

ASX ANNOUNCEMENT

8 December 2020

DRILLING COMMENCES AT HIGH GRADE ABERCROMBY GOLD PROJECT

- BMG has commenced drilling at its high grade Abercromby Gold Project in the Wiluna greenstone belt of Western Australia
- Drill program is designed to test the nature and continuity of the known mineralisation in the high-grade Capital prospect
- 5,000m of combined diamond and RC drilling is planned, and the Company anticipates around 3,350m will be completed prior to Christmas
- Assays are anticipated to be available early in the new year

BMG Resources Limited (ASX: BMG) (BMG or the Company) is pleased to advise that drilling has commenced at the Company's 100% owned Abercromby Gold Project in the Wiluna greenstone belt of Western Australia. No drilling has occurred at the Capital prospect within Abercromby in over 15 years.

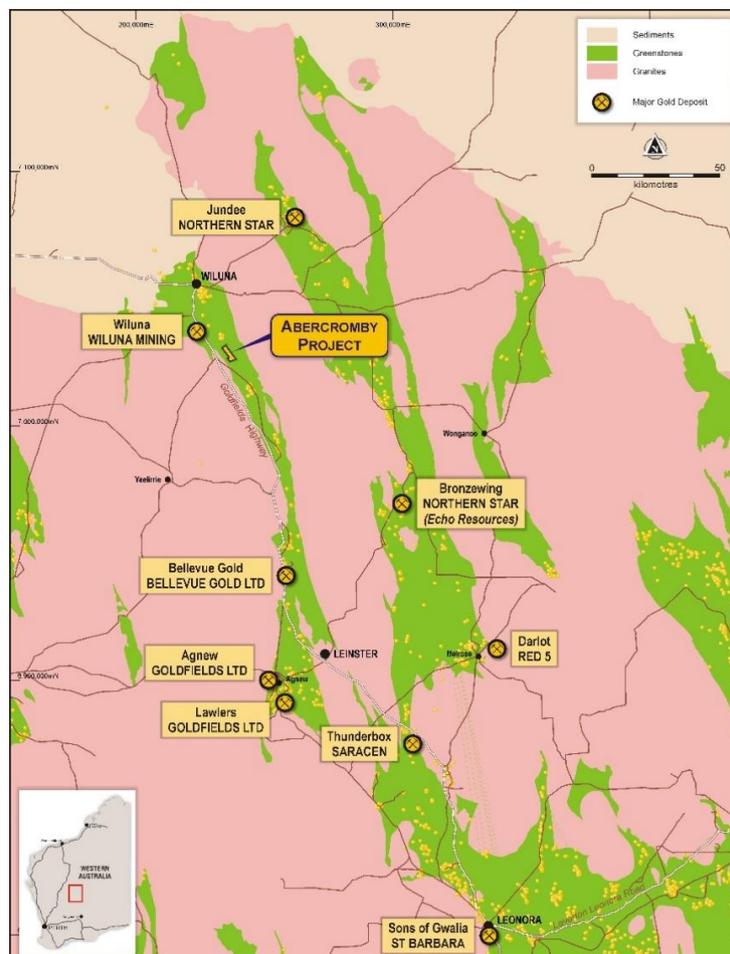


Figure 1 – Map showing the regional location of the Abercromby Project with other major gold projects in the region also highlighted.

The drilling program underway is designed to test the nature and continuity of known gold mineralisation at the Capital prospect, which has yielded multiple thick high-grade gold intersections, including:

- 57.5m @ 5.73g/t Au from 80m
- 58m @ 1.17g/t Au from 77m
- 30m @ 10g/t from 164m
- 36m @ 4.33g/t from 100m

In particular, drilling will focus on:

- testing the down dip continuity of these previous strong drill results
- infill drilling of large gaps in the historical 100m/200m wide-spaced drill traverses that contain significant gold intercepts
- defining shoot control for multiple high-grade gold intercepts near surface (e.g. 6m @ 9.77g/t from 12m)

For further details on the Abercromby gold project and the historic results, see our ASX Release dated 17 August 2020 ‘*Transformational Acquisition: BMG To Acquire Three Outstanding Western Australian Gold Projects*’.

