



BMG Resources Limited (ASX: BMG)

24 August 2021

Drilling underway on prospective gold targets

Our View

With an EV of ~A\$12 million, BMG Resources ("BMG" or "the Company") is well leveraged to exploration success on its 100% owned Western Australian gold projects.

The properties, which were acquired in October 2020 (accompanied by a partial Board change) are located in the Yilgarn and Pilbara regions of Western Australia, one of the world's premier gold mining jurisdictions, which consistently rates near the top of the Fraser Institute rankings.

Activities have mainly been concentrated on the Abercromby Gold Project, located near the Wiluna gold mine, at the northern end of the Wiluna-Norseman greenstone belt. The belt is a major gold producer within the Yilgarn, and has several mills within potential trucking distance should a deposit suitable for toll treating be delineated.

Drilling to date (which is the first since the mid-2000s) has reinforced the results of historic drilling, with results including intersections of up to 26 m @ 6.07 g/t Au, and preliminary metallurgical test work demonstrating good recoveries from oxide, transitional and fresh mineralisation from the series of identified gold shoots.

A recently completed sub-audio magnetics ("SAM") survey has highlighted additional structural trends, with similar orientations to the known mineralised structures, that now require drilling. As such, the Company has recently commenced a ~6,000 m reverse circulation ("RC") and diamond drilling programme, partly designed to test these newly defined targets.

In addition, this drilling will test for depth and strike extensions to the identified mineralisation, which remains open along strike and at depth. Holes completed to date have intersected zones of alteration typical of the known mineralisation – first assay results are expected in mid-September.

The Company also has work, including drilling, planned for H2, 2021 at the Invincible Gold Project in the Pilbara of Western Australia. Invincible is along strike on the same structure, the Warrawoona Shear, that hosts Calidus Resources Limited's (ASX: CAI, "Calidus") 1.5 Moz Warrawoona Gold Project that is currently undergoing pre-development works.

A detailed airborne magnetics and radiometrics survey has identified several targets that require follow-up in this underexplored tenement, which has only seen 13 RC holes drilled. Historic workings within the tenement have produced, albeit at a small scale, at up to 1,380 g/t Au.

The third project is South Boddington, which comprises two Exploration Licence Applications ("ELAs") over the same greenstone belt that hosts Newmont's Tier 1 Boddington gold/copper operation. Given the status, there are no current field activities planned for Boddington South at the moment, although the tenements are considered prospective for gold +/- copper mineralisation similar to that at Boddington.

In summary, having just raised A\$4 million, BMG has fully funded active programmes underway or soon to commence on two prospective, underexplored gold projects in one of the world's premier gold mining jurisdictions.

As such, we should expect steady newsflow, and as stated earlier, the Company is well leveraged to exploration success.

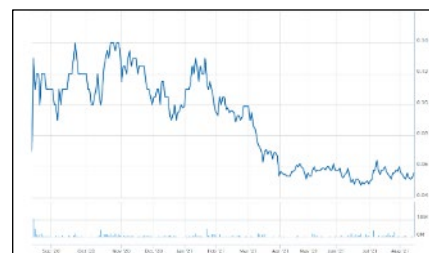
Recommendation: Spec Buy

Summary (AUD)

Structure and Cash

Market capitalisation (undiluted)	\$16.0m
Share price (August 23, 2021)	\$0.050
52 week low	\$0.048
52 week high	\$0.16
Cash (30/6/21)	\$0.89m
Subsequent raisings	\$4.00m
Cash on in-money option conversion	\$0.00m
Ordinary shares (undiluted)	320.0m
Unlisted options	6.30m
Performance rights	28.0m
Performance shares	13.3m
In-money options	0.00m
Diluted for in-money options	320.0m
Fully diluted	367.6m

One year share price graph (AUD)



Directors & Management

Mr Greg Hancock	Chairman
Mr Bruce McCracken	Managing Director
Mr John Prineas	Non-Executive Director
Mr John Dawson	Non-Executive Director
Mr Ben Pollard	GM, Exploration and Development
Mr Charles Wilkinson	Technical Consultant
Mr Sean Meakin	Company Secretary

Significant Shareholders

John Prineas	14.32%
John Dawson	9.80%
David Michael	8.73%
Top 20	53.97%
Directors	25.96%

Background & Strategy

Background and Strategy

The Company's current focus is on the Abercromby and Invincible gold projects, located respectively in the Yilgarn and Pilbara Cratons of Western Australia. These, along with South Boddington, were acquired in October 2020, along with a change of Company management.

All projects are in proven gold producing regions, and results to date have shown them to be prospective for further discoveries (Figures 1 and 2).

Figure 1: Project locations and Yilgarn geology (Source BMG, portergeo/database)

