# BMG RESOURCES LIMITED

# ANNUAL REPORT - 30 JUNE 2023

# ABN: 96 107 118 678

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# CORPORATE DIRECTORY

| | | |
|---|---|---|
| **DIRECTORS** | Greg Hancock | (Chairman) |
| | Bruce McCracken | (Managing Director) |
| | John Prineas | (Non-Executive Director) |
| | John Dawson | (Non-Executive Director) |

**COMPANY SECRETARY**

Sean Meakin

**REGISTERED AND PRINCIPAL OFFICE**

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# CHAIRMAN'S REPORT

Dear shareholder,

It is my pleasure to present your company BMG's annual report for the 2023 financial year.

Our success with the drill bit and fiscal discipline saw BMG make the step change from pureplay exploration company to multi-commodity explorer and developer. In April, we published a maiden Mineral Resource Estimate at our flagship Abercromby Gold Project and acquired the highly prospective Bullabulling Lithium and Gold Project near Coolgardie.

The 518,000oz Au Resource at the Capital deposit, which is in the north of the Abercromby project area, was the culmination of just three exploration programs, amounting to about $8 per ounce discovery cost.

The Mineral Resource Estimate gives BMG a metric of value for the project and, importantly, the mineralisation is open at depth and to the north with large regional gold anomalies also highlighting resource upside. Metallurgical testwork undertaken by the Company has shown Abercromby ore to be free-milling with high gold recoveries, and amenable to conventional Carbon-In-Leech (CIL) processing. This allows BMG to take full advantage of the significant existing infrastructure that surrounds the Project, and greatly enhances its value proposition.

Subsequent to the reporting period, BMG commenced preliminary scoping work at Abercromby to assess the development opportunity options for both open pit and underground mining.

Bullabulling is a highly prospective gold and lithium project located in the fast growing Coolgardie lithium province, and surrounded by some of Australia's largest lithium deposits including Mt Marion to the east and the emerging Kangaroo Hills discover nearby, also to the east.

The Project presents an outstanding opportunity to generate shareholder value through early-stage exploration in a lithium region of increasing significance, and a rich gold mining history with well-understood gold ground.

BMG's first drilling program in May 2023 at Bullabulling delivered anomalous lithium (validating the presence of lithium bearing fractionated pegmatites) and gold intercepts, and identified high-priority targets including Poolmans and Ubini for follow-up drilling.

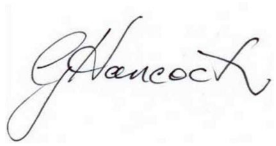
Subsequent to the reporting period, BMG returned to Bullabulling and commenced a 36-hole, 2,800m reconnaissance program to follow up on these targets, as well as a first-pass drill assessment of pegmatites outside the known prospects.

Western Australia remains a world-class destination for exploration companies, with outstanding opportunities for the discovery and development of lithium and gold deposits. We are very pleased to have highly attractive projects in both of these sought after commodities.

I would like to take this opportunity to thank our Managing Director, Bruce McCracken, and the exploration team for their continued hard work. BMG continues to assess and plan for FY24, and in the financial year ahead we look forward to building on the significant milestones achieved to date.

Finally, I would like to thank our shareholders for their ongoing support. We look forward to taking you with us on BMG's journey in the next financial year.

# CHAIRMAN'S REPORT



**Mr Greg Hancock**

Chairman

BMG Resources Ltd

Dated at Perth, Western Australia, this 29th September 2023

# OPERATIONAL REPORT

## HIGHLIGHTS

**Abercromby Gold Project**

- Transitioned from pure-play gold explorer to project developer following announcement of a maiden Mineral Resource of **11.12Mt @ 1.45 g/t Au for 518koz Au** at the Capital Deposit
    - Open pit area: 354kozs @ 1.17g/t Au (>0.4g/t Au between surface and 200mbs)
    - Underground area: 164kozs @ 3.09g/t Au (>1.25g/t Au between 200mbs and 500mbs)
    - 353koz (68%) Au Inferred and 165koz (32%) Au Indicated
    - 173koz in oxide and transitional material, 345koz in fresh material
    - 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
- Metallurgical testwork confirms Abercromby ore as free milling and therefore amenable to conventional Carbon in Leach (CIL) processing
- Third major drilling program at Abercromby completed:
    - Seven Diamond Drill (DD) holes for 3,989m increased mineralised footprint at Abercromby to 1.3km
    - 59 Air Core (AC) holes for 5,658m and further delineated pipeline of exploration projects to the south of Capital – Capital South, Barrack and Archer

**Bullabulling Lithium & Gold Project**

- Exercised Option to acquire Bullabulling lithium and gold project
- Assays from maiden 20-hole RC drilling program at Bullabulling validated the presence 0f fractionated lithium-caesium-tantalum (LCT) pegmatites returning anomalous lithium and gold intercepts

**Corporate**

- Well-funded for exploration and development activities following successful $2.75m raising via share placement and entitlement offer

**Subsequent activities**

- Commenced preliminary scoping work at Abercromby aimed at optimising pathways for growth and potential development of the project:
    - Assessing mining options
    - Hydrological studies
    - Geotechnical studies
    - Environmental work
- Commenced second drilling program at Bullabulling to follow up high priority targets

## OPERATIONAL REPORT

BMG is a Western Australian focused gold and lithium explorer, and the 100% owner of four highly-prospective projects – Abercromby, Invincible, Bullabulling and South Boddington.

During and subsequent to the reporting period, BMG's exploration activities primarily focused on its most advanced project, the Abercromby gold project located in the Agnew-Wiluna greenstone belt, and its recently acquired Bullabulling lithium and gold project near Coolgardie.

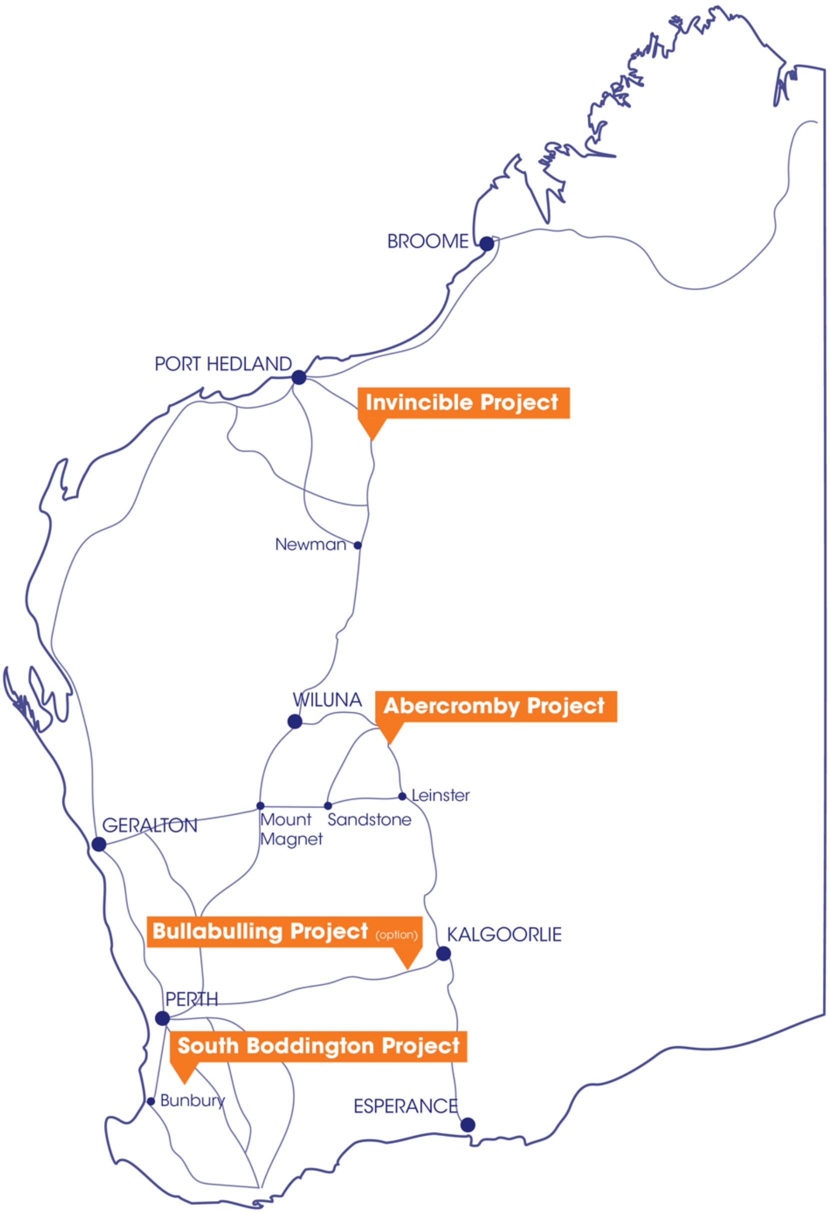



Figure 1 - Location of the BMG's WA gold and lithium projects

## Abercromby Gold Project

The Abercromby Gold Project is located in the world-class Agnew-Wiluna greenstone belt, one of Australia's most productive gold mining regions (+40Moz), and second only to Kalgoorlie globally in terms of production.

Abercromby is on granted mining leases (M53/1095 and M53/336) and surrounded by established infrastructure – providing an expedited pathway to development. Importantly, advanced metallurgical testwork showed that Abercromby ore was free milling with high gold recoveries, and therefore amenable to conventional carbon-in-leach (CIL) processing.

BMG has pursued a dual strategy at Abercromby of targeted resource definition and exploration drilling at the high-priority Capital Deposit to deliver, and grow, the maiden Mineral Resource, and exploration drilling to the south of Capital at the high priority Barrack, Archer and Capital South targets that show strong prospectivity for further Capital-style discoveries.

The nature of mineralisation at Abercromby provides flexibility for potential development scenarios including open pit mining, underground operations, targeting of high-grade zones – or a staged development incorporating all or some of these options.

# OPERATIONAL REPORT

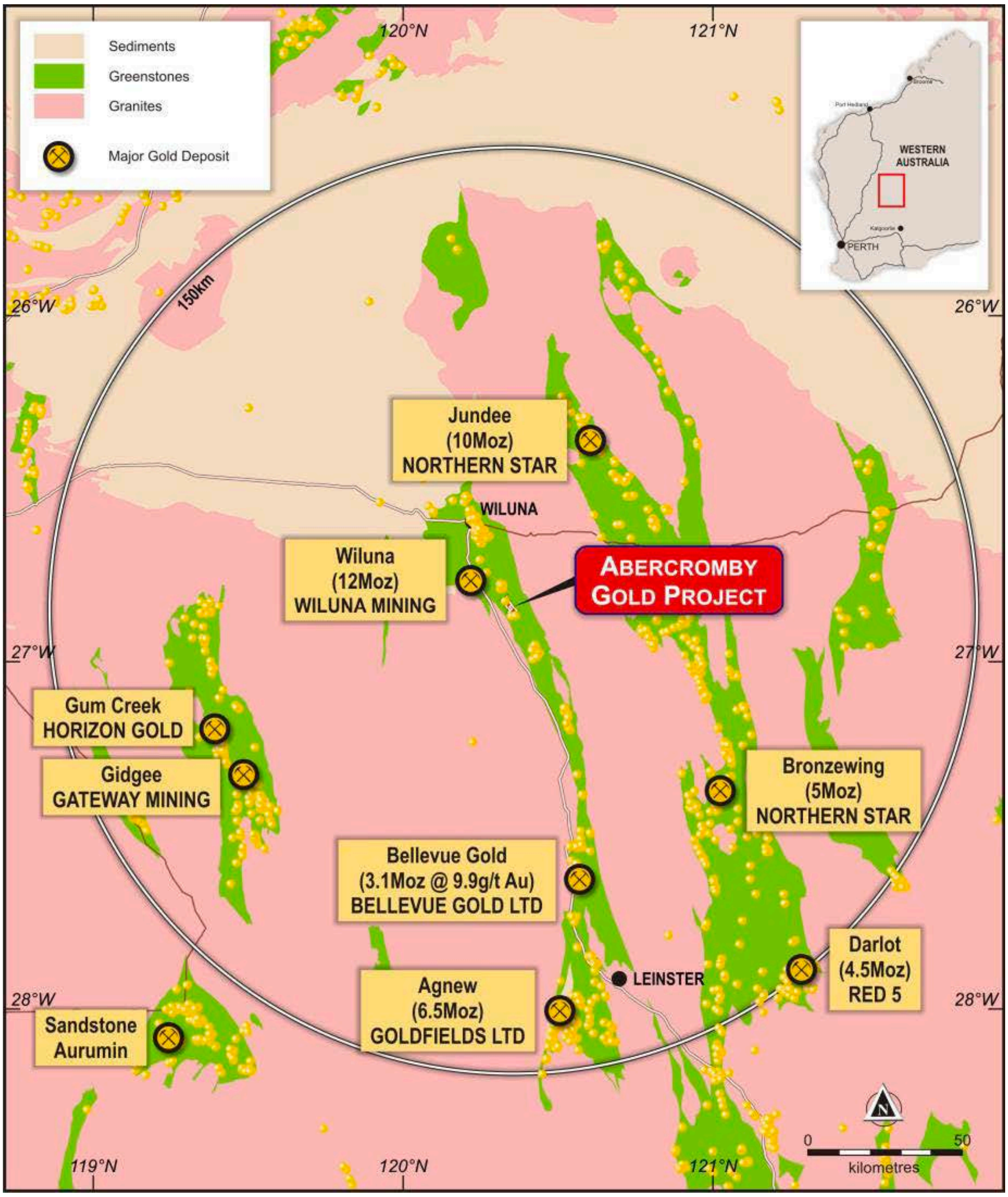



Figure 2 – Regional map of the Abercromby Project with nearby major gold mines and other discoveries highlighted

**Capital Deposit**

During the reporting period, BMG completed its third drilling program of seven holes for 3,989m at the Capital deposit to follow up on the highly-successful second drilling program in FY22 that more than doubled the mineralised envelope. All holes intersected mineralisation in positions at or near planned locations down hole. Most significantly, the drilling confirmed the significant southward continuation of the mineralised structure, with both primary lodes returning mineralised intercepts.

