**ASX ANNOUNCEMENT**

**26 April 2022**

# ASSAYS CONFIRM SIGNIFICANT EXTENSIONS OF HIGH-GRADE GOLD AT ABERCROMBY PROJECT

**Highlights:**

- **Diamond drilling continues to define high-grade gold at the Capital Prospect – both at depth and along strike – more than doubling the mineralised envelope and substantially enhancing the resource potential**
- **New significant intersections of thick, high-grade gold include:**
  - **31m @ 6.18g/t Au from 162m (20ABRC0002), and part of a broader 77m @ 2.99g/t Au from 116m**
  - **10m @ 11.71 g/t Au from 295m (21ABDD004)**
  - **13.8m @ 6.56 g/t Au from 446m (20ABRC0002)**
  - **24m @ 1.97g/t Au from 101m (21ABRC003)**
  - **39m @ 1.35 g/t Au from 205m (21ABDD001)**
- **Drill hole 21ABDD004 was completed 250m south of known mineralisation at the Capital Prospect and intersected 10m @ 11.71g/t Au from 295m, demonstrating significant strike extension potential to the East Lode**
- **Drill hole 21ABDD003 intersected 13.8m @ 6.56 g/t Au from 446m confirming a deep southern high-grade plunge to the West Lode**
- **Drill hole 21ABDD005, a deep hole (660m) completed under the main Capital zone, intersected 38m @ 0.5g/t Au from 309m and 2.55m @ 1.64g/t Au from 633m, confirming strong prospectivity for the broader system to continue at depth**
- **Other assays confirm some very wide intercepts punctuated by very high gold grades, adding to the known mineralised envelope at the Capital Prospect which remains open at depth and along strike. This included 20ABDD002 intersecting 31m @ 6.16g/t Au from 162m, as part of a broader zone of 77m @ 2.99g/t Au from 116m.**
- **The results from the 10,300m Aircore Program (AC) completed in February 2022 to the south of Capital – testing key structures identified by the SAM survey – are expected to be available shortly**

Western Australian gold explorer BMG Resources Limited (**ASX: BMG**) (**BMG** or the **Company**) is pleased to announce that assays from the Company's recent diamond drilling (DD) program at the Abercromby Gold Project have delivered another excellent batch of gold results, significantly adding to the known mineralised envelope at the Capital Prospect which remains open at depth and along strike.

Assay results in this release are for the 2,613m DD program at Abercromby completed in February 2022 (refer ASX release dated 1 March 2022 *Major Drilling Programs Completed at Abercromby Gold Project*), which wrapped up the

c.6,700m combined RC/ DD Program at the Project. 1m RC assays were reported in our ASX Release dated 25 January 2022 *Assays Confirm Very High Gold Grades at Abercromby*.

**BMG Managing Director Bruce McCracken said:**

*"It's now well and truly game on at Abercromby. In one single program, we have more than doubled the likely size of the deposit, intersected extremely high-grade gold in fresh rock, and proven the system is fertile at depth via the deepest drilling undertaken at the Project to date.*

*"Our geological and grade models have again successfully targeted mineralisation at or very close to predicted locations, with extrapolation holding true at distances in excess of 250m. The nature and style of mineralisation is becoming well recognised, and the Company is in a great position to leverage further success with the drill bit from here."*

### Significant Gold Intersections Confirmed

Laboratory assay results have been received for the 2,613m ten DD hole program completed in February 2022, which was the final component of the c.6,700m combined RC/DD Program at the Capital Prospect, part of the company's high-grade gold Abercromby Project. The program comprised five diamond tails and five stand-alone holes targeting depth and strike extensions, see Table 1 in Schedule 1.

