

28 April 2023

March 2023 Quarterly Activities Report

BMG shifts from pure-play explorer to potential project developer following 518koz maiden Mineral Resource Estimate at the Abercromby Gold Project and capital raising to fund WA gold and lithium expansion.

HIGHLIGHTS:

- Delivered maiden Mineral Resource of **11.12Mt @ 1.45 g/t Au for 518koz Au** at the Capital Deposit (subsequent to quarter)
 - Open pit area: 354kcozs @ 1.17g/t Au (>0.4g/t Au between surface and 200mbs)
 - Underground area: 164kcozs @ 3.09g/t Au (>1.25g/t Au between 200mbs and 500mbs)
 - 353koz (68%) Au Inferred and 165koz (32%) Au Indicated
 - Higher grade component of the resource is 430koz @ 2.01g/t at a 1.0g/t lower cut-off
 - Low \$8.35/oz discovery cost
- Compelling case to progress the Abercromby Gold Project, WA, with already granted mining leases, toward potential mining operations
- Advanced metallurgical test-work confirms Abercromby ore free as milling and therefore amenable to conventional Carbon-In-Leach (CIL) processing
 - High overall gold recoveries (93% to 95% after 48 hours, with majority of gold leaching in first 8 hours) and low residue grades
 - Gravity recoverable gold component demonstrated at between 34% and 41%
 - Low reagent consumption
- Entered option to acquire 100% interest in the highly prospective Bullabulling Project in the emerging Coolgardie lithium district (already well known for gold)
- BMG to raise up to \$2.75 million (before costs) via Placement and Entitlement offers (subsequent to quarter)
 - Firm commitments received to raise \$1.5 million via an oversubscribed placement of new shares
 - BMG to offer a one (1) for four (4) Entitlement offer to existing shareholders of the Company to raise a further \$1.25 million

Western Australian focused gold and lithium explorer BMG Resources Limited (**ASX: BMG**) is pleased to provide its quarterly activities report for the period ended 31 March 2023.

BMG has shifted from pure-play exploration company to project developer following the milestone delivery of a maiden Mineral Resource Estimate (MRE) for the Capital deposit, part of the Abercromby Gold Project (Abercromby) in the Wiluna-Agnew region of Western Australia. Potential for open pit mining at Capital is further bolstered by metallurgical test-work that showed Abercromby ore was free milling and therefore amenable to conventional Carbon-in-Leach processing.

Subsequent to the reporting period, BMG announced it would raise up to \$2.75 million to fund exploration and development activities at Abercromby, pursue lithium potential at the Invincible and Bullabulling (under option) projects.

In early-March, the Company entered a binding option to acquire, at BMG’s discretion, a 100% interest in the Bullabulling Project near Coolgardie, Western Australia.

The Bullabulling Project represents an opportunity to be involved at an early stage in the emerging Coolgardie lithium district (which is already well known for gold) and to expand, and be complimentary to, BMG’s existing portfolio of 100% owned Western Australian projects. BMG will conduct preliminary groundwork, followed by an RC drilling program to assess and validate the potential for economic LCT pegmatite mineralisation during the Option period which expires on 14 June 2023.

Abercromby

The Abercromby Gold Project is located on the Wiluna-Agnew 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. BMG holds 100% of the gold and other mineral rights (ex-uranium) on two granted mining leases (M53/1095 and M53/336).



Figure 1 – The Abercromby Gold Project is surrounded by major gold operations

On 17 April 2023, BMG reported a large, 11.12Mt @ 1.45 g/t Au for 518koz Au maiden MRE at the Capital Deposit. The MRE provides a metric to quantitatively demonstrate the Project’s value with potential for open pit mining and the low, \$8.35/oz discovery cost is testament to BMG’s efficient use of exploration spend.

Abercromby is well located for development, and results from rigorous metallurgical test-work confirmed that Abercromby ore as amenable to conventional Carbon-in-Leach processing – further building on the potential to monetise the project in a rapidly appreciating gold price environment.

Importantly, mineralisation remains open at depth and along strike, together with the large regional gold anomalous zones to the south, highlighting potential to add additional ounces.

In preparation for potential mining operations, the Company will progress development studies alongside resource expansion drilling. The Company is also preparing to further test the large regional gold anomalies to the south of the Capital Deposit which have the potential to deliver further Capital style discoveries.

Maiden Mineral Resource Estimate at Capital Deposit

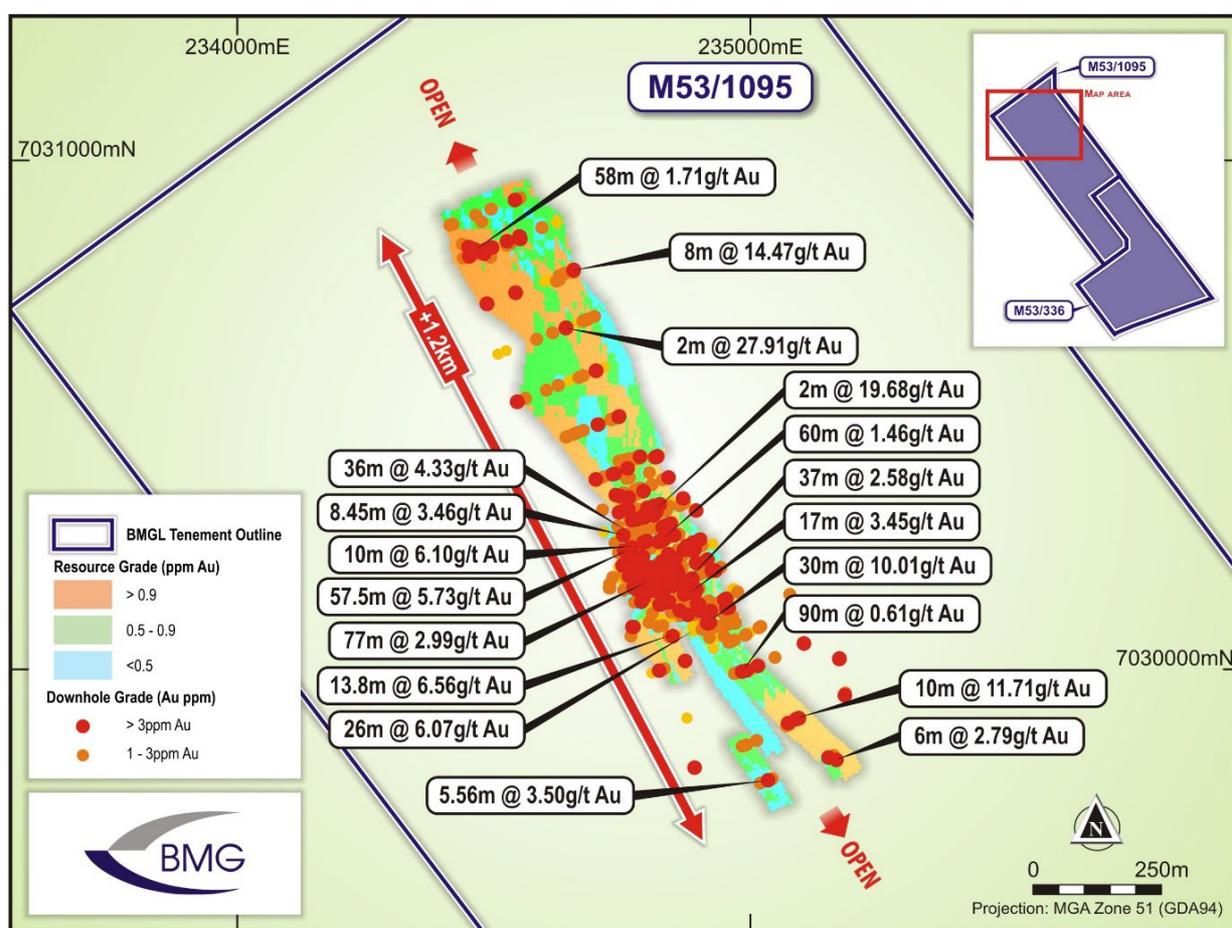


Figure 2 – Plan view of Mineral Resource Estimate for the Capital Deposit

Of the total 11.12Mt @ 1.45 g/t Au for 518koz Au MRE, 165koz (32%) is classified as Indicated, and 353koz (68%) is classified as Inferred.