The Company has engaged Precision Exploration Drilling (**PXD**) to undertake the drilling, with two drill rigs, diamond and reverse circulation (**RC**), operating on site.



Figure 2 - PXD RC Drill Rig operating at Abercromby Gold Project, Wiluna, WA

The drilling program comprises 5,000m of planned combined diamond and RC drilling and the Company anticipates around 3,350m of drilling across 15 holes (refer holes A to O in Figure 3) will be completed prior to Christmas. Assay results for completed drill holes are expected early in the new year. The balance of the program will be undertaken in the new year.

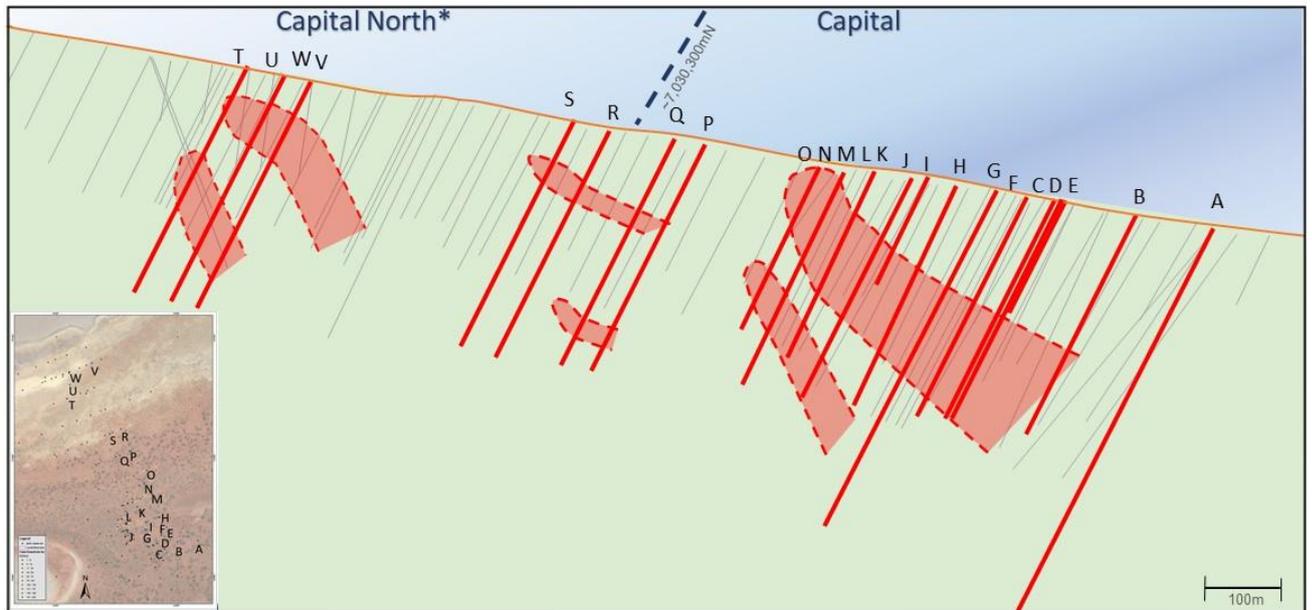


Figure 3 – Schematic orthographic view (looking north-east) of Capital showing planned drill holes (in red) and historic holes (in grey) over a field of view covering an area approx. 1,000m x 300m. Red shaded areas show interpreted positions of high-grade gold shoots. Bottom left (earth image) shows collar locations of planned drill holes

In addition to laboratory assays for drill samples, the Company will undertake preliminary metallurgical test-work on samples to assess the metallurgical performance of the gold mineralisation – including to test recovery levels from an accelerated cyanide leach.

The Company will provide further updates as the drill program progresses.

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

*****ENDS*****

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