



ASX ANNOUNCEMENT

22 October 2020

BMG RAMPS UP EXPLORATION AT HIGH-GRADE WESTERN AUSTRALIAN GOLD PROJECTS

- **Abercromby Gold Project in Wiluna District**
 - Drilling scheduled to commence in early to mid-November 2020
 - 5,000m RC/ DD program at Capital prospect, which has previously yielded multiple thick high-grade gold intersections
 - Program expected to take 30 days and will include preliminary metallurgical test-work
- **Invincible Gold Project in Central Pilbara**
 - Ultra-detailed high resolution aeromagnetic and radiometric survey to be undertaken over entire project area, directly along strike from Calidus Resources (ASX:CAI) 1.5Moz Klondyke gold resource
 - Aerial survey of 5,000 line meters to commence this week, with processed data expected within a month
 - Follow-up drilling campaign targeted for calendar Q1 2021

BMG Resources Limited (ACN 107 118 678) (**ASX: BMG**) (**BMG** or **the Company**) is pleased to provide the following operational update on the Invincible and Abercromby gold projects – two high-grade Western Australian gold projects that are now owned 100% by BMG.

Abercromby Project

Planning is well advanced to undertake a 5,000m reverse circulation and diamond drilling program at the Capital prospect at the Abercromby Project located in the Wiluna greenstone belt in Western Australia, with a scheduled start in early to mid-November 2020.

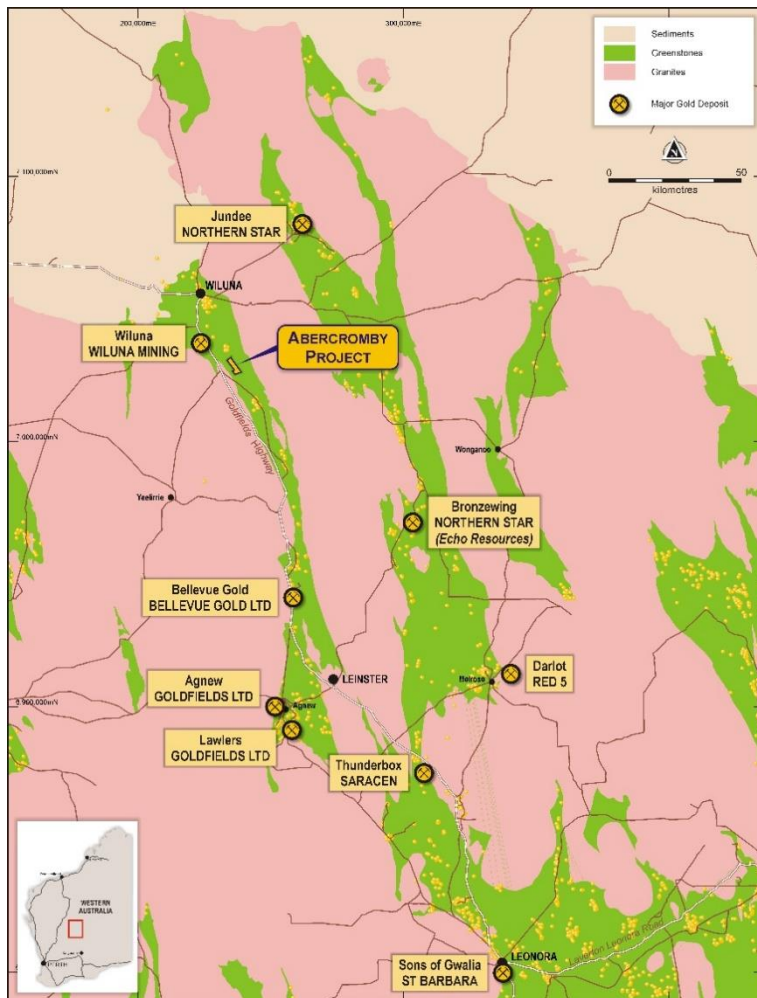


Figure 1 – Map showing the regional location of the Abercromby Project with other major gold projects in the region also highlighted.