About 173koz was identified in oxide and transitional material, and 345koz in fresh material. The higher-grade component of the resource is 430koz @ 2.01g/t at a 1.0g/t lower cut-off.

Importantly, mineralisation starts from near surface, and the significant ounces available in oxide zones present a compelling case to progress the Project toward mining operations.

The Mineral Resource estimation was completed by ordinary kriging within 3D modelled mineralisation wireframes and block modelling in Surpac, utilised a comprehensive data set generated by recent work undertaken by BMG as well as work completed by previous owners.

An orthographic view of the global resource block model (blocks greater than 0g/t Au for 670koz), is shown in Figure 3 below.

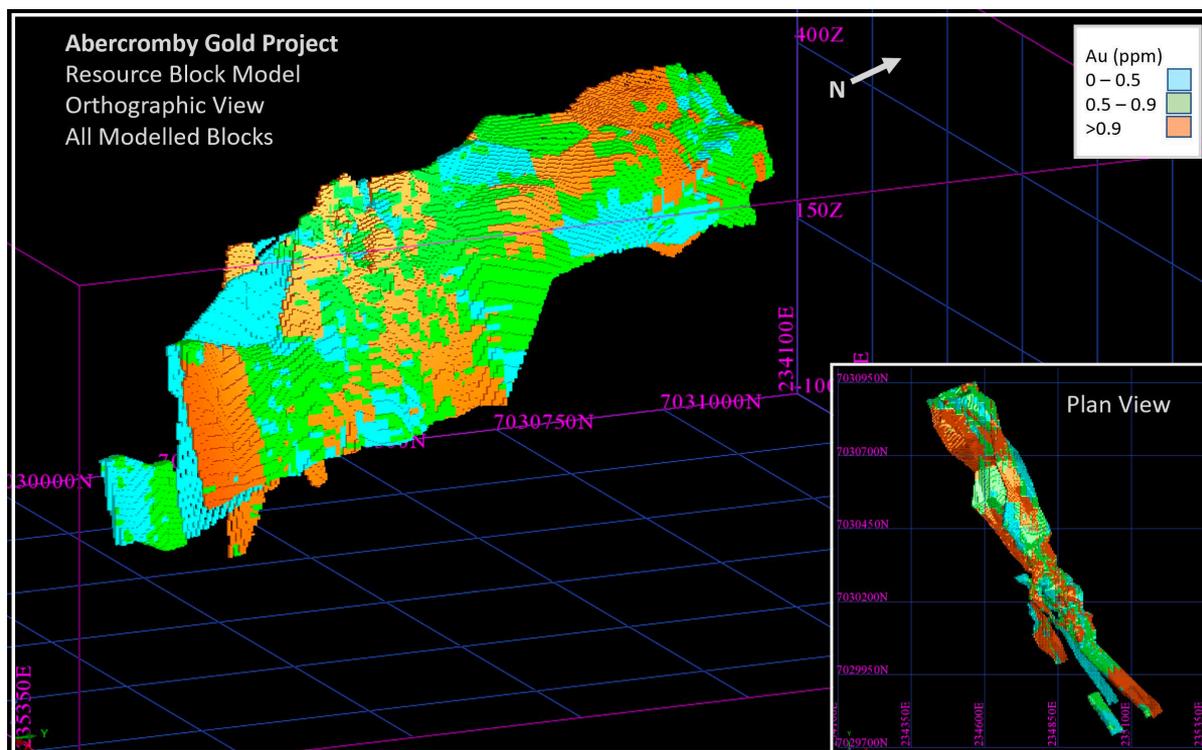


Figure 3 – Global resource block model for Capital, coloured by grade

The resource figure of 518koz is a subset of a global resource estimate containing some 670koz at a 0g/t Au lower cut-off. The quoted resource figure of 518koz Au has been delineated by reporting the resource at varying lower cut-off grades for areas nominally considered amenable to either underground or open pit mining.

BMG has used a lower cut-off of 0.4g/t for the ‘open pit area’, which is between 0 and 200m below surface and a 1.25g/t lower cut-off for material between 200 and 500m below surface. These lower cut-off selections do not reflect any type of economic analysis so far undertaken on the resource but are thresholds chosen by the Competent Person as being useful for addressing the JORC Codes’ requirement for Mineral Resources to have reasonable prospects of eventual economic extraction.

Metallurgical Test-work Confirms High Gold Recoveries via Conventional Milling

On 6 February, BMG reported that rigorous metallurgical test-work undertaken on mineralised Abercromby core confirmed that ore was free milling and amenable to conventional CIL milling.

High overall gold recoveries (93% to 95% after 48 hours, with majority of gold leaching in first 8 hours) and low residue grades were achieved, and the gravity recoverable gold component was demonstrated at between 34% and 41%.

The study was conducted on two drill core samples (two 50kg, quarter core composites) representative of fresh Abercromby mineralisation, and followed a typical gravity/cyanidation flowsheet, one that is ubiquitous to most mills in WA. Results were consistent with, and exceeded, previous metallurgical test-work undertaken at Abercromby in 2021.

The study reinforced the highly recoverable character of Abercromby gold mineralisation using a conventional gravity/cyanidation flowsheet, and extrapolation of these results implies high gold recoveries for the entire deposit.

Mineralisation is characterised by silica, pyrite, carbonate altered basalt and dolerite, punctuated by quartz and quartz carbonate stockwork veins. The location of the composites is shown in Figure 4 below.