A compilation of significant 2022 DD results from Abercromby are presented in Table 2 in Schedule 1. Selected results on a hole-by-hole basis for the returned assays are shown below and in Figure 1:

- **31m @ 6.18g/t Au from 162m (20ABRC0002), incl 1m @ 181.94g/t Au from 191m, and part of a broader 77m @ 2.99g/t Au from 116m**
- **10m @ 11.71g/t Au from 295m (21ABDD004), incl 1.17m @ 23.84g/t Au from 295.4m and 2m @ 44.54g/t Au from 304m**
- **13.8m @ 6.56g/t Au from 446m (21ABDD003), incl 1m @ 86.02g/t Au from 446m**
- **24m @ 1.97g/t Au from 101m (21ABRC003)**
- **7.4m @ 2.47g/t Au from 294m (21ABRC005)**
- **5m @ 3.97g/t Au from 238m (21ABRC007)**
- **26m @ 1.35g/t Au from 219m and 42.8m @ 0.75g/t from 329m, incl 3m @ 4.47g/t from 365m (21ABRC008)**
- **39m @ 1.35 g/t Au from 205m incl 5.4m @ 2.64g/t Au from 228.6m (21ABDD001)**
- **60.8m @ 0.63g/t Au from 123.2m (21ABDD002)**

