

BMG Resources Ltd (ASX: BMG)

ACN 107 118 678



High-Grade Gold in Western Australia ***Transformational Acquisition***

Investor Presentation
August 2020

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Exploration Results

The information in this presentation that relates to potential Exploration Results and Mineral Resources has been reviewed by Ben Pollard, who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Pollard has sufficient experience, which is relevant to the style of mineralization and type of deposit under consideration and to the activity, which they are undertaking to qualify as an Expert and Competent Person as defined under the VALMIN Code and in the 2015 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Pollard consents to the inclusion in this presentation of the matters based on the information in the form and context in which they appear.

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Investment Highlights

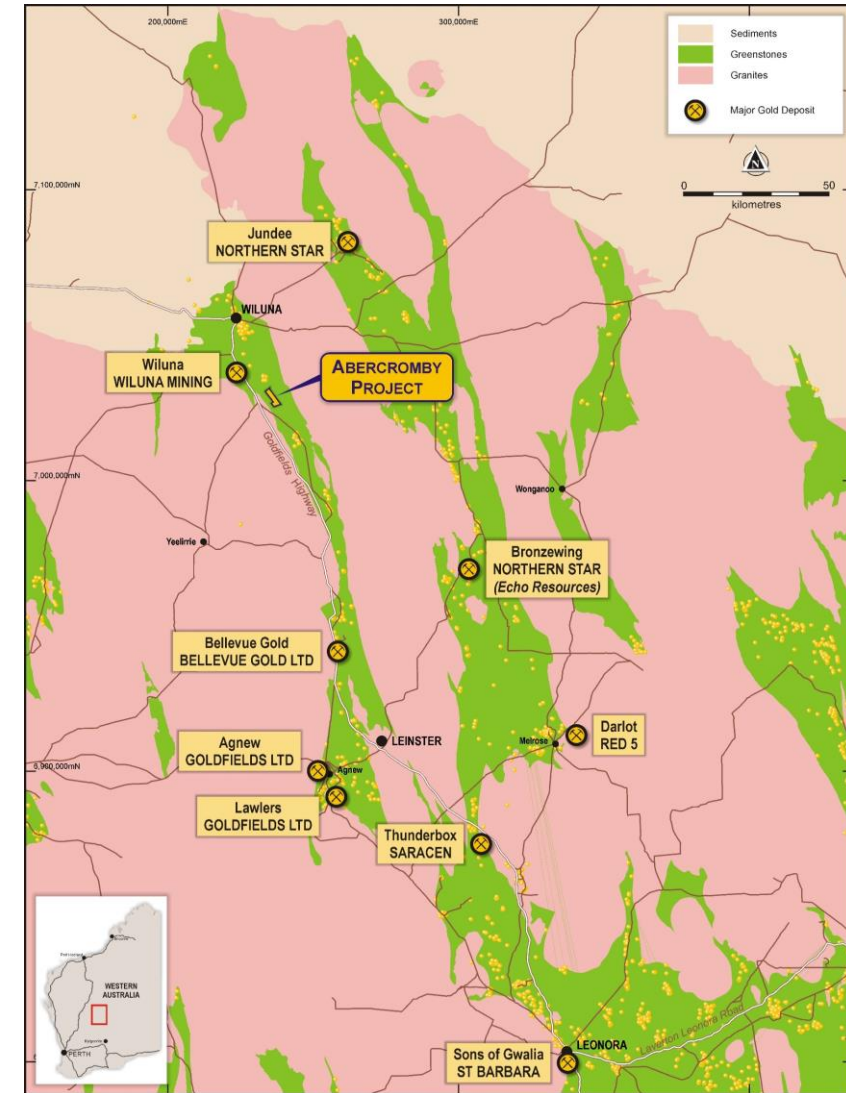
- 100% owned gold projects in Tier 1 mining jurisdiction – WA ranked No. 1 in Fraser Institute 2019 Mining Attractiveness Index
- High-grade discoveries already made with walk up drill targets
 - **Abercromby Project**
 - High grade discovery in Wiluna region awaits resource drill-out
 - Multiple high-grade intersections including 57.5m @ 5.73 g/t Au from 80m
 - Drill ready with potential for fast track to resource definition
 - BMG (Oracle) to hold 100% of gold and other mineral rights (ex-uranium)
 - **Invincible Project**
 - Strategic location in underexplored area of Central Pilbara
 - +12.5km eastern extension of Warrawoona Shear Zone which hosts the growing 1.495m oz Au resource of Calidus Resources (ASX: CAI)
 - Multiple small historic mines including the Invincible mine that produced gold at a grade of 1,380 g/t Au
 - **South Boddington Project**
 - Unexplored ground along strike from the giant Boddington deposit (+40m oz Au deposit) – Exploration Licences under application
- Attractive EV relative to existing high-grade drill results and exploration potential of assets
- \$4m capital raising to facilitate exploration focussed on delivering high growth