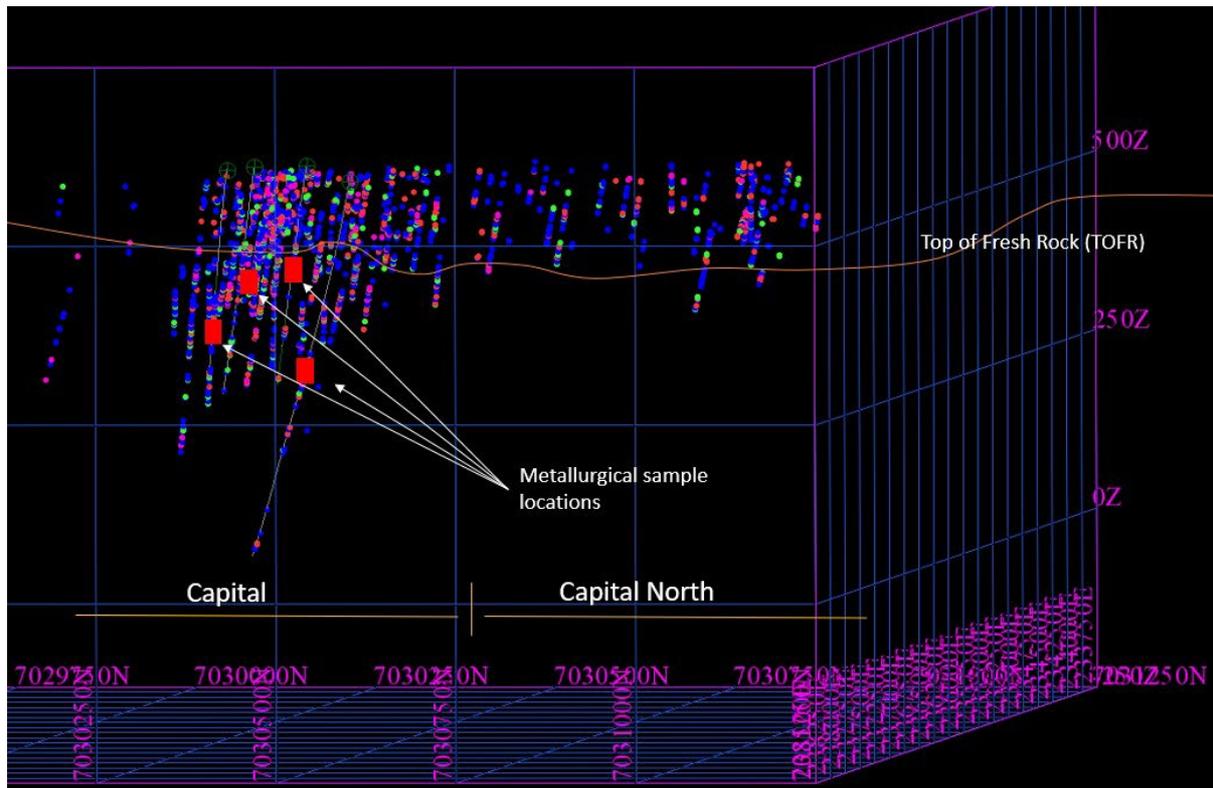


Figure 4 - Composite Sample Locations below TOFR horizon at Abercromby Gold Project

Head assays for the two composite samples were 1.35g/t and 1.87g/t respectively, with low silver content and low levels of deleterious elements of Copper and Arsenic.

Both samples were tested via typical gravity gold recovery followed by cyanidation by Metallurgy Laboratories in Welshpool. Both composites achieved high gold recoveries of 93.00% and 94.94% for composite 1 and 2 respectively, each with low gold in tails.

Future work is planned to optimise processing parameters as BMG moves closer to economic evaluation and eventual exploitation of the deposit.

Expenditure in relation to the Abercromby project during the quarter primarily related to costs associated with completion of the metallurgical test-work, determination of the maiden MRE, and payments to consultants.

Invincible Project

The Invincible Project, comprising Exploration Licences E45/4553 and E45/6222, is located in the emerging gold and lithium district of Central Pilbara, and E45/4553 sits immediately along strike from, and hosted by the same stratigraphy as, Calidus Resources' (ASX: CAI) 1.5Moz Au resource, which is in development.

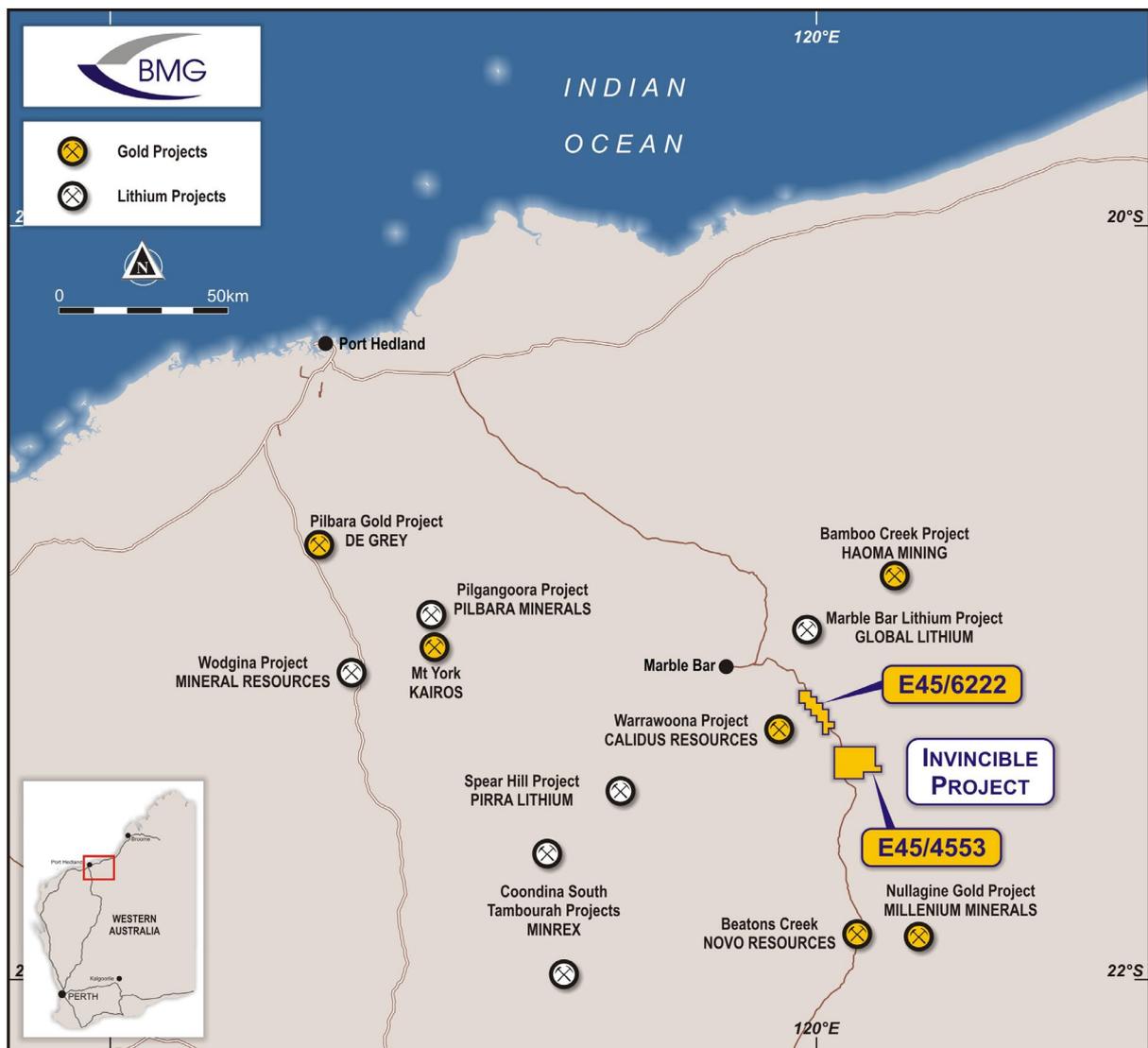


Figure 5 – Regional map of the Invincible Project with other major gold and lithium operations highlighted

