

ABERCROMBY GOLD PROJECT – DRILLING FOR RESOURCE GROWTH WITH POSITIVE SCOPING STUDY FOR PRODUCTION

HIGHLIGHTS

GROWTH OF GOLD RESOURCES

- **Maiden Resource is Just the Beginning.** Expansion drilling program has been planned to grow the existing Mineral Resource Estimate of **518,000 oz Au**¹
- **Thick, High-Grade Gold.** The gold mineralisation extends across a strike of **1.2km** and is open along strike and at depth, with notable intersections² including:
 - **57.5m @ 5.73 g/t Au from 80m**
 - **30m @ 10.01g/t Au from 164m**
 - **26m @ 6.07g/t Au from 192m, including 7m @ 21.22g/t Au from 192m**
 - **33m @ 1.7g/t Au from 127m, including 3m @ 15.29g/t Au from 157m**
 - **37m @ 2.58g/t Au from 144m including 8m @ 8.1g/t Au from 173m**
- **Favourable Metallurgy.** Testwork has confirmed the Abercromby gold as free-milling and amenable to conventional carbon-in-leach processing with high recoveries, supporting the potential to toll-treat mineralisation at proximal processing plants.

POSITIVE SCOPING STUDY FOR PATHWAY TO PRODUCTION:

- **Fast Payback.** Scoping Study by BMG considered a range of potential mining scenarios at Abercromby – located within a granted mining lease in Western Australia, with the preferred option being the **Fast Payback** scenario given its low-capex, potential for rapid payback and very high return on investment of more than 600%.
- **\$150 million Total Net Cashflow.** Pre-tax overall net cashflow of \$150 million with production planned for 14 quarters and positive cashflow after five quarters of operation.
- **Scalability.** The Fast Payback scenario creates a low-capex starter open-pit and underground portal that can be expanded to unlock the full mining potential at Abercromby.

CAUTIONARY STATEMENT: Scoping Study – General:

The Scoping Study referred to in this announcement has been undertaken to determine the viability of open pit mining and third-party toll treatment of the gold deposit defined at the Abercromby Gold Project. It is a preliminary technical and economic study of the potential viability of the Project. It is based on low level technical and economic assessments (with a margin of error of +/- 20%) that are not sufficient to support estimation of ore reserves. Further evaluation work and appropriate studies are required before BMG will be in a position to estimate any ore reserves or to provide any assurance of an economic development case.

¹ See BMG's ASX Release dated 17 April 2023 '518,000oz Au Maiden Mineral Resource for Abercromby Gold Project'

² See BMG's ASX Release dated 17 April 2023 '518,000oz Au Maiden Mineral Resource for Abercromby Gold Project'



John Prineas, BMG’s Non-Executive Chairman, said:

“Our drilling at Abercromby has delivered many outstanding thick intercepts of high-grade gold which have underpinned the maiden mineral resource – a resource which remains open and which we believe can be significantly increased with further drilling.

“The scoping study highlights the value and viability of Abercromby and – with the gold price at all-time highs – confirms that the development opportunity at Abercromby is more compelling than ever.

“We now have a roadmap to plan potential gold mining at Abercromby. The excellent economics – underscored by a fast payback within 15 months and a very high return on investment of 600% – provide us with a high level of confidence to progress mining studies.

“The scoping study also identified considerable financial upside potential from possible resource extensions at depth and along strike from the existing lode systems – as well as potential for resource definition at exploration targets identified to the south of the existing resource footprint.

“BMG will continue to expedite resource expansion and exploration drilling whilst advancing feasibility study work.

“We look forward to updating investors on project developments as they occur.”

CAUTIONARY STATEMENT:

The Scoping Study is based on the material assumptions outlined below. These include the availability of funding. While BMG considers all of the material assumptions to be based on reasonable grounds, there is no certainty that they will prove to be correct or that the range of outcomes indicated by the Scoping Study will be achieved.

Mineral Resources:

The Scoping Study investigates and reports on forecasted financial information based on the mining of Mineral Resources announced by BMG in the ASX Release dated 17 April 2023 ‘518,000 oz Maiden Mineral Resource for Abercromby Project’ (the “Resource ASX Release”).

That Mineral Resource comprises approximately 32% classified as Indicated Resources and 68% classified as Inferred Resources (based on the constraints outlined in the Resource ASX Release). In the Fast Payback scenario preferred in the Scoping Study, approximately 40% classified as Indicated Resources and 60% classified as Inferred Resources. There is a low level of geological confidence associated with Inferred Mineral Resources and there is no certainty that further exploration work will result in the determination of Indicated Mineral Resources or that the proposed Production Targets will be realised. The stated Production Targets are based on the Company’s current expectations of future results or events and should not be solely relied upon by investors when making investment decisions. Further evaluation work and appropriate studies are required to establish sufficient confidence that the Production Targets will be met. The Mineral Resource Estimates underpinning the Production Targets in the Scoping Study and this announcement have been prepared by a competent person in accordance with the requirements of the JORC Code (2012). Full details of the Mineral Resource Estimates are set out in the Resource ASX Release.



BMG confirms that it is not aware of any new information or data that materially affects the information included in the Resource ASX Release. All material assumptions and technical parameters underpinning the estimates in that announcement continue to apply and have not materially changed.

Material Assumptions:

The Study is based on the material assumptions outlined elsewhere in this announcement. While the Company considers all the material assumptions to be based on reasonable grounds, there is no certainty that they will prove to be correct or that the range of outcomes indicated by the Study will be achieved.

Funding to achieve production as contemplated in the Scoping Study will be required to be sourced by BMG from capital-raising activities and/or joint venture arrangements with third parties. There is no certainty that the Company will be able to source the required funds when needed, however BMG believes that it has a reasonable basis to expect it will be able to fund the development of the Project.

It is possible that where external funding is required, such funding may only be available on terms that may be dilutive to, or otherwise affect the value of the Company's existing shares. It is possible that BMG could pursue other value realisation strategies such as a sale, partial sale or joint venture of the Abercromby Gold Project. If it does, this could materially reduce BMG's proportionate ownership of the relevant project.

Given the uncertainties involved, investors should not make any investment decisions based solely on the results of this Study.

BMG Resources Limited (ASX: BMG) (BMG or the Company) is pleased to announce a strategic plan to create shareholder wealth through the dual approach of targeted exploration drilling and development studies for the Abercromby Gold Project located in the Wiluna-Agnew region of Western Australia.

The Scoping Study completed by BMG supports a rapid pathway to production with a compelling risk/return investment opportunity. The Study also recognises the substantial financial upside potential of the Abercromby Project through an increase in the Mineral Resource through further drilling of resource extension targets at the Project.