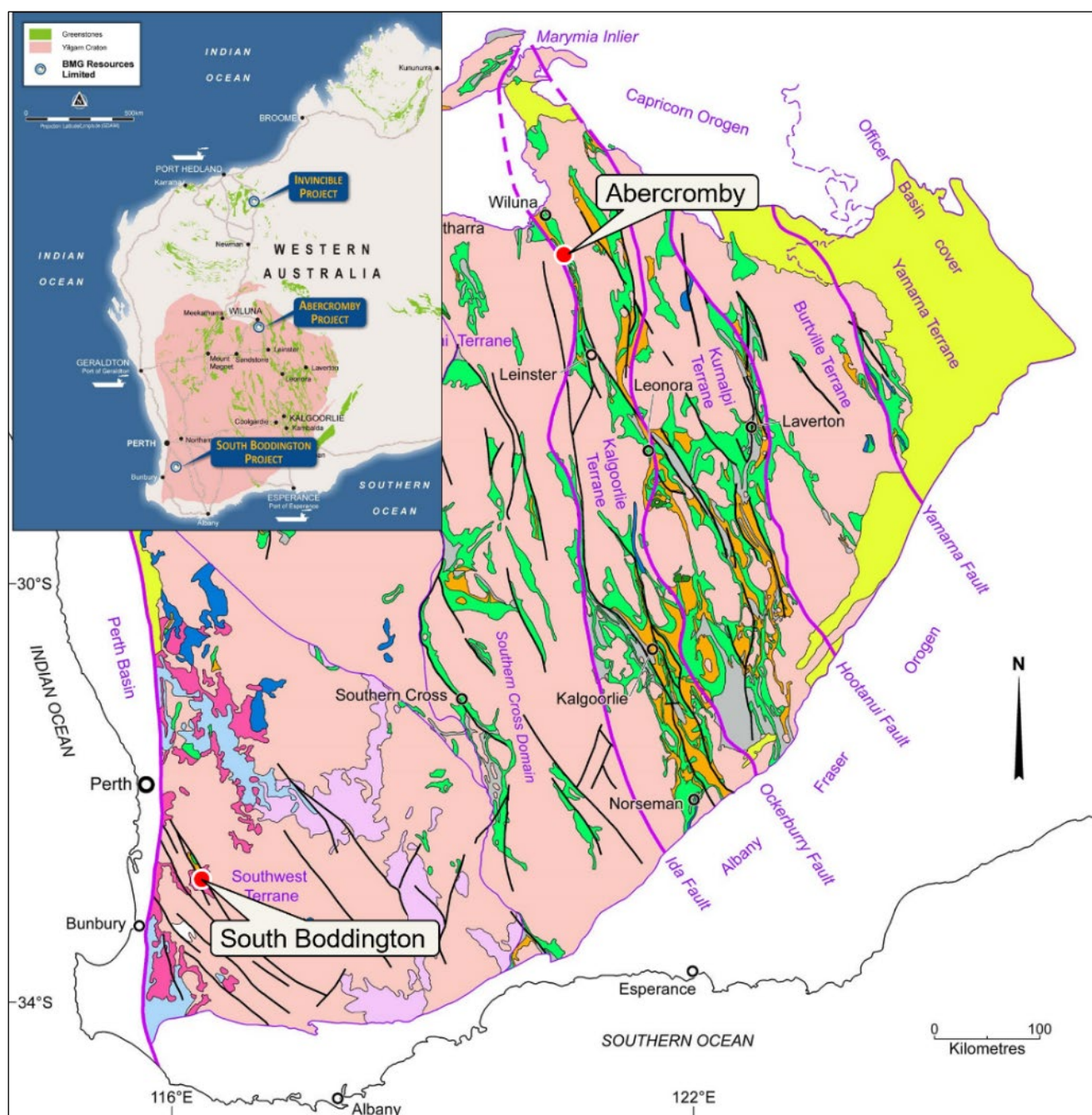
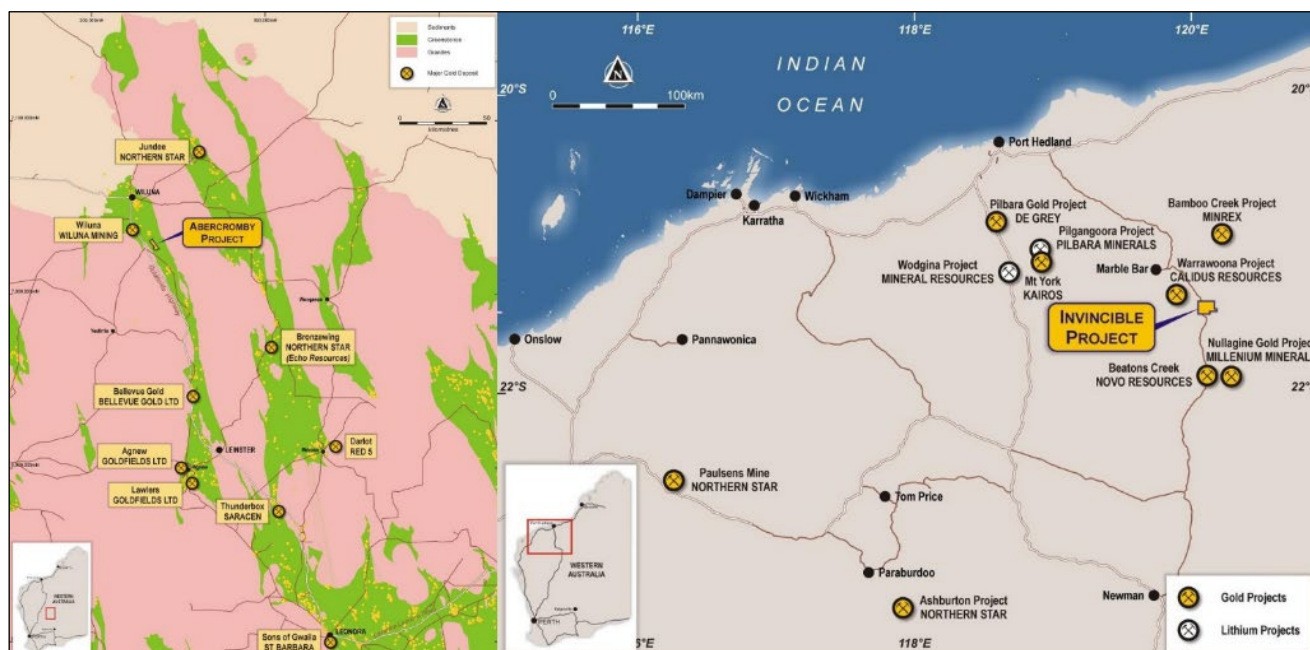


Figure 2: Regional context – Abercromby and Invincible Projects (Source BMG)



Capital Structure

BMG currently has 320 million fully paid ordinary shares, 6.3 million unlisted options (various exercise dates and prices) and 41.3 million performance rights and shares on issue. All options are currently out of the money.

The largest shareholder is the Non-Executive Director, Mr John Prineas, with a holding of 14.32% (45.8 million shares). Directors hold a total of 25.95%, with, in addition to Mr John Prineas, Mr John Dawson holding a significant interest. The top 20 hold 53.97%.

