

## ASX ANNOUNCEMENT

9 December 2021

### PIPELINE OF EXPLORATION TARGETS GROWS AT ABERCROMBY

- **BMG has completed a high-resolution sub-audio magnetic (SAM) geophysical survey over most of the remaining unsurveyed tenure at Abercromby**
- **Several high priority structural settings have been highlighted that demand follow-up**
- **Aircore rig secured for early January to drill ~12,000m to expedite development and discovery**
- **Diamond drilling at the Capital Prospect continues 24/7**

Western Australian gold explorer BMG Resources Limited (**ASX: BMG**) (**BMG** or the **Company**) is pleased to report that it has completed additional high-definition sub-audio magnetic surveys (**SAM**) at its Abercromby Gold Project in the north-eastern Goldfields of WA, to augment the existing dataset.

The new SAM surveys lift coverage to around 80% of the total project tenure, following the completion of a previous SAM survey in July which covered the northern area of Abercromby, and provides a potent base from which to develop exploration targets.

The new survey was conducted over the southern portions of the Abercromby Project tenure, centred mainly within M53/336, and generated several high priority structural settings including the Barrick and Archer targets, where gold mineralisation has been intersected with little follow-up drilling. BMG plans to test these along with a number of structural anomalies as part of its upcoming drilling campaign.

Many of these are walk up targets based on their displaying analogous features to the structural settings of known mineralisation centres at Capital and Capital North. Comprehensive coverage will better probe areas tested only cursorily in the past, including the Archer and Barrick targets.

BMG has also secured an aircore rig which will be used to commence an estimated 12,000m drill program in January, to test these new SAM-generated targets.

**BMG Managing Director Bruce McCracken said:**

*"The SAM survey has once again successfully identified prospective gold-bearing structures at Abercromby and mapped an exploration path for the Company to undertake in early 2022.*

*"This, in combination with the completion of our 6,000m RC and diamond drilling campaign at Abercromby over the coming weeks, sets BMG up to enter 2022 with strong exploration momentum and we look forward to updating the market once details of our 12,000 drill program are finalised."*

## **Sub Audio Magnetic Geophysical Survey**

SAM is a geophysical technique that can provide a richer structural understanding of ore deposits through its ability to detect and map conductive signatures that represent structural trends.

This new survey was conducted over the southern portions of the project tenure centred mainly within M53/336, approximately 3km x 1.5km (on average).

