

## ASX ANNOUNCEMENT

9 March 2021

### EXCELLENT NEW HIGH-GRADE GOLD INTERCEPTS AT ABERCROMBY

- Final batch of assays received from BMG's initial drilling campaign at Abercromby Gold Project
- Assays include exceptional results to confirm gold mineralisation across broad zones and down-dip continuity that remains open
- Very wide intersections of gold mineralisation often containing thick high-grade intervals including:
  - 26m @ 6.07 g/t Au from 192m, including 7m @ 21.22 g/t Au from 192m (20ABRC0004)\*
  - 16m @ 3.64 g/t Au from 82m, including 3m @ 14.38 g/t Au from 83m (20ABRC0004)
  - 33m @ 1.7 g/t Au from 127m, including 3m @ 15.29 g/t Au from 157m (20ABRC0008)\*
  - 37m @ 2.58 g/t Au from 144m including 8m @ 8.1 g/t Au from 173m (20ABRC0010)
  - 5m @ 5.86 g/t Au from 42m including 2m @ 10.83 g/t Au from 42m (20ABRC0010)
  - 8m @ 2.72 g/t Au from 32m and 2m @ 4.37 g/t Au from 107m (20ABRC0003)
  - 59m @ 0.86 g/t Au from 156m, including 7m @ 3.33 g/t Au from 173m (20ABRC0006)\*
  - 2.7m @ 6.54 g/t Au from 215.3m (20ABRC0003)
  - 12m @ 2.56 g/t Au from 25m including 2m @ 4.87 g/t Au from 25m (20ABRC0001)
- Two broad gold lodes confirmed – Western and Eastern lodes, with additional gold lodes emerging
- Structural controls for high-grade zones identified with further high-grade zones considered highly likely
- Major follow-up drill program being planned

*\* Reported previously in ASX release dated 21 Jan 2021*

West Australian gold explorer BMG Resources Limited (**ASX: BMG**) (**BMG** or the **Company**) is pleased to report that it has received all assay results from the drill program completed last 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 the first to be conducted at the project in more than 15 years. The program was designed to test the nature and continuity of known mineralisation at the Capital Prospect, where multiple thick and high-grade gold intersections were reported by previous

explorers. A total of 13 drill holes was completed by BMG with 635m of diamond and 2,246m of reverse circulation (RC) drilling. A further eight planned drill holes were not completed because of time constraints but will be added to this year's major upcoming drill campaign.

Assays for the drill program have confirmed broad gold zones at Abercromby with very wide intersections of gold mineralisation including multiple intervals of bonanza grades.

**BMG Managing Director Bruce McCracken said:**

*"These drill results demonstrate the quality of the mineral system at Abercromby with intersections displaying width and grade that supports the presence of a significant volume of gold mineralisation."*

*"Drilling has identified two high-grade gold lodes at the Capital Prospect with indications that repetitions are likely. The deeper diamond holes have shown continuity at depth which remains open."*

*"These are great results from only a small drill program at a project that has been in our possession for less than 6 months. We look forward to launching a major drill program in 2021 to fully scope the significant gold potential at Abercromby."*

**Significant Gold Intersections Continue**

Selected results on a hole by hole basis for the returned assays from Abercromby are shown below:

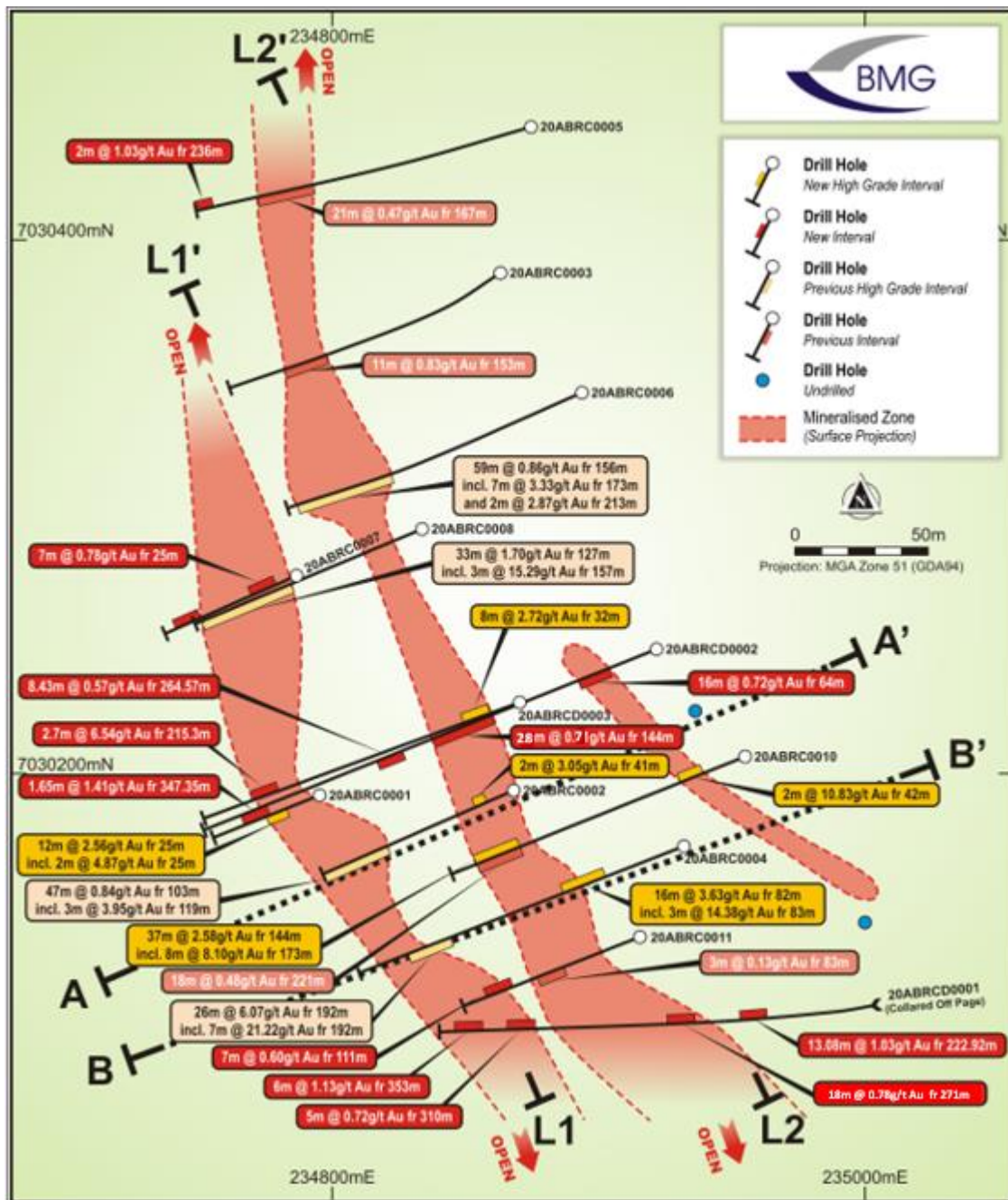
- **26m @ 6.07 g/t Au from 192m**, including **7m @ 21.22 g/t Au** from 192m (20ABRC0004)\*
- **16m @ 3.64 g/t Au** from 82m, including **3m @ 14.38 g/t Au** from 83m (20ABRC0004)
- **33m @ 1.7 g/t Au** from 127m, including **3m @ 15.29 g/t Au** from 157m (20ABRC0008)\*
- **37m @ 2.58 g/t Au** from 144m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

\* Reported previously in ASX release dated 21 Jan 2021

Analysis of the drill results has shown that there are a number of mineralised zones or lodes within the Capital Prospect, some of which have not been previously recognised. In addition, these lodes are not uniformly mineralised.

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

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



**Figure 1 – Plan view of maiden BMG drilling, together with the position of reported intercepts. Sections A-A' and B-B' are shown in Figures 2 and 3 respectively. Long sections L1-L1' and L2-L2' are shown in Figures 4 and 5 respectively.**

A compilation of significant results is presented in Table 1 below.

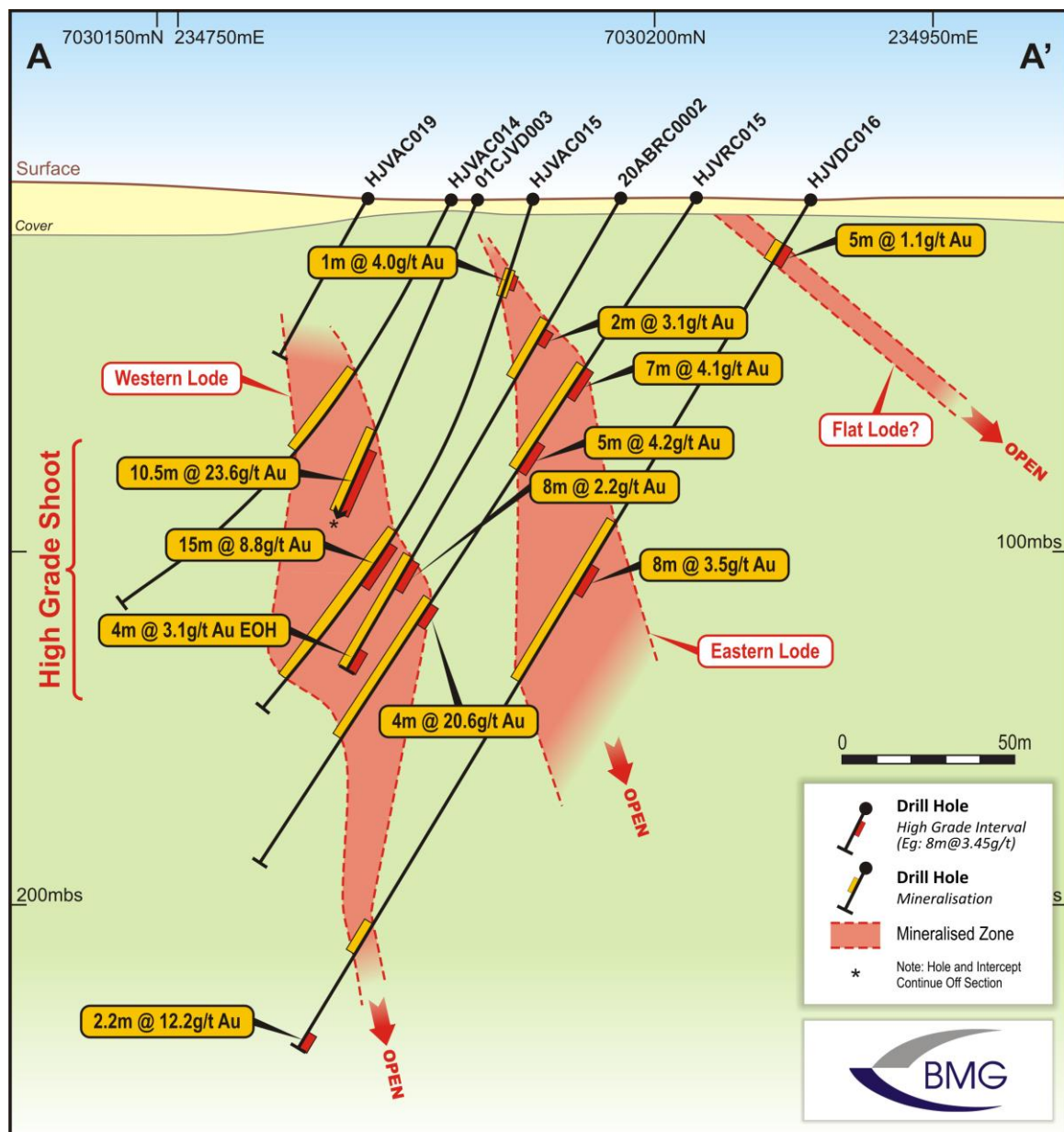
**Table 1 - Compilation of 2020 Drill Results**