Financial Position

As of June 30, 2021, BMG had A\$0.889 million cash. Following the end of the June 2021 quarter the Company raised A\$4 million at A\$0.05/share in a placement in which some directors have participated.

Total operating and investing cashflows over the three quarters to 30/6/21 were -A\$2.367 million including administration costs of A\$0.775 million – investing cashflows included the payment of A\$0.760 million related to the October 2020 acquisitions.

Financing cashflows (prior to the recent raising) included A\$3.74 million (at A\$0.05/share) before costs concurrent with the Oracle transaction, and repayment of borrowings (including transaction costs) of A\$0.450 million, also associated with the Oracle transaction.

Abercromby Gold Project

Location, Infrastructure and Tenure

Abercromby includes two granted Mining Leases (“ML”), located approximately 30 km south of the town of Wiluna in the northern Yilgarn of Western Australia (Figures 1 and 2), and 13 km SE of the Wiluna operations of Wiluna Mining Corporation (ASX: WMC). Both tenements (for which BMG holds all mineral rights except for uranium and thorium), with a total area of 11.8 km², are in good standing (with expiry dates of 2033 and 2035), and are located adjacent to the Goldfields Highway, linking Kalgoorlie (~500 km to the south) and Wiluna to the north. Given that Abercromby is in a major mining region, there is ready access to skilled personnel and services, and the potential for toll treating with several mills potentially within trucking distance (dependent upon grade and metallurgy).

There is a 3% private royalty payable over any production from the tenements.

Geology, Mineralisation and Historic Work

Abercromby is located near the northern end of the Wiluna-Norseman Greenstone Belt, a major belt within the Kalgoorlie Terrane of the Eastern Goldfields (Figures 1 and 2) – the Kalgoorlie Terrane is one of two Terranes that comprise the Kalgoorlie-Kurnalpi Rift Zone (“KKR”), the major gold producing structural element within the Archaean Yilgarn Craton. The Project is located adjacent to the Ida Fault, a crustal scale structure that separates the KKR from the Youanmi Terrane to the west (Figure 1).

The greenstones comprise a NNW to NW trending belt of ultramafic to felsic volcanics, felsic volcanoclastics and clastic sediments – within the BMG tenements the lithologies include ultramafic and mafic volcanics. The rocks have been intensely deformed (leading to refolded folds) and metamorphosed generally to greenschist and amphibolite facies. The bedrock is covered by between 5 m and 20 m of transported cover (which masks the underlying geology), and is weathered to a depth of up to 150m.

The area has also been affected by faulting and shearing – this includes bedding parallel, as well as cross faults, as interpreted from the recently completed SAM survey.

The most recent gold exploration was undertaken by Perilya in 2004, with prior workers including CRA (1995/7) and Outokumpu (2001). The gold mineralisation was initially identified by CRA, with 82 RC and two diamond holes being drilled in the Capital area, with these generally being drilled to the WSW. There was only limited drilling carried out by subsequent operators. Outside of Capital and Capital North, the CRA drilling was generally on 200 m spaced traverses – these are shown as white lines on the left-hand pane of Figure 3, and all missed the link structures as interpreted from the recent SAM survey.

The mineralisation is orogenic lode style, as typical throughout the Yilgarn, and, at the Capital prospect occurs as two sub-parallel zones trending ~NNW and dipping sub-vertically to steeply to the north-east (Figures 3 and 4). Higher grade mineralisation occurs as what have been interpreted to date as steeply plunging shoots within the overall mineralised zones, with these having strike extents of up to ~100 m, and still open at depth. On looking at the right pane of Figure 3, it may be interpreted that the higher tenor mineralisation is associated with a flexure in the mineralised zone, which would be a dilation zone if movement along the structures was sinistral.

Mineralisation is hosted in shears and quartz/sulphide veins within the basalts, with associated quartz/sericite/carbonate alteration, typical of that found in WA lode mineralisation. Visual interpretations from the drilling completed by BMG in December 2020 indicates that higher grade mineralisation is not associated with high sulphide contents, which is positive for metallurgy, and has been supported by the results of the preliminary metallurgical test work (see below).

The Company has stated that the overall mineralised footprint at Capital/Capital West covers an area of some 1000 m x 300 m, although remains open to the SE, with this reinforced by the results of the SAM survey.

Work by BMG

Since the October 2020 acquisition, the Company has undertaken several activities at Abercromby, including:

- An initial drill programme, including three diamond (635 m) and 11 RC (2,246 m) holes in late 2020,
- Preliminary metallurgical test work,
- A SAM survey; and,
- A second drill programme which is currently underway

The initial drill programme was designed largely to validate historic drilling, with results being very positive, with some shown in Figures 3 and 4. These included some thick, and high-grade intersections, 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)

The drilling validated the historic work, as well as intersecting previously unidentified shoots. The programme however had to be cut short (by eight holes) due to time constraints, with these holes being drilled in the current programme.

The sighter metallurgical test work, the results of which were reported to the market on April 19, 2021, was very positive, returning generally good recoveries from oxide, transitional and fresh mineralisation – results are presented in Table 1.

This used “Leachwell” processing, a 24 hour, accelerated cyanide leach, that is considered a reasonable proxy for indicating the amenability of the mineralisation to industry standard CIL processing.

Table1: Abercromby metallurgical test work results (Source: BMG)

Sample ID	Oxidation	Grade (Au g/t)	Recovery (%)
20ABRC0001 (35-36)	oxide	1.238	85.9
20ARRC0004 (194-195)	fresh	20.79	95.0
20ABRC0004 (195-196)	fresh	29.79	98.0
20ABRC0010 (221-222)	fresh	0.605	88.5
20ABRC0010 (222-223)	fresh	0.532	86.0
20ABRC0011 (111-112)	transitional	0.057	87.9

One of the key controls on mineralisation is structure, and as such, the Company undertook a SAM survey over ~3 km of strike in the north of the tenements to further delineate structure – SAM can be a very useful term in elucidating detailed bedrock structure through mapping conductivity.