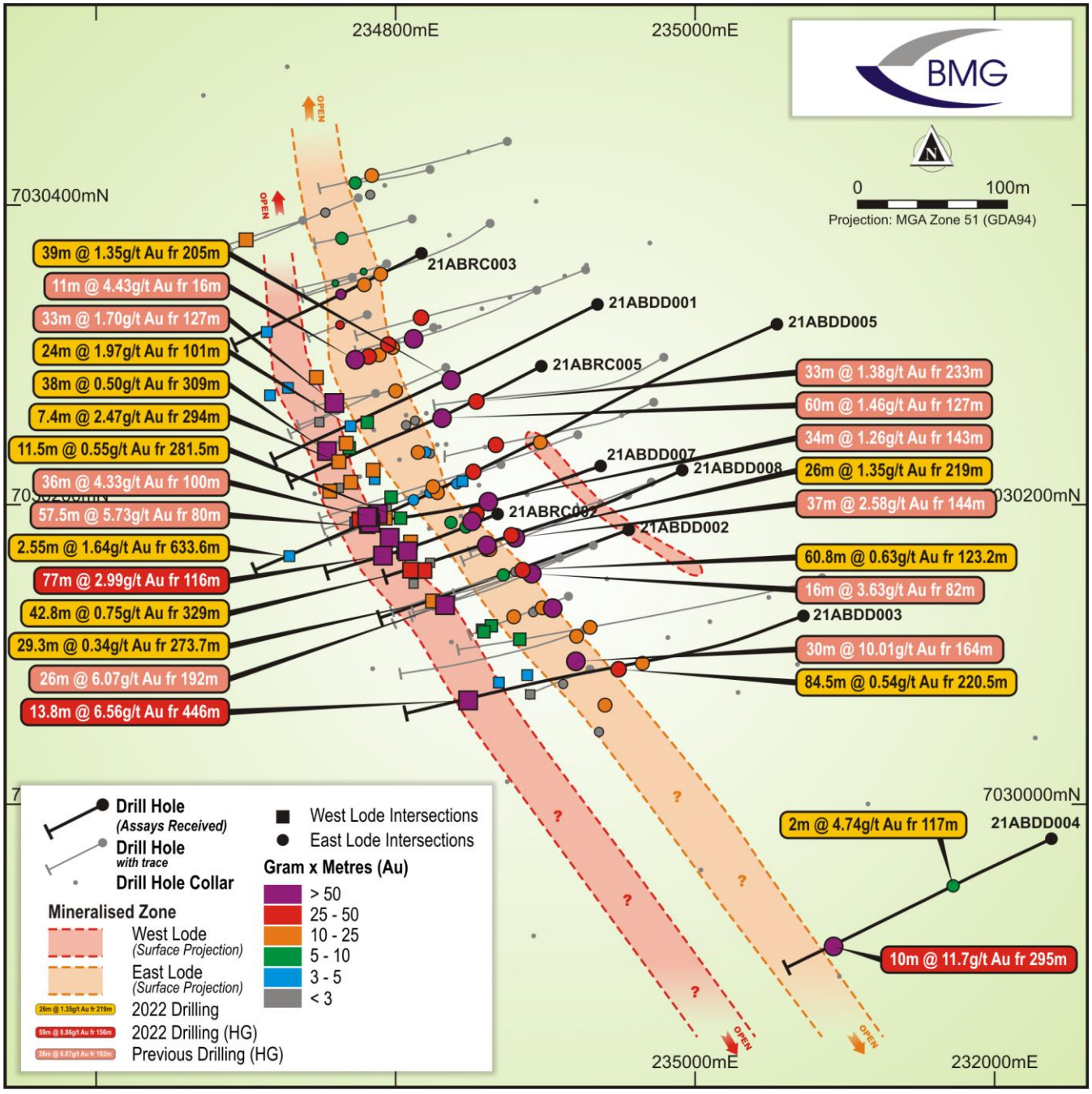


***Figure 1 – Plan view of Capital Project showing interpreted lode positions and East and West Lode drill intercepts as gram-metre points and significant intercepts labelled. Holes completed as part of the diamond program are in bold and intercepts in yellow and red with prior high-grade (HG) intercepts in ochre***

The recent assay results build upon the previous results from BMG's RC program and, significantly, confirm extensions to multiple high-grade mineralised zones at the Capital Prospect at depth and along strike – one of the primary goals for the current program.

Mineralisation at the Capital Prospect has a number of primary north-west trending mineralised shear zones (lodes) that contain internal plunging high-grade gold shoots. The latest drill results have continued to define these mineralised zones, the West Lode and East Lode, as well as a Hangingwall Lode to the east. In addition, there are indications that there are further mineralised zones in the Capital area, in the footwall of the West Lode.

**Diamond Drilling more than Doubles the Mineralised Envelope at the Main Capital Prospect**

Prior to BMG's recent drilling, the extent of the known mineralisation at the main Capital Prospect was confined to a footprint of ~ 300m x 100m, with the deepest intersection of mineralisation of 2.2m @ 12.2g/t from 272.5m (HJVDC016), some 230m below surface. The successful drill programs completed by BMG have more than doubled the down dip extent of the mineralised system to at least 520m below surface, and increased the known strike of the main Capital mineralisation to some 550m, which remains open to the north and south. This is illustrated in Figure 2 below.