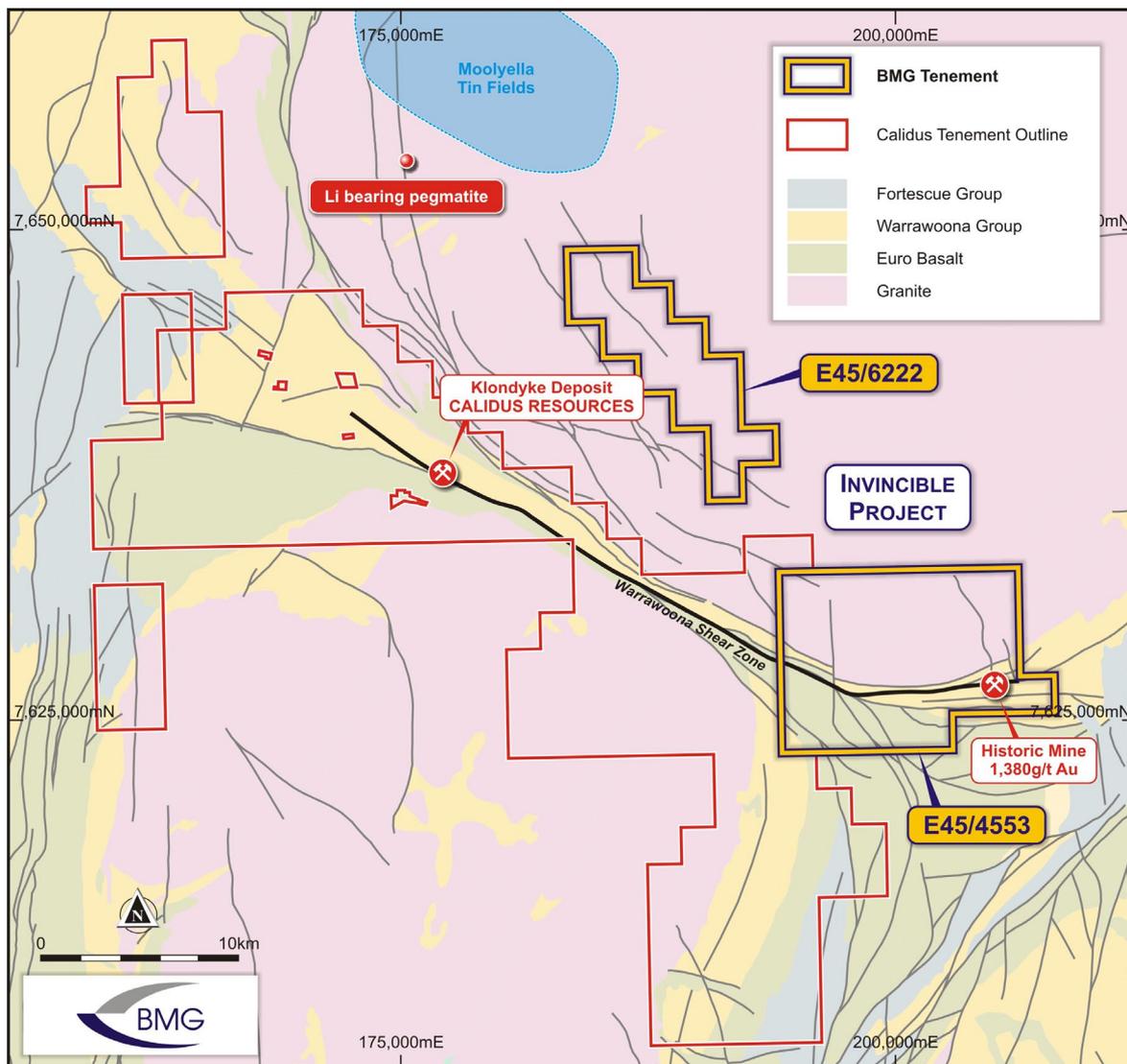


Figure 6 – Map showing Invincible tenements and the Calidus ground

Invincible hosts more than 12.5km of the Warrawoona Shear Zone – the mineralised trend that hosts Calidus’ gold resource and which is mostly comprised in the Klondyke deposit, as well as other prospective structures.

A growing number of lithium projects in the district also indicates potential for lithium-bearing pegmatites, which the Company is evaluating. BMG is proposing near term field work to test lithium targets, particularly on E45/6222, which is proximate to lithium bearing pegmatites in the adjacent area to the north.

During the quarter, the Company settled invoices pertaining to fieldwork activities which were undertaken in the previous quarter.

South Boddington Project

Located 150km south-east of Perth and along strike from Newmont’s giant Boddington gold deposit (+40Moz Au), the South Boddington Project area comprises ground that is located within the Saddleback Greenstone Belt which hosts the Boddington gold mine. Much of the belt remains unexplored or underexplored, providing the opportunity to identify additional gold deposits.

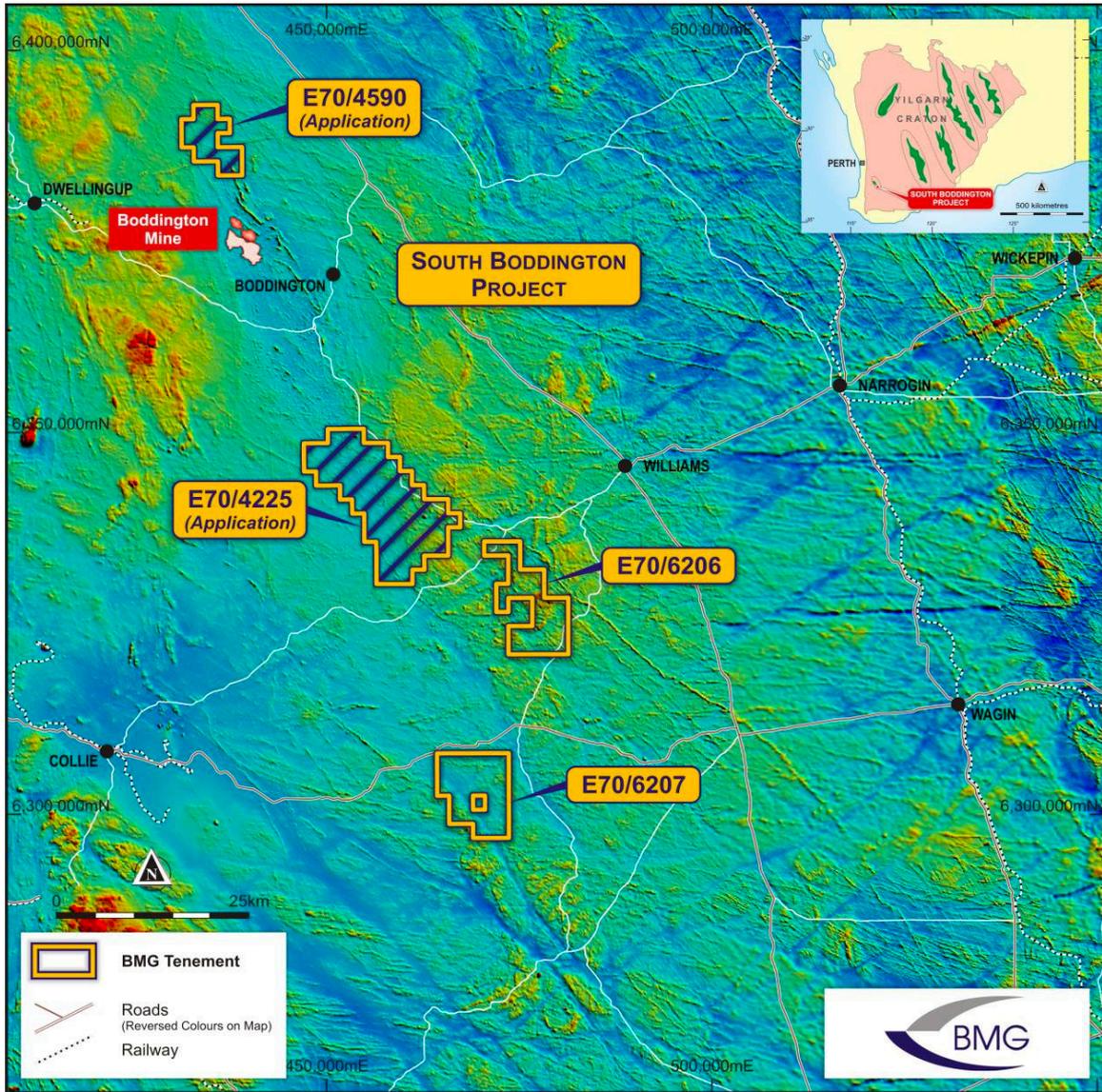


Figure 7 – Map (overlying GSWA magnetic data) showing the location of South Boddington tenements on the Saddleback Greenstone Belt

The Project consists of two granted exploration licences, E70/6206 and E70/6207, and two exploration licences under application (E70/4225 and E70/4590) – all of which are interpreted to host similar stratigraphy to Boddington.