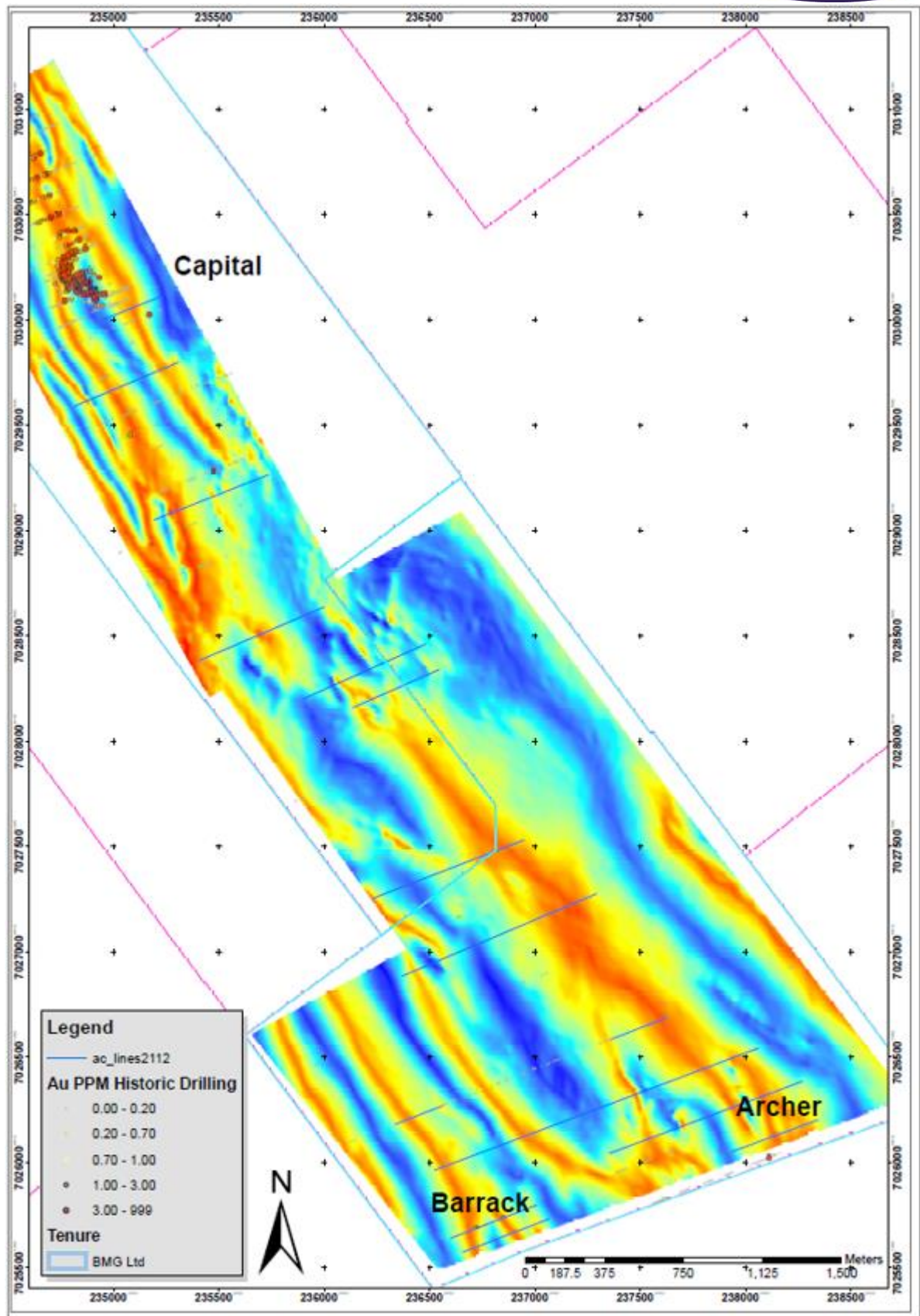
The northern SAM survey completed previously (ASX announcement 15-07-21 “Multiple New Targets Identified by Geophysical Survey at High-grade Gold Abercromby Project in WA”) successfully identified the mineralised structural corridor that hosts the known high-grade gold zones at Capital and Capital North. Importantly, the survey has also highlighted the presence of link structures that when compared with the already drilled mineralised areas at Capital and Capital North, calibrate a repetitive pattern (primarily) immediately to the south of Capital. This is very encouraging for the potential of this underexplored area to deliver further gold discoveries.

The additional surveys now completed for the southern section of the project area, which includes the Barrick and Archer targets where gold mineralisation has been intersected with little follow-up drilling, now gives coverage for the majority of the Abercromby tenement area - refer Figure 1 below.

The Barrack target is located on the southern Abercromby tenement M53/336, around 4km south of the Capital target. Historic drilling is limited and unsystematic. Instances of open gold anomalism on a scale of several hundreds of metres are prime for follow-up work. Bedrock geology includes felsic and mafic schists, gabbros and a thin porphyry. Historic reports suggest the best assay returned from the Barrack target was 2m @ 2.3gpt Au from 60m in 96BJVP043, which itself is open to the east some 140m where 96BJVP038 hosts 2m @ 1.32gpt Au from 62m.

The Archer target is located approximately 1km to the south-east of Barrack. Drilling at Archer was completed by Norilsk in 2007/08 and focused on nickel exploration. Hole 07HWD1215, drilled to the east and again on an isolated traverse, intersected a zone of quartz veining showing visible gold, assaying 4.2m @ 8.61gpt Au from 110.8m.

The recent SAM survey has again been successful in highlighting a number of high priority targets which BMG plans to test along with a number of structural anomalies as part of its upcoming drilling campaign.



**Figure 1 – SAM survey tilt derivative conductivity image (SAM MMC TDR) showing tenure and planned aircore lines.**

### **Major Drill Program Planned**

A major aircore drill program of around 12,000m is planned to test the new SAM generated targets. Many of these are walk up targets based on their displaying analogous features to the structural settings of known mineralisation centres at Capital and Capital North. Comprehensive coverage will better probe areas tested only cursorily in the past, including the Archer and Barrick targets.