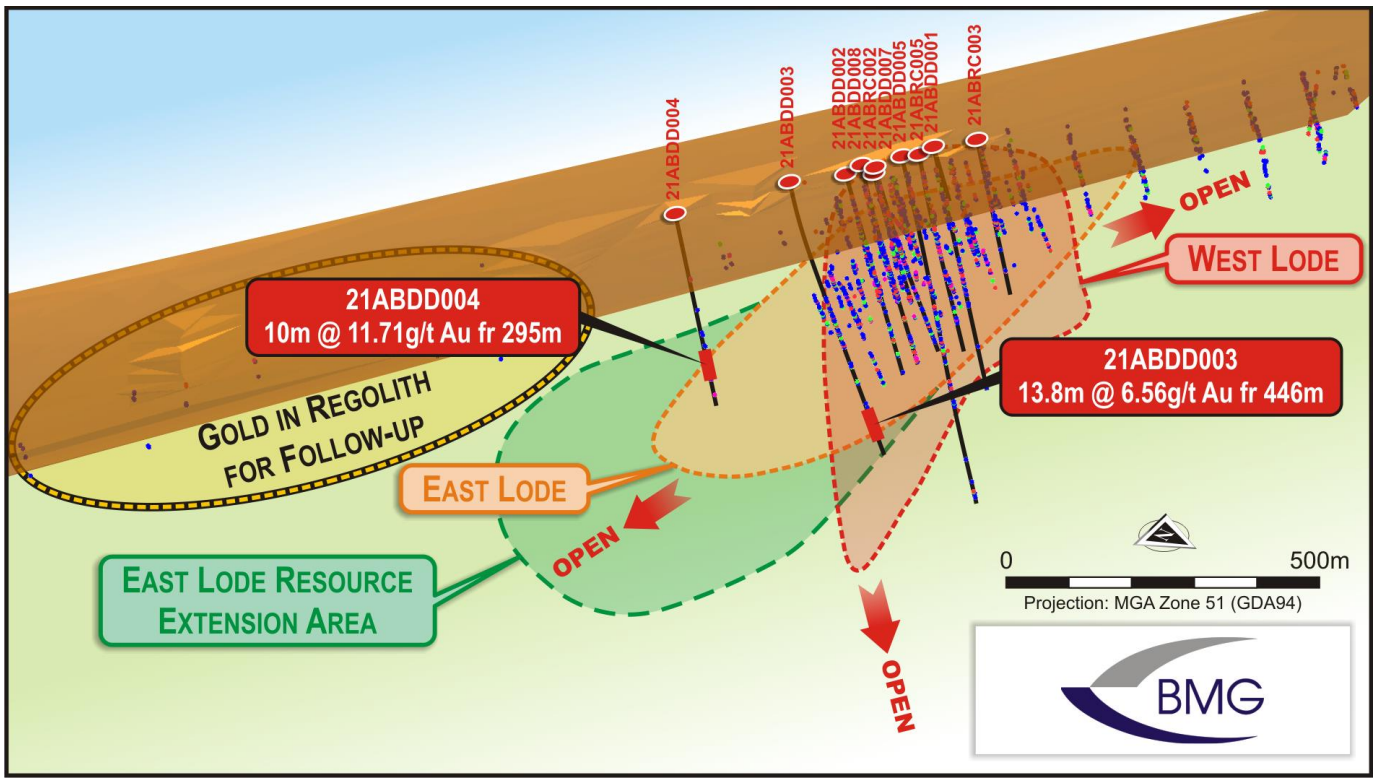


***Figure 2 – Oblique section of the Capital Project looking west-southwest with selected recent significant intercepts showing potential resource extension area.***

Key components of the current DD program were to validate higher grades in fresh rock and to test for deeper and strike extensions of the mineralisation to better understand the nature and extent of high-grade gold mineralisation at Capital. All these objectives were successfully achieved:

- Assay results from the two deepest DD holes to date validated the deeper continuation of the high-grade mineralised system, more than doubling the depth extent of the known mineralised system.
  - 21ABDD005 (660m), drilled under the main Capital zone, returned 38m @ 0.5g/t Au from 309m and 2.55m @ 1.64g/t Au from 633m (or some 520m below surface).
  - 21ABDD003, drilled on the southern extremity of the West Lode, returned 13.8m @ 6.56g/t Au from 446m, incl 1m @ 86.02g/t Au from 446m (or some 400m below surface).

  These are very significant depth extensions to the high-grade gold mineralisation.

- In addition, the step-out hole 21ABDD004 – drilled some 250m south of the previously known southern extent of mineralisation at Capital – has demonstrated significant continuity of the East Lode (and possibly the Hangingwall Lode) to the south, approximately doubling the footprint of the mineralised system.

- Significantly, mineralisation remains open along strike and the area further south of 21ABDD004 remains largely unexplored.
- It is noted that 21ABDD004 could not be completed to the target depth of 650m due to rod failure at 356m, and the continuity of the West Lode will be further tested in our next drill program.

**Air-core Program – Assays Pending**

The 10,300m step-out air-core drill program tested extensive SAM anomalies to the south of Capital. These anomalies represent structural settings similar to those known to host high-grade gold at Capital and Capital North. For further details of these targets and the AC drilling, see our ASX Released dated 9 December 2021 Pipeline of Exploration Targets Grows at Abercromby.

Drilling success in this under-explored southern area of the Project tenure could further significantly increase the overall prospectivity of the Abercromby Project. We expect to have the air-core results available to report very shortly.

**Next Phase of Work**

The outstanding results from both the recent RC and DD programs have continued to enhance the potential of the Abercromby Project. The next phase of work will aim to further delineate the expanding footprint of the high-grade Capital mineralisation as well as confirming any possible additional areas of mineralisation in the southern portion of the Project.

As an immediate priority, BMG has secured a DD rig to complete a replacement hole for 21ABDD004 in order to test the extension of the West Lode. The drill rig is expected to be on site within the next month.