During the quarter, there was no substantive exploration activities on these tenements.

Bullabulling Project – Under Option

On 15 February, BMG entered into a 4 month binding option agreement to acquire, at BMG’s discretion, a 100% interest in the Bullabulling Project, located approximately 25km west of Coolgardie in the Eastern Goldfields of Western Australia.

The Bullabulling Project offers an opportunity to be involved in a region of increasing significance for lithium mineralisation in Western Australia. Major lithium mines and projects in the region include the Mt Marion mine (71.3Mt @ 1.37% Li₂O) of Mineral Resources’ (ASX: MIN) and the Pioneer Dome deposit (11.2Mt @ 1.21% Li₂O) of Essential Minerals (ASX: ESS). Tianqi Lithium Energy Australia, a joint venture between IGO (ASX: IGO) and

Tianqi, has made a takeover proposal to Essential Minerals highlighting the growing interest of major mining companies in this region.

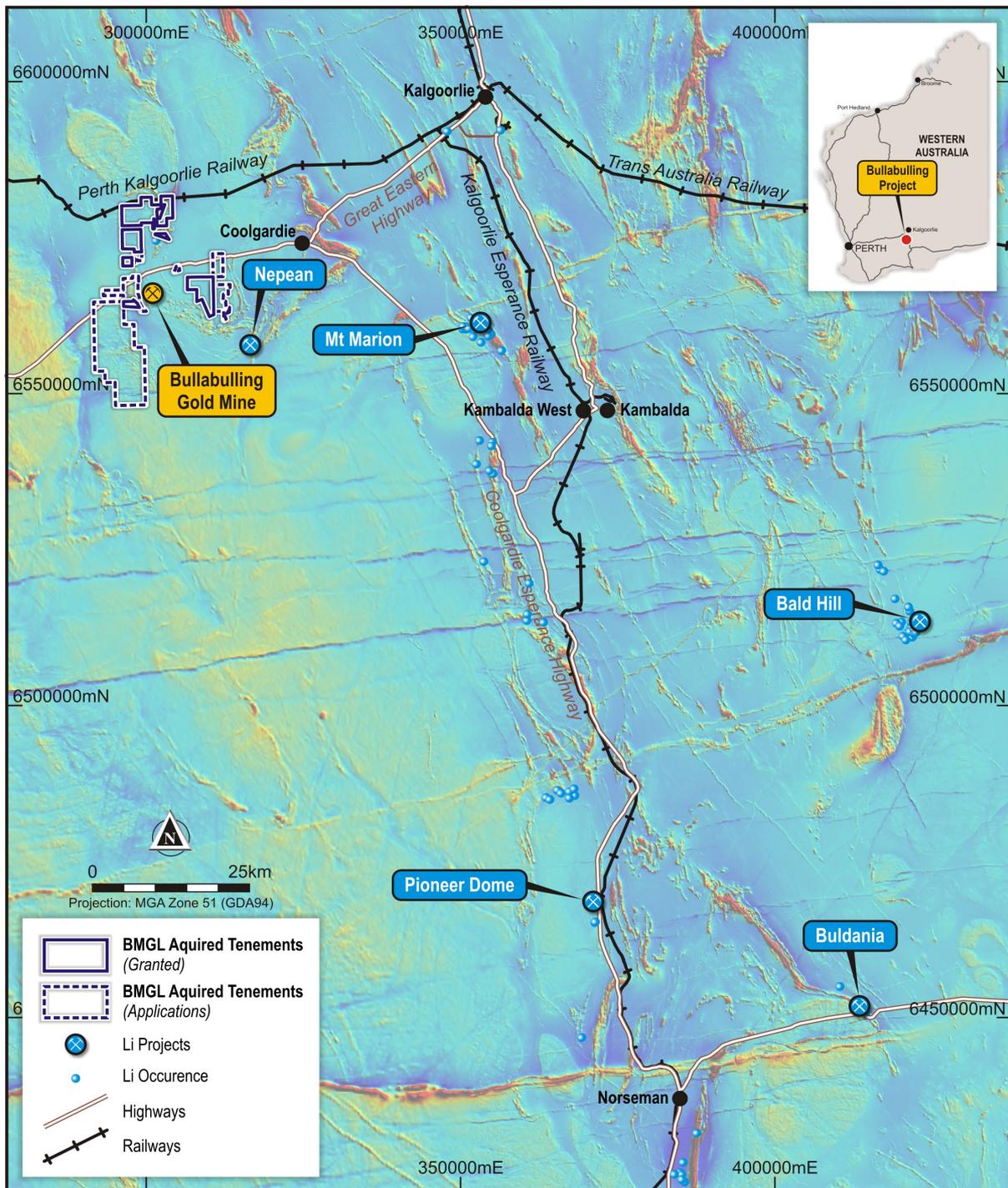


Figure 8 – Regional Location of Bullabulling Project, including significant regional Lithium projects and historic Bullabulling gold mine