ABERCROMBY – A COMPELLING GOLD DEVELOPMENT AND GROWTH OPPORTUNITY

Background:

The Abercromby Gold Project is owned 100% by BMG and comprised within two granted Mining Leases.

The Project is located in an established mining region with access to infrastructure (roads, power) and proximal to a number of producing gold mines.

Metallurgical studies have already confirmed free milling gold across all zones of the Abercromby orebody, with high recoveries from conventional CIL processing.

The maiden MRE for Abercromby is comprised in the Capital Deposit and is defined as **11.12Mt @ 1.45 g/t Au for 518,000 oz Au**. This resource is a subset of a global resource estimate containing about 670,000 oz Au at a 0g/t Au lower cut-off.

Significantly, the MRE includes high-grade zones with an attractive **4.6Mt @ 2.4 g/t Au for 360,000 oz Au** (cut-off of 1.2 g/t).

For further information on the Abercromby resource, see our ASX announcement dated 6 February 2023 'High Gold Recoveries – Abercromby Met Testwork' and 17 April 2023 '518,000oz Au Maiden Mineral Resource for Abercromby Gold Project'.

Classification	Type	Cut-Off	Tonnes	Au g/t	Ounces
Inferred	Open Pit	0.4	5,565,000	1.16	208,000
	Underground	1.25	1,401,000	3.24	146,000
Total Inferred			6,966,000	1.58	353,000
Indicated	Open Pit	0.4	3,858,000	1.18	146,000
	Underground	1.25	294,000	1.94	18,000
Total Indicated			4,152,000	1.23	165,000
Total Indicated and Inferred			11,117,000	1.45	518,000

Table 1: JORC-compliant Mineral Resource for Abercromby

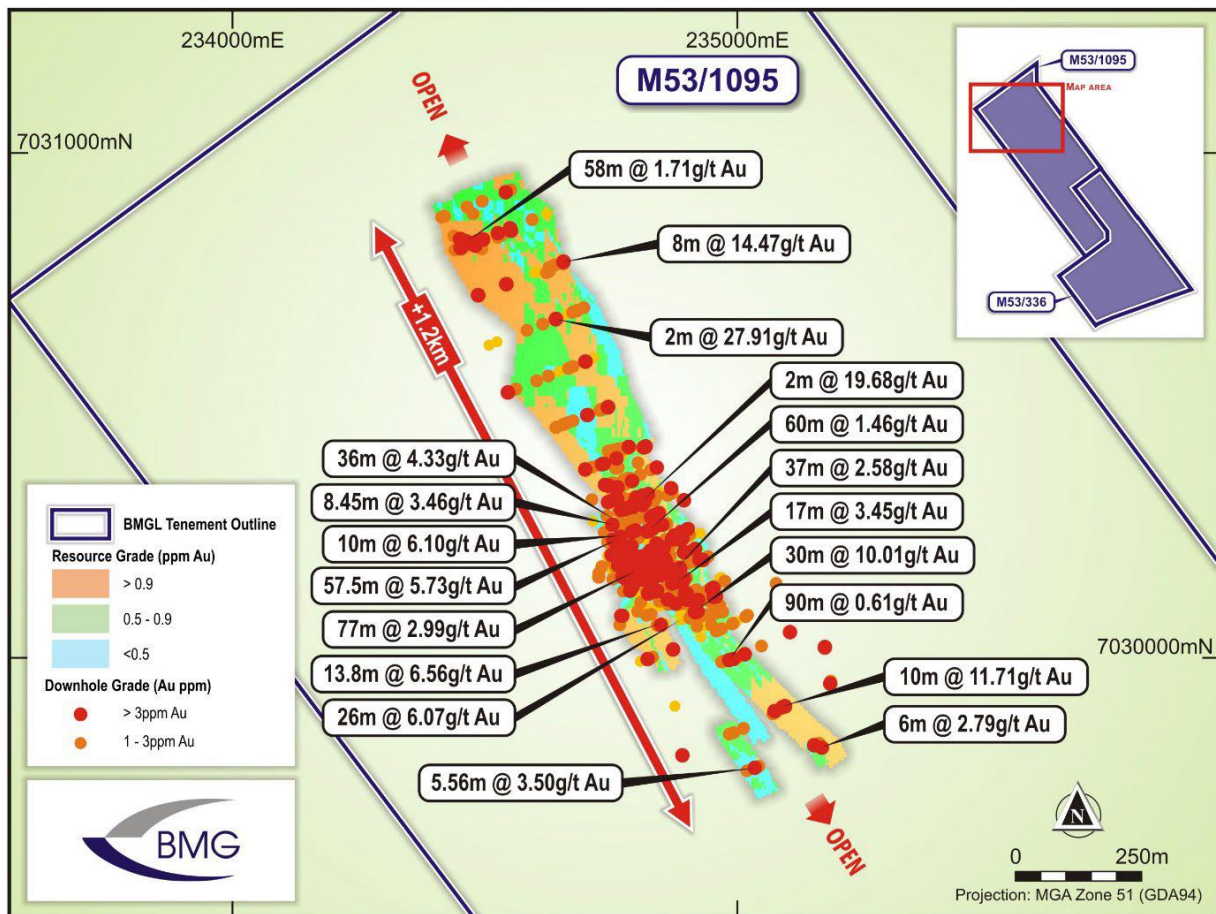


Figure 1: Plan view of the current mineral resource at the Capital Deposit.

Expansion Drilling:

The Capital Deposit remains open at depth and along strike – both to the north and south. A combined reverse circulation (RC) and diamond drilling program has been designed to test for extension of the mineralisation as well as to convert inferred resources to the indicated category.

One area with very strong additional resource potential is Capital North. Only sporadic drilling has been completed at Capital North with thick intervals of high-grade gold, including:

- 58m @ 1.71g/t Au from 77m (95WJVP274)
- 8m @ 14.47g/t Au from 114m (96CJVP024)
- 2m @ 27.9g/t Au from 27m (95WJVP280)

Drilling has also been designed to test regional targets to the south of the Capital Deposit. Reconnaissance aircore drilling at the Capital South Prospect – located along a 1,000m corridor of prospective stratigraphy to the south of the Capital Deposit – has confirmed the presence of a large high-grade gold system and supports the potential for a repetition of significant mineralisation like the Capital Deposit.