Once the AC results are fully processed, the Company will move to finalise the next substantive work program, which is envisaged to be up to 10,000m of RC/ DD designed to:

- Further test continuity of known high-grade mineralisation along strike and at depth
- Test any new targets established from the results of the AC program
- Provide additional resource definition to support a maiden JORC-compliant resource estimate

**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).

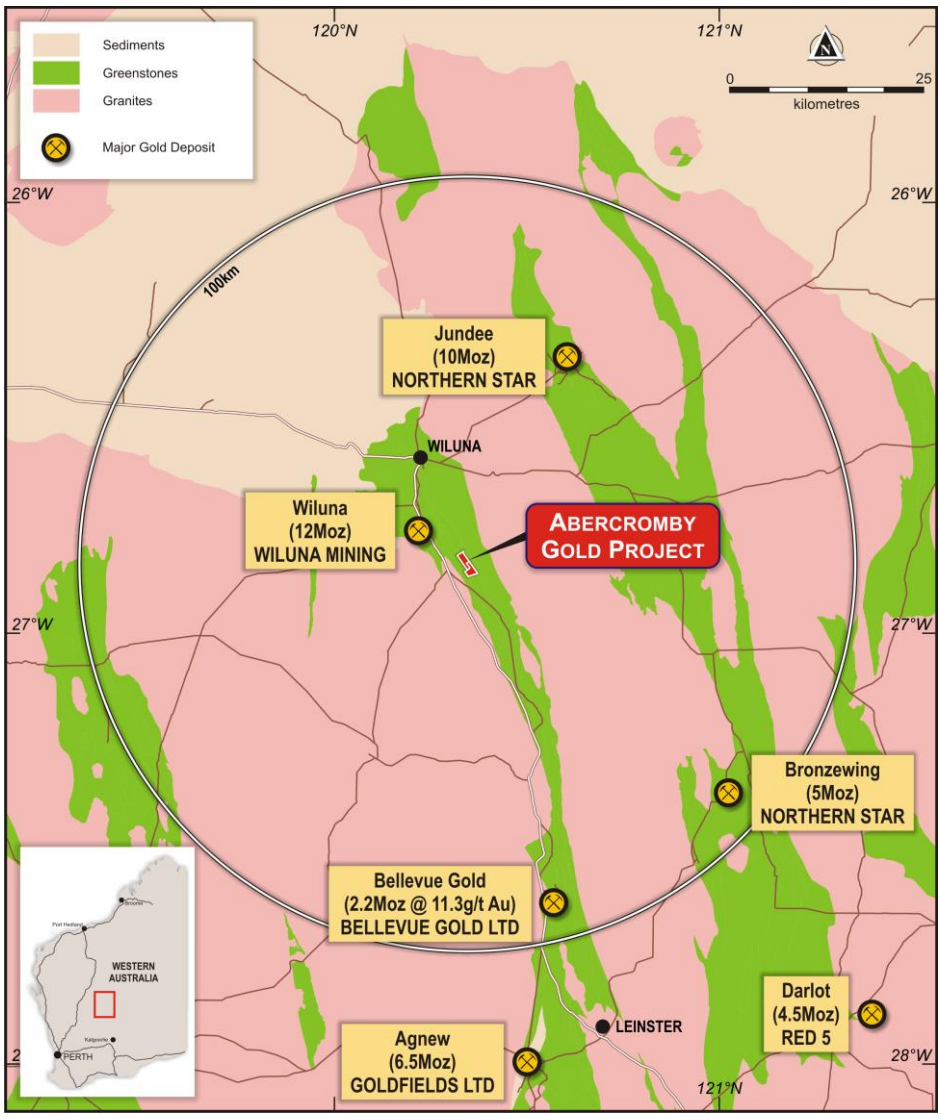


***Figure 3 - Location Abercromby in an established gold mining region with other major operations highlighted***

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

*****ENDS*****

**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.*

**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

## Schedule 1 – JORC Disclosures

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

| Hole ID | Prospect | East | North | RL | Depth | Azi | Dip | Comment |
|---|---|---|---|---|---|---|---|---|
| 20ABRC0002 | Capital | 234865 | 7030195 | 512 | 240.2 | 248 | -60 | Diamond tailed |
| 21ABDD001 | Capital | 234936 | 7030334 | 511 | 450.2 | 248 | -60 | |
| 21ABDD002 | Capital | 234956 | 7030179 | 511 | 366.4 | 248 | -60 | |
| 21ABDD003 | Capital | 235073 | 7030123 | 512 | 520.2 | 248 | -60 | |
| 21ABDD004 | Capital | 235239 | 7029977 | 495 | 356.6 | 248 | -60 | |
| 21ABDD005 | Capital | 235059 | 7030320 | 493 | 660.0 | 248 | -60 | |
| 21ABRC003 | Capital | 234816 | 7030367 | 517 | 280.3 | 248 | -60 | Diamond tailed |
| 21ABRC005 | Capital | 234896 | 7030291 | 512 | 360.6 | 248 | -60 | Diamond tailed |
| 21ABRC007 | Capital | 234935 | 7030225 | 510 | 341.3 | 248 | -60 | Diamond tailed |