Hole	EOH Depth	Intercept				Intercept			Comments
		Metres	Au g/t	From		Metres	Au g/t	From	
20ABRC0001	71	1	4.64	15					
		<b>12</b>	<b>2.56</b>	<b>25</b>					
20ABRC0002	150	2	3.05	41					
		47	0.84	119	<b>Includes</b>	<b>4</b>	<b>3.09</b>	<b>146</b>	Hole stopped in mineralisation
20ABRC0003	240.5	11	0.83	153	<b>Includes</b>	<b>4</b>	<b>1.3</b>	<b>160</b>	
20ABRC0004	250	<b>17</b>	<b>3.45</b>	<b>82</b>	<b>Includes</b>	<b>3</b>	<b>14.38</b>	<b>83</b>	
		<b>26</b>	<b>6.07</b>	<b>192</b>	<b>Includes</b>	<b>7</b>	<b>21.22</b>	<b>192</b>	
20ABRC0005	240	21	0.47	167	<b>Includes</b>	<b>1</b>	<b>4.02</b>	<b>168</b>	
		1	1.11	205					
20ABRC0006	219.5	59	0.86	156	<b>Includes</b>	<b>7</b>	<b>3.33</b>	<b>173</b>	
		2	2.87	213					
20ABRC0007	125	10	0.67	25					
		4	0.6	112					
20ABRC0008	180	<b>33</b>	<b>1.7</b>	<b>127</b>	<b>Includes</b>	<b>3</b>	<b>15.29</b>	<b>157</b>	
20ABRC0010	240	<b>5</b>	<b>5.86</b>	<b>42</b>	<b>Includes</b>	<b>2</b>	<b>10.83</b>	<b>42</b>	
		<b>8</b>	<b>8.1</b>	<b>173</b>	<b>Includes</b>	<b>2</b>	<b>20.96</b>	<b>176</b>	
		22	0.43	217					Hole stopped in mineralisation
20ABRC0011	131	3	0.13	83					
20ABCD0001	420.8	13.08	1.03	222.92					
		18	0.78	271					
		5	0.72	310					
		6	1.13	353					
20ABCD0002	360.8	28	0.71	144	<b>Includes</b>	<b>6.1</b>	<b>1.75</b>	<b>162.9</b>	Core loss 9.55m @ 0 g/t allocated grade
		8.43	0.57	264.57					Starts in mineralisation
		1.65	1.41	347.35					
20ABCD0003	240.5	8	2.72	32					4m comps
		2	4.37	107					
		1	4.79	136					
		<b>2.7</b>	<b>6.54</b>	<b>215.3</b>	<b>Includes</b>	<b>0.6</b>	<b>28.14</b>	<b>215.3</b>	
20ABCD0001	420.8	13.08	1.03	222.92					
		18	0.78	271					
		5	0.72	310					
		6	1.13	353					