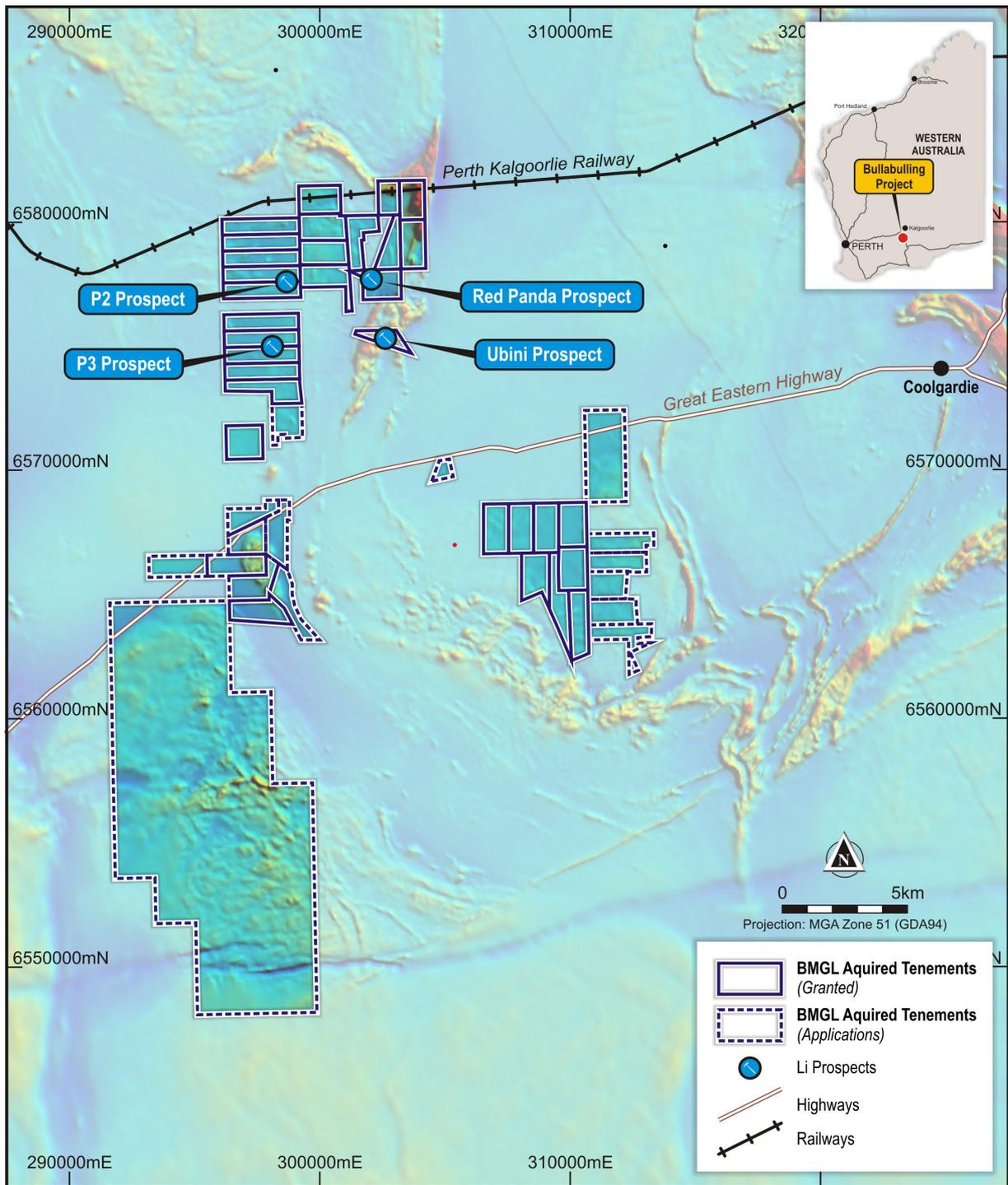


Figure 9 – Location of Bullabulling Lithium and Gold Project Tenements

Lithium

Pegmatite occurrences within the project tenure are widespread, several of which contain lithium mineralisation assaying greater than 1% Li₂O. Recent work undertaken at the project has confirmed the LCT characteristics of these pegmatites through geochemical assay ratio analysis. The presence of evolved mineral phases such as tantalite, cassiterite, amblygonite, zinnwaldite, lepidolite and spodumene, coupled with favourable textures, underlines the exploration potential of the system for economically significant lithium mineralisation.

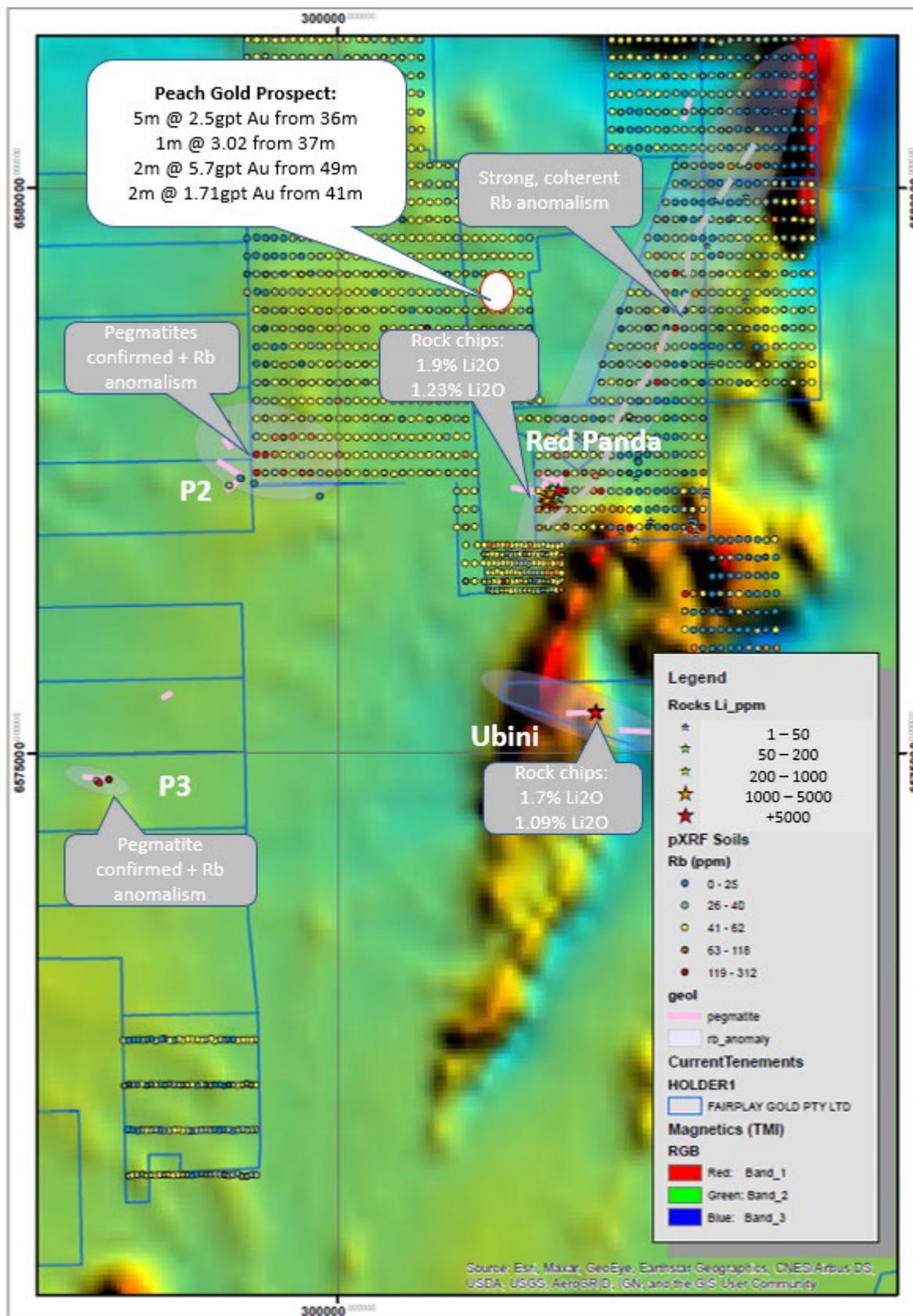


Figure 10 – Soil sampling recently undertaken by Fairplay highlighting Rb anomalism, together with high priority Li targets and historic gold anomaly

Areas for high priority follow up (as shown in Figure 10 above) are broadly defined by coincident rubidium anomalism, together with mapped pegmatites. The primary target zone extends for +4km to the NNE of the Red Panda prospect, where previous rock chip sampling has delivered numerous occurrences of +1% Li₂O, and soil sampling across the target area has delivered strong, coherent, Rb anomalism – indicative of fertile LCT pegmatites. Some recent shallow RC drilling undertaken [by Wildcat Resources] in the immediate vicinity of the Red Panda costean did not deliver any significant results, however BMG does not believe the orientation of the drilling properly tested the lithium bearing pegmatite mapped on the surface.

Other priority target areas – P2, P3 and Ubini – have also delivered confirmed LCT pegmatites with Rb anomalism, and in the case of Ubini +1% Li₂O from previous rock chip sampling.

BMG is planning to complete an RC drill program to test high priority lithium targets prior to the expiration of the option.