Abercromby Project

Located in significant gold producing region: Wiluna Belt endowment (+40M oz Au) is second only to Kalgoorlie in WA

- Outstanding gold exploration asset idle in portfolio of base metal major
- Underexplored and undeveloped for over 20 years
- Multiple thick high-grade gold intersections at Abercromby including:
 - 57.5m @ 5.73g/t Au from 80m
 - 58m @ 1.17g/t Au from 77m
 - 30m @ 10.01g/t Au from 164m
 - 36m @ 4.33g/t Au from 100m
- Proximal to operating plants at Wiluna (Wiluna Mining (formerly Blackham Resources), ASX: WMX) and Jundee (Northern Star, ASX: NST)
- Two granted mining leases with BMG (Oracle) to hold gold and other mineral rights (ex-uranium)
- Exciting gold region:
 - Northern Star acquired Echo Resources for \$242m in 2019
 - Bellevue Gold (ASX: BGL) continues to increase its high-grade resource, reaching a market cap of circa \$800m as share price has risen by approximately 100% in CY20 to date



Abercromby Project

Opportunity to delineate a high-grade resource and to make additional discoveries

- Walk up drill targets to follow-up thick intercepts of high-grade gold
- First phase 5,000m DD/ RC drill program planned to progress towards maiden resource
- Shallow mineralisation supports potential for open-pit mining
- Extensive areas remain unexplored with outstanding potential for more discoveries and increasing scale
- Excellent geology – gold interpreted to be hosted in dolerite sill associated with granophyric zone, similar to St Ives and Kalgoorlie Golden Mile – supports large resource potential

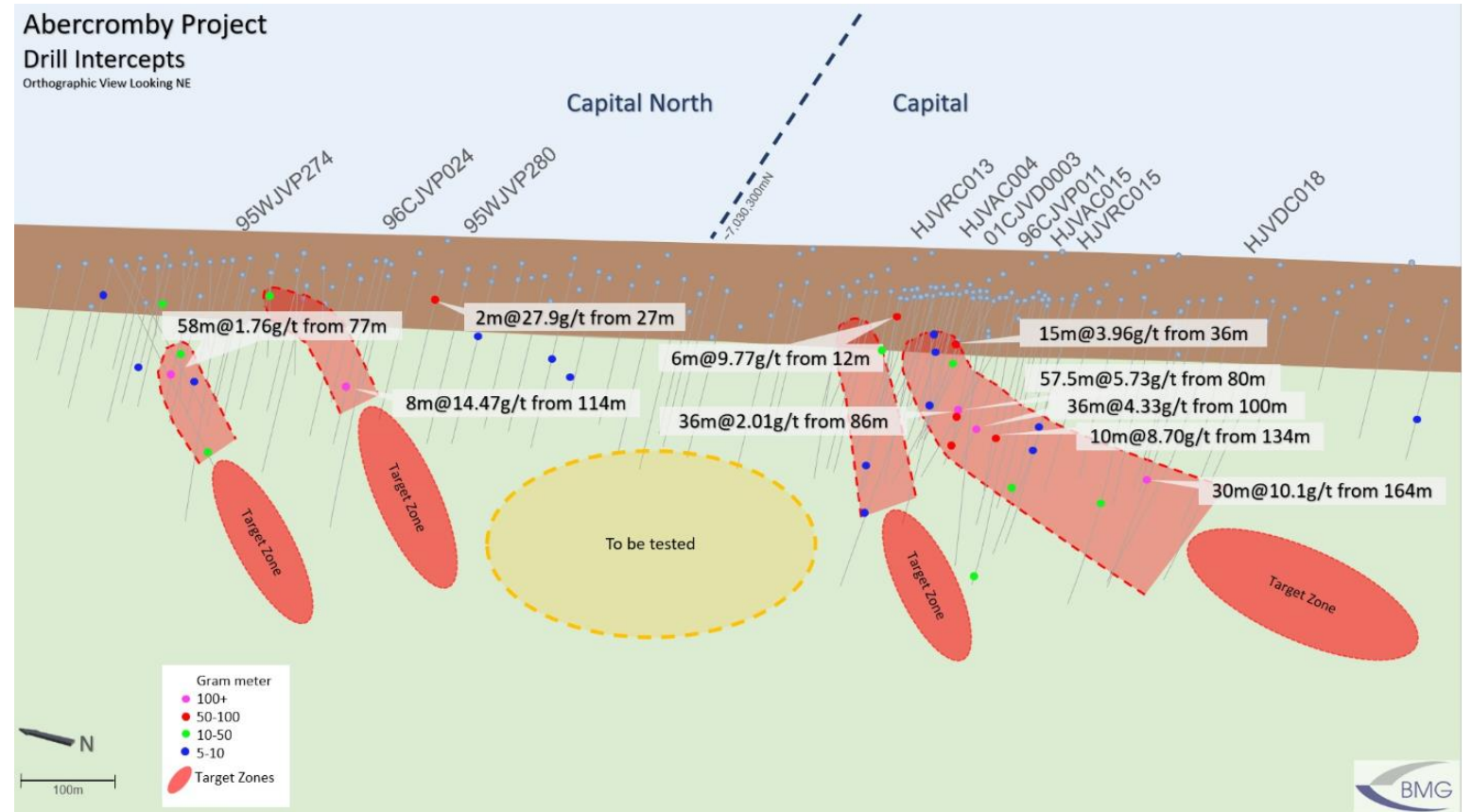
*Sample of assays for historical drilling at Abercromby Project – Capital Prospect
(for details of all drill holes see Schedule 2 of ASX Release dated 17 August 2020)*