Results from the three drilling campaigns at Abercromby provided BMG with the data to produce a Maiden Mineral Resource of **11.1Mt @ 1.45g/t Au for 518koz Au** (0.4 g/t and 1.25g/t cut-offs for open pit and underground zones respectively). Importantly, the mineralisation is open at depth and along strike, providing excellent potential to increase the resource size with further drilling**.**

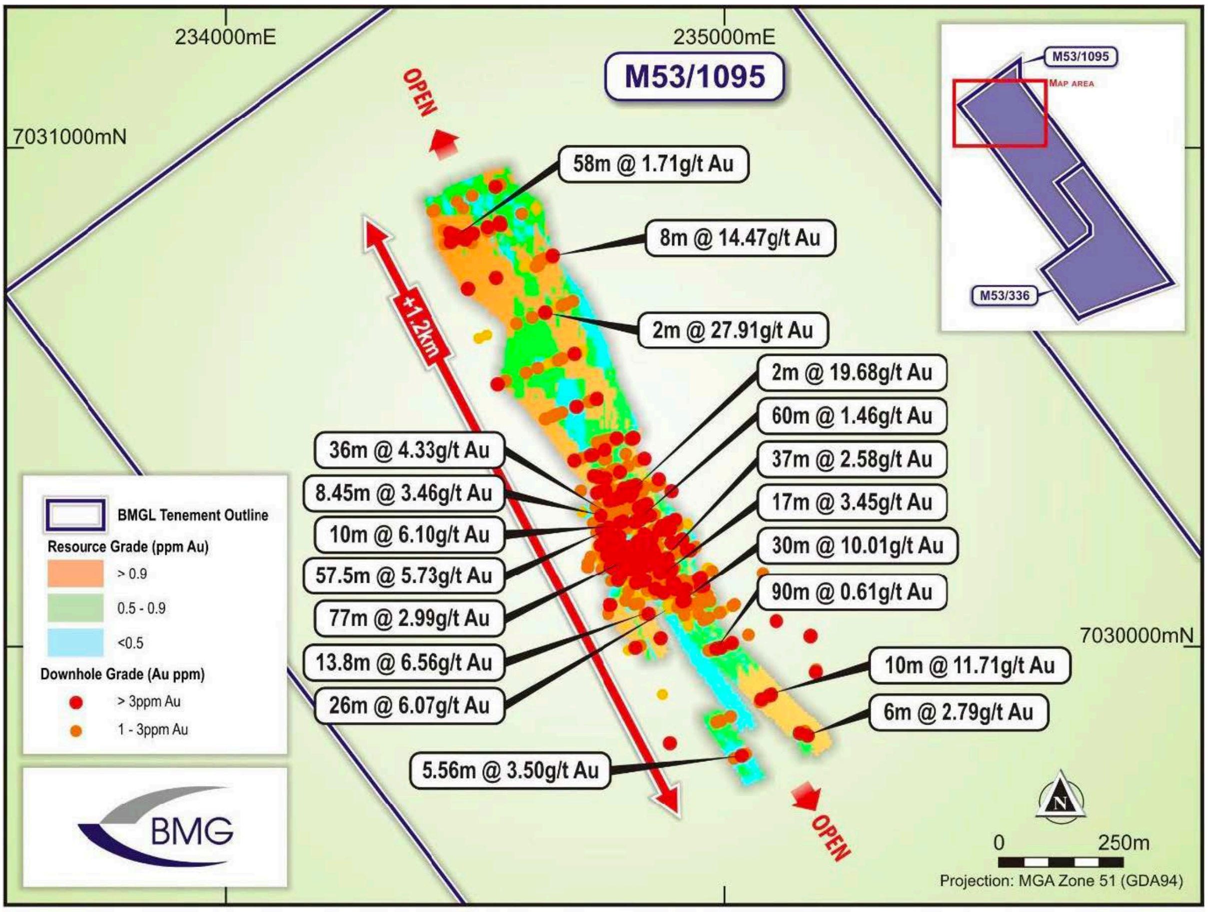



Figure 3 – plan view of Mineral Resource Estimate for the Capital Deposit

### Mineral Resource highlights:

- Resource figure of 518koz is a subset of a global resource estimate containing some 670koz at a 0g/t Au lower cut-off
- Open Pit area: 354koz @ 1.17g/t Au (>0.4g/t Au between surface and 200mbs)
- Underground area: 164koz @ 3.09g/t Au (>1.25g/t Au between 200 and 500mbs)
- 165koz (32%) Au Indicated and 353koz (68%) Au Inferred (using resource constraint above)
- 173koz in oxide and transitional material, 345koz in fresh material
- Higher grade component of the resource is 430koz @ 2.01g/t Au at a 1.0g/t lower cut-off
- Low $8.35/oz discovery cost

## OPERATIONAL REPORT

Table 1: JORC-compliant Mineral Resource estimate for the Capital Deposit Abercromby Gold Project

| Classification | Type | Cut-Off | Tonnes | Au g/t | Ounces |
|---|---|---|---|---|---|
| Inferred | Open Pit | 0.4 | 5,565,000 | 1.16 | 208,000 |
| | Underground | 1.25 | 1,401,000 | 3.24 | 146,000 |
| **Total Inferred** | | | **6,966,000** | **1.58** | **354,000** |
| Indicated | Open Pit | 0.4 | 3,858,000 | 1.18 | 146,000 |
| | Underground | 1.25 | 294,000 | 1.94 | 18,000 |
| **Total Indicated** | | | **4,152,000** | **1.23** | **165,000** |
| **Total Indicated and Inferred** | | | **11,118,000** | **1.45** | **519,000** |

The resource figure of 519koz is a subset of a global resource estimate containing some 670koz at a 0g/t Au lower cut-off. The quoted resource figure of 519koz 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.

### Metalurgical testwork

During the reporting period BMG advanced metallurgical testwork was completed by Extreme Metallurgy with input from GR Engineering Services to test drill core samples representative of fresh Abercromby mineralisation. Results confirmed the ore is free milling with high gold recoveries via conventional processing, and consistent with, and exceeding results from previous metallurgical test work undertaken at Abercromby in 2021.

### Testwork highlights:

- 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
- Composites were representative fresh rock samples (i.e. free of the influence of weathering)
- A typical gravity/cyanide flowsheet process as per conventional CIL milling processes was used

The results were strong indicators of the gold mineralisation being amenable to high overall gold recovery under typical processing conditions.

### Regional targets

To the south of the Capital deposit, BMG has identified a pipeline of targets that show strong potential for Capital-style mineralisation.

## OPERATIONAL REPORT

In July 2022, results were received from the second pass aircore program of 59 holes for 5,658m to further test anomalous areas identified in the previous round of work in the Archer, Barrack and Capital South areas.

A number of the higher-grade gold intercepts from the first aircore program were returned in positions with little adjacent drilling, highlighting good potential for significant strike extensions.

Results included:

- 4m @ 1.19g/t Au from 16m (22ABAC117) – situated within SAM anomalism with direct continuity to mineralisation at Capital, and adds to a series of historic anomalous gold results in the same area which can be traced for around 1.7km
- 4m @ 3.58g/t from 52m (22ABAC061) – situated in a previously untested position, now interpreted to be the south-eastern extension of the Abercromby shear. This area is open for around 1.4km, some 600m to the north-west, and 800m to the south-east aligning with anomalism defined by other BMG drilled aircore holes nearby to the Archer prospect
- 4m @ 1.46g/t Au from 44m (22ABAC014) – situated near the Barrack prospect, open for several hundred metres to the north-west, and coincident with SAM anomalism

The second aircore program further tested targets generated from the SAM surveys which identified several high priority structural settings, including at the Barrack and Archer prospects where gold mineralisation was previously intersected.

The anomalous gold intercepts included:

- 20m @ 0.43g/t Au from 36m (22ABAC145) – drilled 40m east of 22ABAC117 (4m @ 1.19g/t Au from 16m), see above, this hole has returned the down dip extension of the latter intersection. Further drilling is required to determine the down dip extent of the mineralisation
- 4m @ 1.21g/t Au from 36m (22ABAC153) – drilled 40m west of 22ABAC061 (4m @ 3.58g/t from 52m), see above, together with 22ABAC150 (4m @ 0.61g/t Au from 80m) located 160m to the north. These holes further enforce the potential of the Abercromby shear extending to the south. The area to the north of 22ABAC150 remains untested for some 500m
- 4m @ 0.99g/t Au (22ABAC168) – situated in the area to the west of the Archer Prospect. This intercept further adds to the prospectivity of structural complexity highlighted in the SAM data. Holes 22ABAC169 (4m @ 0.42g/t Au from 52m) and 22ABAC170 (4m @ 0.29g/t Au from 44m) drilled 40m to the south of 22ABAC168 are 80m apart and appear to have straddled the position of the inferred mineralised shear. The northerly strike position of the inferred mineralised shear

remains untested for some 250m both in the north and south strike extension

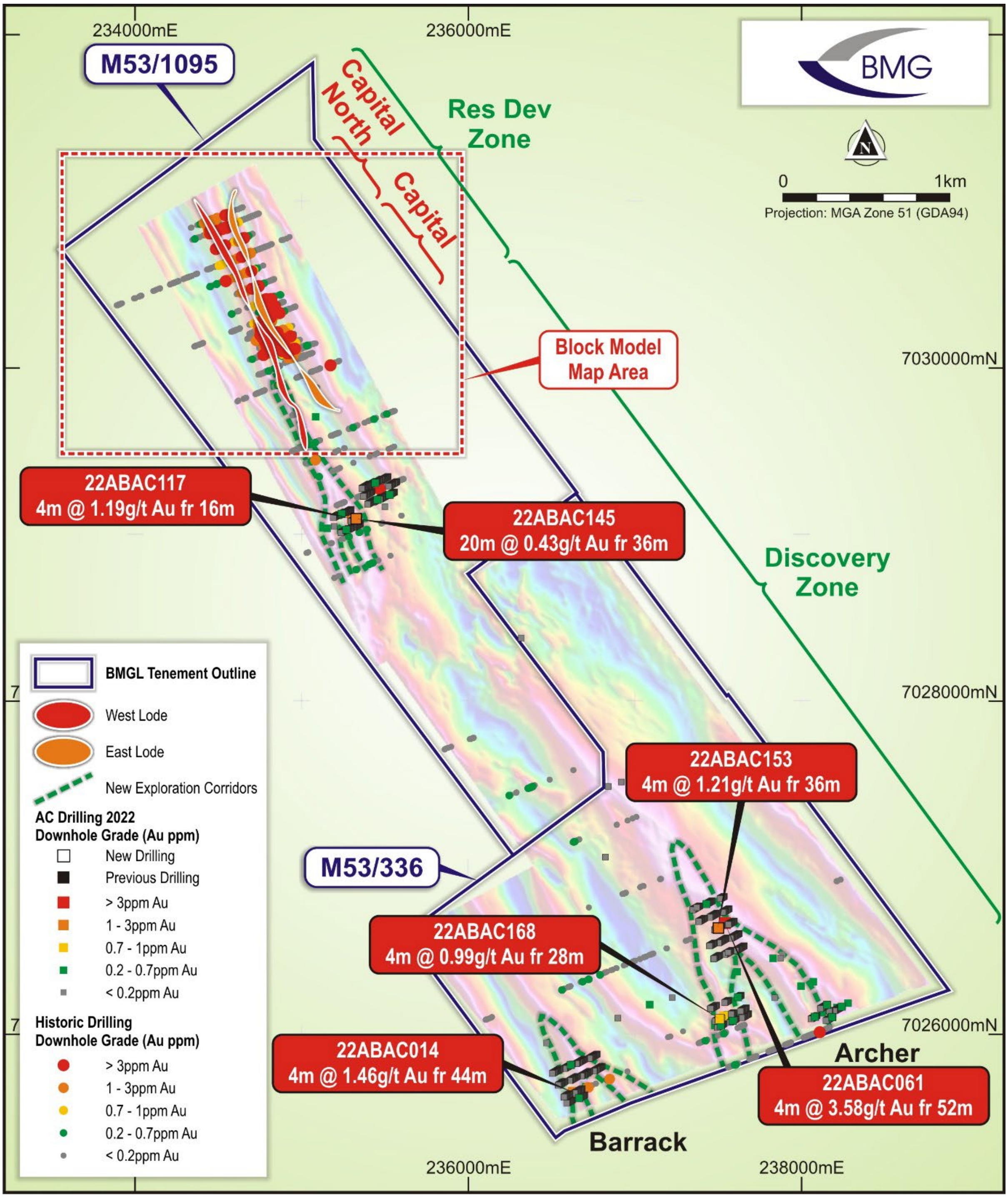



Figure 4 – Abercromby regional targets to the south of the Capital Deposit

**Subsequent to the reporting period**

Following the delivery of the maiden Mineral Resource at Capital, BMG commenced preliminary scoping works to further assess the economic potential for further development of the project.

BMG has engaged independent consultants Intermine Engineering to assess mining options via open pit and underground exploitation methods. Rockwater Hydrogeological and Environmental consultants are undertaking hydrological studies, MineGeoTech have been engaged to give advice on geotechnical issues and previous work by Extreme Metallurgy and GR Engineering will inform metallurgical assumptions.

Environmental work is being undertaken by Jane O'Neill Consulting drawing on the large pool of information available from previous studies.

BMG is also investigating the significant exploration upside at Abercromby. The Capital deposit remains open at depth and along strike with further resource extension drilling having potential to upgrade the resource.

The area at Capital North, as well as the large anomalous gold areas to the south, remain underexplored with strong potential to delineate significant gold mineralisation.

## Bullabulling Lithium and Gold Project

The Bullabulling Project is a highly prospective, early-stage lithium and gold project located approximately 25km west of Coolgardie in the Eastern Goldfields of Western Australia.

BMG acquired the Project in June 2023 following strong results from a first-pass RC drilling program undertaken by the Company during a 4 month Option period.

Bullabulling represents an opportunity to be involved in a region with a long history of gold mining and increasing significance as a Western Australian hard-rock lithium province.

Major lithium mines and projects in the region include the Mt Marion mine (71.3Mt @ 1.37% Li20) of Mineral Resources' (ASX: MIN) and the Pioneer Dome deposit (11.2Mt @ 1.21% Li20) of Essential Minerals (ASX: ESS), as well as the nearby emerging Kangaroo Hills discovery.

Historic exploration in the project tenure has identified widespread pegmatite occurrences, several of which contain lithium mineralisation assaying greater than 1% $Li_2O$. Work undertaken by BMG prior to first drilling 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, highlights the exploration potential of the system for economically significant lithium mineralisation.