As shown in Figure 3, the survey was successful in mapping structure – this included the main NNW bounding structures, and several NW-trending dilational “link” structures between the major faults and shears. Link structures are interpreted as being the control to mineralisation at the Capital and Capital North prospects (Figure 3), with the SAM survey identifying a further three interpreted structures to the southeast of the drilled prospects that have seen only minimal work.

The current drilling programme, in addition to further testing Capital, will include traverses across the structural targets (black lines on the left-hand pane of Figure 3). As of August 12, 2021, eight RC holes for ~1,800 m had been completed of the planned 18 hole, ~6,000 m programme – this will include diamond tails to test for deeper extents to the mineralisation, and which will also provide structural information.

The drilling has intersected multiple zones of quartz/carbonate/sericite veining and alteration with some sulphides – first assays are expected in mid-September.

Figure 3: Completed and planned drilling and prospects on SAM image (left), and Capital prospect showing mineralised envelopes projected to surface and drilling results (right) (Source BMG)

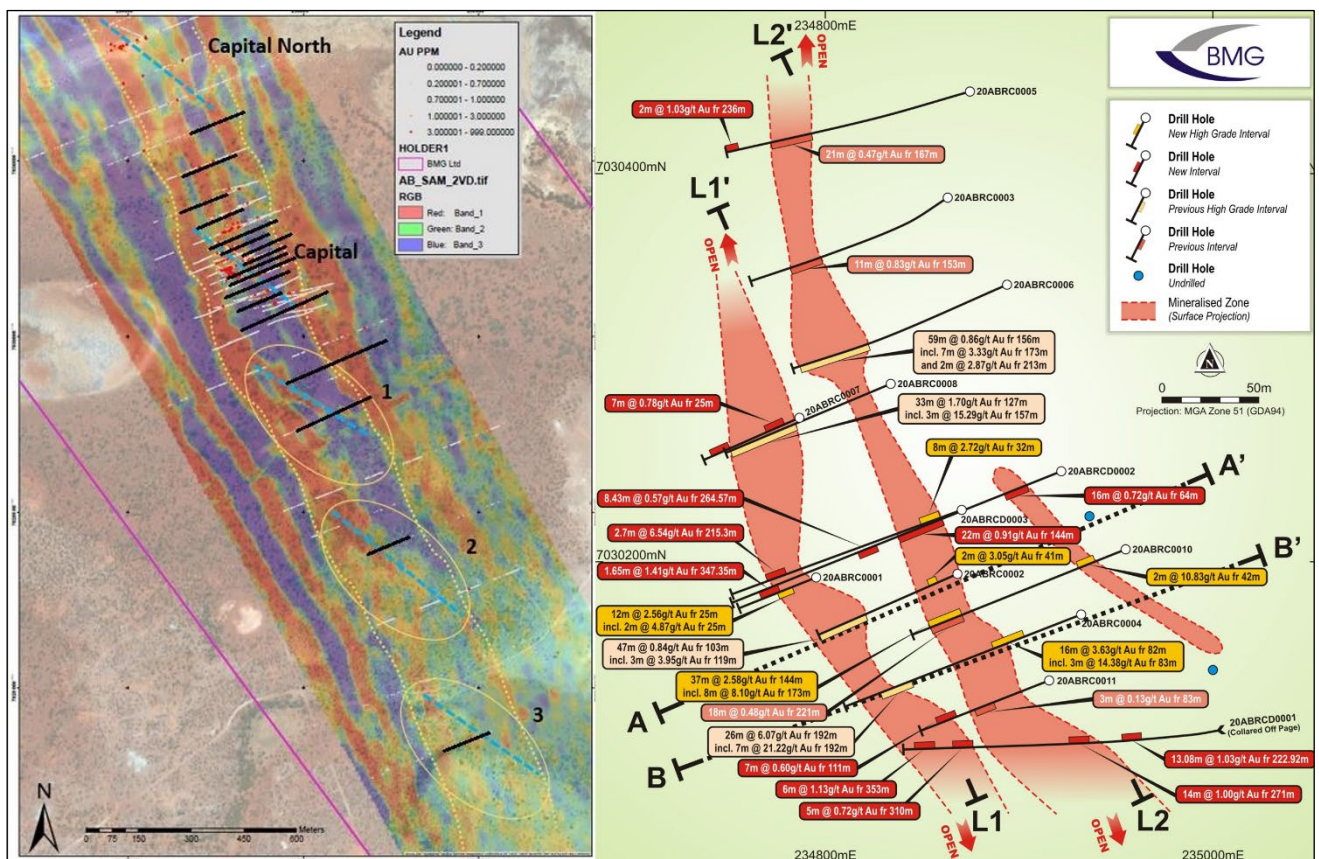
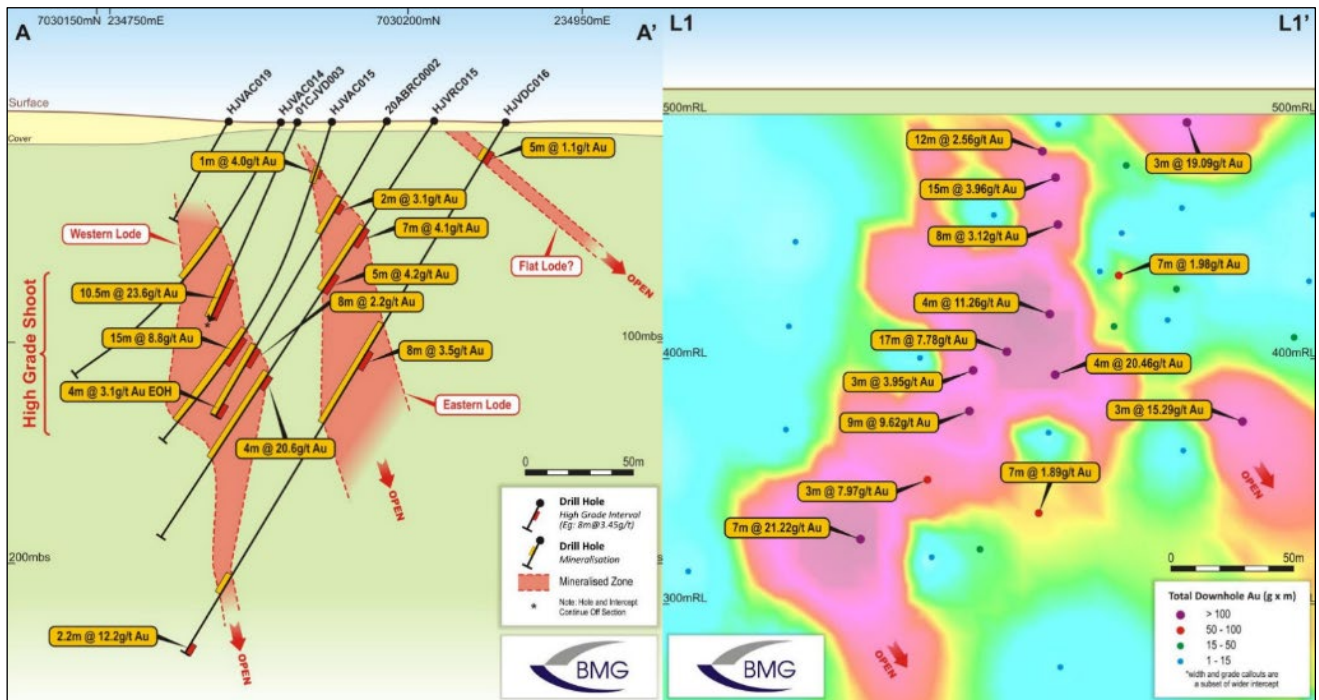