| 21ABRC008 | Capital | 234992 | 7030224 | 513 | 380.2 | 248 | -60 | Diamond tailed |

***Table 2 - Compilation of Significant 2022 DD Results***

| Hole ID | EOH Depth | Intercept | | | | Intercept | | | Comments |
|---|---|---|---|---|---|---|---|---|---|
| | | Metres | Au g/t | From | | Metres | Au g/t | From | |
| **20ABRC0002** | **240.2** | **77.0** | **2.99** | **116.0** | ***incl*** | **31.0** | **6.18** | **162.0** | **West Lode. Part reported in previous RC results** |
| | | | | | ***with*** | **1.0** | **181.94** | **191.0** | |
| 21ABDD001 | 450.2 | 3.8 | 1.90 | 97.2 | | | | | Hangingwall Lode |
| | | 39.0 | 1.35 | 205.0 | ***incl*** | 5.4 | 2.64 | 228.6 | East Lode |
| 21ABDD002 | 366.4 | 60.8 | 0.63 | 123.2 | ***incl*** | 3.0 | 2.13 | 134.0 | East Lode |
| | | 28.3 | 0.33 | 273.7 | | | | | West Lode |
| **21ABDD003** | **520.2** | 84.5 | 0.54 | 220.5 | ***incl*** | 5.5 | 1.54 | 220.5 | East Lode |
| | | **13.8** | **6.65** | **446.0** | ***incl*** | **1.0** | **86.02** | **446.0** | **West Lode** |
| | | 2 | 4.74 | 117 | | | | | Hangingwall Lode |
| **21ABDD004** | **356.6** | **10.00** | **11.71** | **295.0** | ***Incl*** | **1.17** | **23.84** | **295.4** | **East Lode conceptual step-out*** |
| | | | | | ***and*** | **2.0** | **44.54** | **303.0** | |
| 21ABDD005 | 660.0 | 38.0 | 0.50 | 309.0 | | | | | East Lode |
| | | 2.55 | 1.64 | 633.6 | | | | | West Lode |
| 21ABRC003 | 280.3 | 24.0 | 1.97 | 101.0 | | | | | East Lode |
| | | 3.0 | 0.72 | 234.0 | | | | | West Lode |
| 21ABRC005 | 360.6 | 7.4 | 2.47 | 294.0 | | | | | East Lode |
| 21ABRC007 | 341.3 | 11.5 | 0.55 | 281.5 | | | | | West Lode |
| **21ABRC008** | **380.2** | 26.0 | 1.35 | 219.0 | | | | | East Lode |
| | | **42.8** | **0.75** | **329.0** | ***incl*** | **3.0** | **4.47** | **365.0** | **West Lode** |