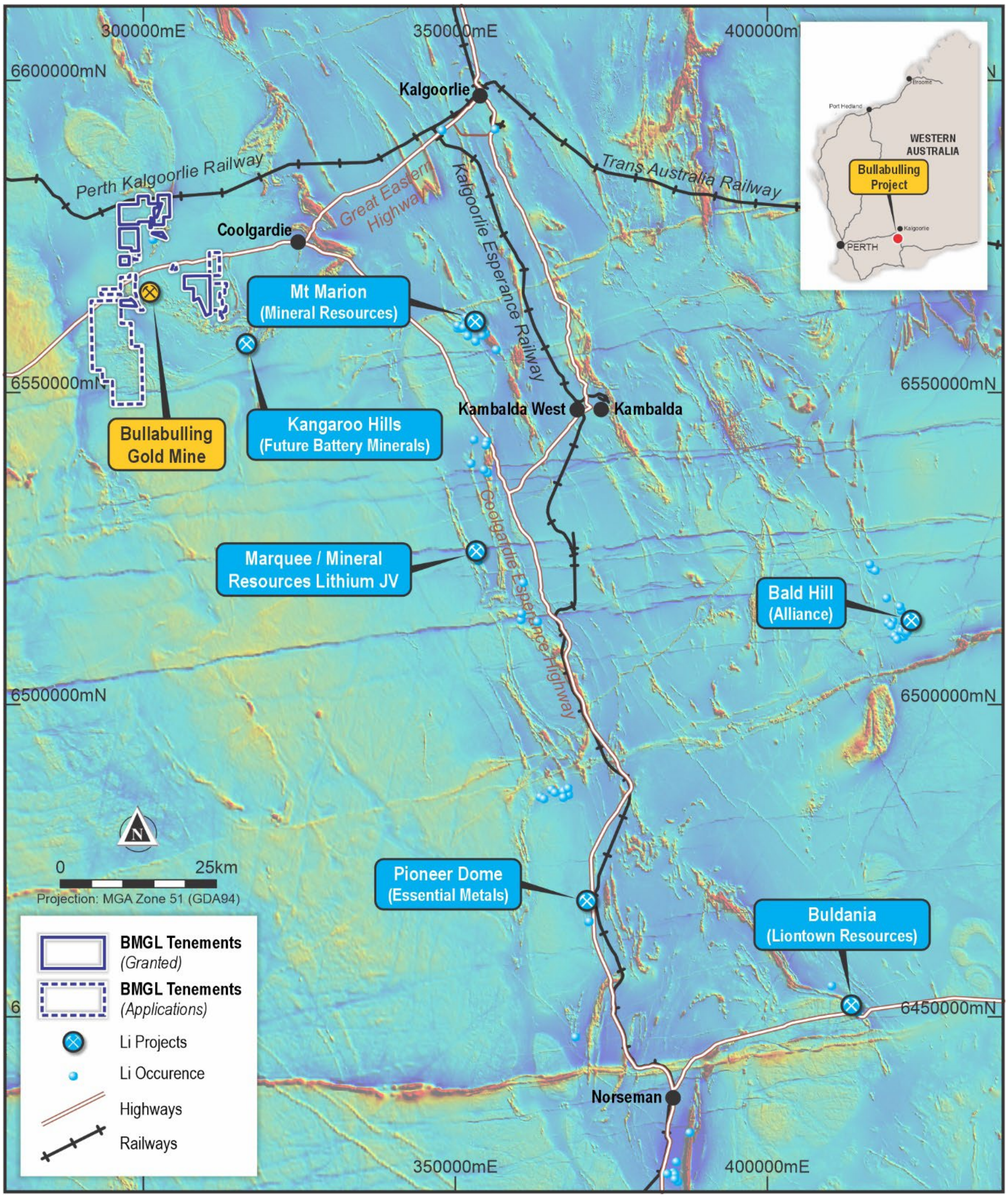



Figure 5 – Regional Location of Bullabulling Project, including significant regional Lithium projects and historic Bullabulling gold mine

## First drilling at Bullabulling

Shortly after entering the Option agreement, BMG commenced a 20-hole reconnaissance RC program for 1,485m to test Lithium targets at Ubini, Red Panda and Purple Panda prospects, and gold target at the Poolmans prospect.

In June, the company received the results that further highlighted the Project's lithium and gold potential and exercised its Option to acquire the Project.

## Lithium

The southern traverse of 8 holes at the Ubini prospect intersected highly fractionated pegmatites in holes 23BBRC012 and 23BBRC016 (3m @ 0.31% $Li_2O$ from 12m and 4m @ 0.16% $Li_2O$ from 13m respectively).

The intervals also contained elevated associated elements (23BBRC012 3m @ 555ppm Cs, 1,556ppm Rb and 55ppm Ta from 12m and 23BBRC016 4m @ 219ppm Cs, 738ppm Rb and 12ppm Ta from 13m).

The interval in 23BBRC012 was interpreted to be an extension of the Red Panda outcropping pegmatite some 240m to the north-west which returned 1.7% $Li_2O$ and 1.09% $Li_2O$ from previous rock chip sampling. While probe drilling for the down dip continuation of the Red Panda outcrop has so far been unsuccessful, tracing the roots of this occurrence remains a priority.

Drilling of the northern fence of holes at Purple Panda demonstrated significant pegmatite occurrences underlying the strong rubidium anomalism in soils. While these pegmatites have not returned economically significant grades of lithium in the results so far, their presence will be considered as part of a wider metallogenic model to aid in exploration.

## Gold

A significant gold result of 4m @ 2.37g/t Au was encountered in 23BBRC019 – the very first hole sighted on extensions to the Poolmans workings. The result is encouraging, coinciding with a quartz vein estimated at just over 1m in true width (as attested by minor vein chips in the hanging wall and footwall), implying a grade of the vein of greater than 8g/t Au.

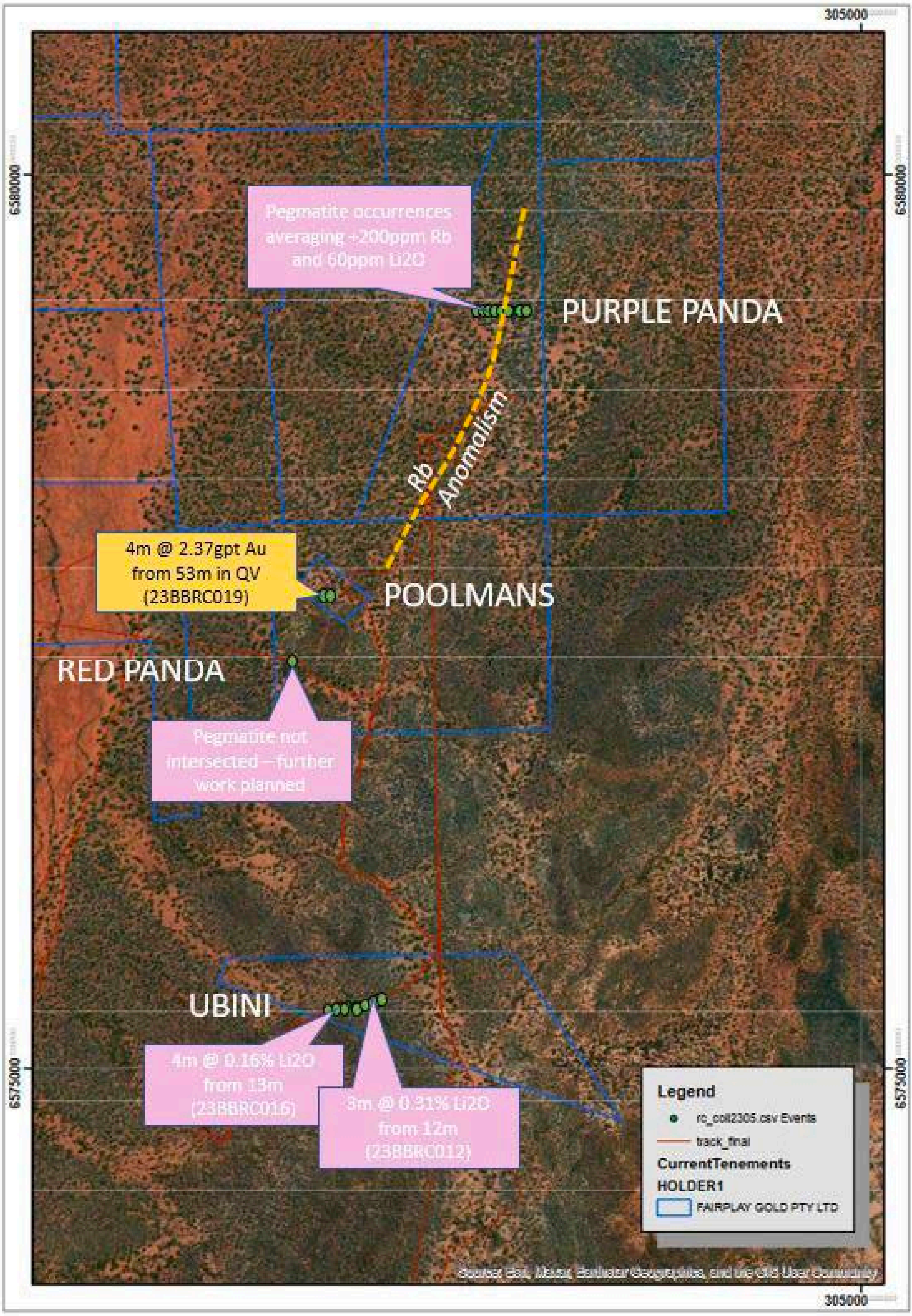



Figure 6 – RC drilling (drill collars shown in green) undertaken by BMG at Bullabulling Project

**Subsequent to the reporting period**

The presence of anomalous lithium at Ubini is indicative of a fractionated pegmatite system with potential for stronger mineralisation along strike and down dip.

In late-August 2023, BMG commenced a 36-hole aircore (AC) drilling program at Bullabulling to test lithium bearing pegmatites identified by the Company's initial drill program, as well as other lithium targets in the +4km pegmatite corridor.

The drilling targeted the down dip and strike extents of the fractionated pegmatites intersected in BMG's initial drill program.

In particular, further drilling at the Ubini prospect attempted to vector lithium grades and identify the source and extent of fractionation in the known LCT pegmatites.

In addition to Ubini, a number of prospective pegmatites – identified by BMG through a review of historical data and field mapping – have been mapped in the same area and were not previously drill tested.

These were prioritised for drilling to test for potential lithium mineralisation. The program also testsfor extensions of high-grade gold mineralisation intersected in the initial drill program at Poolman's Wealth Prospect.

Drilling will be optimally orientated to target the mapped NWSE trending lodes. Further research has uncovered historic occurrences of pegmatite in association with the gold lodes at Bullabulling, an association known to occur in several other pegmatite fields in the Eastern Goldfields.

The Poolman's Wealth Prospect represents a target for both gold and lithium mineralisation, and the current drill program would also include a first drill assessment of pegmatites outside the known prospects.

An assortment of other drill holes throughout the tenure were aimed to ground truth the current geological model and at the same time, assess the potential for pegmatites that may have intruded the largely mafic stratigraphy that exists in the western portion of the project.

# Invincible Project

The Invincible Project, comprising Exploration Licences E45/4553 and E45/6222 (granted during the reporting period), is located in the emerging gold and lithium district of Central Pilbara. 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.

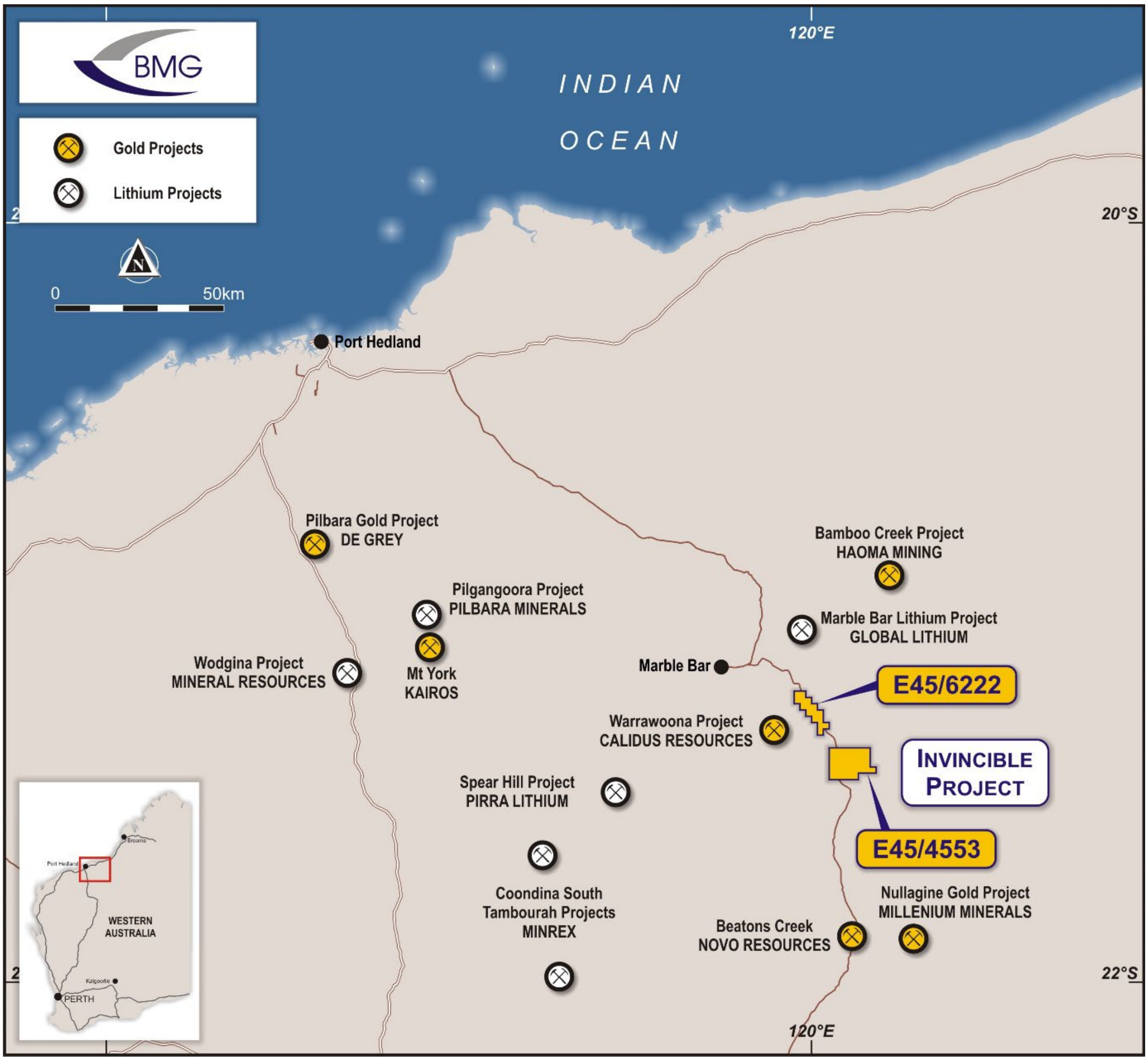



Figure 7 – Regional map of the Invincible Project with other major gold and lithium operations highlighted

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 continues with field work to test lithium targets, particularly on E45/6222, which is proximal to lithium bearing pegmatites in the adjacent area to the north.

## South Boddington

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 that hosts the Boddington gold mine. Much of the belt remains unexplored or underexplored, providing the opportunity to identify additional gold deposits.

