



ASX ANNOUNCEMENT

21 January 2021

BONANZA GOLD GRADES INTERSECTED IN FIRST DRILLING AT ABERCROMBY

- First batch of assays received from December drilling campaign at Abercromby Gold Project
- Highly encouraging results with confirmation of gold mineralisation across broad shear zones with high-grade shoots including:
 - 26m @ 6.07gpt Au from 192m, including 7m @ 21.22gpt Au from 192m (20ABRC0004)
 - 33m @ 1.7gpt Au from 127m, including 3m @ 15.29gpt Au from 157m (20ABRC0008)
- Multiple thick intersections of gold mineralisation
- Remaining samples, including all diamond core, to be assayed in coming weeks

West Australian gold explorer BMG Resources Limited (ASX: **BMG**) (**BMG** or the **Company**) is pleased to report that it has received the first batch of assay results from 2,880m of drilling completed in December at the Company's 100%-owned Abercromby Gold Project, south of Wiluna in the north-eastern Goldfields.

Abercromby is one of BMG's three highly prospective, 100%-owned gold exploration projects in the Tier 1 mining jurisdiction of Western Australia. BMG's other projects are Invincible in the Central Pilbara and South Boddington in the State's South West.

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

The Abercromby assay results are selections from mainly fresh rock intervals in 8 of 13 reverse circulation (RC) and diamond drill holes, accounting for circa 30% of the total samples of the campaign. Assays for the shallow oxide intervals of the RC holes are pending, along with all samples relating to the diamond drill holes.

BMG Managing Director Bruce McCracken said:

"These are exceptional early results from our exploration push at Abercromby, just four months since we acquired the project, and reflect only a small sample of the total completed drill campaign.

"We are highly encouraged by what we have seen in these interim results and look forward to seeing the complete picture once the outstanding assays are received in coming weeks. We can then assess next steps with regards to confirming Abercromby's gold potential."

BMG's interpretation of mineralisation at Capital is that of an approximately north-trending shear zone that contains internal high-grade, south-plunging shoots.

The initial assays from Capital indicate that the mineralised intervals from this set of results fall in, or are very close to, the spatial positions predicted by BMG's mineralisation model. This increases the Company's confidence in the grade distribution and general predictability at Abercromby.

Once the assay results from the remaining sampling are returned, including those of the diamond holes that targeted key sections within and below the known mineralised shear, BMG will be able to better understand the controls to the mineralisation.

Selected results on a hole-by-hole basis for the returned assays are shown below (lengths are downhole dimensions and estimated at circa 90% of true width):

- 2m @ 3.05gpt from 41m and 47m @ 0.84gpt Au from 103m, including 3m @ 3.95 from 119m and 3m @ 3.09 from 147m (EOH) (20ABRC0002)
- 11m @ 0.83gpt Au from 153m, including 4m @ 1.30 from 160m (20ABRC0003)
- **26m @ 6.07gpt Au from 192m, including 7m @ 21.22 from 192m** (20ABRC0004)*
- 21m @ 0.47gpt Au from 167m, including 1m @ 4.02 from 168m and 1m @ 1.11gpt from 205m (20ABRC0005)
- **59m @ 0.86gpt Au from 156m, including 7m @ 3.33 from 173m** and 2m @ 2.87 from 213m (20ABRC0006)
- **33m @ 1.7gpt Au from 127m, including 3m @ 15.29 from 157m** (20ABRC0008)
- 18m @ 0.48gpt Au from 221m (20ABRC0010)
- 3m @ 0.13gpt Au from 83m (20ABRC0011)

**Available assays were still in mineralisation. Further assays to come for remainder of hole*

A number of additional planned holes were not completed in this initial drilling campaign due to time constraints and will be added to the 2021 drilling campaign. The detail and extent of the next drilling campaign will be determined once all assay results have been received and reviewed.

In addition to the laboratory assays from the current drill program, the Company plans to 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 is also planning detailed geophysics via a sub-audio magnetic survey (SAM) to provide high resolution information on the structural controls of the mineralisation.