Drill Hole	Intercept
HJVRC013	6m@9.77g/t from 12m
01CJVD0003	57.5m@5.73g/t from 80m
HJVAC015	36m@4.33g/t from 100m
HJVRC015	10m@8.7g/t from 134m
96CJVP011	36m@2.01g/t from 86m
HJVAC004	15m@3.96g/t from 36m
HJVDC018	30m@10.01g/t from 164m
95WJVP280	2m@27.9g/t from 27m
96CJVP024	8m@14.47g/t from 114m
95WJVP274	58m@1.71g/t from 77m

Abercromby Project

Capital Prospect – unlocking the potential

- Capital Prospect has a mineralised footprint so far of 1,000m x 300m based on high-grade hits in wide-spaced drilling
- Drilling to commence on completion of asset acquisition which will test multiple opportunities to increase the scale and scope of known mineralisation:
 - down dip continuity of previous strong drill results remains untested
 - infill drilling of large gaps in the previous 100m/200m wide-spaced drill traverses containing gold intercepts
 - defining shoot control for multiple high-grade gold intercepts near surface (e.g. 6m @ 9.77g/t from 12m)

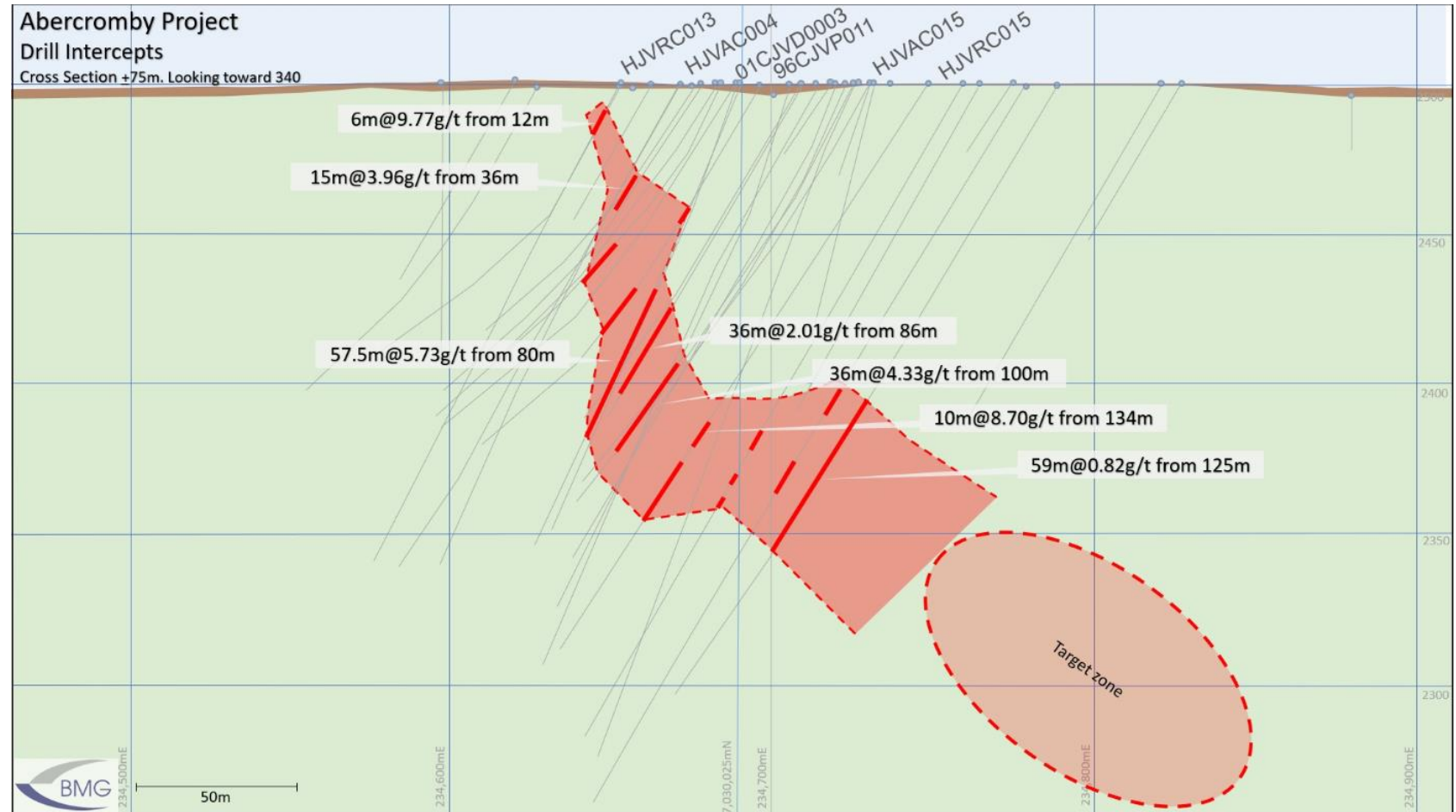


Abercromby Project

Capital Prospect – wide intercepts of high-grade gold

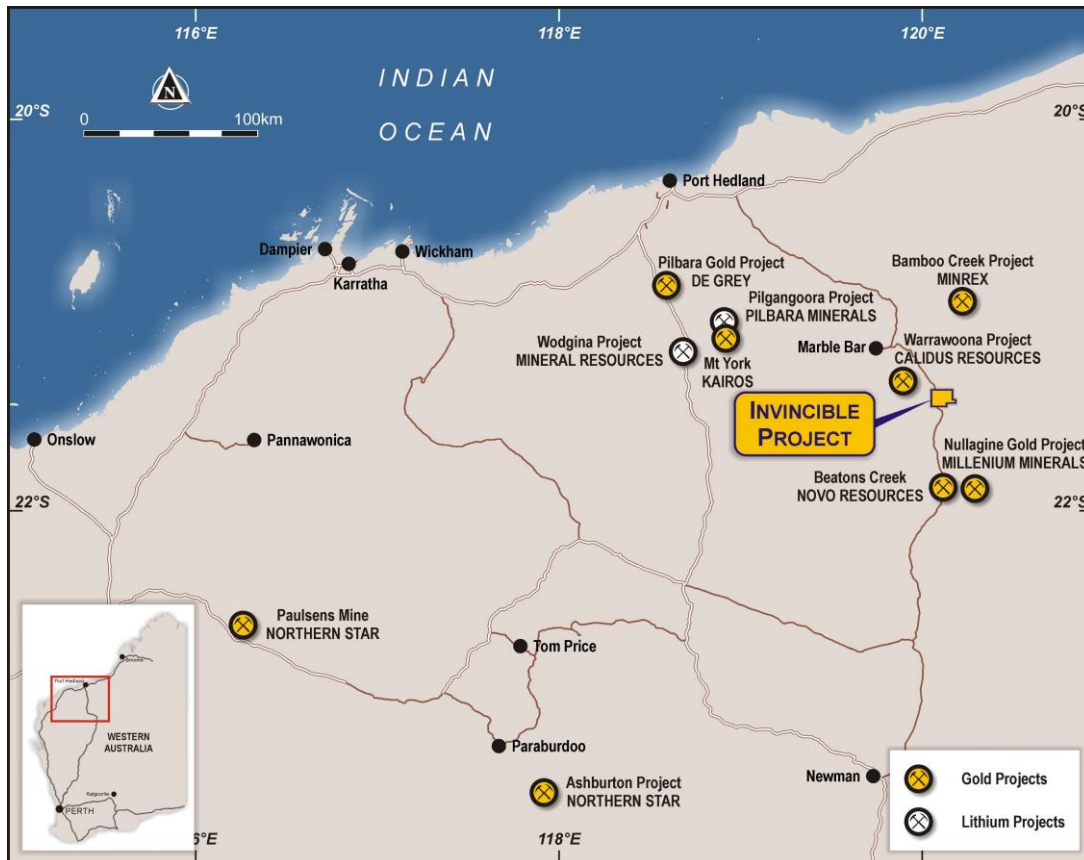
- Consistent high-grade mineralisation within known gold zones
- Targeting additional mineralisation along strike and at depth of existing discoveries

On right: cross section +/- 75m at 234700E highlighting one of the target zones for extensional drilling