Figure 4: Abercromby cross section A-A' and long section L1-L1' – note different scales (Source BMG)



Invincible Project

Location, Infrastructure and Tenure

Invincible comprises one 100% owned Exploration License ("EL"), E45/4553 of 34 sub-blocks (108 km²), located in the Eastern Pilbara region of Western Australia (Figures 1 and 2) – the tenement is in good standing, with an expiry date of April 23, 2023. The tenement is located ~250 km south of Port Hedland, midway between Marble Bar and Nullagine, and readily accessible on State Highway 198. Given it is in a major mining region, there is ready access to skilled services and labour.

There is a 2% private royalty payable over any production from the tenements.

Geology, Mineralisation and Historic Work

Invincible is located over Paleoproterozoic greenstones and granites of the Pilbara Craton (Figure 5). Greenstones include dominantly felsic volcanics of the Warrawoona Group, and the younger Euro Basalt. The former has been dated at ~3.45 Ga (and incidentally contains what are thought by some to be cyanobacteria cells, the youngest known record of life on earth, although this has been rigorously debated), with the latter dated at 3.35 Ga, making them ~700 million years older than the greenstones at Abercromby. The strongly deformed and mylonitised greenstones are sandwiched between the Mount Edgar Granitoid Complex to the north, and the Corunna Downs Granitoid Complex to the south. There is only minimal cover, and rocks are oxidised down to around 12 m.

The greenstones in the Pilbara generally occur as narrow, high strain zones surrounding ovoid granite domes, with these greenstones also being the focus for the major deep structure and hence mineralising fluid flow. As such they are the main sites for gold mineralisation in the Pilbara – major gold deposits are shown in Figures 2 and 5, with Calidus Resources' (ASX: CAI, "Calidus") 1.5 Moz Warrawoona Gold Project being located west along strike on the Warrawoona Shear that runs through BMG's ground (Figure 5). There is around 12.5 km of strike of the Warrawoona Shear within the tenement.

Within the Pilbara, deposits are commonly elongate, relatively narrow systems associated with shear zones in the greenstones.

However, De Grey Mining's (ASX: DEG, "De Grey") 6.8 Moz Hemi discovery within the broader Mallina Gold Project has led to a reassessment of the styles of gold mineralisation that may be found in the Pilbara. Gold mineralisation at Hemi is hosted in a series of intrusions within the folded greenstone sediments and volcanics, a style hitherto not seen in the Pilbara, and giving rise to broad zones of mineralisation. This discovery has reignited interest in the region.

There has only been limited historic work on the tenement. There are several small artisanal workings (Figure 5), including the Yandicoogina Gold Mining Centre ("YGMC") immediately to the east of the tenement, which were mined in the very late