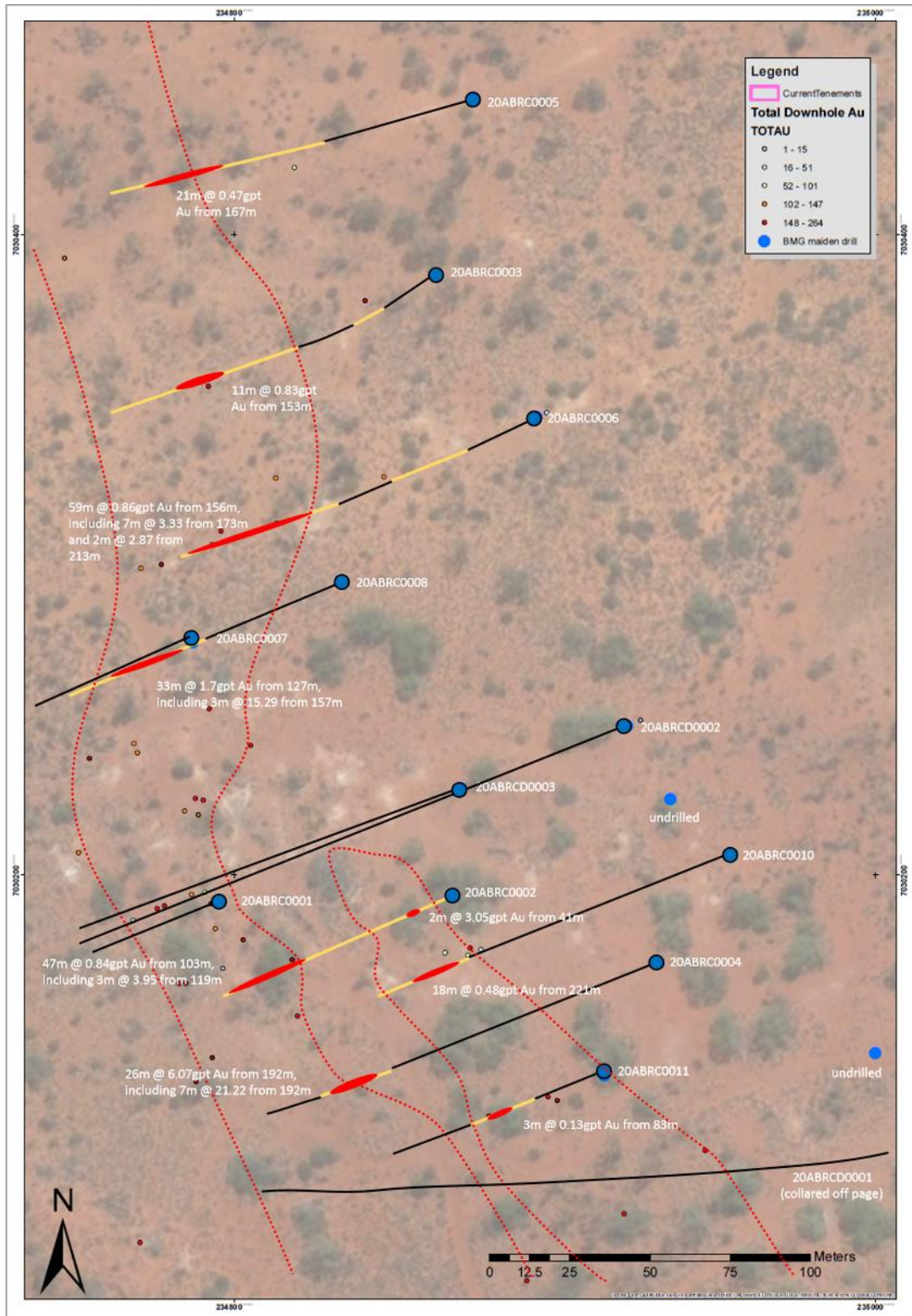


Figure 1 – Plan view of maiden BMG drilling, together with position of reported intercepts. Note; yellow drill traces indicate intervals of returned assays; black traces indicate results pending. Reported intervals are shown in red along with the evolving mineralisation model (dashed red line)