Gold and Nickel

The dominant mafic-ultramafic trend seen as a strong magnetic anomaly in the project area hosts a series of gold occurrences that have been mined historically on a small scale, especially at First Hit (excised). Regolith gold at the Peach prospect (refer Figure 9) has returned solid gold grades from RAB drilling previously undertaken with data sourced from WAMEX, including:

- 5m @ 2.5gpt Au from 36m
- 2m @ 5.7gpt from 49m
- 1m @ 3.02gpt Au from 37m, and
- 2m @ 1.71gpt Au from 41m

The ultramafic rocks in the north-eastern portion of the project are komatiitic in nature and grade into cumulate textures at depth (younging east). Sharing the same regional stratigraphy as other nickel deposits like Nepean and Widgiemooltha to the south of Coolgardie, the Bullabulling tenure provides BMG with bonafide prospectivity for nickel to compliment that of lithium and gold.

OPTION TERMS

BMG has an exclusive option to acquire a 100% interest in the Bullabulling Project either by acquiring all the shares in Fairplay (which holds all tenements for the Project) or by directly acquiring all the tenements that comprise Bullabulling Project. Key terms of the option are:

- Exclusive Option Period – 4 months from signing (ie, until 14 June 2023)
- Option Fee - \$40,000 cash (*paid*)
- Purchase Price – BMG to pay \$200,000 in cash and 15 million fully paid ordinary shares (Consideration Shares) in BMG
- Voluntary Escrow – Vendors to voluntarily hold the Consideration Shares in escrow for 12 months
- During Option Period – BMG will keep the project tenements in good standing and may undertake exploration and prospecting activities in order to evaluate them.

Corporate

Placement and Entitlement Issue

On 26 April 2023, the Company announced it would raise up to \$2.75 million via the Placement of new shares and an Entitlement offer to shareholders.

BMG has received firm commitments to raise \$1.5 million (before costs) via a placement of 120 million new fully paid ordinary shares at \$0.0125 per share to institutional and sophisticated investors.

The Placement, initially targeting circa \$1 million and utilising existing capacity under Listing Rules 7.1 and 7.1A (Tranche 1), was heavily oversubscribed. The Company accepted offers for a further circa \$0.5 million (Tranche

2) to bring the total placement amount to \$1.5 million. Each participant in the Placement will, subject to shareholder approval, also receive a one for three free attaching option, exercisable at \$0.025 by 30 September 2024.

In addition to the Placement, the Company intends to offer a one (1) for four (4) non-renounceable pro-rata Entitlement Issue (Entitlement) to existing shareholders to raise up to \$1.25 million (before costs) at an issue price of \$0.013 per share (the fractionally higher issue price than the Placement is necessary to comply with requirements of the ASX Listing Rules in respect of pro rata offers of securities). This will also include free Attaching Options.

The Tranche 2 component of the Placement and the issue of the Attaching Options to the Placement will be subject to shareholder approval, which is to be sought at the upcoming general meeting, expected to be held on or about 15 June 2023. BMG does not intend to list the Attaching Options.

Together, the Placement and the Entitlement offer will raise a maximum \$2.75 million.

Other Corporate Matters

The Company is continuing to work with New Cyprus Copper Company Limited to resolve the matter in relation to the Treasure Development Limited Option as previously disclosed, and will keep the market informed of the outcome of the matter as and when resolved.

Authority

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

ENDS

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About BMG

BMG Resources (ASX: BMG) is developing its portfolio of 100%-owned projects located in Tier 1 and emerging gold and lithium districts in Western Australia.

At BMG's flagship Abercromby Gold Project (**11.12Mt @ 1.45 g/t Au for 518koz Au**), located in the Agnew-Wiluna Greenstone Belt, the Company is pursuing a dual exploration strategy targeting Resource growth at the Capital Deposit, and pursuing a pipeline of regional targets that are highly prospective for further Capital-style mineralisation.

The Invincible Gold-Lithium Project is located in the central Pilbara and hosts 12.5km of the Warrawoora shear. The South Boddington Gold Project, located in the Saddleback Greenstone belt that hosts the giant 40Moz+ Boddington deposit.

BMG has entered into a binding option to acquire a 100% interest in the Bullabulling Gold-Lithium Project, located in the emerging Coolgardie gold and lithium region.



ASX listing rule Compliance

Tenement Information as required by Listing Rule 5.3.3.

| Tenement ID | Registered Holder | Project / Location | Interest (%) | Change in quarter (%) |
|-------------|--|--------------------|--------------|-----------------------|
| M53/1095 | Nova Energy Pty Ltd ⁽¹⁾ | Abercromby | 100 | - |
| M53/336 | Nova Energy Pty Ltd ⁽¹⁾ | Abercromby | 100 | - |
| E45/4553 | Delphi Resources Pty Ltd ⁽²⁾ | Invincible | 100 | - |
| E45/6222 | Delphi Resources Pty Ltd ⁽²⁾ | Invincible | 100 | - |
| E70/6206 | South Boddington Gold Pty Ltd ⁽³⁾ | South Boddington | 100 | - |
| E70/6207 | South Boddington Gold Pty Ltd ⁽³⁾ | South Boddington | 100 | - |
| AE4674 | Treasure Development Limited ⁽⁴⁾ | Treasure Project | 10 | - |
| AE4810 | Treasure Development Limited ⁽⁴⁾ | Treasure Project | 10 | - |
| AE4811 | Treasure Development Limited ⁽⁴⁾ | Treasure Project | 10 | - |

⁽¹⁾ BMG holds the non-uranium and thorium mineral rights associated with mining leases M53/1095 and M53/336. Nova Energy is a wholly owned subsidiary of Toro Energy Limited.

⁽²⁾ Delphi Resources Pty Ltd is a wholly owned subsidiary of BMG Resources Limited.

⁽³⁾ South Boddington Gold Pty Ltd is a wholly owned subsidiary of BMG Resources Limited.

⁽⁴⁾ Treasure Development Limited is the joint venture company of which BMG owns 10%; the remaining 90% is owned by New Cyprus Copper Company Limited, the operator of the JV, and wholly owned subsidiary of Caerus Mineral Resources PLC.

For purposes of ASX listing rule 5.3.5, the Company advises that director fees paid during the quarter, including remuneration paid to the Company's Managing Director, amounted to \$84,600

Competent Persons Requirements

The information in this announcement that relates to Exploration Results was previously released by the Company in the following reports, which are available on the Company's website at www.bmgl.com.au:

- 1) 9 March 2021, *Excellent new High-Grade Gold Intercepts at Abercromby*
- 2) 19 October 2021, *BMG Reports further High-Grade Gold at Abercromby as Diamond Drilling commences.*
- 3) 1 November 2021, *Diamond drilling progressing at High Grade Abercromby Gold Project*
- 4) 2 December 2021, *Full Steam Ahead at the High Grade Abercromby Gold Project*
- 5) 8 December 2021, *Addendum to ASX Announcement on 2 December 2021*
- 6) 9 December 2021, *Pipeline of Exploration Targets grows at Abercromby*
- 7) 20 January 2022, *Two drill rigs underway at Abercromby Gold Project*
- 8) 25 January 2022, *Assays confirm very high gold grades – including 1m over 100g/t Au- At Abercromby*
- 9) 26 April 2022, *Assays confirm significant extensions of high-grade gold at Abercromby Project*
- 10) 2 May 2022, *Aircore Highlights Significant Regional Gold Potential at Abercromby*
- 11) 13 July 2022, *OPERATIONAL UPDATE Abercromby Diamond Drilling Rapidly Progressing, Air Core Results Expected Shortly*
- 12) 25 August 2022, *EXPLORATION UPDATE – Abercromby Gold Project.*
- 13) 15 November 2022, *Mineralised Footprint grows to 1.3km at Abercromby Gold Project*
- 14) 6 February 2023, *Rigorous Metallurgical Testwork at Abercromby Confirms High Gold Recoveries via Conventional Milling (Average c.95%)*
- 15) 15 February 2023, *BMG Expands WA Lithium and Gold Footprint with Project Acquisition*
- 16) 17 April 2023, *518,000oz Maiden Mineral Resource for Abercromby Gold Project*
- 17) 18 April 2023, *Revision to Announcements on 17 April 2023*
- 18) 26 April 2023, *BMG to raise up to \$2.75 million in oversubscribed Placement and Entitlement Issue*