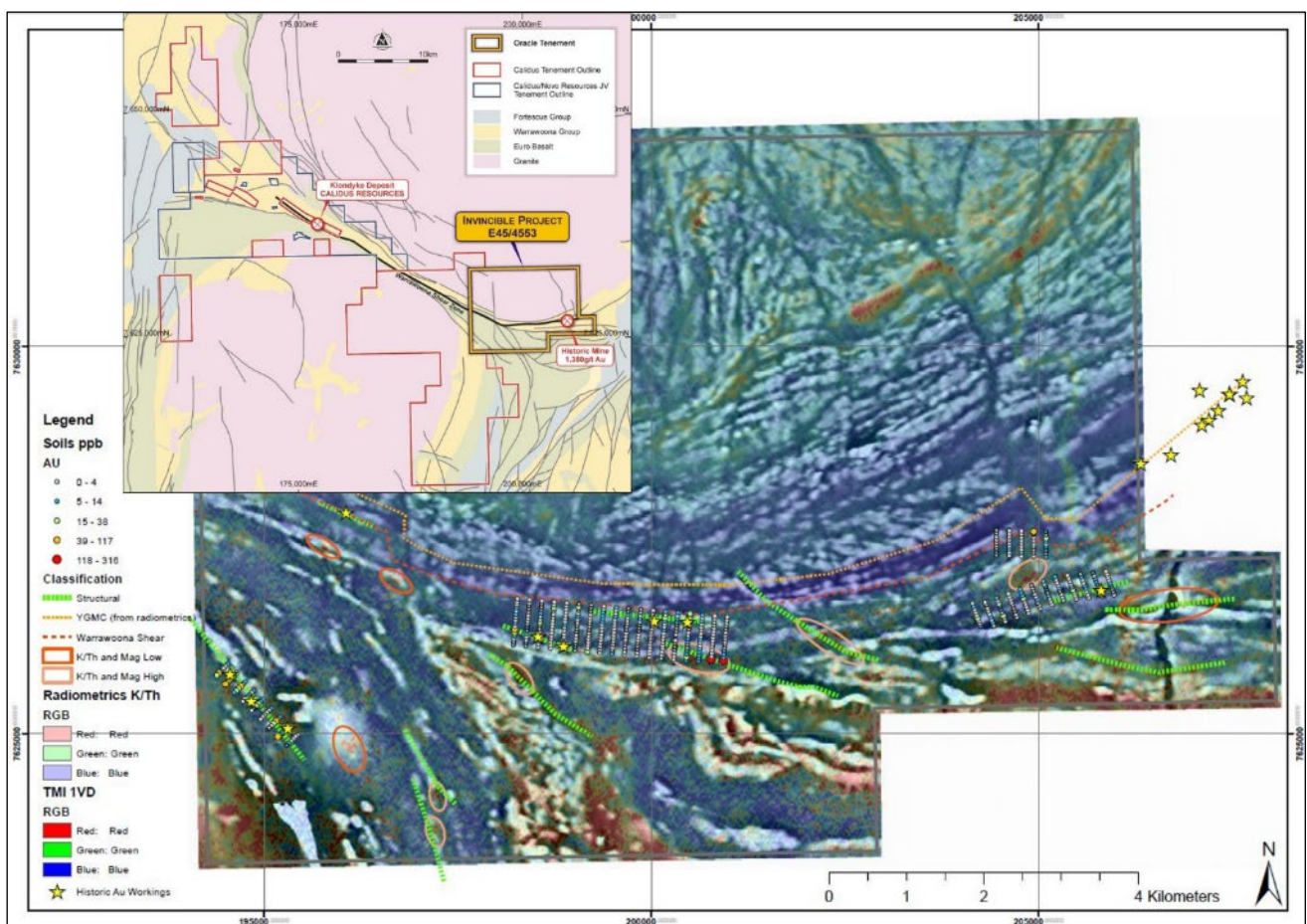
1800s and early 1900s. The Company has noted that the Invincible Mine produced 19.31 kg of gold at a grade of 1,380 g/t Au from 14 tonnes of ore.

Other sources give a production of 701 ounces (21.8 kg) from 13.40 tonnes, for a recovered grade of 1,627 g/t. The majority was reportedly (mindat.org website, loc-273992) from “one very rich zone of specimen stone”, with, “in March 1899, 4 tonnes of ore was crushed for 480 ounces”, the richest crushing for a Pilbara gold mine at that point”. This equates to a grade of ~3,700 g/t. Identified mineralisation is associated with narrow quartz reefs in mylonite zones.

There has been very limited modern exploration, with some geochemical sampling (stream sediments and rock chips), and 13 RC drillholes being completed in the 1980s and 1990s.

The vendors have carried out some limited soil sampling prior to the BMG acquisition (Figure 5), with this highlighting some areas of anomalism – this however has only covered a limited area of the prospective stratigraphy.

Figure 5: Invincible regional geology (inset) and detailed airborne magnetics and soil sampling (Source: BMG)



Work By BMG

In the December 2020 Quarter BMG completed a 5,000-line km detailed airborne magnetics/radiometrics/DTM survey over the tenement, the first time that such a detailed survey has been completed, with this being similar to that used by Calidus to generate addition targets within the Warrawoona Gold Project.

This has identified several anomalous zones and structures as shown in Figure 5, with stratigraphy and areas of anomalism defined by a combination of radiometrics (including K:Th ratios) and magnetics signatures. Examples as shown in the main area of Figure 5 include:

- YGMC gneiss trend, identified from the K signature, orange dotted line,
- Mag lows with anomalous K:TH – salmon ellipses,
- Mag highs with anomalous K:Th – red ellipses; and,
- Structural trends of interest – green dashed lines.

South Boddington Project

Summary

South Boddington comprises two EL Applications, with a total area of 84 sub-blocks (~240 km²), with the town of Boddington located ~130 km SSE of Perth (Figure 6). There is a 2% private royalty payable over any production from the tenements.