The drilling is designed to test the nature and continuity of known mineralisation, which has yielded multiple thick high-grade gold intersections, including:

- 57.5m @ 5.73g/t Au from 80m
- 58m @ 1.17g/t Au from 77m
- 30m @ 10g/t from 164m
- 36m @ 4.33g/t from 100m

We believe that Abercromby has significant exploration upside. In particular:

- The down-dip continuity of previous strong drill results remains untested
- There are large gaps in the previous 100m/200m wide spaced drill traverses containing gold intercepts, and these will be tested with infill drilling

- The shoot control for multiple high-grade intercepts near surface (e.g. 6m @ 9.77g/t Au from 12m) will be tested.

For further details on the Abercromby gold project and the historic results, see our ASX Release dated 17 August 2020 'Transformational Acquisition: BMG To Acquire Three Outstanding Western Australian Gold Projects'.

A Programme of Works for the upcoming drill programme was lodged with the Western Australian Department of Mines, Industry Regulation and Safety at the beginning of last week, and is expected to be processed within the next 2 weeks. The Company is finalising the detail with a drilling contractor to commence in early/ mid November, and expects the program will take approximately 30 days to complete.

In addition to laboratory assays for drill samples, the Company will undertake preliminary metallurgical test-work on samples from Abercromby to assess the metallurgical performance of the gold mineralisation – including to test recovery levels from an accelerated cyanide leach.

Invincible Project

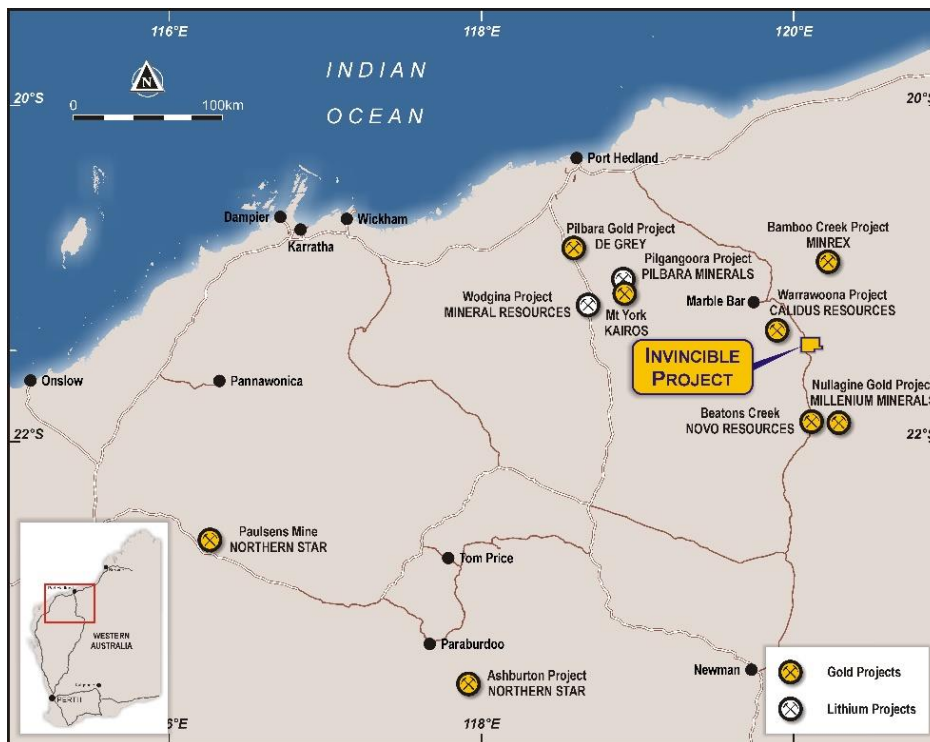


Figure 2 - Map showing the regional location of the Invincible Project with other major projects in the Pilbara region also shown.