Announcements 1, 2, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16 and 17 contain a competent person statement which includes the statements and consent pursuant to the requirements of ASX Listing Rule 5.22

The Company confirms that it is not aware of any new information or data that materially affects the exploration results included in any original market announcements referred to in this report and that no material change in the results has occurred. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

| |
|------------------------------|
| BMG RESOURCES LIMITED |
|------------------------------|

ABN

| |
|-----------------------|
| 96 107 118 678 |
|-----------------------|

Quarter ended ("current quarter")

| |
|----------------------|
| 31 March 2023 |
|----------------------|

| Consolidated statement of cash flows | Current quarter \$A'000 | Year to date (9 months) \$A'000 |
|---|----------------------------|---------------------------------------|
| 1. Cash flows from operating activities | | |
| 1.1 Receipts from customers | | |
| 1.2 Payments for | | |
| (a) exploration & evaluation | (6) | (63) |
| (b) development | - | - |
| (c) production | - | - |
| (d) staff costs | (56) | (176) |
| (e) administration and corporate costs | (167) | (560) |
| 1.3 Dividends received (see note 3) | - | - |
| 1.4 Interest received | 2 | 6 |
| 1.5 Interest and other costs of finance paid | - | - |
| 1.6 Income taxes paid | - | - |
| 1.7 Government grants and tax incentives | - | - |
| 1.8 Other (provide details if material) | - | - |
| 1.9 Net cash from / (used in) operating activities | (227) | (793) |

| | | |
|--|-------|---------|
| 2. Cash flows from investing activities | | |
| 2.1 Payments to acquire or for: | | |
| (a) entities | - | - |
| (b) tenements | (40) | (40) |
| (c) property, plant and equipment | - | - |
| (d) exploration & evaluation | (140) | (1,989) |
| (e) investments | - | - |
| (f) other non-current assets | - | - |

| Consolidated statement of cash flows | Current quarter \$A'000 | Year to date (9 months) \$A'000 |
|---|------------------------------------|--|
| 2.2 Proceeds from the disposal of: | | |
| (a) entities | - | - |
| (b) tenements | - | - |
| (c) property, plant and equipment | - | - |
| (d) investments | - | 180 |
| (e) other non-current assets | - | - |
| 2.3 Cash flows from loans to other entities | - | - |
| 2.4 Dividends received (see note 3) | - | - |
| 2.5 Other (provide details if material) | - | - |
| 2.6 Net cash from / (used in) investing activities | (180) | (1,849) |

| | | |
|---|----------|----------|
| 3. Cash flows from financing activities | | |
| 3.1 Proceeds from issues of equity securities (excluding convertible debt securities) | - | - |
| 3.2 Proceeds from issue of convertible debt securities | - | - |
| 3.3 Proceeds from exercise of options | - | - |
| 3.4 Transaction costs related to issues of equity securities or convertible debt securities | - | - |
| 3.5 Proceeds from borrowings | - | - |
| 3.6 Repayment of borrowings | - | - |
| 3.7 Transaction costs related to loans and borrowings | - | - |
| 3.8 Dividends paid | - | - |
| 3.9 Other (provide details if material) | - | - |
| 3.10 Net cash from / (used in) financing activities | - | - |

| | | |
|---|------------|--------------|
| 4. Net increase / (decrease) in cash and cash equivalents for the period | | |
| 4.1 Cash and cash equivalents at beginning of period | 658 | 2,893 |
| 4.2 Net cash from / (used in) operating activities (item 1.9 above) | (227) | (793) |
| 4.3 Net cash from / (used in) investing activities (item 2.6 above) | (180) | (1,849) |
| 4.4 Net cash from / (used in) financing activities (item 3.10 above) | - | - |

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

| Consolidated statement of cash flows | | Current quarter \$A'000 | Year to date (9 months) \$A'000 |
|---|---|------------------------------------|--|
| 4.5 | Effect of movement in exchange rates on cash held | - | - |
| 4.6 | Cash and cash equivalents at end of period | 252 | 252 |

| 5. | Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts | Current quarter \$A'000 | Previous quarter \$A'000 |
|------------|---|------------------------------------|-------------------------------------|
| 5.1 | Bank balances | 10 | 7 |
| 5.2 | Call deposits | 242 | 651 |
| 5.3 | Bank overdrafts | - | - |
| 5.4 | Other (provide details) | - | - |
| 5.5 | Cash and cash equivalents at end of quarter (should equal item 4.6 above) | 252 | 658 |

| 6. | Payments to related parties of the entity and their associates | Current quarter \$A'000 |
|-----------|---|------------------------------------|
| 6.1 | Aggregate amount of payments to related parties and their associates included in item 1 | (84) |
| 6.2 | Aggregate amount of payments to related parties and their associates included in item 2 | - |

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

The Company paid \$84,599 in cash to directors during the period, including its Managing Director.

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

| 7. Financing facilities | Total facility amount at quarter end \$A'000 | Amount drawn at quarter end \$A'000 |
|---|---|--|
| <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i> | | |
| 7.1 Loan facilities | - | - |
| 7.2 Credit standby arrangements | - | - |
| 7.3 Other (please specify) | - | - |
| 7.4 Total financing facilities | - | - |
| 7.5 Unused financing facilities available at quarter end | | |
| 7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well. | | |

| 8. Estimated cash available for future operating activities | \$A'000 |
|---|----------------|
| 8.1 Net cash from / (used in) operating activities (item 1.9) | (227) |
| 8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d)) | (180) |
| 8.3 Total relevant outgoings (item 8.1 + item 8.2) | (407) |
| 8.4 Cash and cash equivalents at quarter end (item 4.6) | 252 |
| 8.5 Unused finance facilities available at quarter end (item 7.5) | - |
| 8.6 Total available funding (item 8.4 + item 8.5) | 252 |
| 8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3) | 0.62 |
| <i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i> | |
| 8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions: | |
| 8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not? | |
| Answer: Yes | |

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8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer:

On 26 April 2023, the Company announced it would raise up to \$2.75 million via the Placement of new shares and an Entitlement offer to shareholders.

BMG has received firm commitments to raise \$1.5 million (before costs) via a placement to institutional and sophisticated investors. In addition to the Placement, the Company intends to undertake a non-renounceable pro-rata Entitlement Issue (Entitlement) to existing shareholders to raise up to \$1.25 million (before costs).

Further disclosure on this capital raising is provided in the Company's announcement dated 26 April 2023, "BMG to raise up to \$2.75m in Placement and Entitlement Issue"

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer:

Yes. The capital raising referred to at 8.8.2 is of a quantum which will allow the Company to continue its operations and meet its business objectives, including programs referred to in the Company's announcement of 26 April 2023.

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date:28 April 2023.....

Authorised by: Bruce McCracken – Managing Director.....
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".

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5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.