## OPERATIONAL REPORT

The Project consists of two granted exploration licences, E70/6206 and E70/6207, and five exploration licences under application (E70/4225, E70/4590, E70/6496, E70/6450 and E70/6455) – which are interpreted to host similar stratigraphy to Boddington.

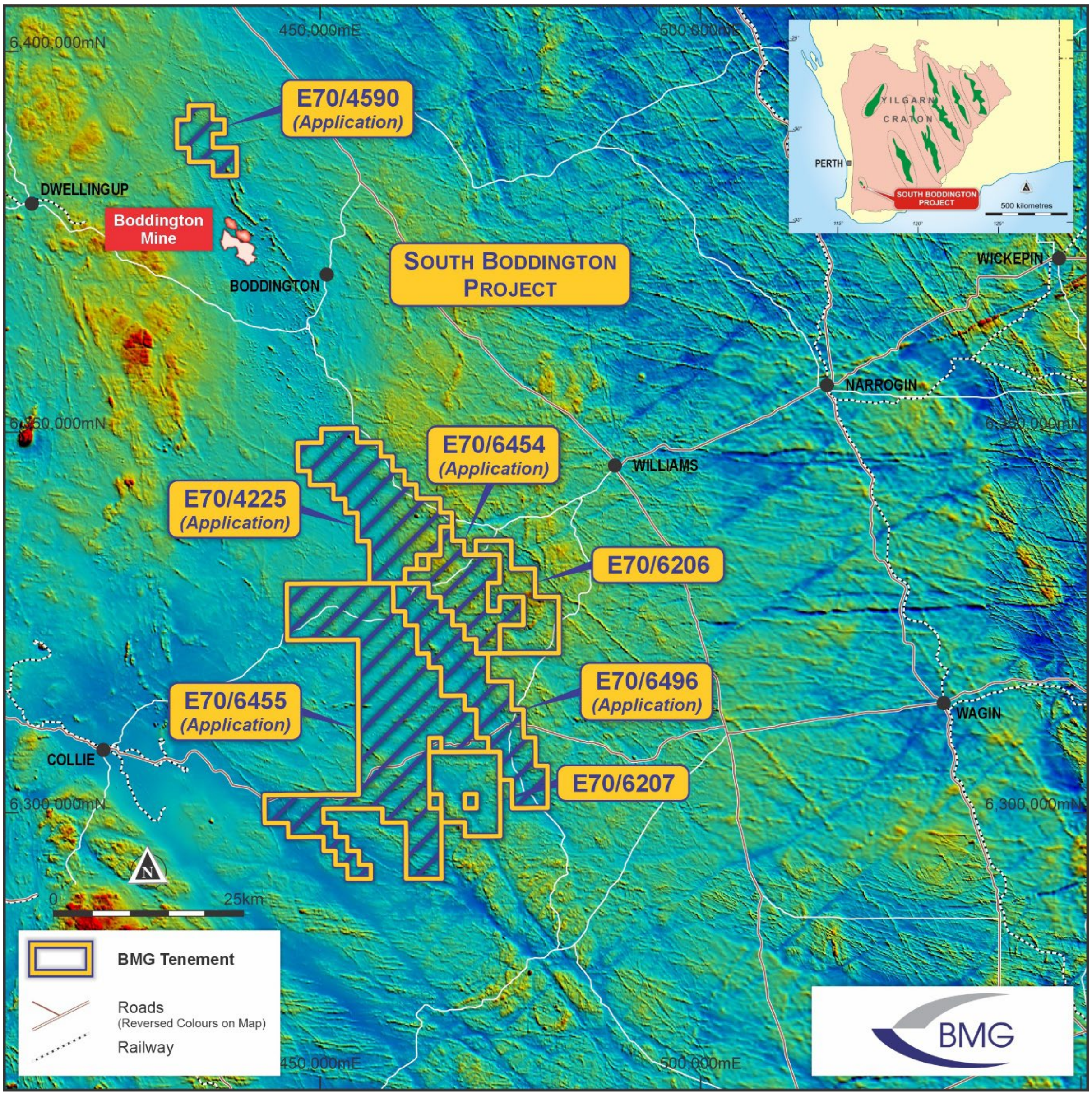



Figure 8 – Map (overlaying GSWA magnetic data) showing the location of South Boddington tenements on the Saddleback Greenstone Belt

The Company significantly enhanced its regional footprint during the reporting period with the grant of the two tenements - E70/6206 and E70/6207, and additional areas under application. BMG regards the area to be highly prospective for gold and other minerals, and will progress an initial phase of exploration on the granted tenements in FY24.

# Corporate

## $2.75 million Capital Raising

In June 2023 BMG completed a $2.75 million capital raising via the placement of new shares and an Entitlement offer to shareholders, funding the Company for the next phase of exploration and development activity.

## Acquisition of Bullabulling Project

In February 2023 BMG entered an exclusive option to acquire a 100% interest in the Bullabulling Project from Fairplay Gold Pty Ltd.

In June 2023, BMG exercised its Option to acquire the Project from Fairplay for $200,000 in cash and 15 million BMG shares. The consideration shares will be held in voluntary escrow by the vendors for a period of 12 months.

## Treasure project

BMG holds a minority interest in the Treasure Project, Cyprus, which is prospective for copper, gold, nickel and cobalt. In June 2022, the Company sought to divest its interest to New Cyprus Copper Company Limited, the majority owner and operator of the Treasure Project, via an existing option arrangement, which was not completed by New Cyprus. The Company is currently working with New Cyprus to resolve the matter in relation to the Treasure Development Limited Option as previously disclosed.

## Subsequent to the reporting period

## Junior Minerals Exploration Incentive (JMEI) allocation

In July, BMG was advised by the ATO that it has been allocated $750,000 of exploration credits for the 2023/2024 income year.

The credits were received following the Company's application to the Australian Taxation Office to participate in the Junior Minerals Exploration Incentive (JMEI) scheme. Under this scheme, when BMG incurs Greenfields expenditure during the year the Company will generate exploration credits and will be able to distribute exploration credits (up to $750,000) to shareholders who are issued shares by the Company during the 12-month period after the grant of the credits in July 2023.

The credit allocation to investors would be dependent on the value of Greenfields expenditure incurred and the level of funds that the Company may raise through capital raisings. For an individual investor the credit is a refundable tax offset, or for a corporate entity, the credit is additional franking credits.

# DIRECTORS' REPORT

Your directors present their report on the Consolidated Entity (referred to hereafter as the **Group**) consisting of BMG Resources Limited (**BMG** or **the Company**), being the Company and its subsidiaries (**Consolidated Entity**), at the end of, or during, the year ended 30 June 2023 and the Auditor's report thereon.

## DIRECTORS

The names and details of the Directors in office during the financial year and until the date of this report are set out below.

- Greg Hancock (Chairman)
- Bruce McCracken (Managing Director)
- John Prineas (Non-Executive Director)
- John Dawson (Non-Executive Director)

## PRINCIPAL ACTIVITIES

The principal activities of the Consolidated Entity during the financial year comprised of mineral resource exploration and development.

## OPERATING RESULTS

The Consolidated Entity's loss after providing for income tax for the year ended 30 June 2023 amounted to $2,730,917 (2022: loss of $1,287,912).

## DIVIDENDS PAID OR RECOMMENDED

The Directors' of the Company do not recommend the payment of a dividend in respect of the current financial year ended 30 June 2023.

## REVIEW OF OPERATIONS

The Consolidated Entity's operations are discussed in the Operational Report from page 5.

## FUTURE DEVELOPMENTS AND KEY BUSINESS RISKS

Possible developments in the operations of the Company are set out in the Operational Report on page 5.

The business, assets and operations of the Company are subject to certain risk factors that have the potential to influence the operating and financial performance of the Company in the future. These risks include a variety of company, industry and general risks including (without limitation):

<u>Exploration and Evaluation</u>

There can be no assurance that future exploration of the Company's tenements will result in the discovery of economic resources. There can be no guarantee that any resources discovered can be economically exploited by the Company.

<u>Additional Funding</u>

Whilst the Company is adequately funded to meet its current operational and corporate objectives, additional capital may be required for more substantive exploration in the future. There can be no assurance that additional finance will be available when needed or, if available, the terms of the financing may not be favourable to the Company. The raising of capital may also result in dilution of shareholders' interests in the Company.

# DIRECTORS' REPORT

<u>Key Personnel</u>

The Company is substantially reliant on the expertise and abilities of its key personnel, including its technical consultants to make progress towards generating value from its mineral resources projects. While the Company does not see any particular risks, there can be no assurance that there will be no detrimental impact on the Company if any of the Company's key personnel, including technical consultants, were to cease their relationship with the Company.

The board aims to manage these risks by carefully planning its activities and implementing risk control measures. Some of the risks are, however, highly unpredictable and the extent to which the Board can effectively manage them is limited.

## SIGNIFICANT CHANGES IN STATE OF AFFAIRS

There were no significant changes in state of affairs during the year.

## MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

In July, BMG was advised by the ATO that it has been allocated $750,000 of exploration credits for the 2023/2024 income year. The credits were received following the Company's application to the Australian Taxation Office to participate in the Junior Minerals Exploration Incentive (JMEI) scheme.

Under this scheme, when BMG incurs Greenfields expenditure during the year the Company will generate exploration credits and will be able to distribute exploration credits (up to $750,000) to shareholders who are issued shares by the Company during the 12-month period after the grant of the credits in July 2023. The credit allocation to investors will be dependent on the value of Greenfields expenditure incurred and the level of funds that the Company may raise through capital raisings, for an individual investor the credit is a refundable tax offset, or for a corporate entity, the credit is additional franking credits.

There were no other material matters or circumstances that have arisen since the reporting date.

## LIKELY DEVELOPMENTS, PROSPECTS AND BUSINESS STRATEGIES

The Directors are of the opinion that further information as to the likely developments in operations of the Consolidated Entity and the expected results of those operations, would be speculative and prejudicial to the interests of the Group and its Shareholders at this point in time.

## ENVIRONMENTAL REGULATION

The Board believe that the Consolidated Entity has adequate systems in place for the management of environmental requirements and is not aware of any breach of environmental requirements as they apply to the Consolidated Entity.

### *National Greenhouse and Energy Reporting Act 2007*

This is an Act to provide for the reporting and dissemination of information related to greenhouse gas emissions, greenhouse gas projects, energy production and energy consumption, and for other purposes. The Consolidated Entity is not subject to the *National Greenhouse and Energy Reporting Act 2007*.

# DIRECTORS' REPORT

## BOARD OF DIRECTORS

| **Greg Hancock –** BA(Econs); B Ed (Hons) F Fin **– Non-Executive Chairman** | |
|---|---|
| **Experience and Expertise** | 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. In this time, he has specialised in mining and natural resources and has a background in the finance and management of small companies. Mr Hancock is currently a director of ASX listed companies Ausquest Ltd, where he serves as Chairman, and Group 6 Metals Limited and Golden State Mining Limited as a non-executive director. Mr Hancock is Chairman of LSE listed Cobra Resources Plc.<br>Mr. Hancock has been a director of BMG Resources Limited since 6 February 2017. |
| **Other Current Directorships** | Non-Executive Chairman of Ausquest Ltd (ASX: AQD)<br>Non-Executive Chairman of Cobra Resources Plc (LON: COBR)<br>Non-Executive Chairman of Triangle Energy (Global) Limited (ASX: TEG)<br>Non-Executive Director of Golden State Mining Limited (ASX: GSM)<br>Non-Executive Director of Group 6 Metals Limited (ASX: G6M) |
| **Former Directorships in last 3 years** | Non-Executive Director of Strata-X Energy Ltd (retired 17 March 2021) |
| **Special Responsibilities** | Chairman of the Board<br>Member of the Nomination and Remuneration Committee<br>Member of the Audit and Risk Committee |
| **Interests in Equity Instruments** | 2,000,000 Performance Rights (Tranche 1, BMGAB)<br>2,000,000 Performance Rights (Tranche 2, BMGAC)<br>2,000,000 Performance Rights (Tranche 3, BMGAD)<br>2,000,000 Performance Rights (Tranche 4, BMGAE) |

| **Bruce Alexander McCracken** B Com, LLB, MBA, GAICD – **Managing Director** | |
|---|---|
| **Experience and Expertise** | Mr McCracken is an experienced business executive having spent over 25 years working across a broad range of industries based in Perth, Melbourne, and Sydney.<br>Prior to joining BMG Resources Limited Mr McCracken worked in the Corporate sector as a Senior Executive, an Investment Banker 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.<br>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. |
| **Other Current Directorships** | None |
| **Former Directorships in last 3 years** | None |
| **Special Responsibilities** | Managing Director |
| **Interests in Equity Instruments** | 7,018,000 Ordinary shares<br>3,000,000 Performance Rights (Tranche 1, BMGAB)<br>3,000,000 Performance Rights (Tranche 2, BMGAC)<br>3,000,000 Performance Rights (Tranche 3, BMGAD)<br>3,000,000 Performance Rights (Tranche 4, BMGAE)<br>380,443 Options over ordinary shares (BMGAM) |

| **John Prineas** B Econ, LLB, F Fin – **Director** | |
|---|---|
| **Experience and Expertise** | 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. |
| **Other Current Directorships** | Executive Chairman of St George Mining Limited (ASX: SGQ)<br>Non-Executive director of American West Metals Limited (ASX: AW1) |
| **Former Directorships in last 3 years** | none |
| **Special Responsibilities** | Chairman of the Nomination and Remuneration Committee<br>Member of the Audit and Risk Committee |
| **Interests in Equity Instruments** | 52,724,696 Ordinary shares<br>166,667 Options over ordinary shares (BMGAM) |

# DIRECTORS' REPORT

| **John Dawson** B Com, MBA, INSEAD **– Director** | |
|---|---|
| **Experience and Expertise** | 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. |
| **Other Current Directorships** | Non-Executive Director of St George Mining Limited (ASX: SGQ) |
| **Former Directorships in last 3 years** | none |
| **Special Responsibilities** | Chairman of the Audit and Risk Committee<br>Member of the Nomination and Remuneration Committee |
| **Interests in Equity Instruments** | 42,402,936 Ordinary shares<br>2,613,531 Options over ordinary shares (BMGAM) |

## COMPANY SECRETARY

| **Sean Meakin** B. Bus (Acc), B. IT (Info Sys), CA, AGIA | |
|---|---|
| **Experience and Expertise** | Mr 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. Mr Meakin is a Chartered Accountant and an associate of the Governance Institute of Australia.<br><br>Mr Meakin was appointed as Company Secretary of the Company in March 2018, he is also the Company Secretary of AssetOwl Limited (ASX: AO1) and Zeta Petroleum PLC.<br><br>Mr Meakin leads the preparation of Company's annual report and half yearly financial report. He is an employee of Tribis Pty Ltd, which provides services to the Company pursuant to an Administration Services Agreement. |

# DIRECTORS' REPORT

## DIRECTORS' MEETINGS

During the financial year, 4 Board of Directors' Meetings and 2 Audit and Risk Committee meetings, and 2 Nomination and Remuneration committee meetings were held. Attendances by each Director during the year were as follows:

| | Board of Directors' Meetings | | Audit and Risk Committee Meetings | | Nomination and Remuneration Committee meetings | |
|---|---|---|---|---|---|---|
| | Number Eligible to Attend | Number Attended | Number Eligible to Attend | Number Attended | Number Eligible to Attend | Number Attended |
| Greg Hancock | 4 | 4 | 2 | 2 | 2 | 2 |
| Bruce McCracken | 4 | 4 | - | - | - | - |
| John Prineas | 4 | 4 | 2 | 2 | 2 | 2 |
| John Dawson | 4 | 4 | 2 | 2 | 2 | 2 |

## REMUNERATION REPORT (AUDITED)

This Remuneration Report outlines the Director and Executive remuneration arrangements of the Company and the Consolidated Entity and has been audited in accordance with the requirements by section 308(3C) of the *Corporations Act 2001* and the Corporations Regulations 2001.