*Hole abandoned due to drill string failure - did not test West Lode

# Schedule 2 – TABLE 1. JORC Code, 2012 Edition

## 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.*<br>• *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.*<br>• *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.* | • The announcement refers to samples generated by Diamond Drilling (DD).<br>• Each sample selected is sent for analysis to Nagrom in Kelmscott, Perth.<br>• The sample is pulverised in the laboratory (total prep) to produce a sub sample for assaying.<br>• All sampling was conducted using BMG QAQC sampling protocols which are in accordance with industry best practice.<br>• All samples were prepared and assayed by an independent commercial laboratory whose instrumentation are regularly calibrated. |
| 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 DD<br>• 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.*<br>• *Measures taken to maximise sample recovery and ensure representative nature of the samples.*<br>• *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.<br>• Some intervals of core loss result from highly weathered material in the regolith – where assays have been reported in these intervals, the missing interval has diluted at the reported assay grade of that interval<br>• Each individual sample is visually checked for recovery, moisture, and contamination.<br>• 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.*<br>• *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc)*<br>• *The total length and percentage of the relevant intersections logged.* | • Core was geologically logged using predefined lithological, mineralogical, and physical characteristic (colour, weathering etc.) logging codes.<br>• Logging was predominately qualitative in nature, although vein and sulphide percent was estimated visually. All new core has been photographed wet and dry.<br>• Sulphides in the lode positions occur predominately as disseminated grains and rarely as fine stringers varying from 1 to 10% usually 1-3% rarely exceeding 10%. Pyrite dominates >95% with lesser arsenopyrite are rarely chalcopyrite. The sulphides typically occur on the margins of quartz veins or internal to the host rock.<br>• All holes are logged in full |

| Criteria | JORC 2012 Explanation | Comment |
|---|---|---|
| Sub-sampling techniques and sampling preparation | • *If core, whether cut or sawn and whether quarter, half or all core taken.*<br>• *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.*<br>• *For all sample types, the nature, quality, and appropriateness of the sample preparation technique.*<br>• *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.*<br>• *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*<br>• *Whether sample sizes are appropriate to the grain size of the material being sampled.* | • 1m samples are taken, or to the mineralised/ geological boundaries with a min length of 0.3m and a max length of 1.5m<br>• BMG drilling utilizes QAQC regime consisting of certified reference material checks, blanks, and duplicates.<br>• 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.*<br>• *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.*<br>• *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.<br>• 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.*<br>• *The use of twinned holes.*<br>• *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.*<br>• *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.<br>• No twinned holes<br>• 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.*<br>• *Specification of the grid system used.*<br>• *Quality and adequacy of topographic control.* | • Drill holes were located using handheld GPS.<br>• 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.<br>• The grid system used for locating the collar positions of drillholes is GDA2020. RL's referenced are AHDRL. |
| Data spacing and distribution | • *Data spacing for reporting of Exploration Results.*<br>• *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.*<br>• *Whether sample compositing has been applied.* | • Drilling has been completed on a variable grid drilled orthogonal to the mineralisation, generally toward 248°<br>• 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.<br>• 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.*<br>• *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.* | • 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 | • *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.*<br>• *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.* | • 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.<br>• 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.<br>• 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.<br>• Though CRA located and drilled tested the gold mineralisation the hole spacing is relatively broad and considered ineffective to test potential continuity between holes.<br>• 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.<br>• 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.<br>• 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.<br>• The lode is developed amongst Archaean mafic rocks and gold is generally hosted by the sheared and quartz veined host. |
| 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:*<br>• *easting and northing of the drill hole collar*<br>• *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar*<br>• *dip and azimuth of the hole*<br>• *down hole length and interception depth*<br>• *hole length.*<br>• *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.* | • The details of drill holes material to the exploration results/mineral resource are presented in Table 1 of schedule 1 in the document. |

| Criteria | JORC 2012 Explanation | Comment |
|---|---|---|
| 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.*<br>• *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.*<br>• *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.<br>• 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.<br>• No metal equivalents have been used. |
| Relationship between mineralisation widths and intercept lengths | • *These relationships are particularly important in the reporting of Exploration Results.*<br>• *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.*<br>• *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.<br>• 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. |
| 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. |
| Further work | • *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).*<br>• *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.<br>• BMG Resources is focusing on staged development drilling at Abercromby in addition to mine planning, metallurgical studies and development studies as required.<br>• Exploration drilling at priority targets over the next 12 months is planned.<br>• Future exploration programs may change depending on results and strategy. |