## Multiple High-Grade Shoots Identified

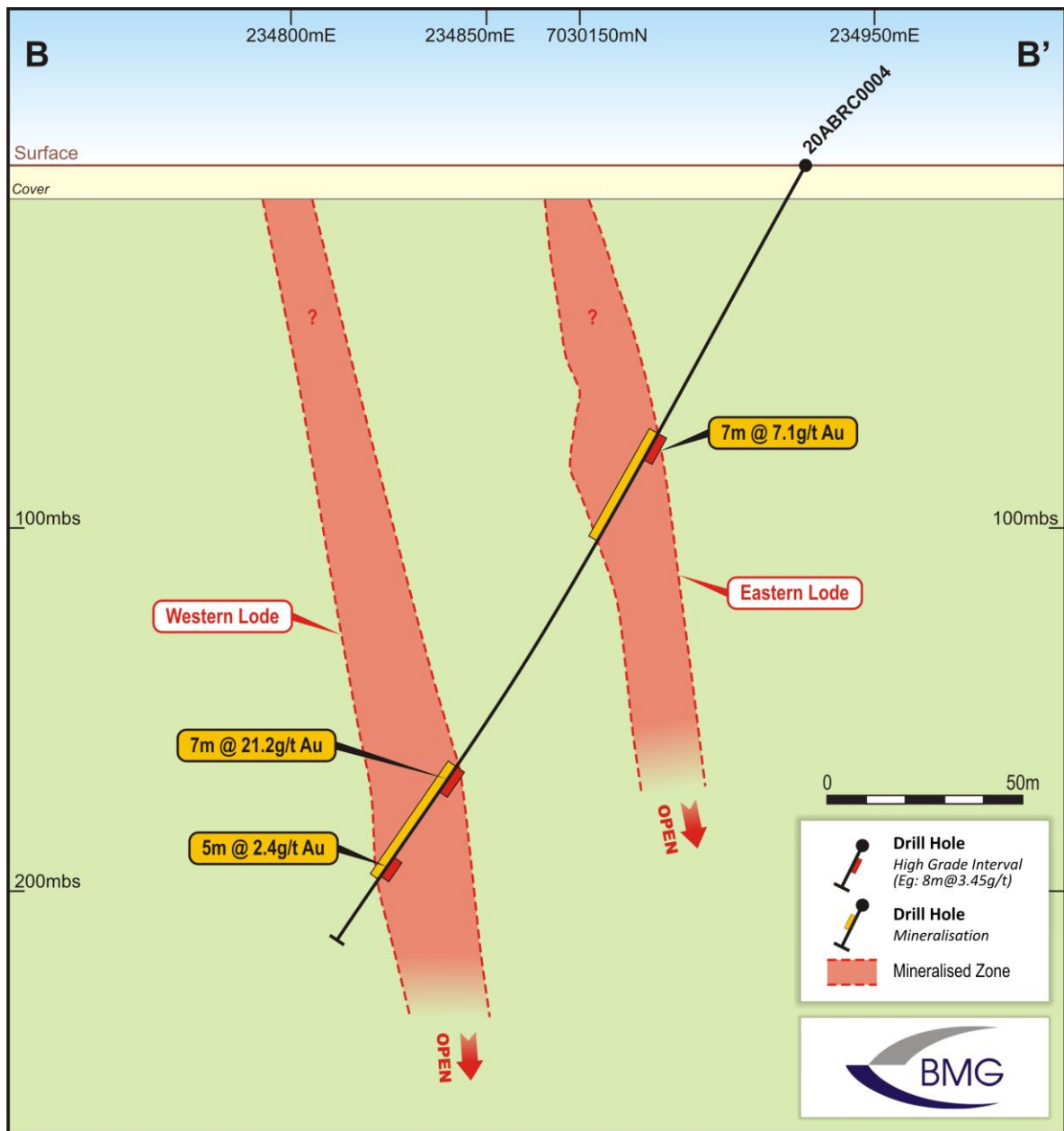
BMG's interpretation of mineralisation at the Capital Prospect is there are a number of north-west trending mineralised shear zones (lodes) that contain internal high-grade, plunging gold shoots.