For the purposes of this report, Key Management Personnel of the Consolidated Entity are defined as those persons having authority and responsibility for planning, directing, and controlling the major activities of the Company and the Consolidated Entity, directly or indirectly, including any Director (whether Executive or otherwise) of the Company.

## KEY MANAGEMENT PERSONNEL DISCLOSED IN THE REPORT

Names and positions held of Parent Entity Directors in office at any time during the financial year are:

| | |
|---|---|
| Greg Hancock | (Chairman) |
| Bruce McCracken | (Managing Director) |
| John Prineas | (Non-executive Director) |
| John Dawson | (Non-executive Director) |

There were no Key Management Personnel of the entity at any time during the financial year other than Directors of the Company.

### *Remuneration Governance*

The Remuneration and Nomination Committee provides assistance to the Board with respect to the following:

(a) Remuneration policies and practices;

(b) Remuneration of the Executive Officer and Executive Directors;

(c) Composition of the Board; and

(d) Performance Management of the Board and of the Executive Officer.

***Use of Remuneration Consultants***

During the year, the Company has not required or used any remuneration consultants for the purpose of soliciting advice in relation to the remuneration of members of the Group's Key Management Personnel.

***Membership and Composition***

The minimum number of members required on the Committee is two Directors. At least one member of the Committee must be a Non-Executive Director of the Board.

The Chair of the Committee is to be a Non-Executive Director, nominated by the Board, who may be the Chairman of the Board.

The Secretary of the Committee shall be the Company Secretary or such other person as nominated by the Board.

***Executive Remuneration Policy and Framework***

The Remuneration and Nomination Committee is to review and make recommendations regarding the following:

(a) strategies in relation to Executive remuneration policies;

(b) compensation arrangements for the Managing Director, Non-Executive Directors and other Senior Executives as appropriate;

(c) performance related incentive policies;

(d) the Company's recruitment, retention and termination policies;

(e) the composition of the Board having regard to the skills/experience desired and skills/experience represented;

(f) the appointment of Board members;

(g) the evaluation of the performance of the Managing Director;

(h) consideration of potential candidates to act as Directors; and

(i) succession planning for Board members.

***Processes***

The Committee shall meet as frequently as required to undertake its role effectively and properly. A quorum for the Committee meeting is when at least two members are present. Any relevant employees may be invited to attend the Committee meetings.

The issues discussed at each Committee meeting as well as the minutes of each meeting are reported at the next Board Meeting. The Committee Chair shall report the Committee's recommendations to the Board after each meeting.

The Committee reviews, and may recommend to the Board, any necessary actions and/or changes it considers appropriate. The Committee may undertake any other special duties as requested by the Board.

***Key Management Personnel Remuneration Policy***

The Board's policy for determining the nature and amount of remuneration of Key Management Personnel for the economic entity is as follows:

# DIRECTORS' REPORT

The remuneration structure for Key Management Personnel is based on a number of factors, including length of service and the particular experience of the individual concerned. The contracts for service between the Group and Key Management Personnel are on a continuing basis, the terms of which are not expected to change in the immediate future. There is no scheme to provide retirement benefits, other than statutory superannuation.

The Nomination and Remuneration Committee determines the proportion of fixed and variable compensation for each Key Management Personnel.

***Executive and Non-Executive Director Remuneration Policy***

On appointment to the Board, all Executive and Non-Executive Directors enter into an agreement with the Company. The letter of appointment summarises the Board's policies and terms, including remuneration. Non-Executive Directors do not receive additional fees for chairing or participating on Board committees. Directors do not receive retirement allowances.

For the year to 30 June 2023, and from 1 July 2023, the fee paid to the Chairman of the Company is $5,000 per month, with non-executive directors are paid a fee of $3,000 per month, exclusive of superannuation. There were no other additional fees paid to the Non-Executive Chairman and Non-Executive Directors for participating as members of the committees of the board.

The Company's Chairman holds 8,000,000 Performance Rights.

- Vesting conditions of the tranches one and two Performance Rights pertain to the level of resources which may be reported on any of the Group's 100% owned Gold Projects, on 12 June 2023 the board determined that these Performance Rights vested, following the delivery of a mineral resource at Abercromby, announced to the ASX on 17 April 2023.
- Vesting conditions of the tranches three and four Performance Rights pertain to the Company's share price achieving pre-determined values.

The vesting conditions for these Performance Rights are set-out on page 34 below.

The benefit received by Mr Hancock upon the vesting of Performance Rights in tranches one and two was $68,000, calculated by multiplying the number of Performance Rights (4,000,000) by the Company's share price at the time of the Rights vesting ($0.017). Refer to page 35 below for further disclosure.

The value of these Performance Rights, determined in accordance with accounting standards, is disclosed in the table below.

| Tranche | Number of Rights | Accounting Value | % realised during the year |
|---|---|---|---|
| One | 2,000,000 | $220,000 | 100% |
| Two | 2,000,000 | $220,000 | 100% |
| Three | 2,000,000 | $210,000 | Nil |
| Four | 2,000,000 | $198,000 | Nil |

Each Performance Right is valued at, or by incorporating as a valuation input, the price of an Ordinary Share in the Company at the date that shareholders approved the award, 5 October 2020, being $0.11 per share.

It is not anticipated that Mr Hancock will realise benefit from tranche three and four Performance Rights.

**Remuneration arrangement with Managing Director**

| Managing Director – Bruce McCracken | |
|---|---|
| Fixed Remuneration | From 1 July 2022 to 30 June 2023: $210,000 per annum, plus applicable superannuation. |
| Contract Duration | The Executive Services Agreement has no pre-determined end date and will continue until it is terminated in accordance with this Agreement. |
| Notice period for Termination | 6 months |

***Performance based remuneration***

On 5 October 2020, shareholders approved the award of 12,000,000 Performance Rights to Mr McCracken. These Performance Rights are in four equal tranches of 3,000,000 Rights.

- Vesting conditions of the tranches one and two Performance Rights pertain to the level of resources which may be reported on any of the Group's 100% owned Gold Projects, on 12 June 2023 the board determined that these Performance Rights vested, following the delivery of a mineral resource at Abercromby, announced to the ASX on 17 April 2023.
- Vesting conditions of the tranches three and four Performance Rights pertain to the Company's share price achieving pre-determined values.

The vesting conditions for these Performance Rights are set-out on page 34 below.

The benefit received by Mr McCracken upon the vesting of Performance Rights in tranches one and two was $102,000, calculated by multiplying the number of Performance Rights (6,000,000) by the Company's share price at the time of the Rights vesting ($0.017). Refer to page 35 below for further disclosure.

The value of these Performance Rights, determined in accordance with accounting standards, is disclosed in the table below.

| Tranche | Number of Rights | Accounting Value | % realized during the year |
|---|---:|---:|---:|
| One | 3,000,000 | $330,000 | 100% |
| Two | 3,000,000 | $330,000 | 100% |
| Three | 3,000,000 | $315,000 | Nil |
| Four | 3,000,000 | $297,000 | Nil |

Each Performance Right is valued at, or by incorporating as a valuation input, the price of an Ordinary Share in the Company at the date that shareholders approved the award, 5 October 2020, being $0.11 per share.

It is not anticipated that Mr McCracken will realise benefit from tranche three and four Performance Rights.

***Company Performance, Shareholder Wealth and Director and Executive Remuneration***

The Remuneration Policy has been tailored to increase goal congruence between Shareholders, Directors and Executives.

# DIRECTORS' REPORT

Each year the Board reviews directors remuneration to balance the need to pay appropriate fees to its directors while balancing the needs of the Company's shareholders.

The Company has an employee incentive scheme for the award of share-based payments, including Shares, Options and Performance Rights, the Board may exercise its discretion to award such payments to encourage the alignment of personal interest and shareholder interests.

### *Voting and comments made at the Group's 2022 Annual General Meeting*

The Company received 99.24% of "yes" votes on its Remuneration Report for the 2022 financial year. The Company did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

### *Consequences of Group Performance on Shareholder wealth*

An analysis of the Group's performance over the five financial years to 30 June 2023 is provided below:

| | 2023 | 2022 | 2022 | 2021 | 2020 |
|---|---|---|---|---|---|
| Net (Loss) attributable to owners of BMG Resources Limited | $(2,730,917) | $(1,287,912) | $(1,093,903) | $(2,182,734) | $(1,022,246) |
| Share price | | | | | |
| Share Price at 30 June: | $0.012 | $0.031 | $0.049 | $0.050* | $0.12* |
| $ increase / (decrease) | $(0.019) | $(0.018) | $(0.001) | $(0.07)* | $(0.01)* |
| Basic profit/(loss) per share (cents per share) | (0.67) | (0.41) | (0.57) | (3.74)* | (2.18)* |
| Diluted loss per share (cents per share) | N/A | N/A | N/A | N/A | N/A |

*reflective of the 10:1 share consolidation which took effect on 5 October 2020.

### *Details of Remuneration*

| 2023 Key Management Person | Fixed Remuneration | | | Variable Remuneration | Total ($) | Performance Related (%)* |
|---|---|---|---|---|---|---|
| | Salary ($) | Annual and Long Service Leave ($) | Post-employment benefits ($) | Performance Rights ($) | | |
| **DIRECTORS** | | | | | | |
| Greg Hancock[1, 2] | 60,000 | - | - | 369,025[1] | 429,025 | 86.01% |
| Bruce McCracken[1] | 210,000 | 8,581 | 22,050 | 553,538[1] | 794,169 | 69.70% |
| John Prineas | 36,000 | - | 3,780 | - | 39,780 | Nil |
| John Dawson | 36,000 | - | 3,780 | - | 39,780 | Nil |
| **TOTAL** | **342,000** | **8,581** | **29,610** | **922,563** | **1,302,754** | **70.82%** |

*For each applicable line in the above table, this % is calculated by dividing the share-based payment expense relating to the Performance Rights over the total remuneration.

1. Further disclosure on these accounting values is provided below on page 33.

2. Mr Hancock's fees are paid to Hancock Corporate Investments Pty Ltd, a company of which he is a director.

| 2022 Key Management Person | Fixed Remuneration | | | Variable Remuneration | Total ($) | Performance Related (%)* |
|---|---|---|---|---|---|---|
| | Salary ($) | Annual and Long Service Leave ($) | Post-employment benefits ($) | Performance Rights ($) | | |
| **DIRECTORS** | | | | | | |
| Greg Hancock[1, 2] | 60,000 | - | - | 169,507[1] | 229,507 | 73.86% |
| Bruce McCracken[1] | 185,000 | 18,214 | 18,500 | 254,261[1] | 475,975 | 53.42% |
| John Prineas | 36,000 | - | 3,600 | - | 39,600 | Nil |
| John Dawson | 36,000 | - | 3,600 | - | 39,600 | Nil |
| **TOTAL** | **317,000** | **18,214** | **25,700** | **423,768** | **784,682** | **54.00%** |

*For each applicable line in the above table, this % is calculated by dividing the share-based payment expense relating to the Performance Rights over the total remuneration.

1. Further disclosure on these accounting values is provided below on page 33. No portion of the 'Performance Rights' vested during the 2022 financial year, so the value disclosed in the table was not received by the recipients.

2. Mr Hancock's fees are paid to Hancock Corporate Investments Pty Ltd, a company of which he is a director.

| | Chairman | | Managing Director | |
|---|---|---|---|---|
| | Accounting value of Rights recognised as remuneration | | | |
| Tranche | 2023 | 2022 | 2023 | 2022 |
| One | $143,735 | $43,976 | $215,602 | $65,964 |
| Two | $143,735 | $43,976 | $215,602 | $65,964 |
| Three | $41,977 | $41,977 | $62,966 | $62,965 |
| Four | $39,578 | $39,578 | $59,368 | $59,367 |
| **Total** | **$369,025** | **$169,507** | **$553,538** | **$254,260** |

The total values above are included within the remuneration tables at pages 28 and 29. In respect of Greg Hancock and Bruce McCracken, the values recognised as an expense is not the value received by them in the respective years. Disclosure of the value of benefits received by Mr Hancock and Mr McCracken is provided on page 35 under "Voluntary Information: Remuneration Received".

For both Greg Hancock and Bruce McCracken, four tranches of Performance Rights are held. The value of the Performance Rights awarded is calculated, and recognised as an expense, consistent with the requirements of accounting standard AASB 2 *Share Based Payments.* The value of the expense is calculated based on the value of an Ordinary Share of BMG when the Performance Rights when they were issued in October 2020.

Performance Rights in Tranches One and Two were issued with vesting conditions pertaining to the size of a resource reported on any Oracle project. In respect of these Rights, the value of the award (as calculated in October 2020) is recognised over the period that the Rights are expected to vest, where Rights vest before the date that they were anticipated by management to vest, the value of the award not previously recognised as an expense is recognised in the financial year in which they vest. It is for this reason that in the 2023 year, when the vesting conditions for these Performance Rights were achieved, that there is a substantial increase in the value of the Performance Rights expense recognised relative to the 2022 year. No expense will be recognised in relation to these Tranche One and Two Performance Rights in future financial years.

The vesting conditions for the Performance Rights in Tranches Three and Four were set in October 2020 and are share price targets of $0.15 and $0.25 respectively. It is considered very unlikely that the above share price targets will be achieved by 5 October 2025 and therefore that Greg Hancock and Bruce McCracken will receive any benefit. In respect of these Rights, irrespective of whether the Rights vest, and therefore if Greg Hancock and Bruce McCracken receive any benefit, accounting standard AASB2 *Share Based Payments* requires that the value of the award (as calculated in October 2020) be recognised as remuneration.