Drill targets have been covered by the blue traverse lines shown in Figure 1 and amounting to over 10 lineal kilometres of across strike coverage. This equates to around 12,000m of aircore drilling, assuming 90m deep holes, spaced at 80m along the drill line.

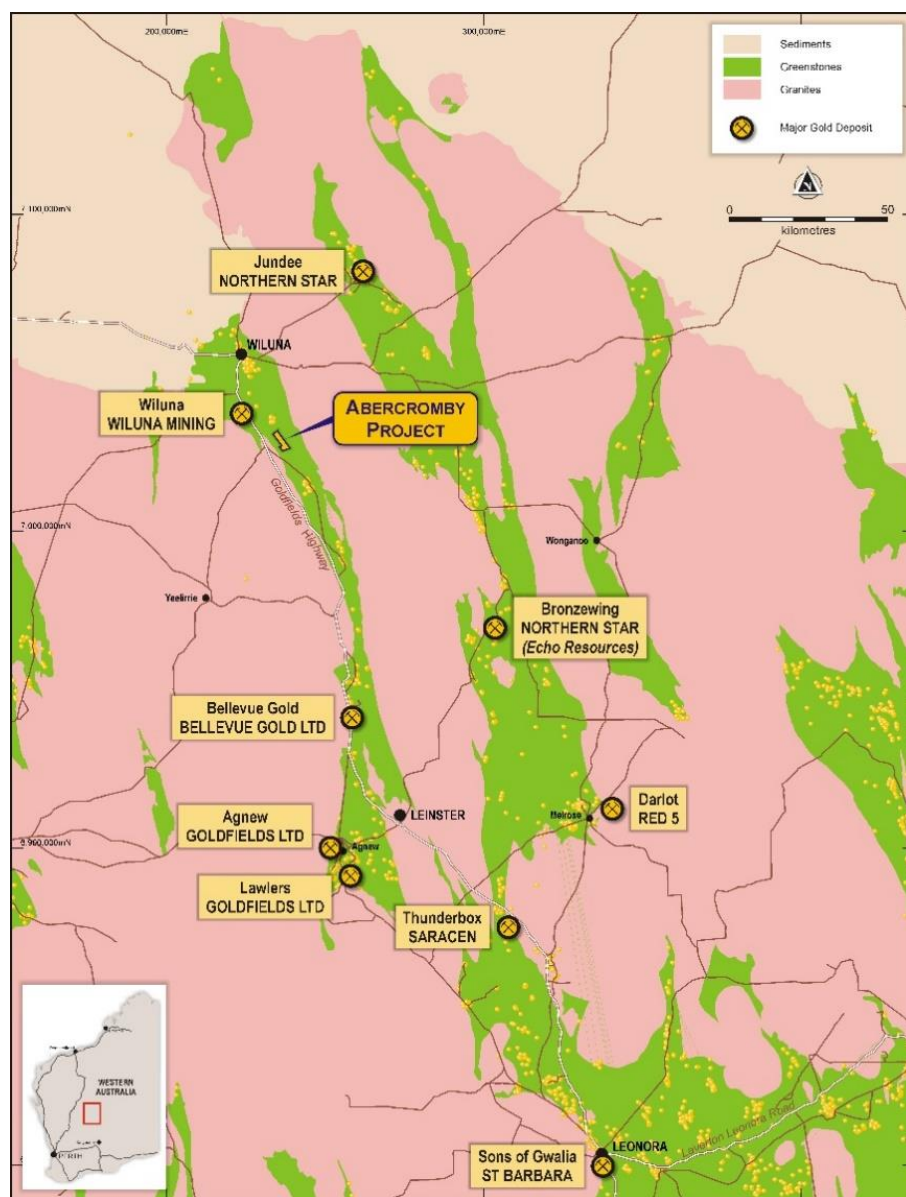
The Company will provide a further update once the details of the drill program are finalised.