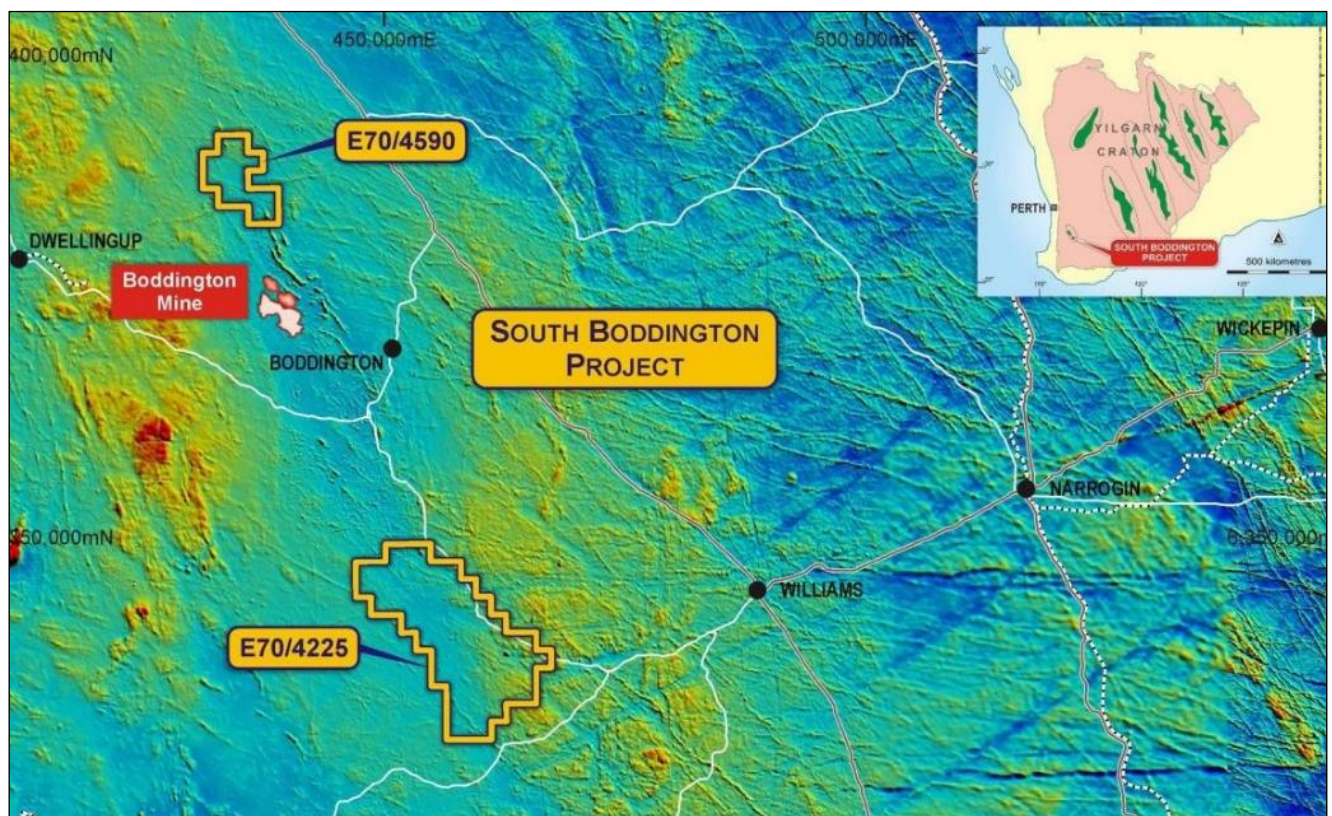
Access is via State Route 30 (Perth to Albany), with land use including agriculture, state forest and mining. The mines in the region include Newmont's giant Boddington gold/copper operation (~700 koz Au per annum, with Resources of ~8 Moz) and bauxite mines operated by South32 through the 100% owned subsidiary, Worsley Alumina.

The ELAs are located over the northern and southern extremities of the Saddleback Greenstone Belt, one of the few preserved greenstone belts within the high metamorphic grade Southwest Gneiss Terrane (Figure 1). The belt has lithologies and ages typical of those found within the KKR greenstones, and is flanked largely by granites, migmatites and gneisses.

Mineralisation at Boddington comprises two styles – an older, “porphyry” style associated with dioritic intrusives that are coeval with the greenstone volcanics, and a younger orogenic phase, typical of the large proportion of the Yilgarn gold mineralisation. As such the ELAs are considered prospective for both styles of mineralisation. The northern application has only seen limited gold exploration and contains interpreted dioritic intrusives like those that host Boddington, and that have not been drill tested. The southern application has seen no recorded gold exploration.

Given that the tenements are yet to be granted (and have been held as ELAs since 2011 and 2014), no field work has yet been undertaken by the Company.

Figure 6: South Boddington location on regional magnetics (Source: BMG)



Ongoing Activities

Current activities are concentrated on drilling at Abercromby, with this looking to test strike and depth extents of the identified mineralisation at the Capital prospect, as well as targets identified by the recent SAM survey. As mentioned earlier first assay results are expected in mid-September.

Initial drilling at Invincible is planned for the second half of 2021.

Comparables

We have a galaxy of ~50 largely WA gold focused exploration and pre-development companies, of which eight do not have current JORC-2014 compliant resources.

The average EV of the overall group is A\$51.8 million, with a median of A\$38.2 million, with a range of A\$5.4 million to A\$220 million. Those without resources have a mean and median both of around A\$21 million, and a range of A\$5.4 million to A\$61 million.

As such, with an EV of around A\$12 million, BMG is well leveraged to exploration success.

Board and Management

Mr Greg Hancock - BA Econs, BEd Hons, F Fin – Chairman

Mr Hancock has over 25 years' experience in capital markets practicing in the area of Corporate Finance. He has extensive experience in both Australia and the United Kingdom through his close links to the stockbroking and investment banking community. In this time he has specialised in mining and natural resources and has had a background in the finance and management of small companies. In this time he has specialised in mining and natural resources and has had a background in the finance and management of small companies.

He is Chairman of AusQuest Limited, an Australian mining exploration company with projects in Peru and Australia, Non-Executive director of Zeta Petroleum Plc, Golden State Mining Limited and Chairman of Cobra Resources plc.

Mr Hancock continues his close association with the capital markets in Australia and the United Kingdom through his private company Hancock Corporate Investments Pty Ltd.

Mr Bruce McCracken – BCom, LLB, MBA, GAICD – Managing Director

Mr McCracken is an experienced business executive having spent over 20 years working across a broad range of industries based in Perth, Melbourne and Sydney.

Prior to joining BMG, Mr McCracken worked in the corporate sector as a Senior Executive with Kirin Group-owned Lion Nathan National Foods (now Lion) and for the private equity owned Amatek Group (now part of the Fletcher Building Group).

Before working in the corporate environment Mr McCracken spent 8 years as an investment banker based in both Perth and Melbourne in specialist corporate advisory and project finance roles and has also practiced as a banking and finance solicitor. During his time as an investment banker Mr McCracken worked across a broad range of corporate and financial advisory assignments, primarily in the diversified industrials and mining and resources sectors.