# DIRECTORS' REPORT

## *TERMS AND CONDITIONS OF SHARE BASED PAYMENTS AFFECTING REMUNERATION IN THE CURRENT FINANCIAL YEAR*

### *Performance Rights*

Following shareholder approval in October 2020, Share-based payments were awarded to the Group's Chairman and Managing Director, who were awarded 8,000,000 and 12,000,000 Performance Rights respectively. For each recipient, the Rights are structured in four equal tranches, with vesting conditions pertaining to the level of resources which may be reported on any of the Group's 100% owned Gold Projects and increase of the Company's share price. The vesting conditions for these Performance Rights are set-out below:

| Tranche | Vesting Conditions |
|---|---|
| One | The Company reporting a 250,000-ounce gold Mineral Resource on any Oracle Project[1] with a minimum cut-off grade of 0.5g/t gold in accordance with the JORC Code in respect of any Project before 5 October 2025. |
| Two | The Company reporting a 500,000-ounce gold Mineral Resource on any Oracle Project with a minimum cut-off grade of 0.5g/t gold in accordance with the JORC Code in respect of any Project before 5 October 2025. |
| Three | VWAP of at least $0.15 per share for at least 15 business days before 5 October 2025. |
| Four | VWAP of at least $0.25 per share for at least 15 business days before 5 October 2025. |

# DIRECTORS' REPORT

***EQUITY INSTRUMENTS DISCLOSURE RELATING TO KEY MANAGEMENT PERSONNEL.***

***Shares***

Number of shares held by Parent Entity Directors, including their personally related parties, are set out below.

| 2023 | Balance at the start of the year | Entitlement Offer | Conversion of Performance Shares | Balance at the end of the year |
|---|---|---|---|---|
| Greg Hancock | - | n/a | n/a | - |
| Bruce McCracken[1, 2] | 5,876,671 | 1,141,329 | n/a | 7,018,000 |
| John Prineas[2] | 45,824,696 | 500,000 | 6,400,000 | 52,724,696 |
| John Dawson[2] | 31,362,348 | 7,840,588 | 3,200,000 | 42,402,936 |

1 Relevant interest in 7,000,000 shares as a beneficiary of the McCracken Family Trust and 18,000 shares directly held.
2 Refer to disclosure on page 33 below regarding Entitlement Offer

***Options over Ordinary Shares***

Number of Options held by Parent Entity Directors, including their personally related parties, are set out below.

| 2023 | Balance at the start of the year | Entitlement Offer | Balance at the end of the year |
|---|---|---|---|
| Greg Hancock | - | n/a | - |
| Bruce McCracken[1, 2] | - | 380,443 | 380,443 |
| John Prineas[2] | - | 166,667 | 166,667 |
| John Dawson[2] | - | 2,613,531 | 2,613,531 |

1 Relevant interest held as a beneficiary of the McCracken Family Trust
2 Refer to disclosure on page 33 below regarding Entitlement Offer

***Performance Rights***

The number of Performance Rights held by the Company's Chairman, Mr Greg Hancock, and Managing Director, Mr Bruce McCracken is set out below:

| | Balance at the start of the year | Balance at the end of the year | Vested |
|---|---|---|---|
| **Greg Hancock** | | | |
| Tranche 1 | 2,000,000 | 2,000,000 | 2,000,000 |
| Tranche 2 | 2,000,000 | 2,000,000 | 2,000,000 |
| Tranche 3 | 2,000,000 | 2,000,000 | Nil |
| Tranche 4 | 2,000,000 | 2,000,000 | Nil |

# DIRECTORS' REPORT

| | Balance at the start of the year | Balance at the end of the year | Vested |
|---|---|---|---|
| **Bruce McCracken** | | | |
| Tranche 1 | 3,000,000 | 3,000,000 | 3,000,000 |
| Tranche 2 | 3,000,000 | 3,000,000 | 3,000,000 |
| Tranche 3 | 3,000,000 | 3,000,000 | Nil |
| Tranche 4 | 3,000,000 | 3,000,000 | Nil |

Disclosure on these Performance Rights is provided on pages 25, 26, 30 and 31 above.

### *Performance Shares*

At the commencement of the year Performance Shares were held by Non-Executive Directors Messrs John Prineas and John Dawson. These Performance Shares were acquired by Messrs Prineas and Dawson in their capacity as vendors in the transaction whereby BMG Resources Limited acquired 100% of the share capital of Oracle Mining Pty Ltd in October 2020.

| | Balance at the start of the year | Vested | Balance at the end of the year |
|---|---|---|---|
| **John Prineas** | | | |
| Tranche 1 | 3,200,000 | (3,200,000) | - |
| Tranche 2 | 3,200,000 | (3,200,000) | - |
| **John Dawson** | | | |
| Tranche 1 | 1,600,000 | (1,600,000) | - |
| Tranche 2 | 1,600,000 | (1,600,000) | - |

Disclosure on these Performance Shares is provided below within 'Other Transactions with Key Management Personnel – Conversion of Performance Shares'.

### Loans to/from *Key Management Personnel*

There were no loans to individuals or directors of the Company during the year ended 30 June 2023.

### OTHER TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL

### *Director participation in Entitlement Offer*

In April 2023, the Company announced a non-renounceable pro-rata Entitlement Offer to raise up to $1.25m at an issue price of $0.013 per share. The offer was on a one (1) for four (4) basis, in addition free attaching options were issued on a one (1) for three (3) basis, with each Option exercisable at $0.025 by 30 September 2024.

As shareholders of the Company, directors Mr Bruce McCracken, Mr John Dawson and Mr John Prineas, or their related parties participated in the Entitlement Offer, as follows:

- Mr Bruce McCracken <McCracken Family Trust> acquired 1,141,329 Ordinary Shares, and 380,443 Options for cash consideration of $14,837.
- A company related to Mr John Dawson, Impulzive Pty Ltd, acquired 7,840,588 Ordinary Shares, and 2,613,443 Options for cash consideration of $101,928; and

- A company related to Mr John Prineas, Zeus Private Equity Pty Ltd, acquired 500,000 Ordinary Shares, and 166,667 Options for cash consideration of $6,500.

***Royalty arrangements***

Three of the Company's gold projects are subject to Royalties arrangements with counterparties including Gold Growth Pty Ltd, of which BMG non-executive directors Messrs John Prineas and John Dawson are shareholders.

- In relation to the Abercromby Project, a 1% net smelter return is held by Gold Growth Pty Ltd in regard to the net proceeds of any mineral production at the project.

- In relation to the Invincible Project, a 2% net smelter return is held by Gold Growth Pty Ltd in regard to the net proceeds of any mineral production at the project.

- In relation to the South Boddington Project, Gold Growth Pty Ltd holds a 2% net smelter royalty in regard to the net proceeds of any mineral production from E70/4590 (when granted), and a 1% net smelter royalty in regard to the net proceeds of any mineral production from E70/4225 (when granted).

***Conversion of Performance Shares***

In October 2020 BMG acquired 100% of the shares on issue of Oracle Mining Limited ("Oracle"). Consideration for the acquisition included the issue of 13,333,333 Performance Shares, with each performance share which vests converting into one Ordinary Share.

The vesting conditions which applied to the Performance Shares are as set-out below:

| Number of Performance Shares | Milestone |
|---|---|
| 6,666,667<br>(Tranche 1) | The Company reporting a 250,000-ounce gold Mineral Resource on any Oracle Project, with a minimum cut-off grade of 0.5g/t gold in accordance with the JORC Code in respect of any Project before 5 October 2025. |
| 6,666,666<br>(Tranche 2) | The Company reporting a 500,000-ounce gold Mineral Resource with a minimum cut-off grade of 0.5g/t gold in accordance with the JORC Code in respect of any Project before 5 October 2025. |

As vendors of this transaction, Mr John Prineas and Mr John Dawson collectively were issued 9,600,000 Performance Shares.

On 12 June 2023, the directors (other than Mr Prineas and Mr Dawson) determined that the milestones pertaining to these Performance Shares had been achieved, and accordingly, on 13 June 2023 9,600,000 Ordinary Shares were issued.

***This is the end of the Audited Remuneration Report.***

# DIRECTORS' REPORT

## VOLUNTARY INFORMATION: REMUNERATION RECEIVED

The amounts disclosed below as KMP remuneration reflect the actual benefits received by each KMP during the reporting period. The remuneration values disclosed below have been determined as follows:

**Fixed remuneration**

Fixed remuneration includes base salaries received and payments made to superannuation funds. Fixed remuneration excludes any accruals of annual or long-service leave.

**Long-term incentives**

Long-term incentives are Performance Rights awarded to Non-Executive Chairman Mr Greg Hancock and Managing Director Mr Bruce McCracken in the 2021 financial year, which are described at page 31 above.

A portion of these Performance Rights vested in the 2023 year, the value of the Rights received by the directors, measured at the time that they vested (12 June 2023) is reflected in the table below. These values are substantially lower than when the Rights were granted.

**Remuneration received during the 2023 financial year reporting period.**

| | Fixed Remuneration | Vested LTI | Total Value |
|---|---|---|---|
| B McCracken – Managing Director | $232,050 | $102,000 | $334,050 |
| G Hancock - Non-Executive Chairman | $60,000 | $68,000 | $128,000 |
| Other Non-Executive Directors | $79,560 | Nil | $79,560 |
| **Total** | **$371,610** | **$170,000** | **$541,610** |

The amounts disclosed above are not the same as the remuneration expensed in relation to each KMP (as disclosed on page 28) as the remuneration expense is calculated using the share price when Performance Rights were issued.

In the 2022 financial year, no LTI benefits vested in favour of any of the Company's directors, and it is the expectation of the directors that the remaining Performance Rights held will lapse unvested on 5 October 2025.

The directors believe that the remuneration received is more relevant to users for the following reasons:

- The statutory remuneration expensed is based on historic cost and does not reflect the value of the equity instruments when they are actually received by the KMPs.
- The statutory remuneration shows benefits before they are actually received by the KMPs.
- Where Options or Performance Rights do not vest because a market-based performance condition is not satisfied (e.g.: an increase in the Company's share price), the company must still recognise the full amount of expenses even though the KMPs will never receive any benefits.
- Share-based payment awards are treated differently under the accounting standards depending on whether the performance conditions are market conditions (no reversal of expense) or non-market conditions (reversal of expense where shares fail to vest), even though the benefit received by the KMP is the same (nil where equity instruments fail to vest).

# DIRECTORS' REPORT

### SHARES UNDER OPTION

Unissued ordinary shares of BMG Resources Limited under option at the date of this report are as follows:

| Grant Date | Expiry Date | Issue price of Shares | Number under option |
|---|---|---|---|
| 7 June 2022 | 30 June 2024 | $0.075 | 6,187,500 |
| 12 June 2023 | 30 June 2025 | $0.025 | 15,000,000 |
| 12 June 2023 | 30 September 2024 | $0.025 | 72,157,507 |
| | | | 93,345,007 |

The Options do not carry any right under the options to participate in any share issue of the Company or any other entity.

### PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied for leave of the Court to bring proceedings on behalf of the Entity or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

### INDEMNIFYING DIRECTORS AND OFFICERS

The Company has made an Agreement to indemnify all the Directors and Officers of the Company against all losses or liabilities incurred by each Director and Officer in their capacities as Directors and Officers of the Company. During the year ended 30 June 2023, the Company paid insurance premiums in respect of Directors and Officers Liability Insurance for Directors and Officers of the Company. The liabilities insured are damages and legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the Directors and Officers in their capacity as Directors and Officers of the Entity and related joint venture companies to the extent permitted by the Corporations Act 2001. On 15 May 2023, the Company paid a premium of $21,990 covering the period 30 April 2022 to 30 April 2023 (2022: On 9 May 2022, the Company paid an insurance premium of $19,990 covering the period 30 April 2022 to 30 April 2023).

### NON-AUDIT SERVICES

There were no non-audit services provided by the Auditor of the Group, BDO Audit (WA) Pty Ltd or its related practices during the year.

### AUDITORS INDEPENDENCE DECLARATION

The Auditors Independence Declaration for the year ended 30 June 2023 has been received and can be found on page 41.

Signed in accordance with a resolution of the Board of Directors.

**Bruce McCracken**
Managing Director
Dated at Perth, Western Australia, this 29th September 2023.

# CORPORATE GOVERNANCE STATEMENT

The Board is responsible for the overall Corporate Governance of the Company, and it recognises the need for the highest standards of ethical behaviour and accountability. It is committed to administering its corporate governance structures to promote integrity and responsible decision making.

The Company's corporate governance structures, policies and procedures are described in its Corporate Governance Statement which is available on the Company's website at

http://www.bmgl.com.au/corporate/corporate-governance.html

# AUDITORS INDEPENDENCE DECLARATION

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Australia

**DECLARATION OF INDEPENDENCE BY NEIL SMITH TO THE DIRECTORS OF BMG RESOURCES LIMITED**

As lead auditor of BMG Resources Limited for the year ended 30 June 2023, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of BMG Resources Limited and the entities it controlled during the period.

**Neil Smith**

**Director**

**BDO Audit (WA) Pty Ltd**

Perth,

29 September 2023

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

## FOR THE YEAR ENDED 30 JUNE 2023

| | Notes | 30 June 2023 ($) | 30 June 2022 ($) |
|---|---|---|---|
| Other Income | 4 | 12,069 | 181,647 |
| Directors remuneration | | (380,191) | (360,915) |
| Administration services fee | | (144,000) | (144,000) |
| Share based payment expense | 5 | (1,448,716) | (590,649) |
| Exploration and evaluation expenditure | | (287,577) | - |
| Depreciation and amortisation expense | | (790) | (1,070) |
| Accounting & audit fees | | (61,262) | (62,632) |
| Corporate and administration expenses | | (183,827) | (136,219) |
| Other expenses from ordinary activities | | (240,069) | (169,349) |
| Exchange gain/(loss) from ordinary activities | | 3,446 | (4,725) |
| **(LOSS) BEFORE INCOME TAX** | | **(2,730,917)** | **(1,287,912)** |
| Income tax expense | 6 | - | - |
| **(LOSS) AFTER INCOME TAX** | | **(2,730,917)** | **(1,287,912)** |
| **TOTAL COMPREHENSIVE (LOSS) FOR THE YEAR** | | **(2,730,917)** | **(1,287,912)** |
| Total comprehensive (loss) for the year is: | | | |
| Attributable to the owners of BMG Resources Limited | | **(2,730,917)** | **(1,287,912)** |
| Basic (loss) per share (cents per share) | 17 | (0.67) | (0.41) |

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income is to be read in conjunction with the accompanying notes.