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



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



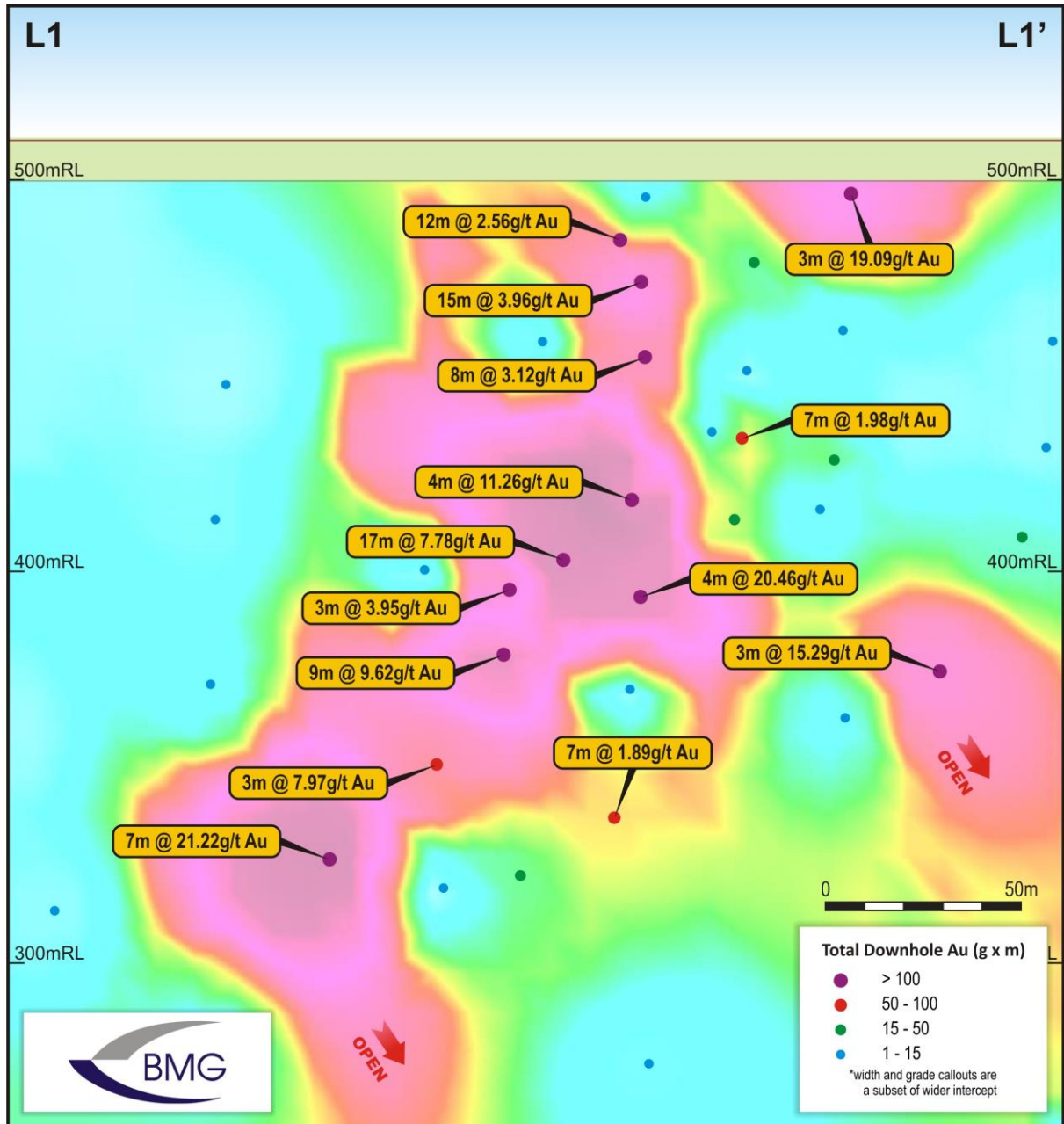


**Figure 3 – Capital Prospect cross section B-B' (looking NW) showing the results of BMG drilling with interpreted mineralised zones and selected internal high-grade intersections. ABRC0004 drilled between previously drilled traverses that were some 50m apart.**

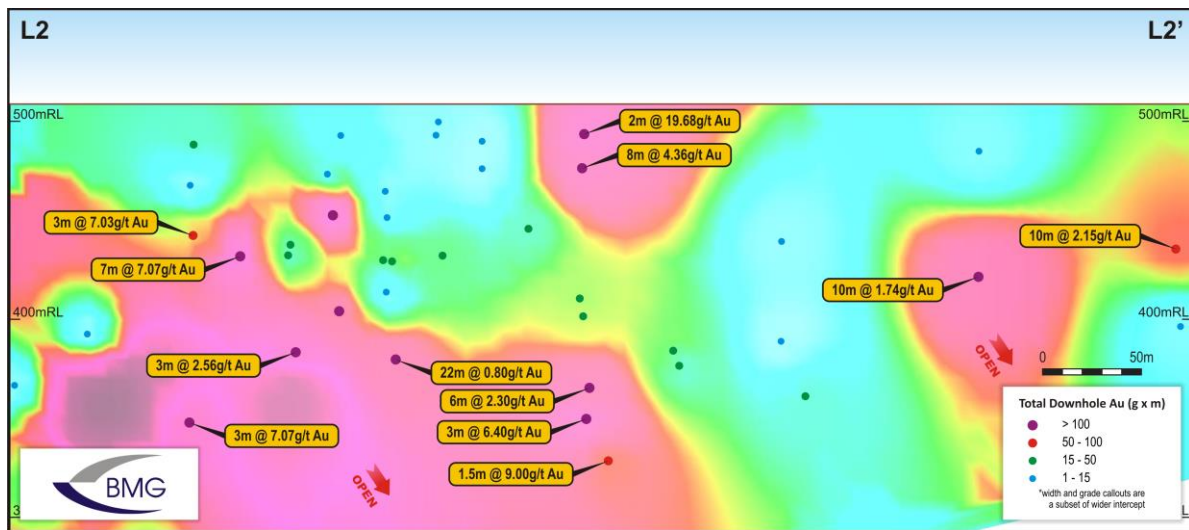
Assimilation of the latest drill data into the project database has allowed for re-examination of the mineralisation in 3D.

Significant intercepts were distilled to two mineralised domains – Western and Eastern – and their grade characteristics were analysed in the plane of each.

Imaged accumulated length and gold grades for drill hole intervals (gram metre values) were constructed for the West and East lode positions. These are shown in Figures 4 and 5. The gram:metre (gm) trends in the plane of mineralisation clearly show a south dipping high-grade zone or shoot within the Western and Eastern lodes.