BMG expects to commence this week an ultra-detailed high resolution aeromagnetic and radiometric survey of its Invincible project area (E45/4553) in the Pilbara region of Western Australia. Our project is located immediately along strike from, and hosted in the same stratigraphy, as Calidus Resources (ASX:CAI) 1.5Moz Au resource which is in development. Calidus used a similar geophysical survey to generate further gold targets at its adjacent ground – see the ASX Release by Calidus dated 14 October 2020 ‘*Calidus identifies 22 high-priority regional targets*’.

The aerial survey work will comprise approximately 5,000 line km and will also provide a high resolution digital terrain model. Results from the geophysical survey will be integrated with the other existing data sets to generate high priority gold target areas which will be prioritised for drilling.

The aerial work and subsequent processing are expected to be completed within the next month. The Company will aim to be in a position to undertake a drilling campaign at Invincible in calendar Q1 2021, subject to favourable weather/cyclone conditions.

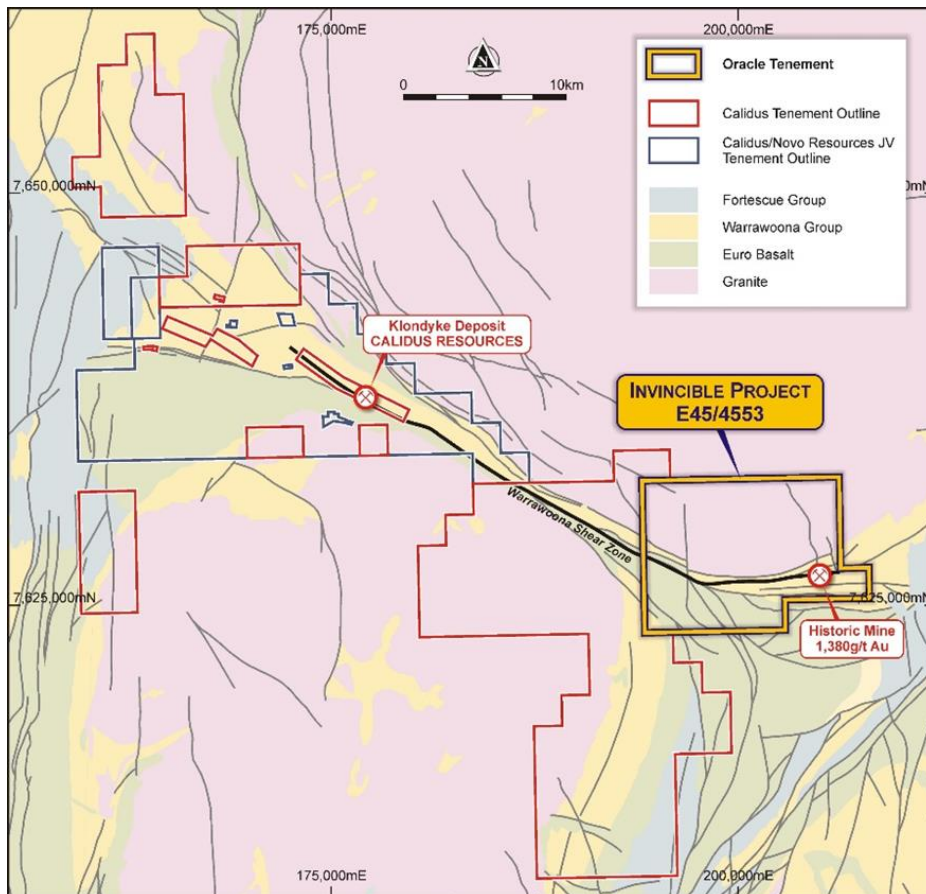


Figure 3 – Map showing the Invincible tenement and Calidus ground



Authority

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

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