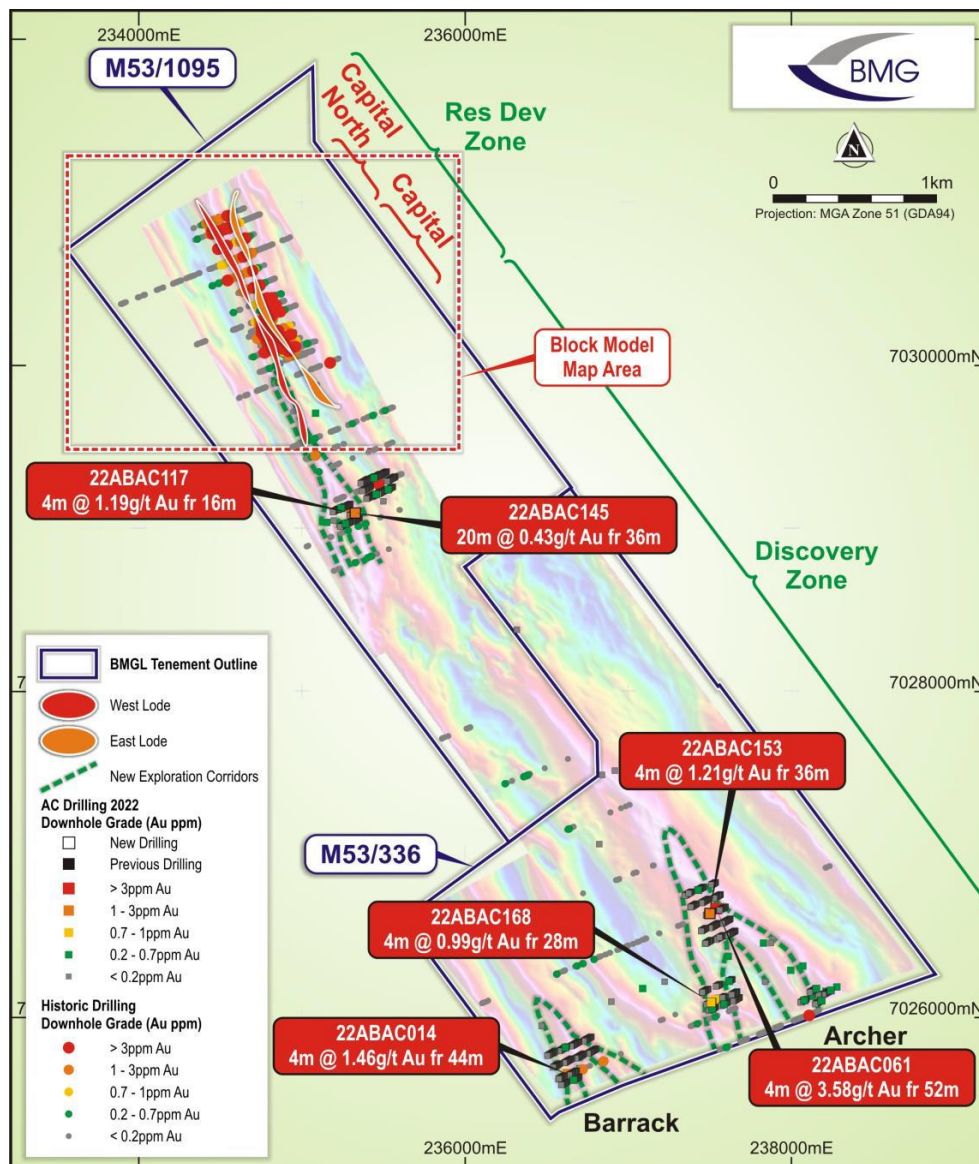


Figure 2: plan view map of the Abercromby Project highlighting the Capital Deposit as well as the regional targets at the Capital South, Archer and Barrack Prospects.

Aircore drilling has also confirmed high-grade gold at the Archer and Barrack Prospects, located some 4.5km south of Capital. These first pass encouraging drill results warrant follow-up and include:

- 4m @ 1.19g/t Au from 16m (22ABAC117)
- 4m @ 3.58g/t from 52m (22ABAC061)
- 20m @ 0.43g/t Au from 36m (22ABAC145)

Scoping Study – Fast Payback Mining Scenario:

The maiden Mineral Resource at Abercromby comprises:

- 354,000 oz Au @ 1.17 g/t Au (at cut-off grade of 0.4 g/t Au, and located from surface to 200m below surface); and
- 164,000 oz Au @ 3.09 g/t Au (at a cut-off grade of 1.25 g/t Au, and located between 200m and 500m below surface)

The Scoping Study was conducted by Intermine Engineering Consultants, an independent Perth-based engineering firm. The Study considered a range of options to potentially produce gold from the deposit at Abercromby including a large open-pit and an underground operation.

The study work showed that, although the large open-pit scenario could produce more ounces of gold, it required significant pre-production capital and had a longer period to payback (circa. 48 months). This made the large open-pit scenario a challenging investment proposition for a junior mining company like BMG.

The study then focused on a low CAPEX option which could deliver a faster payback. A mining scenario comprising a small open cut to a depth of 100m below surface transitioning to underground mining was assessed to minimize negative cash draw. BMG treats the open pit phase as a breakeven proposition that gives it access to the larger prize of underground resources at depth.

This **Fast Payback** scenario was confirmed by the Scoping Study as a compelling opportunity to develop Abercromby as a low CAPEX, near-term mining and toll treatment operation with substantial production upside from highly prospective targets that have strong potential to identify additional mineral resources. Key features of the Fast Payback scenario:

- **Fast Payback.** The mining operation generates positive net cashflow after five quarters of operation, with production planned for a total of 14 quarters.
- **\$150 million Total Net Cashflow.** Pre-tax overall net cashflow of \$150 million. BMG holds \$35 million of carried forward tax losses which may be available during the period of mining operation.
- **Production Target.** The Fast Payback scenario comprises a small open pit transitioning to an underground operation that recovers a total of 120k oz gold.
- **Considerable Financial Upside.** Only 30% of the total maiden MRE of 518,000 oz Au is mined in the Fast Payback scenario, allowing potential for substantial expansion of the mining operation in the future. In addition, the footprint of the MRE is open at depth and along strike offering strong potential for further drilling to increase the inventory for mining.

Table 2 summarises the physical and financial evaluation of the **Fast Payback** scenario based on the mining of:

- 554kt tonnes of ore at 1.54 g/t Au in an open-pit to recover 25,000 ounces of gold
- 810kt tonnes of ore at 3.99 g/t Au in an underground operation to recover 95,000 ounces of gold

All financial results are approximated in accordance with Scoping Study parameters and are provided in Australian dollars unless stated otherwise.