**Figure 4 – Representative long section view of the Western Lode (L1-L1').** Background image is coloured ID<sup>3</sup> gram:metre (gm) values for all drilling within the mineralised zone. These same values are shown in graduated circles with selected high-grade intervals shown for >10 gram:metres. The image clearly shows areas of additional potential and areas which require further testing. Further drilling is also required to the north. Note several components of possible shoot control; moderate south dipping (strongly justified) and moderate north (to be investigated with additional drilling).



**Figure 5 – Representative long section view of the Eastern Lode (L2-L2').** Background image is coloured ID<sup>3</sup> gram:metre (gm) values for all drilling within the mineralised zone. These same values are shown in graduated circles with selected high-grade intervals shown for >10 gram:metres. The image clearly shows areas of additional potential and areas which require further testing. Further drilling is also required to the north. Note several components of possible shoot control; moderate south dipping (strongly justified) and moderate north (to be investigated with additional drilling).

## Exploration Upside

The 2020 drill program focused on an area 200m x 300m within the Capital prospect. Multiple high-grade intersections outside this area were reported by previous explorers providing additional walk-up drill targets to confirm and extend known mineralisation.

Importantly, the trends and features seen from this program provide great insight into the effective targeting of mineralisation at the Capital North Prospect – located to the north of the drilling completed last year at the Capital Prospect. Sporadic historical drilling at Capital North has intersected thick intervals of high-grade gold but the area remains largely unexplored. Historical intersections included:

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

The combined footprint of the Capital and Capital North Prospects is approximately 1,000m x 300m to support the potential for further drilling to establish a very significant resource envelope.



## Drill Program Discussion

The maiden drilling completed by BMG at Abercromby was the first chance for the Company to assess the validity of historic work, much of which was completed in the mid to late 1990s. While the program was only partially completed – eight of the 21 holes planned will be completed this year – and the upper portions of the diamond holes were impacted by significant core loss, encouragingly the drill results have added to the understanding of the nature and continuity of known mineralisation at the Capital Prospect.

While several holes were terminated early due to water ingress, the majority of holes reached their planned positions and tested the target areas. A favourable take-away was that, in general, mineralisation was intersected in or very near to the positions predicted by our mineralisation model, justifying its effectiveness.

**Table 2 – 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

## Further Work

A sub-audio magnetic survey (SAM) is scheduled to be completed at Abercromby later this month. This geophysical survey is designed to provide high-resolution mapping of the structures in the project area, which are the controls on gold mineralisation. This information will enhance the structural model for Abercromby and assist in planning follow-up drilling.

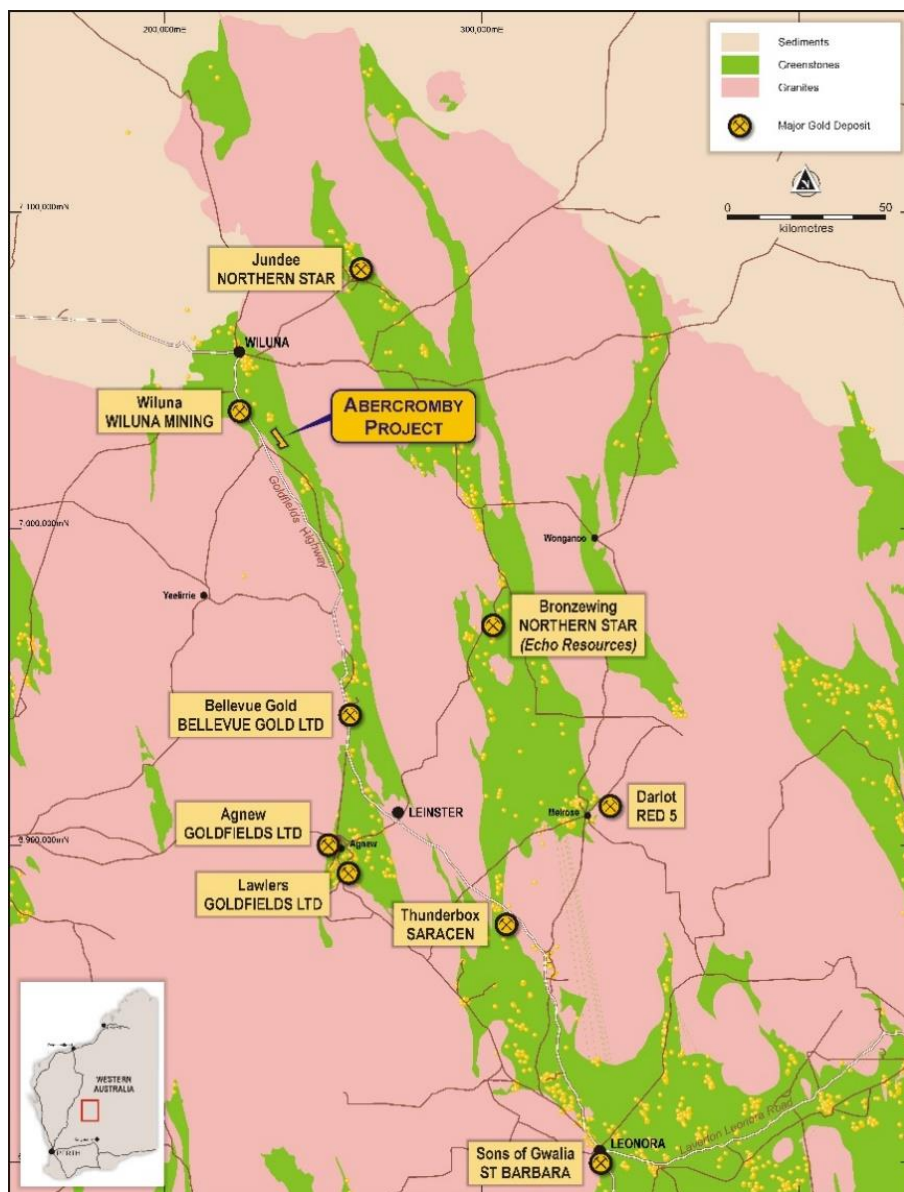
Following the SAM survey, a major drill program will be designed for 2021 to focus on resource step-outs, extension holes and infill drilling at the Capital and Capital North Prospects to further scope the gold endowment at Abercromby.