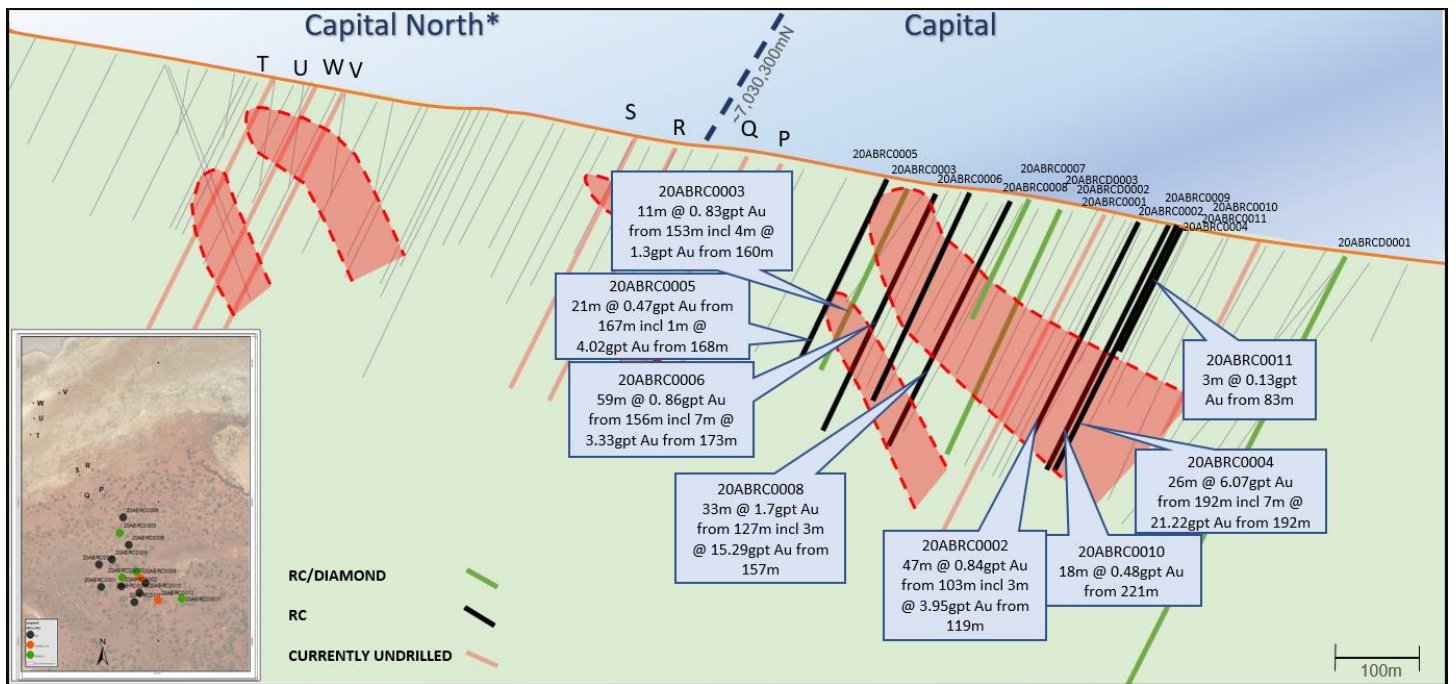


Figure 2 – Schematic orthographic view (looking north-east) of the Capital prospect, showing intercepts in pseudo-3D. Completed RC drill holes (black), completed diamond drill holes (green) and remaining planned drill holes (in red), with historic holes (in grey) over a field of view approximately 1,000m x 300m. Red-shaded areas show interpreted positions of high-grade gold shoots. Inset bottom left image shows collar locations of planned drill holes in plan view.

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 granophytic 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).