Invincible Project

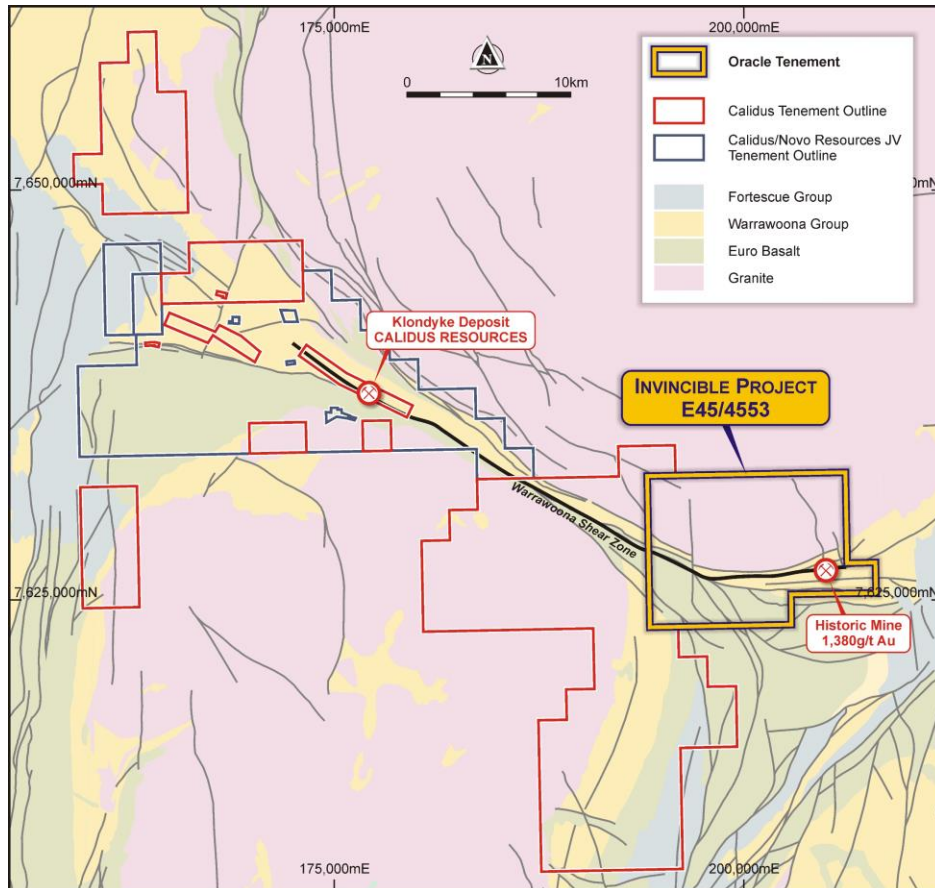
Located in emerging gold district of Central Pilbara



- Immediately along strike from, and hosted by the same stratigraphy, as Calidus Resources' (ASX: CAI) 1.495Moz Au resource – now in development
- Project hosts 12.5km of the Warrawoona Shear Zone – the mineralised trend that hosts the Calidus gold resource
- Multiple, small artisanal workings including the historic Invincible mine where 19.31kg of gold was mined at a grade of 1,380g/t Au
- Little systematic modern exploration with outstanding opportunity for a new high-grade discovery
- Recent major discoveries in the region – including by De Grey Mining (ASX: DEG) at its Hemi Project (NE of Invincible) – have fueled new strong investor interest in Pilbara gold projects

Invincible Project

Gold-bearing shear zone confirmed



- Invincible Project tenement is contiguous with the tenements of Calidus
- Development is underway by Calidus for a mining operation targeting production of approx. 90,000 oz Au per annum (see *Investor Presentation by Calidus dated 29 June 2020*)
- Soil surveys at the Invincible Project completed by current owners confirm large geochemical anomaly (+5km strike) along the interpreted extension of the Warrawoona Shear Zone
- Drill ready targets with BMG to commence drilling upon completion of asset acquisition
- Primary reef gold is hosted in quartz veins within extensive shear zones
- Potential for repeat trends along the Warrawoona Shear Zone (see *Investor Presentation by Calidus dated 29 June 2020*) and for mineralised granite to the north of the shear zone

