



ASX ANNOUNCEMENT

30 April 2021

MARCH 2021 QUARTERLY ACTIVITIES REPORT

- All assays received from maiden drilling program at Abercromby Gold Project, Capital prospect
 - High gold grades, including:
 - 26m @ 6.07g/t Au from 192m, including 7m @ 21.22g/t Au from 192m (20ABRC0004)
 - 16m @ 3.64g/t Au from 82m, including 3m @ 14.38g/t Au from 83m (20ABRC0004)
 - 33m @ 1.7g/t Au from 127m, including 3m @ 15.29g/t Au from 157m (20ABRC0008)
 - 37m @ 2.58g/t Au from 144m including 8m @ 8.1g/t Au from 173m (20ABRC0010)
 - 5m @ 5.86g/t Au from 42m including 2m @ 10.83g/t Au from 42m (20ABRC0010)
 - 8m @ 2.72g/t Au from 32m and 2m @ 4.37g/t Au from 107m (20ABRCD0003)
 - 59m @ 0.86g/t Au from 156m, including 7m @ 3.33g/t Au from 173m (20ABRC0006)
 - 2.7m @ 6.54g/t Au from 215.3m (20ABRCD0003)
 - 12m @ 2.56g/t Au from 25m including 2m @ 4.87g/t Au from 25m (20ABRC0001)
 - Results confirm gold mineralisation across broad zones and down-dip continuity that remains open
 - Two broad gold lodes confirmed – Western and Eastern lodes, with additional gold lodes emerging
 - Structural controls for high-grade zones identified with further high-grade zones considered highly likely
 - Major follow-up drill program planned
- Metallurgical testwork on Abercromby drill samples (fresh rock and oxide) delivered high gold recoveries (average 90%) in conventional carbon-in-leach (CIL) processing
- High-priority targets identified at Invincible Gold Project from airborne geophysical and radiometric survey

Western Australian gold explorer BMG Resources Limited (ASX: BMG) (BMG or the Company) is pleased to provide shareholders with its quarterly activities report for the three months to 31 March 2021.

BMG Resources has three highly prospective gold exploration projects in Tier 1 mining jurisdictions – the Abercromby Gold Project, the Invincible Gold Project and the South Boddington Gold Project (under application), located in the Wiluna, Central Pilbara and Boddington regions of Western Australia, respectively.



Figure 1 - Location of BMG’s three key projects across Western Australia.

Activities During the Reporting Period

Excellent high-grade gold intercepts in first drilling at Abercromby

BMG commenced a maiden reverse circulation (RC) and diamond drilling program at Abercromby in late 2020, the first to be conducted at the Project in more than 15 years.

The program was designed to test the nature and continuity of known mineralisation at the Capital Prospect, where multiple thick and high-grade gold intersections were reported by previous explorers.



A total of 13 drill holes were completed in the program, with 635m of diamond drilling and 2,246m of RC drilling, however due to time constraints, a further eight planned holes were not completed in the initial drilling campaign. The holes will be added to the 2021 drilling campaign.

All assays were received during the reporting period, with initial results announced to the market in late January before the full results were released in March. The first batch of assays returned bonanza gold grades while final assays confirmed gold mineralisation across broad zones and down-dip continuity that remains open.

Assays included:

- 26m @ 6.07g/t Au from 192m, including 7m @ 21.22g/t Au from 192m (20ABRC0004)
- 16m @ 3.64g/t Au from 82m, including 3m @ 14.38g/t Au from 83m (20ABRC0004)
- 33m @ 1.7g/t Au from 127m, including 3m @ 15.29g/t Au from 157m (20ABRC0008)
- 37m @ 2.58g/t Au from 144m including 8m @ 8.1g/t Au from 173m (20ABRC0010)
- 5m @ 5.86g/t Au from 42m including 2m @ 10.83g/t Au from 42m (20ABRC0010)
- 8m @ 2.72g/t Au from 32m and 2m @ 4.37g/t Au from 107m (20ABRC0003)
- 59m @ 0.86g/t Au from 156m, including 7m @ 3.33g/t Au from 173m (20ABRC0006)
- 2.7m @ 6.54g/t Au from 215.3m (20ABRC0003)
- 12m @ 2.56g/t Au from 25m including 2m @ 4.87g/t Au from 25m (20ABRC0001)

Analysis of the drill results showed a number of mineralised zones or lodes within the Capital Prospect, some of which were not previously recognised.