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION
## AS AT 30 JUNE 2023

| | Notes | 30 June 2023 ($) | 30 June 2022 ($) |
|---|---|---|---|
| **CURRENT ASSETS** | | | |
| Cash and cash equivalents | 7 | 2,071,978 | 2,892,674 |
| Other financial assets at amortised cost | 9 | - | 176,336 |
| Prepayments | | 1,460 | 6,420 |
| Other receivables | | 19,544 | 38,874 |
| **TOTAL CURRENT ASSETS** | | **2,092,982** | **3,114,304** |
| **NON-CURRENT ASSETS** | | | |
| Property, Plant & Equipment | | 1,647 | 2,437 |
| Exploration and Evaluation Assets | 10 | 19,171,713 | 16,877,803 |
| **TOTAL NON-CURRENT ASSETS** | | **19,173,360** | **16,880,240** |
| **TOTAL ASSETS** | | **21,266,342** | **19,994,544** |
| **CURRENT LIABILITIES** | | | |
| Trade and other payables | 11 | 163,070 | 346,142 |
| Employee benefits payable | | 89,425 | 80,844 |
| **TOTAL CURRENT LIABILITIES** | | **252,495** | **426,986** |
| **TOTAL LIABILITIES** | | **252,495** | **426,986** |
| **NET ASSETS** | | **21,013,847** | **19,567,558** |
| **EQUITY** | | | |
| Contributed equity | 13 | 67,351,702 | 63,317,829 |
| Reserves | 14 | 3,070,348 | 2,927,015 |
| Accumulated Losses | 15 | (49,408,203) | (46,677,286) |
| **TOTAL EQUITY** | | **21,013,847** | **19,567,558** |

The above Consolidated Statement of Financial Position is to be read in conjunction with the accompanying notes.

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
# FOR THE YEAR ENDED 30 JUNE 2023

| | Notes | Issued Capital Ordinary | Accumulated Losses | Share Based Payment Reserve | Shares/ Options Reserve | Total Reserves | Total |
|---|---|---|---|---|---|---|---|
| | | $ | $ | $ | $ | $ | $ |
| **BALANCE AT 1 JULY 2022** | | 63,317,829 | (46,677,286) | 2,612,563 | 314,452 | 2,927,015 | 19,567,558 |
| (Loss) for the year | | - | (2,730,917) | - | - | - | (2,730,917) |
| **Total comprehensive loss for the year** | | **-** | **(2,730,917)** | **-** | - | - | **(2,730,917)** |
| Transactions with owners in their capacity as owners: | | | | | | | |
| Capital Raising | 13 | 2,754,138 | - | - | - | - | 2,754,138 |
| Consideration for acquisition of Fairplay Gold Pty Ltd | 3 | 165,000 | - | - | - | - | 165,000 |
| Share based payments | 5 | 1,400,000 | - | 48,716 | - | 48,716 | 1,448,716 |
| Less Capital Raising Costs | 13 | (285,265) | - | 94,617 | - | 94,617 | (190,648) |
| **BALANCE AT 30 JUNE 2023** | | **67,351,702** | **(49,408,203)** | **2,755,896** | **314,452** | **3,070,348** | **21,013,847** |

The above Consolidated Statement of Changes in Equity is to be read in conjunction with the accompanying notes.

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
## FOR THE YEAR ENDED 30 JUNE 2022

| | Notes | Issued Capital Ordinary | Accumulated Losses | Share Based Payment Reserve | Shares/ Options Reserve | Total Reserves | Total |
|---|---|---|---|---|---|---|---|
| | | $ | $ | $ | $ | $ | $ |
| **BALANCE AT 1 JULY 2021** | | 57,458,271 | (45,389,374) | 1,797,803 | 314,452 | 2,112,255 | 14,181,152 |
| (Loss) for the year | | - | (1,287,912) | - | - | - | (1,287,912) |
| **Total comprehensive loss for the year** | | **-** | **(1,287,912)** | **-** | - | - | **(1,287,912)** |
| Transactions with owners in their capacity as owners: | | | | | | | |
| Capital Raising | 13 | 6,508,000 | - | - | - | - | 6,508,000 |
| Share based payments | 5 | - | - | 590,649 | - | 590,649 | 590,649 |
| Less Capital Raising Costs | 13 | (648,442) | - | 224,111 | - | 224,111 | (424,331) |
| **BALANCE AT 30 JUNE 2022** | | **63,317,829** | **(46,677,286)** | **2,612,563** | **314,452** | **2,927,015** | **19,567,558** |

The above Consolidated Statement of Changes in Equity is to be read in conjunction with the accompanying notes.

# CONSOLIDATED STATEMENT OF CASH FLOWS
# FOR THE YEAR ENDED 30 JUNE 2023

| | Notes | 30 JUNE 2023<br>$ | 30 JUNE 2022<br>$ |
|---|---|---|---|
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | | |
| Payments to suppliers and employees | | (1,001,277) | (880,426) |
| Payments for exploration and evaluation activity | | (214,186) | - |
| Interest received | | 12,069 | 586 |
| **NET CASH (OUTFLOW) FROM OPERATING ACTIVITIES** | 16 | **(1,203,394)** | **(879,840)** |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | | |
| Payments for exploration and evaluation activity | | (2,156,867) | (3,205,474) |
| Receipt from disposal of investment | 9 | 179,782 | - |
| Payments for acquisition of Fairplay Gold Pty Ltd | 3 | (203,707) | - |
| Payments for Property, Plant and Equipment | | - | (3,160) |
| **NET CASH (OUTFLOW) FROM INVESTING ACTIVITIES** | | **(2,180,792)** | **(3,208,634)** |
| **CASH FLOWS FROM FINANCING ACTIVITIES** | | | |
| Proceeds from share issue | 13 | 2,754,138 | 6,508,000 |
| Transaction costs related to issues of shares | 13 | (190,648) | (416,104) |
| **NET CASH INFLOW FROM FINANCING ACTIVITIES** | | **2,563,490** | **6,091,896** |
| | | | |
| **NET (DECREASE) / INCREASE IN CASH HELD** | | **(820,696)** | **2,003,422** |
| Cash and cash equivalents at the beginning of the year | | 2,892,674 | 889,252 |
| **CASH AND CASH EQUIVALENTS AT THE END OF YEAR** | 7 | **2,071,978** | **2,892,674** |

The above Consolidated Statement of Cash Flows is to be read in conjunction with the accompanying notes.

## 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The primary accounting policies adopted in the preparation of the Financial Statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

### (a) General Information

BMG Resources Limited is a Company domiciled in Australia. BMG Resources Limited is a Company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange. The Consolidated Financial Report of the Company as at and for the year ended 30 June 2023 comprises the Company and its subsidiaries (together referred to as the '**Group**' or '**Consolidated Entity'**).

The nature of the operations and principal activities of the Consolidated Entity are described in the Directors' Report.

### (b) Basis of Preparation

***Statement of Compliance***

The Consolidated Financial Statements are general purpose Financial Statements for the reporting year ended 30 June 2023 and have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board, Interpretations and the *Corporations Act 2001*. BMG Resources Limited is a for profit entity for the purpose of preparing the Financial Statements.

***Compliance with IFRS***

The Consolidated Financial Statements of BMG Resources Limited Group also comply with the International Financial Reporting Standards (IFRS and IFRIC interpretations) issued by the International Accounting Standards Board (IASB).

The Board of Directors have prepared the financial report on a going concern basis, any additional funding that may be required is anticipated to be obtainable and will allow the Group to continue to fund its operations and further develop their mineral exploration and evaluation assets during the twelve-month period from the date of this financial report.

The Financial Statements were approved by the Board of Directors on 29 September 2023.

***Historical cost convention***

The financial report has been prepared on an accrual basis and is based on historical costs *modified* by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

All amounts are presented in Australian dollars, unless otherwise noted.

### (c) Principles of Consolidation

The Consolidated Financial Statements incorporate the assets and liabilities of all the subsidiaries that BMG Resources Limited ('the **Parent Entity**') has the power to control. A subsidiary is controlled when the Parent Company is exposed to, or has rights to, variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power to direct the activities of the subsidiary, and determine the financial and operating policies of the subsidiary. All inter-company balances and transactions between entities within the Group, including any 47ecognizes profits or losses, have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistencies with those policies applied by the Consolidated Entity.

***Subsidiaries***

Subsidiaries are all entities controlled by the Parent Company. The Financial Statements of subsidiaries are included in the Consolidated Financial Statements from the date that control commences until the date that control ceases. The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Consolidated Entity.

In the Consolidated Entity's Financial Statements, investments in subsidiaries are carried at cost. The Financial Statements of the subsidiary are prepared for the same reporting period as the Company, using consistent accounting policies.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

In preparing the Consolidated Financial Statements, all intercompany balances and transactions, income and expenses and profit or losses resulting from inter-entity transactions have been eliminated in full. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The investments in subsidiaries held by BMG Resources Limited are accounted for at cost in the separate Financial Statements of the Company less any impairment charges. The acquisition of subsidiaries is accounted for using the acquisition method of accounting. The acquisition method of accounting involves allocating the cost of the business combination to the fair value of the assets acquired and the liabilities and contingent liabilities assumed at the date of acquisition.

### (d) Comparatives

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

### (e) Changes in and adoption of new accounting policies

In the year ended 30 June 2023, the Company adopted all new and revised Standards and interpretations issued by the AASB that are relevant to its operations and effective for the current reporting period. At the date of authorisation of these financial statements, the Company has not applied the new and revised Australian Accounting Standards, Interpretations and amendments that have been issued but are not yet effective. Based on a preliminary review of the standards and amendments, the Directors do not anticipate a material change to the Company's accounting policy, however, further analysis will be performed when the relevant standards are effective.

### (f) Significant accounting judgements and key estimates

The preparation of the Financial Statements requires Management to make judgments, estimates and assumptions that affect the reported amounts in the Financial Statements. Management continually evaluates its judgments and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgments and estimates on historical experience and on other various factors it believes to be reasonable under the circumstances, the result of which form the basis of the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amount recognised in the Financial Statements are outlined below:

***Impairment of Exploration and Evaluation Assets***

The ultimate recoupment of the value of exploration and evaluation assets is dependent on the successful development and commercial exploitation, or alternatively sale, of the underlying mineral exploration properties. The Group undertakes at least on an annual basis, a comprehensive review for indicators of impairment of those assets. Judgement is applied in determining whether an indicator of impairment exists. Should an indicator of impairment exist, there is significant estimation and judgement is also required in determining the inputs and assumptions used in determining the recoverable amounts.

***Asset acquisition***

The Group has determined that the acquisition of Fairplay Gold Pty Ltd on 23 June 2023 is not deemed a business combination. The transaction has been accounted for as an asset acquisition. In assessing the requirements of AASB3 Business Combinations, the Group has determined that the assets acquired do not constitute a business.

When an asset acquisition does not constitute a business combination, the assets and liabilities are assigned a carrying amount based on their relative fair values in an asset purchase transaction and no deferred tax will arise in relation to the acquired assets and assumed liabilities as the initial recognition exemption for deferred tax under IAS 12 applies. No goodwill will arise on the acquisition and transactions costs of the acquisition are included in the capitalised cost of the asset.

In determining when an acquisition is determined to be an asset acquisition and not a business, significant judgment is required to assess whether the assets acquired constitute a business in accordance with AASB 3. Under AASB 3 a business is an integrated set of activities and assets that is capable of being conducted or managed for the purposes of providing a return, and consists of inputs and processes which, when applied to those inputs has the ability to create outputs. Judgement is also required in determining whether the transaction constitutes a reverse acquisition. Judgement is also required in determining who is the acquirer and the acquiree.

The net assets acquired are disclosed in note 3.

***Share Based Payments***

Judgement is exercised in assessing the likelihood that vesting conditions attached to Share Based Payment awards will be achieved, and accordingly, that the awards will vest. Judgement is also applied in anticipating the time frame over which the awards may vest. Subsequent re-assessments of one or either of these considerations may have a material impact in the level of expense recognised in future reporting periods.

Valuation of share-based payment awards is a material source of estimation as valuation of share payment awards involves the use of inputs including those not externally verifiable, including volatility.

***Other financial assets at fair value through profit or loss***

The Group has one financial asset which is measured at Fair Value Through Profit or Loss, notwithstanding that as at 30 June 2023 Management has determined that the asset has a nil value, estimating this value is a significant estimate. The asset is the put Option which is described at note 8 below.

**(g) Foreign Currency**

***Functional and presentation currency***

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The Consolidated Financial Statements are presented in Australian dollars (A$), which is BMG Resources Limited's functional and presentation currency.

***Foreign currency transactions and balances***

Transactions in foreign currencies are initially recorded in the functional currency by applying the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the Consolidated Statement of Financial Position date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

### (h) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker. The Chief Operating Decision Maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors.

### (i) Acquisition transactions

When an acquisition transaction is completed, the Group is required to consider whether the acquisition is a business acquisition or the acquisition of an asset or group of assets that do not constitute a business.

There are substantial differences between accounting for a business acquisition and accounting for the acquisition of an asset or group of assets.

Consideration transferred for the acquisition of a subsidiary, whether a business acquisition or otherwise may include:

- Acquisition date fair values of the assets transferred by the acquirer;
- Liabilities incurred by the acquirer to former owners of the acquiree; and
- Equity instruments issued by the acquirer.

For an asset acquisition:

- Assets and liabilities acquired are assigned a carrying value based on relative values. The fair value of the consideration provided for the acquisition will be allocated to assets and liabilities of the asset, or group of assets, being acquired;
- No deferred tax will arise in relation to acquired assets and liabilities;
- No goodwill will be recorded on the Statement of Financial Position, nor will a bargain purchase gain be recorded in the statement of profit or loss and other comprehensive income;
- Consideration paid in the form of equity instruments is a share-based payment measured by reference to the value of the equity instruments issued where the fair value of the acquired assets cannot be determined as is the case for early-stage exploration assets; and
- Transaction costs incurred are capitalised.

### (j) Other Income

***Interest***

Interest accrues using the effective interest method. The effective interest method uses the effective interest rate which is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial asset.

### (k) Cash and Cash Equivalents

'Cash and cash equivalents' includes cash at bank and in hand, deposits held at call with financial institutions, other short-term highly liquid deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

For the purposes of the Consolidated Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

### (l) Other Receivables

Other receivables represent amounts expected to be received from the Australian Taxation office, being Goods and Services Tax (GST) for expenditure incurred by the Group.

### (m) Trade and Other Payables

Liabilities are recognised for amounts to be paid in the future for goods or services received, whether or not billed to the Consolidated Entity. Trade accounts payable are normally settled within 60 days.

### (n) Employee Benefits

***Short-term Employee Benefit Obligations***

Liabilities for wages and salaries, including non-monetary benefits and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' service up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. Short Term employee benefit liabilities are included within employee benefits payable on the Consolidated Statement of Financial Position.

***Other long-term Employee Benefit Obligations***

Liabilities for long service leave and annual leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Consideration is given to expect future salaries and wages levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period of government bonds with terms and currencies that match, as closely as possible, the estimated future cash outflows. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in the Statement of Profit or Loss and Other Comprehensive Income.