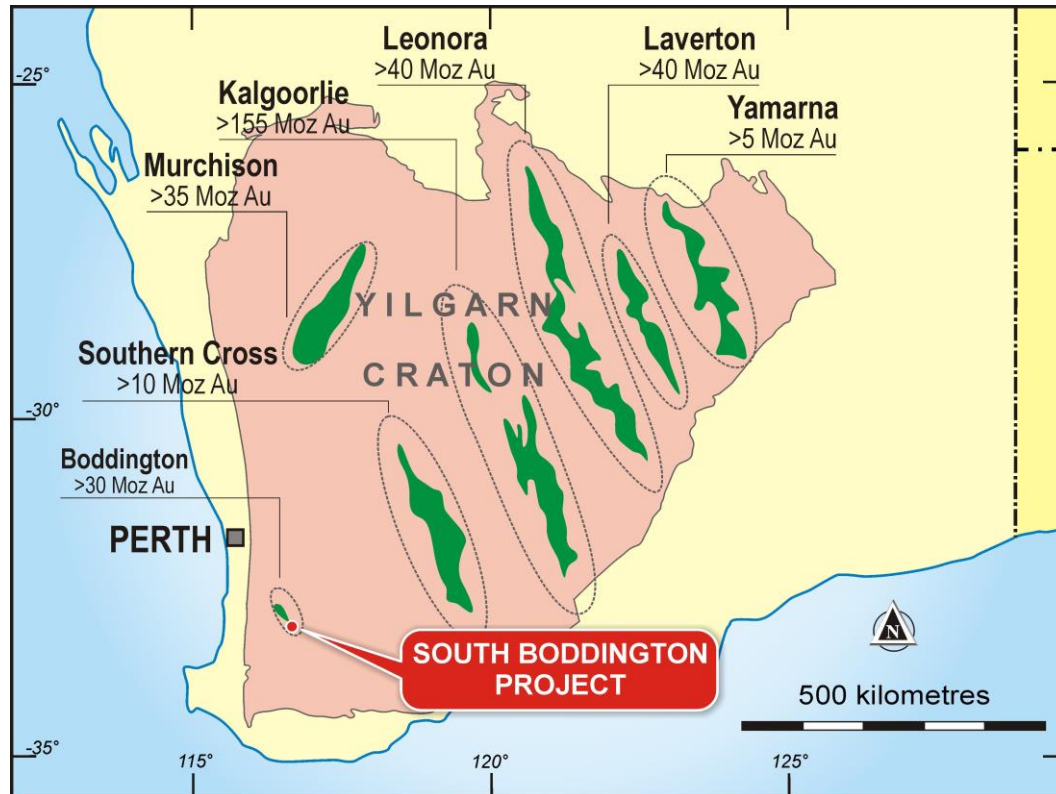


Photo of quartz vein hosted gold nuggets recovered in 2018 at the Invincible Project and reported in Advice of Minerals Recovered within Section 40E Permit Area dated 8 October 2018.

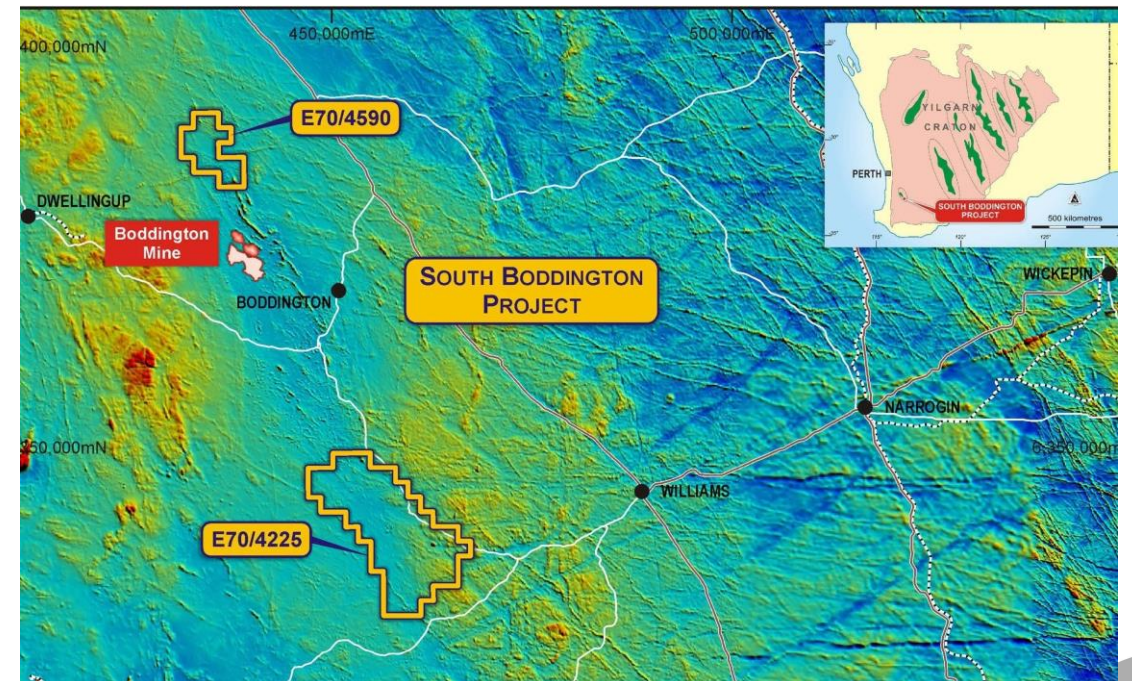
South Boddington Project

Located along strike from the giant Boddington gold deposit (+40Moz Au)

- Project area comprises ground that is within the Saddleback Greenstone Belt which hosts Newmont's (NYSE: NEM) Boddington gold mine