Many of the lodes have areas of high-grade potential that have not been fully tested, providing scope for further drilling to greatly expand the areas of mineralisation and therefore the potential contained ounces.

Mineralisation in these gold zones is interpreted to be open in all directions with potential extensions to the north and at depth being of priority interest.

BMG's interpretation of mineralisation at the Capital Prospect is there are a number of north-west trending mineralised shear zones (lodes) that contain internal high-grade, plunging gold shoots.

The latest drill results have identified two broadly defined, steeply north-east dipping mineralised zones, the Western lode and Eastern lode. There are also indications that there may be further mineralised zones in the Capital area, the Flat lode (see Figures 2 and 3).

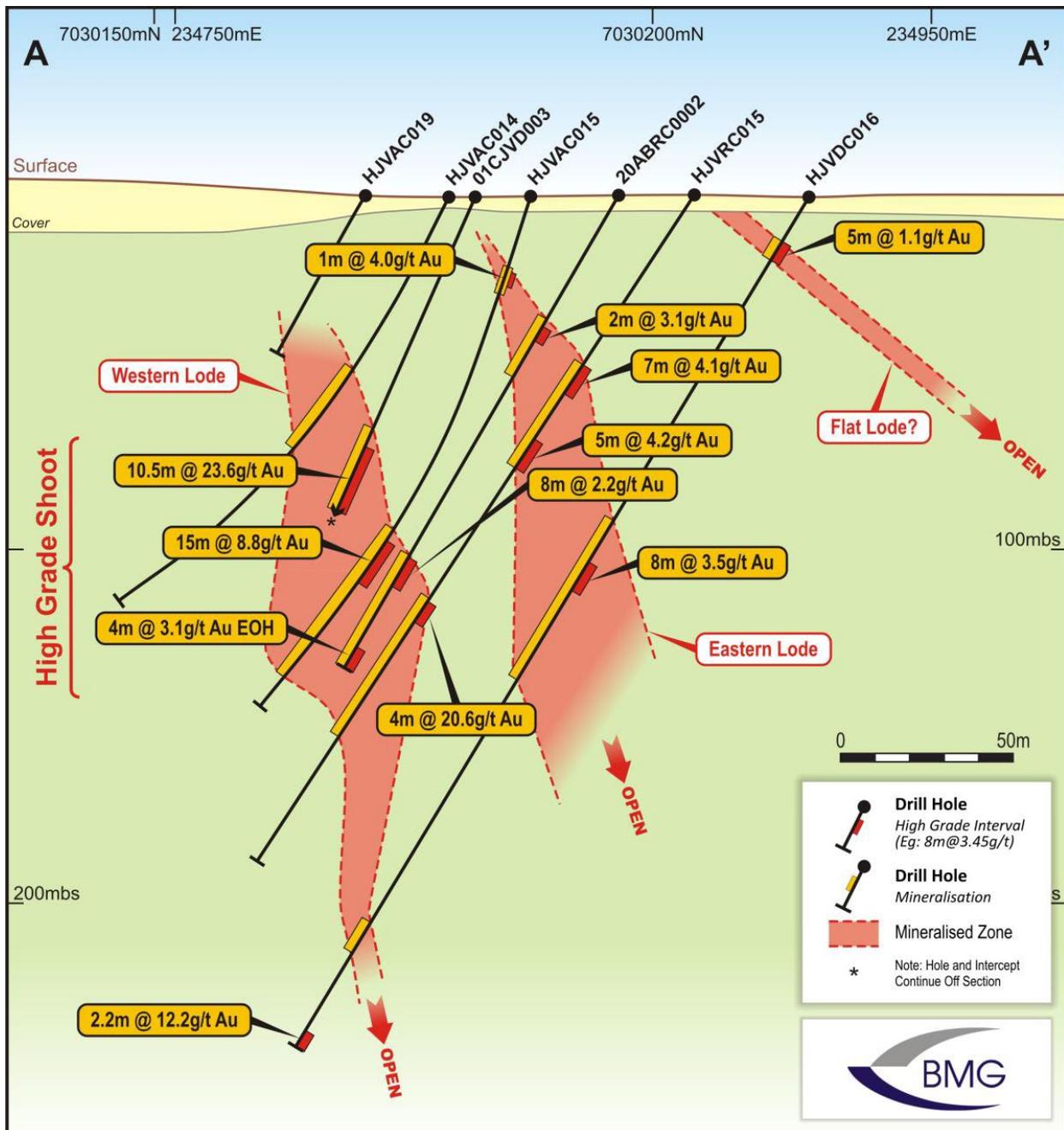


Figure 2 – Capital Prospect cross section A-A' (looking NW) showing recent and historical drilling together with interpreted mineralised zones and selected internal high-grade intersections.