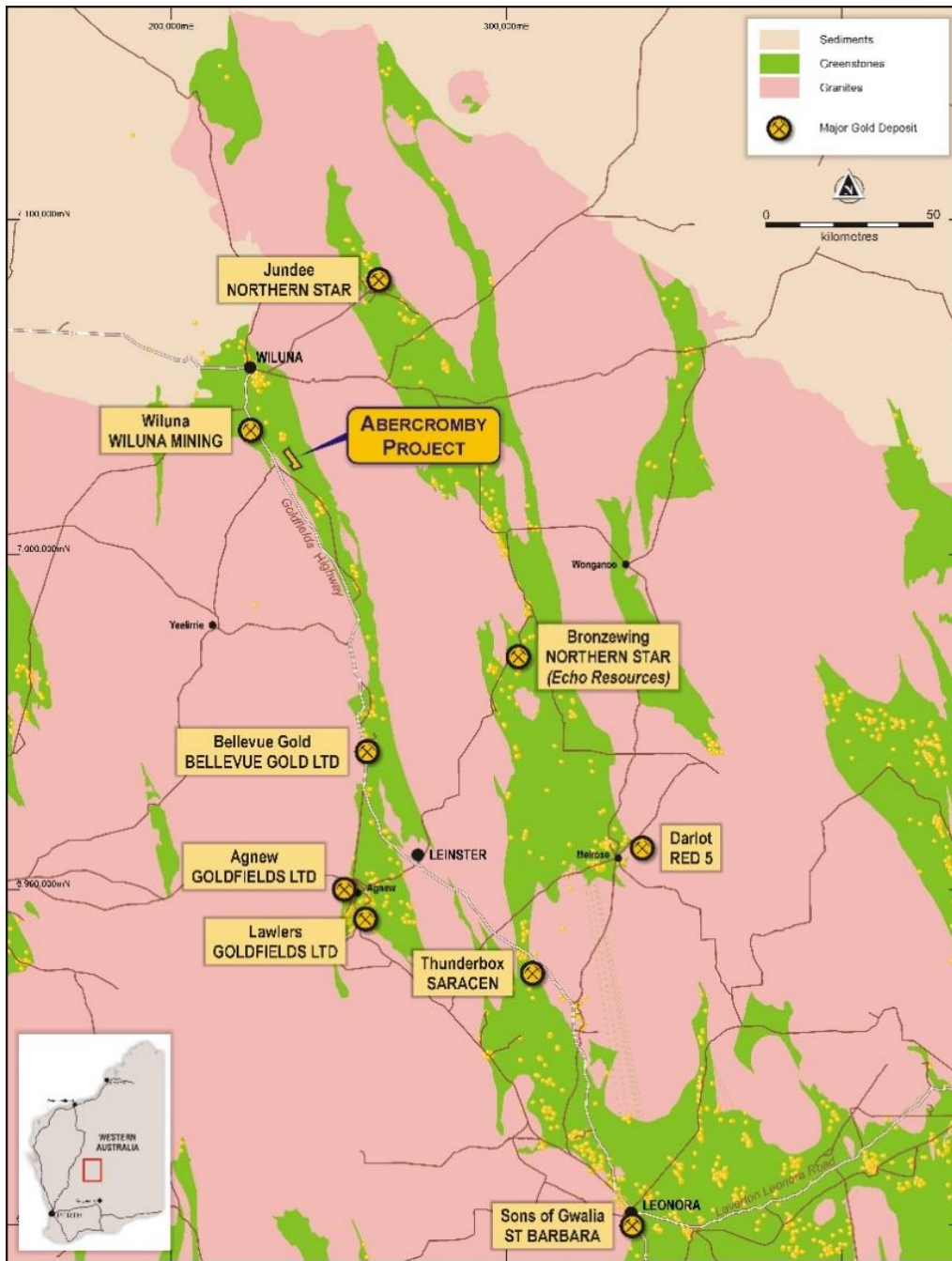


Figure 3 – Map showing the regional location of the Abercromby Gold Project with other major gold projects in the region also highlighted.