- Strong potential for additional gold deposits along the Belt with most of the Belt unexplored or underexplored
- Two exploration licences in application stage and interpreted to host similar stratigraphy to Boddington
- Boddington is located in an area of magnetic low and similar magnetic lows are seen in BMG's E70/4225 and E70/4590, as shown in the map below with GSWA magnetic data



Key Deal Terms

- BMG to acquire 100% of Oracle Mining Limited, which has 100% ownership of each gold project
- Favourable share-based consideration
- Transaction conditional upon shareholder approval and completion of \$4m capital raising

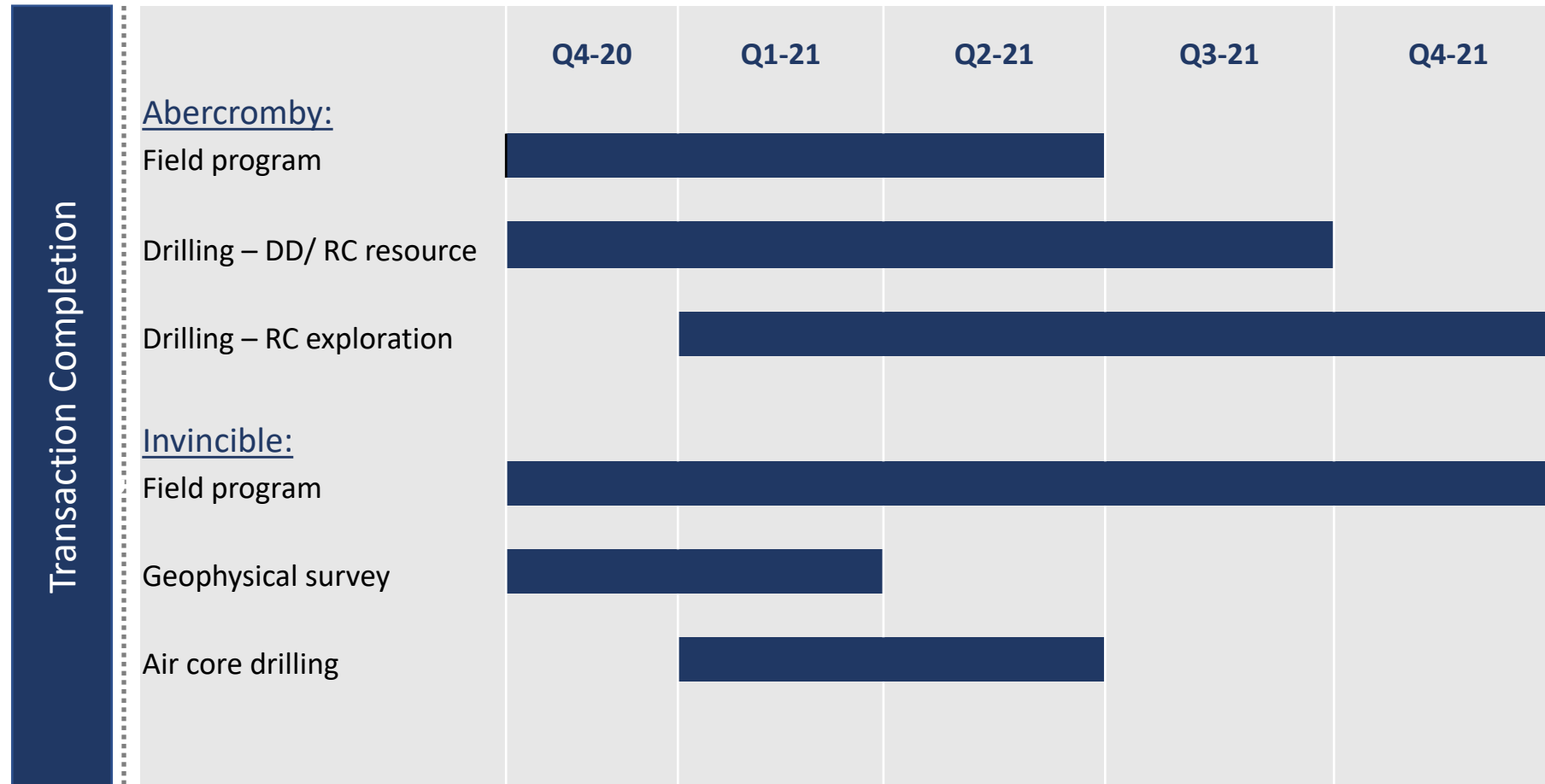
Project	Acquisition Terms
Abercromby Project (100% Oracle)	A\$650,000 cash payable to mining rights vendor for gold and other mineral rights (ex-uranium) Payable in full on financial close of acquisition, at completion 3% royalty payable from production
Invincible Project (100% Oracle)	Acquired by Oracle for A\$400,000 2% royalty from production
South Boddington Project (100% Oracle, subject to grant)	A\$50,000 cash to vendor payable upon completion 3m BMG shares (post 10:1 consolidation) 2% royalty from production