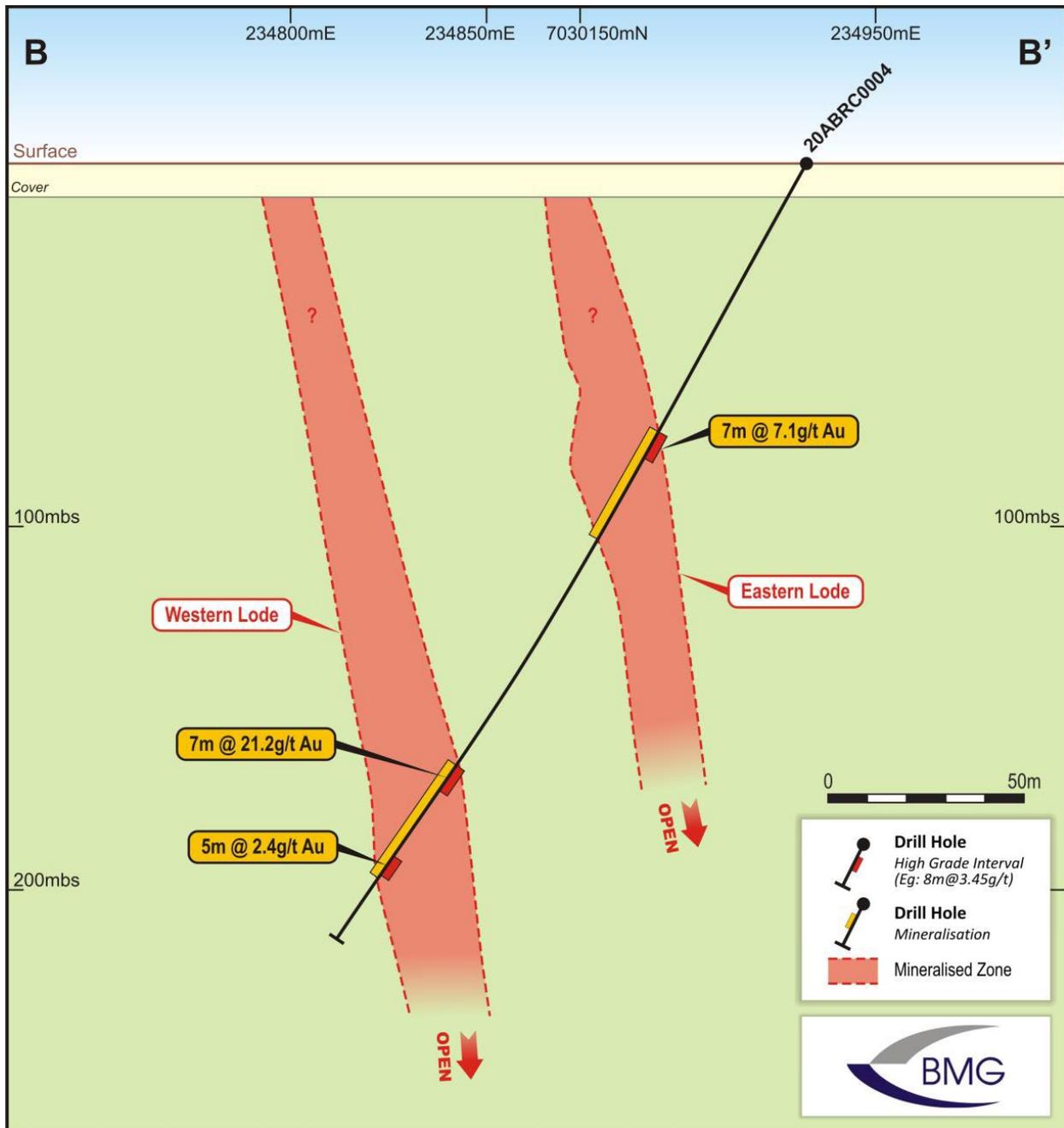


Figure 3 – Capital Prospect cross section B-B' (looking NW) showing the results of BMG drilling with interpreted mineralised zones and selected internal high-grade intersections. ABRC0004 drilled between previously drilled traverses that were some 50m apart.