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 2012 Explanation	Comment
Sampling techniques	<ul style="list-style-type: none"> • 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. 	<ul style="list-style-type: none"> • Reverse Circulation (RC) 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. • 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.
Drilling Techniques	<ul style="list-style-type: none"> • Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg 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). 	<ul style="list-style-type: none"> • Drilling is via RC drilling methods • A Schramm drilling rig is used. • RC drilling was with a 5^{1/4}" diameter face sampling hammer drilling bit. Onboard air utilised to yield 1000psi / 2200cfm. • 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	<ul style="list-style-type: none"> • <i>Method of recording and assessing core and chip sample recoveries and results assessed.</i> • <i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i> • <i>Whether a relationship exists between sample recovery and grade and whether sample bias</i> 	<ul style="list-style-type: none"> • 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. • Each individual samples are 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	<ul style="list-style-type: none"> • <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> • <i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc)</i> • <i>The total length and percentage of the relevant intersections logged.</i> 	<ul style="list-style-type: none"> • 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 • 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	<ul style="list-style-type: none"> • <i>If core, whether cut or sawn and whether quarter, half or all core taken.</i> • <i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i> • <i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i> • <i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i> • <i>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</i> • <i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i> 	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • <i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i> • <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> • <i>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.</i> 	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • <i>The verification of significant intersections by either independent or alternative company personnel.</i> • <i>The use of twinned holes.</i> • <i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i> • <i>Discuss any adjustment to assay data.</i> 	<ul style="list-style-type: none"> • 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 <i>Microsoft Access</i> database.

Location of data points	<ul style="list-style-type: none"> • 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. 	<ul style="list-style-type: none"> • Drill holes were located using hand held 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.
Data spacing and distribution	<ul style="list-style-type: none"> • 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. 	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • 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. 	<ul style="list-style-type: none"> • The 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	<ul style="list-style-type: none"> • The measures taken to ensure sample security. 	<ul style="list-style-type: none"> • Chain of custody protocols used for the new BMG drill samples ensures sample security and integrity.
Audits and Reviews	<ul style="list-style-type: none"> • The results of any audits or reviews of sampling techniques and data. 	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • <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> • <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> 	<ul style="list-style-type: none"> • 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. • The tenements are in good standing.
Exploration done by other parties.	<ul style="list-style-type: none"> • <i>Acknowledgment and appraisal of exploration by other parties.</i> 	<ul style="list-style-type: none"> • 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 but 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	<ul style="list-style-type: none"> • <i>Deposit type, geological setting and style of mineralisation.</i> 	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • <i>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:</i> • <i>easting and northing of the drill hole collar</i> • <i>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</i> • <i>dip and azimuth of the hole</i> • <i>down hole length and interception depth</i> • <i>hole length.</i> • <i>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</i> 	<ul style="list-style-type: none"> • The details of drill holes material to the exploration results/mineral resource are presented in Table 1 of the text in the main document.

	<i>understanding of the report, the Competent Person should clearly explain why this is the case.</i>	
Data aggregation methods	<ul style="list-style-type: none"> • <i>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.</i> • <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> • <i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i> 	<ul style="list-style-type: none"> • 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. • No metal equivalents have been used.
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> • <i>These relationships are particularly important in the reporting of Exploration Results.</i> • <i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i> • <i>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').</i> 	<ul style="list-style-type: none"> • Drill hole intersections may not be true widths. • 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	<ul style="list-style-type: none"> • <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> 	<ul style="list-style-type: none"> • Refer to Figures in the text.
Balanced reporting	<ul style="list-style-type: none"> • <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> 	<ul style="list-style-type: none"> • All significant results are reported.
Other substantive exploration data	<ul style="list-style-type: none"> • <i>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.</i> 	<ul style="list-style-type: none"> • All significant results are reported.
Further work	<ul style="list-style-type: none"> • <i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</i> • <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> 	<ul style="list-style-type: none"> • 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.