Mr McCracken holds Bachelor of Commerce and Bachelor of Laws degrees from the University of Western Australia, an MBA from Melbourne Business School and is a graduate of the Australian Institute of Company Directors.

Mr McCracken was appointed as a director of BMG Resources Limited on 1 July 2011.

Mr McCracken is the Chairman of the Board's Share Trading Committee.

Mr John Prineas – BEc, LLB, F Fin - Non-Executive Director

Mr Prineas has 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.

Mr John Dawson - BCom, MBA, INSEAD - Non-Executive Director

Mr Dawson has 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.

Mr Ben Pollard – GM, Exploration and 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.

Mr Charles Wilkinson - BSc. Geology (Hons), MAusIMM – Technical Consultant

Charles Wilkinson is a geologist with over 35 years' experience in the mining industry in precious and base metals in Australia and overseas. Charles worked with WMC Resources for 16 years, holding various senior exploration and operational positions including exploration within the St Ives Gold Operations (Argo Gold Mine discovery), Geology Manager Hill 50 Gold Mine, and Exploration Manager – Nickel Exploration Australia (Nebo-Babel discovery). Charles was the founding Managing Director of Northern Star Resources, a position he held for 5 years, and then Western Areas' General Manager Exploration for 9 years. Charles now works as a technical consultant in the resources sector.

Mr Sean Meakin - BBus (Acc), BIT (Info Sys), CA, AGIA – Company Secretary

Sean Meakin has a Bachelor of Business degree majoring in Accounting, and a Bachelor of Information Technology degree majoring in Information Systems from Charles Darwin University. Sean is a Chartered Accountant and an associate of the Governance Institute of Australia.

Sean was appointed as Company Secretary of the Company in March 2018, he is also joint Company Secretary of Zeta Petroleum PLC.

Sean works closely with the Company's finance team for the preparation of Company's annual report and half yearly financial report

Threats/Risks

- **Exploration:** Being a junior explorer, this is the main risk applicable to BMG. At Abercromby this largely comprises delineating extensions to the known mineralisation, as well as identifying new shoots. At Invincible (and South Boddington) this includes making initial discoveries.
- **COVID-19:** Although Western Australia has largely been insulated from the effects of COVID-19, the pandemic has made it difficult for service providers to keep up with the demand driven by the current exploration boom. This has largely arisen by not being able to source the additional staff required due to border (both domestic and international) controls. The effect here is largely related to long lead times for services.
- **Equity Markets:** Equity markets can be fickle and can turn on a dime. This will affect investor (both debt and equity) sentiment, and hence the potential for successful exploration funding.

Disclaimer

The following Warning, Disclaimer and Disclosure relate to all material presented in this document and should be read before making any investment decision.

Warning (General Advice Only): Past performance is not a reliable indicator of future performance. This report is a private communication to clients and intending clients and is not intended for public circulation or publication or for the use of any third party, without the approval of Taylor Collison Limited ABN 53 008 172 450 ("Taylor Collison"), an Australian Financial Services Licensee and Participant of the ASX Group. TC Corporate Pty Ltd ABN 31 075 963 352 ("TC Corporate") is a wholly owned subsidiary of Taylor Collison Limited. While the report is based on information from sources that Taylor Collison considers reliable, its accuracy and completeness cannot be guaranteed. This report does not take into account specific investment needs or other considerations, which may be pertinent to individual investors, and for this reason clients should contact Taylor Collison to discuss their individual needs before acting on this report. Those acting upon such information and recommendations without contacting one of our advisors do so entirely at their own risk.

This report may contain "forward-looking statements". The words "expect", "should", "could", "may", "predict", "plan" and other similar expressions are intended to identify forward-looking statements. Indications of and guidance on, future earnings and financial position and performance are also forward-looking statements. Forward-looking statements, opinions and estimates provided in this report are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions.

Any opinions, conclusions, forecasts or recommendations are reasonably held at the time of compilation but are subject to change without notice and Taylor Collison assumes no obligation to update this document after it has been issued. Except for any liability which by law cannot be excluded, Taylor Collison, its directors, employees and agents disclaim all liability (whether in negligence or otherwise) for any error, inaccuracy in, or omission from the information contained in this document or any loss or damage suffered by the recipient or any other person directly or indirectly through relying upon the information.

Disclosure: Analyst remuneration is not linked to the rating outcome. Taylor Collison may solicit business from any company mentioned in this report. For the securities discussed in this report, Taylor Collison may make a market and may sell or buy on a principal basis. Taylor Collison, or any individuals preparing this report, may at any time have a position in any securities or options of any of the issuers in this report and holdings may change during the life of this document.

Taylor Collison was Lead Manager in the October 2020 placement which raised A\$3 million, and Joint Lead Manager in the August 2021 placement which raised A\$4 million – fees were received for both capital raisings.

Taylor Collison Interests: At the time of writing of this report, Taylor Collison held 3 million options (exercisable at A\$0.10 on or before August 31, 2023), with Principals and Staff of Taylor Collison holding approximately 3.4 million ordinary shares in BMG.

Analyst Interests: The Analyst holds no BMG shares or options.

Analyst Certification: The Analyst certifies that the views expressed in this document accurately reflect their personal, professional opinion about the financial product(s) to which this document refers.

Date Prepared: August 24, 2021

Analyst: Mark Gordon

Release Authorised by: David Cutten

TAYLOR COLLISON LIMITED
Sharebrokers and Investment Advisors
Established 1928

ADELAIDE
Level 16, 211 Victoria Square
Adelaide SA 5000
GPO Box 2046
Adelaide SA 5001
Telephone 08 8217 3900
Facsimile 08 8321 3506
broker@taylorcollison.com.au

SYDNEY
Level 10, 151 Macquarie Street
Sydney NSW 2000
GPO Box 4261
Sydney NSW 2001
Telephone 02 9377 1500
Facsimile 02 9232 1677
sydney1@taylorcollison.com.au

Participant of the Australian Securities
Exchange (ASX) Group.

ABN 53008172450
AFSL 247083