A major follow-up drill program is being planned.



Material expenditure in relation to activity for this project during the quarter primarily related to the final contractor payments for the December 2020 drilling program and the assaying of drill samples and the processing and interpretation of results.

Tenement Information as required by Listing Rule 5.3.3.

Tenement ID	Registered Holder	Project / Location	Interest (%)	Change in quarter
M53/1095	Nova Energy Pty Ltd	Abercromby	100	*
M53/336	Nova Energy Pty Ltd	Abercromby	100	*

*BMG (Oracle) acquired the non-uranium and thorium mineral rights associated with mining leases M53/1095 and M53/336 on 13 October 2020, on completion of the acquisition of the mineral rights from MPI Nickel Pty Ltd.

Multiple high-priority targets identified at Invincible

During the reporting period, BMG released the results of an aeromagnetic and radiometric geophysical survey (conducted during the December quarter), which identified multiple exploration targets at the Invincible Project.

Results from the geophysical survey (magnetics and radiometrics) and high-resolution digital terrain model have been integrated with existing project data – notably geochemical and geological data – to generate multiple high-priority targets for gold exploration.

Radiometric data, particularly ratios for K:Th (potassium:thorium), were used to delineate zones of anomalism. The potassium channel was used to discern the gneiss structure that defines the Yandicoogina Gold Mining Centre (YGMC) mineralisation to the east of Invincible and which is interpreted to continue into the Invincible project area.

Targets (refer Figure 4) have been generated by combinations of overlaps of:

- Magnetic low
- Magnetic high
- K:Th anomalism
- K anomalism

Importantly, there is strong correlation between anomalous geophysical responses and existing soil geochemistry data – particularly at the known prospect areas of Pryces East Find, Pryces West Find and House Creek 3 where artisanal mining recovered high-grade gold.

These areas are targets for significant gold mineralisation and are shown in Figure 4 as red ellipses.