A gold price of A\$3,500/oz is assumed for the financial analysis. This represents a 21% discount to the current gold spot price (≈A\$4,240 30 October 2024). In addition, a 7% discount rate is assumed in the financial analysis. This is considered reasonable in the context of the short to medium term outlook for the gold market. In light of the positive outlook for the price of gold over the near to intermediate term, BMG believes that there is potential for significant upside to the Project economics with any sustained increase in the gold price.

Parameter	Open-pit	Underground
Financial Summary		
Overall Cash Flow (pre-tax) \$m	4.9	139.9
NPV _{7%} (discounted, pre-tax) \$m	2.8	125.5
All-in Sustaining Costs (AISC) \$/oz	2,910	1,840
Payback Period	1yr	1.5yr
Gold Price Assumption	\$3,500 /oz	
Funding		
Total CAPEX (Pre-Production and Closure)	≈\$10M	≈\$10M
Funding Required	≈\$9M	≈\$9M
Physical Outputs		
Processing Period	~4 mth	~9 mth
Total Ore	554kt	810 kt
Ore Grade	1.54 g/t	3.99g/t
Metallurgical Recovery – Gold	92%	
Gold Produced and Sold	~25k oz	~95k oz

Table 2: Fast Payback scenario – Scoping Study Key Assumptions and Outcomes

Material Assumptions:

Operating costs for the potential mining operation are based on Intermine’s cost database for gold mining projects reflecting similar operations within Western Australia and nationally.

For the open-pit, overall wall angles of 35 degrees were deemed applicable for first pass optimisation. Further geotechnical investigations are required and will be undertaken as study work progresses.

Haulage costs reflect approximate costs of ore cartage from Abercromby to a processing plant located up to 40km from site along existing roads. Processing and administration costs reflect those of comparable projects, including a preliminary estimate processing costs for toll-treating.

The Scoping Study assumes open pit mine development developing a base case, almost break even, pit shell that extends over a length of approximately 380m, width of approximately 330m and reaches a maximum depth of approximately 100m. The small open-pit provides an underground portal site, unlocking the underground potential of the high-grade Abercromby resource.

The proposed mining area lies within Mining Lease M53/1095. BMG has 100% of the gold rights for this Mining Lease. Arrangements for the potential gold mining operation need to be coordinated with Toro Energy Limited which holds the rights to uranium and thorium at the Mining Lease.

Toro does not have any mining operation at the Mining Lease, and BMG’s potential gold mining operation is designed to ensure no movement of any material included in Toro’s defined resources and will be monitored through a Radiation Management Plan to be managed by BMG.

Fauna and flora studies as well as surface and groundwater studies and a detailed topographic survey will need to be completed as a component of permitting applications and statutory approval for mining.

The proposed mining operation will not include any on-site storage of tailings. There is not expected to be any environmental impacts of significance.

Input parameter assumptions for the Scoping Study are outlined in Table 3. Contractor-based mining is assumed due to the relatively short duration of the mining operation. Conventional haulage contractors will be engaged with a tolling arrangement with a third-party processing facility.

In addition, a royalty of 5.5% is assumed for the study work, comprising 2.5% WA Government royalty and a total 3% royalty payable to private third parties.

Summary of unit operating costs		
<u>Average mining costs per BCM (all material)</u>	OP (\$/t)	UG (\$/t)
Mining (load, haul, dump)	\$ 6.50	Incl.
Blasting	\$ 1.32	incl.
Ancillary extra costs	\$ 3.22	incl.
Rehabilitation	\$ 0.10	incl.
Total	\$11.14	\$150

Costs per tonne of material processed		
Grade Control	\$ 3.00	incl.
Haulage (<100km)	\$ 5.00	\$ 5.00
Treatment	\$50.00	\$50.00
Administration	\$ 3.00	\$ 3.00
Total	\$61.00	\$58.00

Table 3: Material assumptions for operating costs.

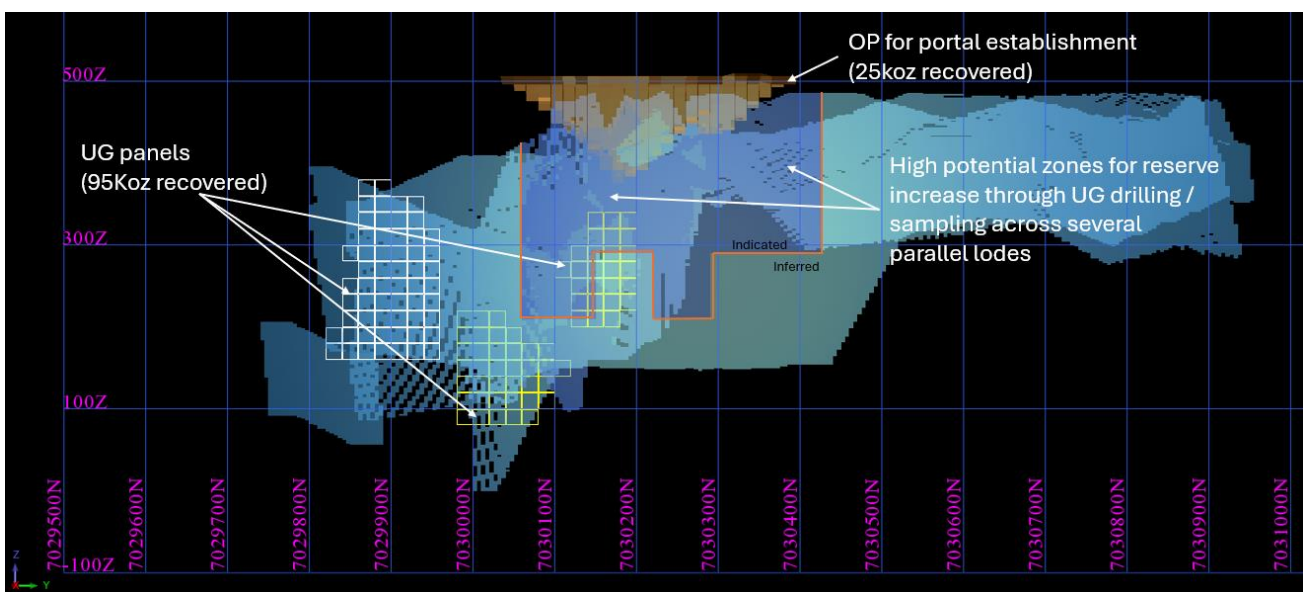


Figure 3 – Open pit and underground mining areas over the Abercromby resource.