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



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

**\*\*\*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"> <li>• 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.</li> <li>• Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</li> <li>• 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.</li> </ul>	<ul style="list-style-type: none"> <li>• Reverse Circulation (RC) and diamond core drilling was used to produce these samples.</li> <li>• For RC drilling each 1m interval is split to approximately 1-3kg using a rig mounted cone splitter.</li> <li>• For diamond core samples, intervals were selected based on geology with a min and max interval width of 0.3 and 1.3m downhole, respectively.</li> <li>• Each sample selected is sent for analysis to Nagrom in Kelmscott, Perth.</li> <li>• The sample is pulverised in the laboratory (total prep) to produce a sub sample for assaying.</li> <li>• All sampling was conducted using BMG QAQC sampling protocols which are in accordance with industry best practice.</li> <li>• All samples were prepared and assayed by an independent commercial laboratory whose instrumentation are regularly calibrated.</li> </ul>
Drilling Techniques	<ul style="list-style-type: none"> <li>• 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).</li> </ul>	<ul style="list-style-type: none"> <li>• Drilling is via RC and diamond core drilling methods.</li> <li>• A Schramm drilling rig is used.</li> <li>• RC drilling was with a 5<sup>1/4</sup>" diameter face sampling hammer drilling bit. Onboard air utilised to yield 1000psi / 2200cfm. Diamond core diameter was NQ2.</li> <li>• 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.</li> </ul>



Drill sample recovery	<ul style="list-style-type: none"> <li>• <i>Method of recording and assessing core and chip sample recoveries and results assessed.</i></li> <li>• <i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i></li> <li>• <i>Whether a relationship exists between sample recovery and grade and whether sample bias</i></li> </ul>	<ul style="list-style-type: none"> <li>• Drilling recoveries are logged and recorded and captured within the project database. Core loss is noted where it occurs.</li> <li>• 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 in the RC. In the diamond drilling, some intervals of core loss exist in the regolith – where assays have been reported in these intervals, the missing interval has diluted the reported result (that is, it has been accounted for at zero g/t Au)</li> <li>• Each individual sample is visually checked for recovery, moisture, and contamination.</li> <li>• 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.</li> </ul>
Logging	<ul style="list-style-type: none"> <li>• <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></li> <li>• <i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc)</i></li> <li>• <i>The total length and percentage of the relevant intersections logged.</i></li> </ul>	<ul style="list-style-type: none"> <li>• RC chips and core were geologically logged using predefined lithological, mineralogical, and physical characteristic (colour, weathering etc.) logging codes.</li> <li>• 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.</li> <li>• DDH was logged by geological intervals for geological (alteration, lithology, mineralogy), structural information (including detailed geotechnical logging) and oxidation state.</li> <li>• Logging was predominately qualitative in nature, although vein and sulphide percent was estimated visually. All new core has been photographed wet and dry.</li> <li>• All holes are logged in full</li> </ul>
Sub-sampling techniques and sampling preparation	<ul style="list-style-type: none"> <li>• <i>If core, whether cut or sawn and whether quarter, half or all core taken.</i></li> <li>• <i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i></li> <li>• <i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i></li> <li>• <i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i></li> <li>• <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></li> <li>• <i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Each one metre RC drill interval is collected using a cone splitter.</li> <li>• No composite samples are taken.</li> <li>• BMG drilling utilizes QAQC regime consisting of certified reference material checks, blanks, and duplicates.</li> <li>• Sample sizes are considered to be appropriate to correctly represent the geological model and the style of mineralisation.</li> </ul>
Quality of assay data laboratory tests	<ul style="list-style-type: none"> <li>• <i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i></li> <li>• <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></li> <li>• <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></li> </ul>	<ul style="list-style-type: none"> <li>• QAQC protocols utilising Certified Reference Material (standards), blanks and duplicates were used. All checks passed quality test thresholds.</li> <li>• All samples were prepared and assayed by an independent commercial laboratory whose instrumentation are regularly calibrated, utilising appropriate internal checks in QAQC.</li> </ul>