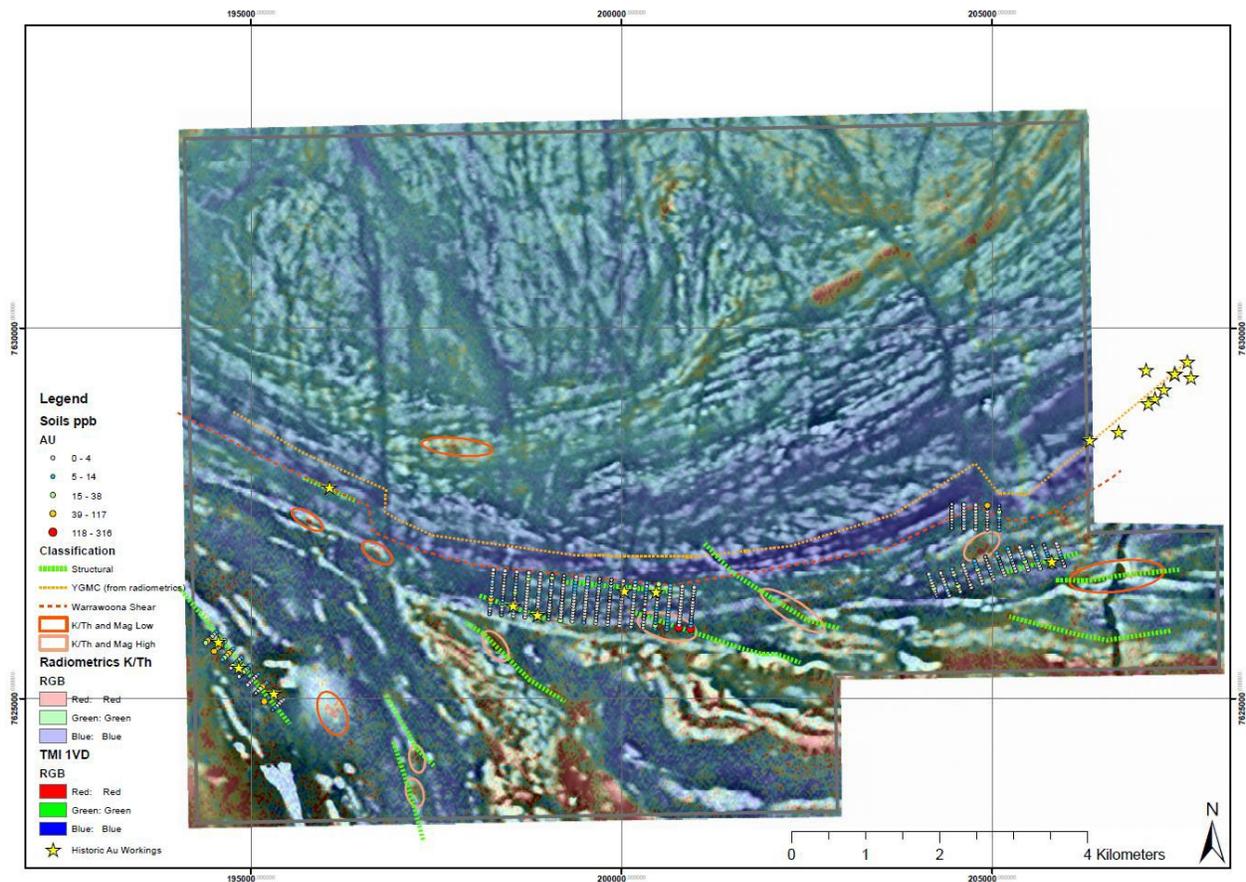


Figure 4 – Map showing the Invincible tenement (grey outline) 1VD grey scale magnetics. Salmon ellipses show mag lows with K:Th, red ellipses shows mag highs with K:Th, trends of interest (including historically known) shown in green, YGMC (gneiss) trend in orange, Warrawoona Shear (interpreted) in red.

Reconnaissance field work and mapping to validate recently generated targets, together with further geochemical sampling to scope the extent of the existing anomalies and investigate new target areas is currently being undertaken.

Once this work has been completed and the data has been compiled, the Company will finalise planning for ongoing work and any follow up drill program of the key targets.



There was no substantive project expenditure during the quarter. Exploration activity on the ground is difficult during the summer season with very high temperatures and periods of heavy rainfall during the cyclone season causing flooding of the river systems.

Tenement Information as required by Listing Rule 5.3.3.

Tenement ID	Registered Holder	Project / Location	Interest (%)	Change in quarter
E45/4553	Delphi Resources Pty Ltd	Invincible	100	*

*Acquired on 13 October 2020, upon completion of the acquisition of Oracle Mining Limited and its subsidiaries, including Delphi Resources Pty Ltd

June Quarter Activities

High gold recoveries (average 90%) from Metallurgical Testwork of Abercromby drill samples

Subsequent to the end of the reporting period, BMG announced that preliminary metallurgical test work undertaken on recent drill samples from the Abercromby Project had confirmed that the gold ore is amenable to conventional carbon-in-leach (CIL) processing with high gold recoveries achieved.

The preliminary metallurgical test work on samples from these recent holes has confirmed the nature of the Abercromby gold as free-milling and that the gold is not associated with high sulphide content.

The Company submitted six samples of approximately 25kg each from the recent drill program at Abercromby, the results of which can be found below. Each of the six samples were homogenised, split, and pulverised. A representative 1kg sample from each was then combined with 1kg of water, and subjected to accelerated cyanide leach for 24hrs (the 'Leachwell' process).

After 24 hrs, the tail portion of each sample was filtered, and both the solution and tail analysed for gold. The relative grade split between mass weighted solution and solid grades yields the leach recovery percent.

Samples were taken from across the weathering profile – from shallower oxidized zones and deeper fresh rock zones – as well as across varying grade ranges.

The Table below summarises the recoveries and grades achieved from the six samples. Importantly, the highest recoveries of 98% came from the higher grade fresh rock samples.



Sample ID*	Oxidation	Grade (Au g/t)	Recovery (%)
20ABRC0001 (35-36)	oxide	1.238	85.9
20ARRC0004 (194-195)	fresh	20.794	95.0
20ABRC0004 (195-196)	fresh	29.793	98.0
20ABRC0010 (221-222)	fresh	0.605	88.5
20ABRC0010 (222-223)	fresh	0.532	86.0
20ABRC0011 (111-112)	transitional	0.057	87.9

*The Sample IDs refer to the hole numbers and meters down hole

While not a replacement for in-depth metallurgical test work, Leachwell is considered a reliable proxy for indicating amenability of gold ores to conventional CIL processing. As such, the test work results indicate the nature of Abercromby ore as free-milling.