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



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

\*\*\*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>• <i>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.</i></li> <li>• <i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i></li> <li>• <i>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.</i></li> </ul>	<ul style="list-style-type: none"> <li>• N/A Sub-Audio Magnetism survey undertaken by GAP Geophysics over an area of 0.8km x 3km composed of 31 line kilometres of surveying with 100m between those lines.</li> <li>• System Details: <ul style="list-style-type: none"> <li>○ <b>Roving Magnetometer Acquisition System</b> Instrument Gap Geophysics TM-7 SAM receiver Sensor Geometrics G-822 Cs vapour Software SAMui v20.6 Sample rate 2400 Hz Components Total B-field Powerline frequency 50 Hz</li> <li>○ <b>Magnetometer Base Station</b> Magnetometer Gap Geophysics TM-7 Sample rate 1200 Hz, 0.5 Hz after averaging Sample resolution 1 pT</li> <li>○ <b>Transmitter System Transmitter</b> Gap GeoPak HPTX-80 Controller Internal power supply. Built-in Timing GPS synchronisation Current CTH01: 20.9 A Transmit frequency 12.5 Hz • Duty cycle 50 %</li> </ul> </li> </ul>
Drilling Techniques	<ul style="list-style-type: none"> <li>• <i>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).</i></li> </ul>	N/A
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>	N/A



Logging	<ul style="list-style-type: none"> <li>• 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.</li> <li>• Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc)</li> <li>• The total length and percentage of the relevant intersections logged.</li> </ul>	N/A
Sub-sampling techniques and sampling preparation	<ul style="list-style-type: none"> <li>• If core, whether cut or sawn and whether quarter, half or all core taken.</li> <li>• If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</li> <li>• For all sample types, the nature, quality and appropriateness of the sample preparation technique.</li> <li>• Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</li> <li>• 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</li> <li>• Whether sample sizes are appropriate to the grain size of the material being sampled.</li> </ul>	N/A
Quality of assay data laboratory tests	<ul style="list-style-type: none"> <li>• The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</li> <li>• 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.</li> <li>• 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.</li> </ul>	N/A
Verification of sampling and assaying	<ul style="list-style-type: none"> <li>• The verification of significant intersections by either independent or alternative company personnel.</li> <li>• The use of twinned holes.</li> <li>• Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</li> <li>• Discuss any adjustment to assay data.</li> </ul>	N/A
Location of data points	<ul style="list-style-type: none"> <li>• 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.</li> <li>• Specification of the grid system used.</li> <li>• Quality and adequacy of topographic control.</li> </ul>	N/A

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>	N/A
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>	N/A
Sample Security	<ul style="list-style-type: none"> <li>• <i>The measures taken to ensure sample security.</i></li> </ul>	N/A
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>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.</li> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>Gold and other mineral rights (except uranium and thorium) contained within the Abercromby tenure 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>Acknowledgment and appraisal of exploration by other parties.</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> </ul>
Geology	<ul style="list-style-type: none"> <li>Deposit type, geological setting and style of mineralisation.</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 localised within the sheared and quartz veined host rock.</li> </ul>
Drill hole Information	<ul style="list-style-type: none"> <li>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: <ul style="list-style-type: none"> <li>easting and northing of the drill hole collar</li> <li>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</li> <li>dip and azimuth of the hole</li> <li>down hole length and interception depth</li> <li>hole length.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Not shown here due to irrelevance to current announcement, however this information exists in past announcements.</li> </ul>

	<ul style="list-style-type: none"> <li>• 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 understanding of the report, the Competent Person should clearly explain why this is the case.</li> </ul>	
Data aggregation methods	<ul style="list-style-type: none"> <li>• 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.</li> <li>• 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.</li> <li>• The assumptions used for any reporting of metal equivalent values should be clearly stated.</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>• These relationships are particularly important in the reporting of Exploration Results.</li> <li>• If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</li> <li>• 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').</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>• 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.</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>• 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.</li> </ul>	<ul style="list-style-type: none"> <li>• All significant results are reported as appropriate.</li> </ul>
Other substantive exploration data	<ul style="list-style-type: none"> <li>• 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.</li> </ul>	<ul style="list-style-type: none"> <li>• All significant results are reported as appropriate. With respect to the geophysical results reported, Sub Audio Magnetic data acquisition was done by GAP Geophysics and post processing was completed by Resource Potentials Pty Ltd – both organisations are reputable and professional geophysical service providers with ample experience in the WA Goldfields. Post processed data was interpreted by both BMG and Resource Potentials to produce the targets presented in this announcement.</li> </ul>
Further work	<ul style="list-style-type: none"> <li>• The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</li> <li>• Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</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>