Corporate Overview – Post Transaction

- BMG to acquire Oracle Mining for 90 million Consideration Shares at \$0.05 per share (post 10:1 share capital consolidation)
- Acquisition is subject to shareholder approval and conditional on BMG raising \$4m
- On completion, Oracle shareholders will hold approximately 40% of BMG
- Proposed completion in October 2020
- \$1.5m earmarked for high impact drilling program to commence immediately on transaction completion

Capital Structure	
Existing	
Current shares on Issue (m)	671.5
Share price – 15 day VWAP pre-announcement	\$0.006
Implied share price – post 10:1 consolidation	\$0.06
Post transaction	
Transaction share price/ Capital raising price	\$0.05
Current shares – post 10:1 consolidation (m)	67.1
Capital raising – SPP (\$1m @ \$0.05/share) (m)	20.0
Capital raising – Placement (\$3m @ \$0.05/share) (m)	60.0
Oracle vendor shares	89.8
Project vendor shares	3.0
	240.0
Implied market capitalisation (\$m)	12.0
Current cash (\$m)	0.3
Capital raising (\$m)	4.0
Project vendors/ Oracle debt (\$m)	(1.4)
Net cash (pre transaction costs)	2.9

Indicative Work Program*



*Subject to change based on a review of the results

Team – Post Transaction

Board

Greg Hancock Chairman	Over 25 years of capital markets experience in Australia and the UK. Specialist areas of mining and natural resources and the finance and management of small companies. Joined the BMG board in February 2017, and is currently Chairman of Ausquest Ltd and Cobra Resources Plc, Non - Executive director of Golden State Mining Ltd, King Island Scheelite Ltd , Zeta Petroleum Plc and Strata -X Energy Ltd.
Bruce McCracken Managing Director	Experienced business executive with over 25 years working across a broad range of industries in senior corporate and specialised investment and corporate advisory roles. Previous corporate advisory and M&A focus on mining and natural resources and diversified industrials, and project finance for mining projects. Board member since 2011
John Prineas Non-executive Director	Over 30 years' experience in the resources, banking and legal sectors. In 1994, joined the global German bank Dresdner Bank AG (now Commerzbank AG) in Sydney and served over the next 10 years as General Counsel, Chief Operating Officer and Country Head with a focus on project and acquisition finance for resources and infrastructure projects. Founder, Executive Chairman and shareholder of St George Mining Limited (ASX: SGQ) which completed an IPO in November 2010 and is now recognised as a successful explorer and emerging nickel company
John Dawson Non-executive Director	Extensive experience in the finance and mining sectors, having occupied senior roles with global investment banks including Goldman Sachs and Dresdner Kleinwort Wasserstein. At Goldman Sachs, John was a Managing Director of FICC (Fixed Income, Currency and Commodities) for Australia. At Dresdner Kleinwort Wasserstein, John was Global Head of Commodities as well as Country Head for Australia. John has been a non-executive director of St George Mining Limited (ASX: SGQ) since January 2019

Senior Technical

Ben Pollard Exploration & Development	Ben Pollard is a geologist with more than 20 years' experience in exploration and mining in Western Australia with success in gold exploration, as well as taking projects from resource definition through to production. Since 2015, Ben has been the principal of Cadre Geology and Mining Pty Ltd, providing geological consulting services to a wide range of clients including global majors and small explorers
Charles Wilkinson Technical Consultant	Charles Wilkinson has more than 30 years' experience as a geologist in the mining industry. He worked with WMC Resources for 16 years, holding various senior exploration and operational positions including Exploration Manager - Nickel Exploration Australia, and Geology Manager Hill 50 Gold Mine. After five years as the initial Managing Director of Northern Star Resources Ltd, Mr Wilkinson joined Western Areas Limited in 2008 as General Manager Exploration. Mr Wilkinson now works as a technical consultant in the resources sector

Why Invest ?

✓	Sound Business Strategy	<i>Discovering and developing economic gold deposits in WA</i>
✓	Three WA Projects	<i>Three 100% owned gold projects in exciting regions of Western Australia</i>
✓	Advanced Exploration	<i>Two projects have high-grade gold confirmed by drilling and/or mining, with South Boddington providing an early stage exploration play on a world-class gold belt</i>
✓	Drill Ready	<i>Walk up drill targets to follow-up high-grade gold intercepts</i>
✓	Attractive EV	<i>Low EV relative to advanced exploration to date, providing strong valuation leverage to potential resource definition and further exploration success</i>
✓	Gold Exposure	<i>US\$2,000 oz barrier broken</i>
✓	Resource Potential	<i>Potential for fast track to resource definition at Abercromby</i>
✓	Refreshed Company	<i>New team members and recapitalisation provide corporate platform to deliver high growth</i>

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