Treasure Project, Cyprus

BMG retains its 30% interest in the Treasure Project in Cyprus, which is highly prospective for Cu, Au, Ni and Co. The Treasure Project comprises nine exploration licences covering a total geographical area of 31.56km².

The Treasure Project's operator, New Cyprus Copper Company Limited, is the majority shareholder and is responsible for maintaining and progressing the project.

Tenement Information as required by Listing Rule 5.3.3.

Licence number	Project	Status	Interest (%)	Change in quarter
AE4654	BLACK PINE	granted	100	N/A
AE4653	BLACK PINE	granted	100	N/A
AE4591	BLACK PINE	granted	100	N/A
AE4610	BLACK PINE	granted	100	N/A
AE4612	BLACK PINE	granted	100	N/A
AE4674	MALA	granted	100	N/A
AE4607	KALAVASSOS	granted	100	N/A
AE4608	KALAVASSOS	granted	100	N/A
AE4649	KAMBIA	granted	100	N/A

There were no substantive exploration activities during the quarter.



Corporate

Payments to related parties of the entity and their associates

The amount included in section 6.1 of the Appendix 5B includes cash payments of \$83,985 in directors' fees, including the Company's Managing Director,

The Company paid \$36,000 to Tribis Pty Ltd ('Tribis'), a related party to former non-executive director Mr Simon Trevisan (resigned 13 October 2020), for administrative and related services to the Company.

Authority

For the purpose of ASX Listing Rule 15.5, this announcement has been authorised for release by Bruce McCracken, Managing Director of BMG Resources Limited.

*****ENDS*****

For further information, shareholders and media please contact:

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

Sean Meakin, Company Secretary
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

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

BMG RESOURCES LTD

ABN

96 107 118 678

Quarter ended ("current quarter")

31 March 2021

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation (if expensed)	-	(20)
(b) development	-	-
(c) production	-	-
(d) staff costs	(84)	(278)
(e) administration and corporate costs	(85)	(383)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	33
1.8 Other (provide details if material)	1	15
1.9 Net cash from / (used in) operating activities	(168)	(633)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities	-	(45)
(b) tenements	-	(715)
(c) property, plant and equipment	-	-
(d) exploration & evaluation (if capitalised)	(508)	(732)
(e) investments	-	-
(f) other non-current assets	-	-

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(508)	(1,492)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	3,740
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(3)	(206)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	(365)
3.7	Transaction costs related to loans and borrowings	-	(85)
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	(3)	3,084

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,918	280
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(168)	(633)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(508)	(1,492)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(3)	3,084

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	1,239	1,239

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts		Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	4	18
5.2	Call deposits	1,235	1,900
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,239	1,918

6. Payments to related parties of the entity and their associates

6.1	Aggregate amount of payments to related parties and their associates included in item 1	(120)
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

**Current quarter
\$A'000**

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

The Company paid \$83,985 in cash to directors during the period, including its managing director.

The Company paid \$36,000 in cash fees to Tribis Pty Ltd for the provision of administrative and related services to the Company. Tribis is a related party to former non-executive director Simon Trevisan (resigned as anticipated following Oracle completion on 13 October 2020).

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities		
7.2 Credit standby arrangements		
7.3 Other (please specify)		
7.4 Total financing facilities		
7.5 Unused financing facilities available at quarter end		
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (Item 1.9)	(168)
8.2 Capitalised exploration & evaluation (Item 2.1(d))	(508)
8.3 Total relevant outgoings (Item 8.1 + Item 8.2)	(676)
8.4 Cash and cash equivalents at quarter end (Item 4.6)	1,239
8.5 Unused finance facilities available at quarter end (Item 7.5)	-
8.6 Total available funding (Item 8.4 + Item 8.5)	1,239
8.7 Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	1.83

8.8 If Item 8.7 is less than 2 quarters, please provide answers to the following questions:

- Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer:

Yes. It is noted that the activity for this reported period includes expenditure relating to the December 2020 drilling program at Abercromby. The timing and scope of future drilling programs is currently under consideration, but has not yet been finalised.

- Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer:

The Company has sufficient funds to meet its current requirements and the timing and quantum of any future capital raising will be influenced by any exploration activities which the Company may propose to undertake in the future. It is noted that the Company has substantially all of its available placement capacity under listing rules 7.1 and 7.1A.

- Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer:

Yes. Refer to 8.8(2) above.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date:30 April 2021.....

Authorised by:Bruce McCracken – Managing Director.....
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.