Verification of sampling and assaying	<ul style="list-style-type: none"> <li>• <i>The verification of significant intersections by either independent or alternative company personnel.</i></li> <li>• <i>The use of twinned holes.</i></li> <li>• <i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i></li> <li>• <i>Discuss any adjustment to assay data.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Data collected in the field on paper and or digital logs, then transferred to the project database once collated and checked.</li> <li>• No twinned holes</li> <li>• 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.</li> </ul>
Location of data points	<ul style="list-style-type: none"> <li>• <i>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.</i></li> <li>• <i>Specification of the grid system used.</i></li> <li>• <i>Quality and adequacy of topographic control.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Drill holes were located using handheld GPS.</li> <li>• 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.</li> <li>• 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.</li> </ul>
Data spacing and distribution	<ul style="list-style-type: none"> <li>• <i>Data spacing for reporting of Exploration Results.</i></li> <li>• <i>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.</i></li> <li>• <i>Whether sample compositing has been applied.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Drilling has been completed on a variable grid drilled orthogonal to the mineralisation, generally toward 248°</li> <li>• 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.</li> <li>• Raw samples have not been composited.</li> </ul>
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> <li>• <i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i></li> <li>• <i>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.</i></li> </ul>	<ul style="list-style-type: none"> <li>• 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.</li> </ul>
Sample Security	<ul style="list-style-type: none"> <li>• <i>The measures taken to ensure sample security.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Chain of custody protocols used for the new BMG drill samples ensures sample security and integrity.</li> </ul>
Audits and Reviews	<ul style="list-style-type: none"> <li>• <i>The results of any audits or reviews of sampling techniques and data.</i></li> </ul>	<ul style="list-style-type: none"> <li>• No audits or reviews of the sampling techniques and data have been undertaken to date.</li> </ul>

## 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"> <li>• <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></li> <li>• <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></li> </ul>	<ul style="list-style-type: none"> <li>• 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.</li> <li>• The tenements are in good standing.</li> </ul>
Exploration done by other parties.	<ul style="list-style-type: none"> <li>• <i>Acknowledgment and appraisal of exploration by other parties.</i></li> </ul>	<ul style="list-style-type: none"> <li>• 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.</li> <li>• 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.</li> <li>• Though CRA located and drilled tested the gold mineralisation the hole spacing is relatively broad and considered ineffective to test potential continuity between holes.</li> <li>• 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.</li> <li>• 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.</li> <li>• Norilsk Nickel completed some drilling on the project in 2007/2008 but mostly to satisfy expenditure commitments.</li> <li>•</li> </ul>
Geology	<ul style="list-style-type: none"> <li>• <i>Deposit type, geological setting and style of mineralisation.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Abercromby is a lode hosted orogenic gold deposit typical in type to much of the gold occurrences in Western Australia's Eastern Goldfields.</li> <li>• The lode is developed amongst Archaean mafic rocks and gold is generally hosted by the sheared and quartz veined host.</li> </ul>
Drill hole Information	<ul style="list-style-type: none"> <li>• <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> <ul style="list-style-type: none"> <li>• <i>easting and northing of the drill hole collar</i></li> <li>• <i>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</i></li> <li>• <i>dip and azimuth of the hole</i></li> <li>• <i>down hole length and interception depth</i></li> <li>• <i>hole length.</i></li> <li>• <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></li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• The details of drill holes material to the exploration results/mineral resource are presented in Table 1 of the text in the main document.</li> </ul>

	<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"> <li>• <i>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.</i></li> <li>• <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></li> <li>• <i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Length weighted averaging of the drill hole intercepts are applied. No maximum or minimum grade truncations are used in the calculations.</li> <li>• 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.</li> <li>• No metal equivalents have been used.</li> </ul>
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> <li>• <i>These relationships are particularly important in the reporting of Exploration Results.</i></li> <li>• <i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i></li> <li>• <i>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').</i></li> </ul>	<ul style="list-style-type: none"> <li>• Drill hole intersections may not be true widths – but generally thought to be around 90% of true width.</li> <li>• 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.</li> </ul>
Diagrams	<ul style="list-style-type: none"> <li>• <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></li> </ul>	<ul style="list-style-type: none"> <li>• Refer to Figures in the text.</li> </ul>
Balanced reporting	<ul style="list-style-type: none"> <li>• <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></li> </ul>	<ul style="list-style-type: none"> <li>• All significant results are reported.</li> </ul>
Other substantive exploration data	<ul style="list-style-type: none"> <li>• <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></li> </ul>	<ul style="list-style-type: none"> <li>• All significant results are reported.</li> </ul>
Further work	<ul style="list-style-type: none"> <li>• <i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</i></li> <li>• <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></li> </ul>	<ul style="list-style-type: none"> <li>• Exploration within the Abercromby Project is ongoing.</li> <li>• BMG Resources is focusing on staged development drilling at Abercromby in addition to mine planning, metallurgical studies and development studies as required.</li> <li>• Exploration drilling at priority targets over the next 12 months is planned.</li> <li>• Future exploration programs may change depending on results and strategy.</li> </ul>