The rationale for the Fast Payback scenario is to maximise shareholder returns by delivering a near-term pathway to monetising high-grade gold resources while minimising capital expenditure. Accordingly, a smaller high margin gold operation is preferred over a larger operation that could mine a higher volume of resource tonnes but deliver lower returns on investment. BMG envisages much of the conversion of its resources to reserves via underground mining, making the most of its sunk mining costs and reducing cash outflows.

Metallurgy:

Metallurgical test work conducted on Abercromby core samples have confirmed the free milling status of the gold mineralization and therefore amenability to conventional carbon-in-leach (CIL) processing, with high gold recoveries achieved. For details of the test work, see the ASX Release dated 6 February 2023 ‘High Gold Recoveries – Abercromby Met Testwork’.

Test work was conducted on two samples of fresh, competent mineralised core, interpreted to be representative of the greater mineralised system and located within the main mineralised portion of the MRE.

Samples were tested via typical gravity gold recovery followed by cyanidation which is common to most gold processing mills in Western Australia. Test work was completed by Extreme Metallurgy in Perth with review by GR Engineering.

Both composite samples achieved high gold recoveries of 93.00% and 94.94% respectively, each with low gold in tails.

Overall, the test work confirmed that the Abercromby mineralisation is free milling and amenable to typical low-cost metallurgical processes for gold ores in Western Australia.

The findings of the test work support the potential for toll treatment of the Abercromby ore at a number of proximal mills. Discussions have been initiated with certain owners of such facilities.

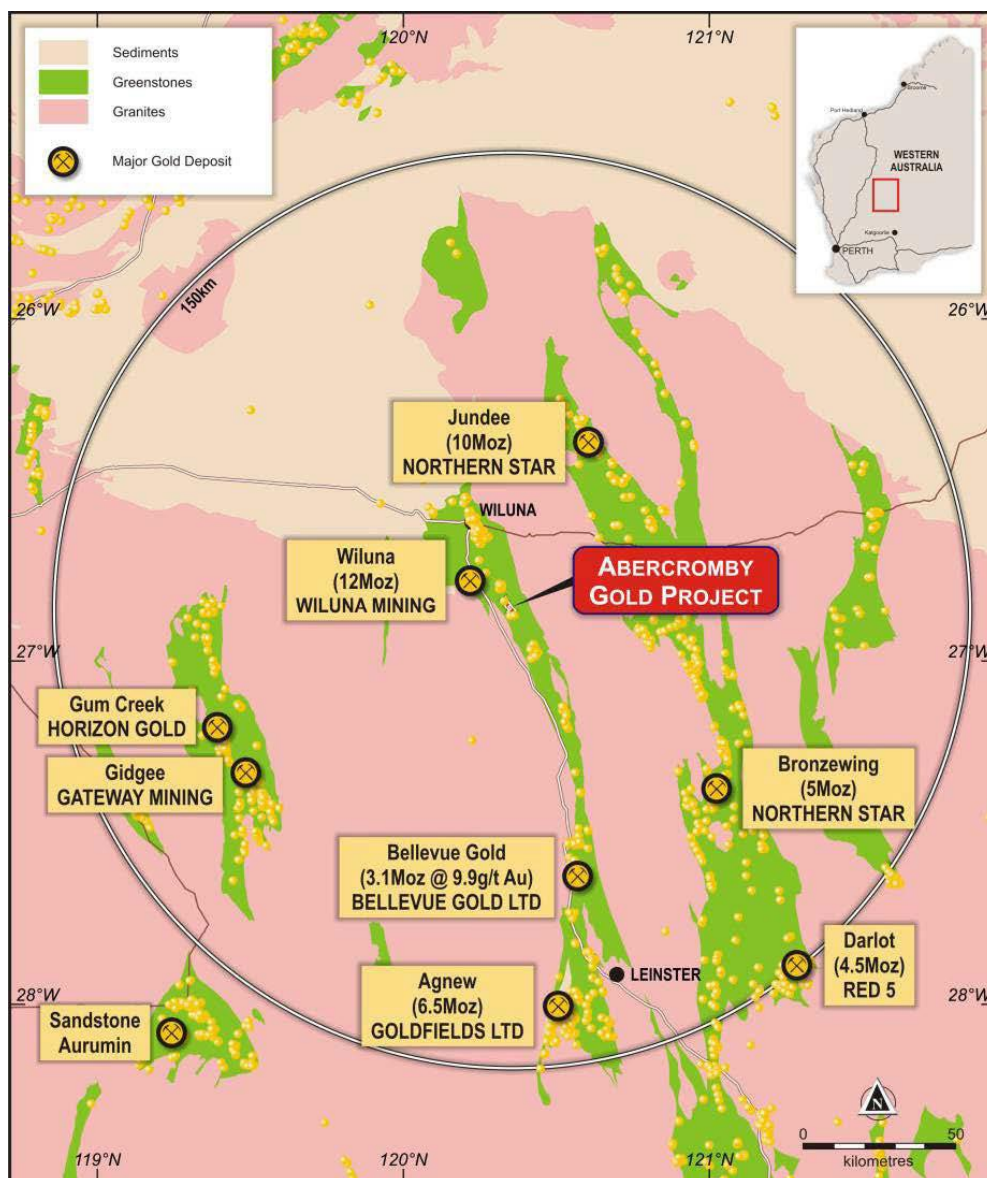


Figure 4: Regional map of the Abercromby Project with nearby major gold mines highlighted

CAPEX:

Capital costs to develop the Project and for closure are estimated at a Scoping Study level of accuracy of $\pm 20\%$.

Pre-production and Closure Capex shown above at \$10M allows for some \$5m of resource development costs that may be amortized as exploration expense, but included regardless to account for all costs required to achieve operational readiness.

Sensitivity Analysis:

The Scoping Study included sensitivity analysis assessing the impact of gold price on net cashflow estimates for a range of gold prices from AUD\$3,000/oz to AUD\$4,150/oz for both the open pit and underground mining components of the Fast Payback scenario.

The results of this analysis are summarised in Figure 5, which shows the change in net cashflow with gold price.

