC0005	Capital	234875	7030443	2500	240	-60	248
20ABRC0006	Capital	234894	7030343	2500	219.5	-60	248
20ABRC0007	Capital	234787	7030273	2500	125	-60	248
20ABRC0008	Capital	234834	7030291	2500	180	-60	248
20ABRC0010	Capital	234955	7030206	2500	240	-60	248
20ABRC0011	Capital	234915	7030138	2500	131	-60	248

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

*****ENDS*****

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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 Code Explanation	Commentary
Sampling techniques	<i>Nature and quality of sampling (e.g. 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.</i>	One central database houses the Abercromby project drill data. The Access database contains all validated historic and recent drilling completed on the Abercromby Project to date. Drilling is via RC and diamond drilling methods. Drilling completed by BMG in December 2020 was via RC and diamond coring. All drilling has been deemed of high quality by suitably qualified and experienced geologists.
	<i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i>	Data is legacy in nature and cannot be directly verified – however it is inferred that proper care of sampling other drill data has been afforded. BMG Resources is undertaking its own confirmatory drilling.
	<i>Aspects of the determination of mineralisation that are Material to the Public Report.</i>	Mineralisation has been determined by assay results and by visual identification by appropriately qualified project geologists working on site.
Drilling techniques	<i>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 orientated and if so, by what method, etc.).</i>	The historical dataset drilling includes RC and DDH. RC is of unknown diameter but assumed to be circa 5 ^{1/4} " however, the size is considered immaterial. Diamond core sizes drilled are not known, with coring mostly as tails to RC holes. Core is assumed not to have been orientated as no structural information is available.
Drill sample recovery	<i>Method of recording and assessing core and chip sample recoveries and results assessed.</i>	RC and DDH sample recovery is assumed to be good – especially for recent drilling with only issues encountered from time to time with recoveries in clay zones generally not attributed with mineralised zones.
	<i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i>	RC holes were drilled using a booster and auxiliary to ensure holes were kept dry and to maximise recoveries and sample quality.
	<i>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of</i>	No recovery issues were identified with the RC drilling. Loss of fines at the cyclone assumed minimal and not considered to have had a significant effect on sample recovery.

	<i>fine/coarse material.</i>	No relationship has been noted between sample recovery and grade. Overall, sample recoveries are assumed high and unproblematic.
Logging	<i>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</i>	RC chips 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.
	<i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.</i>	Logging was predominately qualitative in nature, although vein and sulphide percent was estimated visually. All new core has been photographed.
	<i>The total length and percentage of the relevant intersections logged.</i>	All new drilling has been geologically logged.
Sub-sampling techniques and sample preparation	<i>If core, whether cut or sawn and whether quarter, half or all core taken.</i>	N/A.
	<i>If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.</i>	RC samples were split at the drill rig using a cone splitter.
	<i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i>	N/A
	<i>Quality control procedures adopted for all subsampling stages to maximise representivity of samples.</i>	BMG drilling utilizes QAQC regime consisting of certified reference material checks, blanks and duplicates.
	<i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i>	Sample sizes are appropriate.
Quality of assay data and laboratory tests	<i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i>	Assaying has not been undertaken yet and will be reported in the future as applicable.

	<i>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.</i>	NA
	<i>Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.</i>	Results yet to be returned.
Verification of sampling and assaying	<i>The verification of significant intersections by either independent or alternative company personnel.</i>	NA
	<i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i>	Data collected in the field on paper and or digital logs, then transferred to the project database once collated and checked.
	<i>Discuss any adjustment to assay data.</i>	NA
Location of data points	<i>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.</i>	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.
	<i>Specification of the grid system used.</i>	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 AHDR at the first opportunity.
Data spacing and distribution	<i>Data spacing for reporting of Exploration Results.</i>	Drilling has been completed on a variable grid drilled orthogonal to the mineralisation, generally toward 248°.
	<i>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.</i>	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 drilling.
	<i>Whether sample compositing has been applied.</i>	Raw samples have not been composited.

Orientation of data in relation to geological structure	<i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i>	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	<i>The measures taken to ensure sample security.</i>	Chain of custody protocols used for the new BMG drill samples ensures sample security and integrity.
Audits or reviews	<i>The results of any audits or reviews of sampling techniques and data.</i>	NA

Section 2: Reporting of Exploration Results

Criteria	JORC Code Explanation	Commentary
Mineral tenement and land tenure status	<i>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.</i>	The gold and other mineral rights (ex uranium and thorium) hosting the Abercromby deposit are owned 100% by BMG. No material issues exist with the underlying tenure
	<i>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.</i>	The tenements are in good standing.
Exploration done by other parties	<i>Acknowledgment and appraisal of exploration by other parties.</i>	All work to data has been done by third parties.
Geology	<i>Deposit type, geological setting and style of mineralisation.</i>	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 hosted by the sheared and quartz veined host.
Drill hole Information	<i>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all</i>	The details of drill holes material to the exploration results/mineral resource are presented in Table 1.
Data aggregation methods	<i>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.</i>	NA
	<i>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.</i>	NA.
Relationship between mineralisation widths and intercept lengths	<i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i>	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 west. 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	<i>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.</i>	Included as appropriate.
Balanced reporting	<i>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.</i>	NA
Other substantive exploration data	<i>Other exploration data, if meaningful and material, should</i>	No other meaningful data to report.

	<i>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.</i>	
Further work	<i>The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).</i>	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.
	<i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i>	Contained in report.