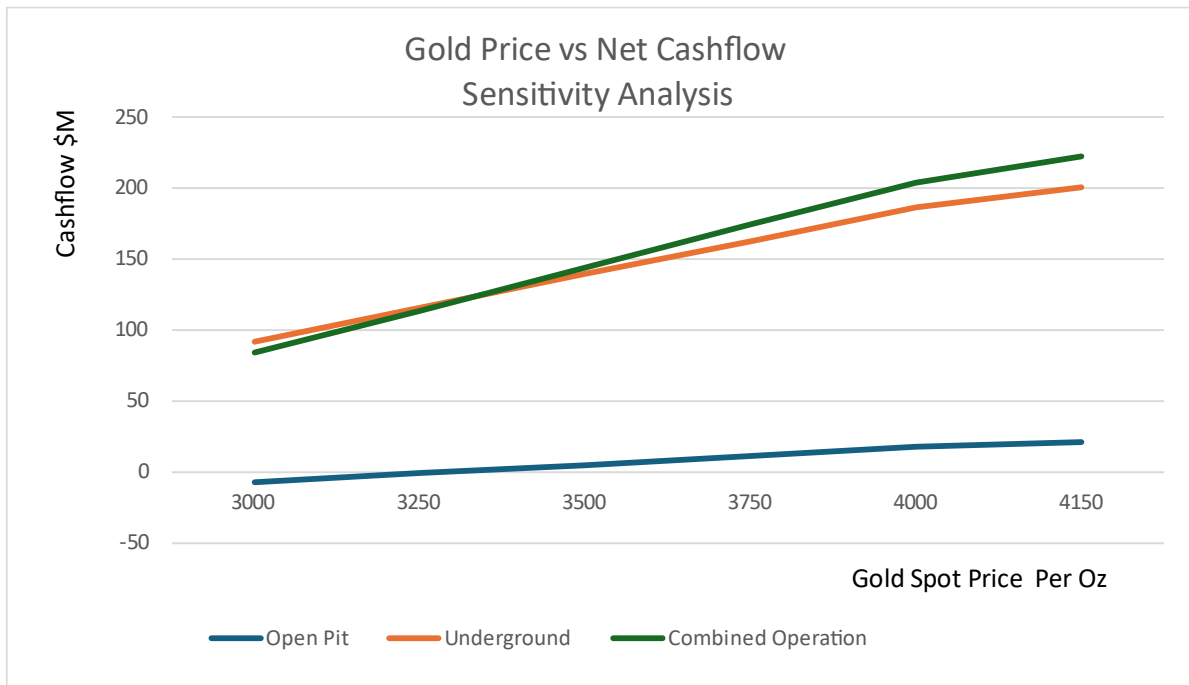


Figure 5: Net Cashflow sensitivity to gold price.

The mining and processing costs for the Fast Payback scenario were subjected to a sensitivity analysis on the basis of a $\pm 20\%$ change. The analysis is shown in Figure 6.

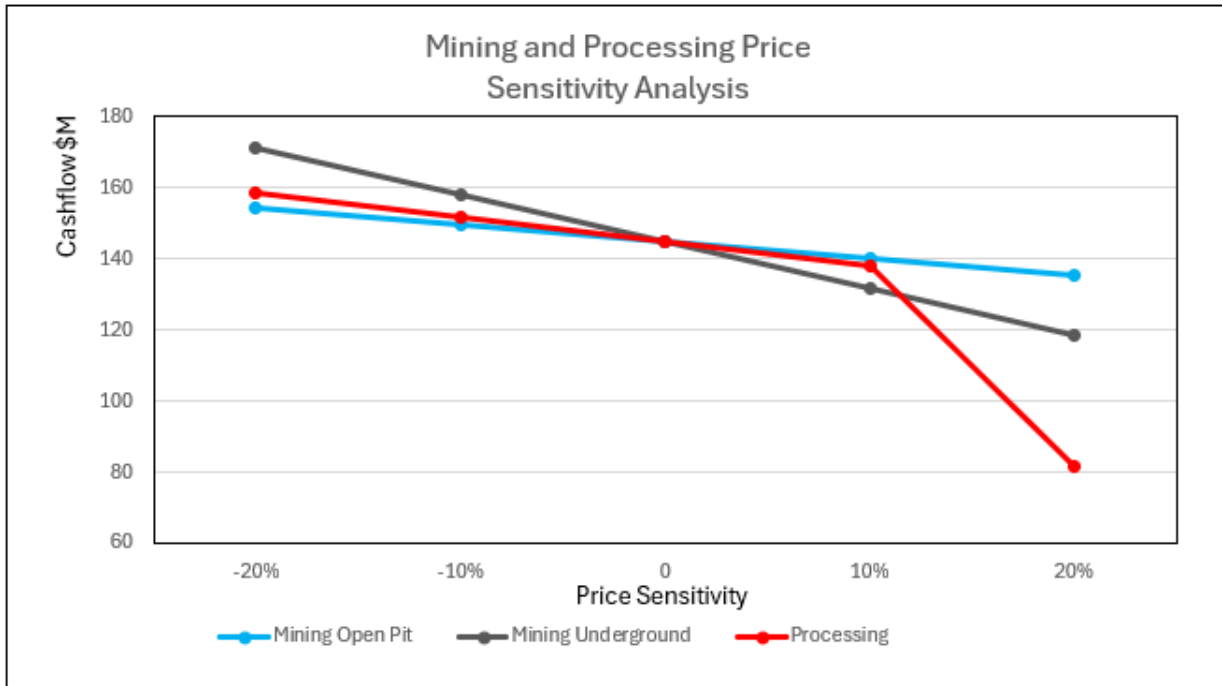


Figure 6: Mining and Processing Costs sensitivity

Funding:

The Fast Payback scenario requires funding upto \$25 million for CAPEX and operating costs until positive net cashflow is generated from mining operations.

BMG believes that there is a reasonable basis to expect that the necessary funding to develop the Project under the Fast Payback scenario will be available when required. The Project has robust financial and technical fundamentals that provide a very attractive return of capital investment, whilst generating strong cash flows at gold prices that are considered by the Company to be sustainable in the current and medium-term market. This is an attractive basis for obtaining debt and/or equity funding.

In addition, BMG considers that the likelihood of significant growth in the Project MRE through drilling at depth and along strike of the known gold lodes is high. This provides financial upside to any development of the Project, further enhancing the merit of an investment in a potential mining operation.

Investors, however, should note that there is no certainty that the Company will be able to raise the amount of necessary funding when needed. It is also possible that such funding may only be available on terms that may be dilutive to, or otherwise affect the value of the Company’s existing shares.

Next Steps:

The strong Scoping Study outcomes provide a compelling case to further progress the Project towards a feasibility study and potential development.

New drill programs will also be launched to test for expansion of the existing resource – which is open at depth and along strike – as well as to test regional targets which have shown encouraging early results.



The following work streams will be actioned by BMG to further progress towards a financial investment decision:

- Feasibility Study work.
- Geotechnical assessment including geotechnical drilling.
- Further metallurgical test work and studies.
- Regulatory approvals processes, including native title, environmental and cultural heritage.
- Mining approval.
- Commercial negotiations regarding third party contractors including toll treatment, contract mining and haulage.

This announcement has been approved for release by the Board of BMG Resources Limited.

For further information, please contact:

John Prineas

Non-executive Chairman
BMG Resources Limited
Phone: +61 8 9424 9390
Email: enquiry@bmgl.com.au

Reign Advisory Pty Ltd

e: BMG@reignadvisory.com
p: +61 2 9174 5388

Forward Looking Statements:

This announcement includes forward-looking statements that are only predictions and are subject to known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of BMG, the directors and the Company's management. Such forward-looking statements are not guarantees of future performance.

Examples of forward-looking statements used in this announcement include use of the words 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties. These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of announcement, are expected to take place.

Actual values, results, interpretations or events may be materially different to those expressed or implied in this announcement. Given these uncertainties, recipients are cautioned not to place reliance on forward-looking statements in the announcement as they speak only at the date of issue of this announcement. Subject to any continuing obligations under applicable law and the ASX Listing Rules, BMG does not undertake any obligation to update or revise any information or any of the forward-looking statements in this announcement or any changes in events, conditions or circumstances on which any such forward-looking statement is based.

This announcement has been prepared by BMG. The document contains background information about BMG current at the date of this announcement.

The announcement is in summary form and does not purport to be all inclusive or complete. Recipients should not rely upon it as advice for investment purposes, as it does not take into account your investment objectives, financial position or needs. These factors should be considered, with or without professional advice, when deciding if an investment is appropriate.

The announcement is for information purposes only. Neither this announcement nor the information contained in it constitutes an offer, invitation, solicitation or recommendation in relation to the purchase or sale of shares in any jurisdiction.

The announcement may not be distributed in any jurisdiction except in accordance with the legal requirements applicable in such jurisdiction. Recipients should inform themselves of the restrictions that apply to their own jurisdiction as a failure to do so may result in a violation of securities laws in such jurisdiction.

This announcement does not constitute investment advice and has been prepared without taking into account the recipient's investment objectives, financial circumstances or particular needs and the opinions and recommendations in this announcement are not intended to represent recommendations of particular investments to particular persons.

Recipients should seek professional advice when deciding if an investment is appropriate. All securities transactions involve risks, which include (among others) the risk of adverse or unanticipated market, financial or political developments. To the extent permitted by law, no responsibility for any loss arising in any way (including by way of negligence) from anyone acting or refraining from acting as a result of this material is accepted by BMG (including any of its related bodies corporate), its officers, employees, agents and advisers.

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.

The information in this announcement that relates to Exploration Results was previously released by the Company in the following reports: 6 February 2023 entitled 'High Gold Recoveries – Abercromby Met Testwork'; 17 April 2023 entitled '518,000oz Maiden Mineral Resource for Abercromby Gold Project'; and 18 April 2023 entitled 'Revision to Announcements on 17 April 2023'. These announcements contain a competent person statement which includes the statements and consent pursuant to the requirements of ASX Listing Rule 5.22t.

The Company confirms that it is not aware of any new information or data that materially affects the exploration results included in any original market announcements referred to in this report and that no material change in the results has occurred. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements. The Company confirms that it is not aware of any new information or data that materially affects the exploration results and estimates of Mineral Resources and Ore Reserves as cross-referenced in this release and that all material assumptions and technical parameters underpinning the estimates continue to apply and have not changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original announcement. The estimated Mineral Resources underpinning the production target have been prepared by a competent person in accordance with the JORC code.

Scoping Study

The information in the Scoping Study relating to pit optimisations, scheduling, and cost estimation is based on and fairly reflects information reviewed by Mr. Steve O'Grady, an employee of Intermin Engineering Consultants. Mr. O'Grady is a Member of AusIMM. Mr O'Grady is a qualified Mining Engineer and has sufficient experience, which is relevant to the mining studies and cost estimation undertaken, to qualify as a Competent Person as defined in the JORC Code. Mr. O'Grady consents to the inclusion in this Scoping Study of the matters based on his information in the form and context in which it appears.

Reasonable Basis for Forward Looking Assumptions

No Ore reserve has declared. This document has been prepared in compliance with the JORC Code (2012) and the ASX Listing Rules. All material assumptions on which the Scoping Study production target and projected financial information are based have been included in this release and disclosed in the table below.

Consideration of Modifying Factors in the format specified by JORC CODE (2012) Section 4.

Criteria	JORC Code explanation	Commentary
<p><i>Mining factors or assumptions</i></p>	<ul style="list-style-type: none"> • <i>The method and assumptions used as reported in the Pre-Feasibility or Feasibility Study to convert the Mineral Resource to an Ore Reserve (i.e. either by application of appropriate factors by optimisation or by preliminary or detailed design).</i> • <i>The choice, nature and appropriateness of the selected mining method(s) and other mining parameters including associated design issues such as pre-strip, access, etc.</i> • <i>The assumptions made regarding geotechnical parameters (e.g. pit slopes, stope sizes, etc), grade control and pre-production drilling.</i> • <i>The major assumptions made and Mineral Resource model used for pit and stope optimisation (if appropriate).</i> • <i>The mining dilution factors used.</i> • <i>The mining recovery factors used.</i> • <i>Any minimum mining widths used.</i> • <i>The manner in which Inferred Mineral Resources are utilised in mining studies and the sensitivity of the outcome to their inclusion.</i> • <i>The infrastructure requirements of the selected mining methods.</i> 	<ul style="list-style-type: none"> • Location of open pit was chosen to target the highest part of the fresh rock interface for underground portal establishment and optimised using Whittle software. • Mining methods chosen according to depth below surface. Open pit mining in the Whittle optimisation area and underground extraction below this. • Preliminary geotech studies were taken into account and resulted in the conservative 35 degree overall wall angles for the planned pit. • Other material assumptions are discussed in the ASX Release.

Criteria	JORC Code explanation	Commentary
Metallurgical factors or assumptions	<ul style="list-style-type: none"> • <i>The metallurgical process proposed and the appropriateness of that process to the style of mineralisation.</i> • <i>Whether the metallurgical process is well-tested technology or novel in nature.</i> • <i>The nature, amount and representativeness of metallurgical test work undertaken, the nature of the metallurgical domaining applied and the corresponding metallurgical recovery factors applied.</i> • <i>Any assumptions or allowances made for deleterious elements.</i> • <i>The existence of any bulk sample or pilot scale test work and the degree to which such samples are considered representative of the orebody as a whole.</i> • <i>For minerals that are defined by a specification, has the ore reserve estimation been based on the appropriate mineralogy to meet the specifications?</i> 	<ul style="list-style-type: none"> • An overall 92% recovery was used in the study; this was taken from best practice metallurgical test work undertaken by BMG using industry accepted technology. • Metallurgical domaining included fresh material and these results were extrapolated to the fresh / transitional materials. • Deleterious element effects are immaterial based on current knowledge and not expected to change as further information is gathered. • No bulk sample has currently been taken, but several small sighter tests and a comprehensive metallurgical test have been completed to inform this work.
Environmental	<ul style="list-style-type: none"> • <i>The status of studies of potential environmental impacts of the mining and processing operation. Details of waste rock characterisation and the consideration of potential sites, status of design options considered and, where applicable, the status of approvals for process residue storage and waste dumps should be reported.</i> 	<ul style="list-style-type: none"> • Environmental studies are to be completed. The site possesses enough space for all required infrastructure.
Infrastructure	<ul style="list-style-type: none"> • <i>The existence of appropriate infrastructure: availability of land for plant development, power, water, transportation (particularly for bulk commodities), labour, accommodation; or the ease with which the infrastructure can be provided or accessed.</i> 	<ul style="list-style-type: none"> • Infrastructure is to be built as required upon a positive investment decision, with no known impediments to undertaking the work flagged.
Costs	<ul style="list-style-type: none"> • <i>The derivation of, or assumptions made, regarding projected capital costs in the study.</i> • <i>The methodology used to estimate operating costs.</i> • <i>Allowances made for the content of deleterious elements.</i> • <i>The source of exchange rates used in the study.</i> • <i>Derivation of transportation charges.</i> • <i>The basis for forecasting or source of treatment and refining charges, penalties for failure to meet specification, etc.</i> • <i>The allowances made for royalties payable, both Government and private.</i> 	<ul style="list-style-type: none"> • Capital costs have been generated from first principles and include funding for further drilling to increase the confidence levels of the resource. • Operating costs have been sourced from mining contractors and reflect current prices for open pit. Underground prices assume \$150/t for operations and \$5000/m development. • NA re deleterious elements • NA re forex • Trucking has utilised \$5/t which at a conservative 20c/tkm allows for 25km. • Financials are fully costed for all royalties (5.5% total)

Criteria	JORC Code explanation	Commentary
Revenue factors	<ul style="list-style-type: none"> <i>The derivation of, or assumptions made regarding revenue factors including head grade, metal or commodity price(s) exchange rates, transportation and treatment charges, penalties, net smelter returns, etc.</i> <i>The derivation of assumptions made of metal or commodity price(s), for the principal metals, minerals and co-products.</i> 	<ul style="list-style-type: none"> Gold price of 3500 has been utilised – some 15% under the current spot price.
Market assessment	<ul style="list-style-type: none"> <i>The demand, supply and stock situation for the particular commodity, consumption trends and factors likely to affect supply and demand into the future.</i> <i>A customer and competitor analysis along with the identification of likely market windows for the product.</i> <i>Price and volume forecasts and the basis for these forecasts.</i> <i>For industrial minerals the customer specification, testing and acceptance requirements prior to a supply contract.</i> 	<ul style="list-style-type: none"> Gold price is currently buoyant, but the price used in this study has been discounted to build in conservatism with respect to future pricing.
Economic	<ul style="list-style-type: none"> <i>The inputs to the economic analysis to produce the net present value (NPV) in the study, the source and confidence of these economic inputs including estimated inflation, discount rate, etc.</i> <i>NPV ranges and sensitivity to variations in the significant assumptions and inputs.</i> 	<ul style="list-style-type: none"> BMG has used cashflow rather than NPV due to the level of uncertainty in the scoping (+/- 20%) coupled with the relatively short project life.
Social	<ul style="list-style-type: none"> <i>The status of agreements with key stakeholders and matters leading to social licence to operate.</i> 	<ul style="list-style-type: none"> The deposit lies on a granted mining lease. BMG will act within the law to ensure its licence to operate.
Other	<ul style="list-style-type: none"> <i>To the extent relevant, the impact of the following on the project and/or on the estimation and classification of the Ore Reserves:</i> <i>Any identified material naturally occurring risks.</i> <i>The status of material legal agreements and marketing arrangements.</i> <i>The status of governmental agreements and approvals critical to the viability of the project, such as mineral tenement status, and government and statutory approvals. There must be reasonable grounds to expect that all necessary Government approvals will be received within the timeframes anticipated in the Pre-Feasibility or Feasibility study. Highlight and discuss the materiality of any unresolved matter that is dependent on a third party on which extraction of the reserve is contingent.</i> 	<ul style="list-style-type: none"> Uranium mineralisation overlies parts of the Abercromby resource. Although not a risk per se, the protocols required to handle this occurrence have been researched by BMG and will form part of the Project Management Plan. Material legal agreements are in good standing. Government approvals are reasonably expected in due course.

Criteria	JORC Code explanation	Commentary
Classification	<ul style="list-style-type: none"> • <i>The basis for the classification of the Ore Reserves into varying confidence categories.</i> • <i>Whether the result appropriately reflects the Competent Person's view of the deposit.</i> • <i>The proportion of Probable Ore Reserves that have been derived from Measured Mineral Resources (if any).</i> 	<ul style="list-style-type: none"> • NA at this stage as BMG is not publishing ore reserves, but rather, using the resource (inferred and indicated) to gauge the economic potential of the deposit assuming the resource can be further drilled to convert the key parts to indicated. • NA
Audits or reviews	<ul style="list-style-type: none"> • <i>The results of any audits or reviews of Ore Reserve estimates.</i> 	<ul style="list-style-type: none"> • NA due to the current level of Scoping work.
Discussion of relative accuracy/confidence	<ul style="list-style-type: none"> • <i>Where appropriate a statement of the relative accuracy and confidence level in the Ore Reserve estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the reserve within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors which could affect the relative accuracy and confidence of the estimate.</i> • <i>The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.</i> • <i>Accuracy and confidence discussions should extend to specific discussions of any applied Modifying Factors that may have a material impact on Ore Reserve viability, or for which there are remaining areas of uncertainty at the current study stage.</i> • <i>It is recognised that this may not be possible or appropriate in all circumstances. These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.</i> 	<ul style="list-style-type: none"> • BMG does not quote Ore Reserves in this ASX release. It utilises all mineral resources in the current model (including inferred) to determine the economic potential of the deposit at this current time and uses the results to justify to itself and the market the amenability of further investment. The results delivered in this announcement should be considered indicative and commensurate with the inclusion of inferred resources which require infill drilling to increase their confidence to indicated. • Technical and economic assumptions not included here in this this table are included in the announcement. • BMG considers the ASX Release reasonably addresses modifying factors pertinent to this scoping study.