The obligations are presented as current liabilities in the Consolidated Statement of Financial Position if the Group does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur.

### (o) Financial Assets

**Classification**

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI.

The group reclassifies debt investments when and only when its business model for managing those assets changes.

**Recognition and derecognition**

A financial asset is recognised when the Group becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the Group's contractual rights to the cash flows from the financial assets expire or if the Group transfers the financial asset to another party without retaining control or substantially all risks and rewards of the asset.

**Measurement**

At initial recognition, the Group measures a financial asset at its fair value, plus in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in the profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

All of the Group's financial assets are debt instruments, subsequent measurement of the assets depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are two measurement categories into which the Group classifies its debt instruments, which are described below. The Group has no financial assets which are measured at Fair Value Through Other Comprehensive Income (FVOCI):

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.

- FVPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

**Impairment**

The Group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

**(p) Financial Liabilities**

**Classification**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss or financial liabilities measured at amortised cost. Financial liabilities of the Group in the former category include derivatives, financial liabilities in the latter category include trade payables and borrowings.

**Recognition and derecognition**

A financial liability is recognised when the Group becomes a party to the contractual provisions of the instrument. An entity shall remove a financial liability (or a part of a financial liability) from its statement of financial position when, and only when, it is extinguished – ie when the obligation specified in the contract is discharged or cancelled or expires.

The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, shall be recognised in profit or loss.

#### Measurement

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. These liabilities are subsequently measured at amortised cost using the effective interest rate method.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. Derivatives are classified as fair value through profit or loss with changes in FV recognised in in Profit or Loss.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

### (q) Derivatives

A derivative is a financial instrument or other contract with all three of the following characteristics.

- its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract (sometimes called the ‘underlying’).
- it requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors.
- it is settled at a future date.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. Derivatives are classified as fair value through profit or loss with changes in FV recognised in in Profit or Loss.

### (r) Current assets held for sale

Assets (whether current or non-current, pursuant to the definitions in accounting standard AASB 101 Presentation of Financial Statements) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use.

Such assets are available for immediate sale in their present condition and their sale is regarded as highly probable. To be regarded as highly probable, the below criteria is satisfied:

- the appropriate level of management is committed to a plan to sell the asset;
- an active programme to locate a buyer and complete the plan has been initiated;
- The asset must be actively marketed for sale at a price that is reasonable in relation to its current fair value; and
- The sale should be expected to qualify for recognition as a completed sale within one year form the date of classification

Assets classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell.

### (s) Exploration and Evaluation Expenditure

Exploration, evaluation and development expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves. Exploration and evaluation assets are measured at cost at recognition.

An area of interest refers to an individual geological area whereby the presence of a mineral deposit or is considered favorable or has been proven to exist.

Exploration and evaluation expenditure incurred by the group is accumulated for each area of interest and recorded as an asset if:

A. the rights to tenure of the area of interest are current; and
B. at least one of the following conditions is also met:

   i. the exploration and evaluation expenditures are expected to be recouped through successful development and exploitation of the area of interest, or alternatively, by its sale; and
   ii. exploration and evaluation activities in the area of interest have not at the reporting date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the areas of interest are continuing.

At the end of each reporting period, an assessment is performed to understand if there are any indicators of impairment identified and therefore that the Exploration and Evaluation asset may be impaired. If necessary, recoverable amount for each exploration and evaluation asset is then estimated and the carrying amount of the exploration and evaluation asset is reduced to the value of the recoverable amount. Recoverable amount is the higher of an assets or Cash Generating Unit's fair value less costs of disposal and its value in use. Impairment is assessed, and if necessary, recognised at a level not larger than an area of interest.

For areas of interest that are not considered to have any commercial value, or where exploration rights are no longer current, the 54ecognizes54 amounts are written off against the provision and any remaining amounts are charged against profit. Recoverability of the carrying amount of the exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

Exploration and Evaluation expenditure incurred by the Group before rights to tenure of a potential area of interest are granted is recognised as an expense as incurred.

### (t) Income Tax Expenses or Benefit

The income tax expense or benefit (revenue) for the period is the tax payable on the current period's taxable income based on the national income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax base of assets and liabilities and their carrying amounts in the Financial Statements, and to unused tax losses.

Deferred tax assets and liabilities are recognised for all temporary differences, between carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases, at the tax rates expected to apply when the assets are recovered or liabilities settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction. Exceptions are made for certain temporary differences arising on initial recognition of an asset or a liability if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit. Deferred tax assets are only recognised for deductible temporary differences and unused tax losses if it is probable that future taxable amounts will be available to 55ecogni those temporary differences and losses.

Deferred tax assets and liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities, associates and interests in joint ventures where the Parent Entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not be reversed in the foreseeable future. Current and deferred tax balances relating to amounts recognised directly in equity.

BMG Resources Limited and its resident subsidiaries have unused tax losses. However, no deferred tax balances have been recognised, as it is considered that asset recognition criteria have not been met at this time.

BMG Resources Limited (the 'head entity') and its wholly-owned Australian subsidiaries, other than Fairplay Gold Pty Ltd, have formed an income tax consolidated group under the tax consolidation regime. The head entity and each subsidiary in the tax consolidated group continue to account for their own current and deferred tax amounts. The tax consolidated group has applied the 'separate taxpayer within the group' approach in determining the appropriate amount of taxes to allocate to members of the tax consolidated group.

In addition to its own current and deferred tax amounts, the head entity also 55ecognizes the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from each subsidiary in the tax consolidated group.

Assets or liabilities arising under tax funding agreements within the tax consolidated entities are recognised as amounts receivable from or payable to other entities in the tax consolidated group. The tax funding arrangement ensures that the intercompany charge equals the current tax liability or benefit of each tax consolidated group member, resulting in neither a contribution by the head entity to the subsidiaries nor a distribution by the subsidiaries to the head entity.

### (u) Goods and Services Tax

Revenues, expenses and assets are recognised net of GST except where GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flow on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authorities are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

### (v) Share based payments

Share based payments may be provided by the Group for the acquisition of goods or services, or to 55ecognizes55 employees (including Key Management Personnel) or other service providers to the Group.

For equity settled share-based payment transactions, the value of goods or services received, and the corresponding increase in equity is measured at the fair value of the goods or services received, unless that fair value cannot be estimated reliably. If the fair value of the goods or services received cannot be estimated reliably, they are measured, and a corresponding increase in equity recognised, indirectly, by reference to the fair value of the equity instruments granted.

The grant date fair value of share-based payments granted to employees (including Key Management Personnel) is recognised as a share-based payment expense, with a corresponding increase in equity, over the period that the payments are estimated to vest. Share based payments awarded to employees (including Key Management Personnel) and consultants are measured at the fair value of the services received by reference to the fair value of equity instruments granted.

Where share-based payment awards are granted to employees (including key management personnel) or other service providers with vesting conditions other than market conditions (such as a target share price upon vesting (or exercisability)), the total amount recognised as an expense will reflect the actual number of equity instruments which ultimately vest to the recipient.

Where share-based payments awarded to employees (including key management personnel) or other service providers vest upon the satisfaction of market conditions, the market conditions are taken into account when estimating the fair value of the equity instruments granted. For such awards, where all other vesting conditions are satisfied, the group 56ecognizes the goods or services received, irrespective of whether the market conditions are satisfied.

Share-based payment arrangements in which the Consolidated Entity receives goods or services as consideration for its own equity instruments are accounted for as equity-settled share-based payment transactions, regardless of how the equity instruments are obtained by the Consolidated Entity.

### (w) Contributed Equity

Ordinary shares are classified as equity.

Costs directly attributable to the issue of new shares or options are shown as a deduction from the equity proceeds, net of any income tax benefit. Costs directly attributable to the issue of new shares or options associated with the acquisition of a business are included as part of the purchase consideration.

### (x) Earnings or Loss per share

Basic earnings or loss per share are calculated by dividing the net profit or loss attributable to members of the Parent Entity for the reporting period by the weighted average number of ordinary shares of the Company.

In the event of consolidation or subdivision of the Company’s ordinary shares (‘Capital Reconstruction’), for financial reporting purposes the Basic earnings or loss per share for the comparative reporting period is proportionately adjusted to reflect the effect of the Capital Reconstruction occurring in the current reporting period.

Potential ordinary shares, including Performance Rights which have not vested, and share options which are ‘out of the money’ are not taken into account when calculating earnings or loss per share.

### (y) Fair Value

***Determination of Fair Values***

A number of the Consolidated Entity’s accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Where applicable, further information about the assumptions made in determining fair values is disclosed in the note specific to that asset or liability.

## 2. SEGMENT INFORMATION

The Group operates in one reportable segment being Western Australian gold exploration activity. The Chief Operating Decision Maker (‘CODM’) of the Group is the Board of Directors, which reviews the performance of the entity on a consolidated basis – encompassing corporate activities of the Group and its exploration activities pertaining to its Western Australian gold projects. As a result, no reconciliation is required because the information as presented to CODM is used to make strategic decisions.

Management has determined based on reports reviewed by the Board of Directors and used to make strategic decisions, that the Group operates in one single reportable geographical segment being Australia. As a result, no additional segment information is provided.

### 3. ACQUISITION OF FAIRPLAY GOLD PTY LTD

On 15 February 2023, BMG announced that it had entered into a binding option agreement to the Bullabulling Project located in the Eastern Goldfields of Western Australia. The terms of the agreement provided that BMG could acquire the tenements which comprise the Bullabulling project, or by acquiring 100% of the shares in Fairplay Gold Pty Ltd, which holds the tenements.

The option terms afforded BMG a 4-month exclusive option period, until 14 June 2023. BMG paid the shareholder of Fairplay a $40,000 Option Fee, with consideration of $200,000 cash, and 15,000,000 Ordinary Shares in BMG payable if the Company exercised the Option.

Following the completion of an initial Reverse Circulation drilling program, which returned anomalous lithium and gold intercepts, confirming strong prospectivity for both lithium and gold, the Company elected to exercise the Option. Completion of the acquisition occurred on Friday 23rd of June 2023, when the Company paid the cash consideration and issued the necessary Ordinary Shares to the vendor.

The board of BMG has concluded that the acquisition of Fairplay Gold Pty Ltd is an Asset Acquisition and it is accounted for accordingly. The portion of consideration issued for the acquisition which is Ordinary Shares in the Company is a share-based payment ("Fairplay Acquisition Share based payment").

The value of the Fairplay Acquisition Share based payment is measured at fair value of the equity instruments issued by BMG Resources Limited, calculated on the date when the Acquisition was completed, 23rd June 2023, as the fair value of the asset acquired could not be reliably determined. The Shares are valued at $0.011 each, being the Company's closing share price on 23 June 2023, therefore the value of the Ordinary Shares component of the consideration is $165,000.

Further disclosure on the Fairplay acquisition Share based payment is provided at note 5, Share based payments.

| | Number of Equity Instruments | Value |
|---|---:|---:|
| **Consideration payable** | | |
| Ordinary Shares | 15,000,000 | $165,000 |
| Cash | - | $200,000 |
| **Total** | | **$365,000** |
| Transaction costs incurred | | $3,707 |
| **Total purchase price, including capitalised transaction costs** | | **$368,707** |

The fair values of the assets and liabilities assumed were as disclosed below. The total amount of cash required to complete the acquisition was $203,707.

| | |
|---|---:|
| **Assets** | |
| Exploration and Evaluation Assets | $368,707 |
| **Total** | **$368,707** |
| **Net Assets Acquired** | **$368,707** |

### 4. OTHER INCOME

| | 2023 ($) | 2022 ($) |
|---|---|---|
| Gain from Investment[1] | - | 181,061 |
| Interest received | 12,069 | 586 |
| | **12,069** | **181,647** |

[1]This gain relates to the disposal of exploration licenses in which the Company had an interest. At 30 June 2022, the exploration licenses were held by Aeramentum Resources Limited (‘Aeramentum’). Aeramentum acquired these licenses through the acquisition of 100% of the shares of a company incorporated in Cyprus, PR Ploutonic Resources Limited. For full disclosure in relation to this gain refer to note 9 “Other Financial Assets at Amortised Cost”.

## 5. SHARE BASED PAYMENTS

**Issue of Share Options as consideration paid for completion of Capital Raisings.**

As disclosed at note 13, the Company raised a total of $1,500,000 (before costs) during the year through the completion of a placement to sophisticated and institutional investors.

Pursuant to the terms of the mandate entered with Argonaut Securities Pty Ltd for the completion of the placement, subject to shareholder approval which was received on 12 June 2023, Argonaut was issued 15,000,000 Options. The Options were issued on 21 June 2023.

The Options are valued based on the Company's share price on 12 June 2023, the date of shareholder approval for the issue of the Options. The Options are valued using Black-Scholes Option Pricing methodology with inputs as provided in the table below.

| | | |
|---|---|---|
| | **Vesting Conditions** | Vest upon issue |
| Inputs used in determining valuation | **Number of Options** | 15,000,000 |
| | **Underlying Share Price** | $0.015 |
| | **Exercise Price** | $0.025 |
| | **Expected volatility** | 100% |
| | **Expiry Date / Years** | 30 June 2025 / 2 years |
| | **Expected Dividends** | Nil |
| | **Risk free rate** | 3.33% |
| **Total Value of Options** | | $94,617 |

A summary of the share options which have been issued as consideration for the completion of capital raisings and are outstanding is set-out in the table below

| | | | | Movement | |
|---|---|---|---|---|---|
| **Grant Date** | **Exercise Price** | **Expiry Date** | **Number as at 1 July 2022** | **Issued** | **Number as at 30 June 2023** |
| 23 August 2021 | $0.10 | 31/08/2023 | 6,000,000 | - | 6,000,000 |
| 7 June 2022 | $0.075 | 30/06/2024 | 6,187,500 | - | 6,187,500 |
| 12 June 2023 | $0.025 | 30/06/2025 | - | 15,000,000 | 15,000,000 |
| **Total** | | | **12,187,500** | **15,000,000** | **27,187,500** |
| **Weighted Average Exercise Price** | | | **$0.087** | **-** | **$0.053** |

At the end of the reporting period all of the Options in the above table have vested and are exercisable. No Options were forfeited, exercised or expired during the financial year.

Weighted average remaining contractual life of Options outstanding at the end of the reporting period: 1.37 years (30 June 2022: 1.59 years).

In the comparative financial year, the Company issued a total of 12,187,500 Options as part of the consideration paid to brokers Argonaut Securities Pty Ltd and Taylor Collison Limited for their role in the completion of two separate capital raisings which occurred in that financial year. In both instances, the options were valued using Black-Scholes Option Pricing model methodology with inputs as provided in the table below.

| | | | |
|---|---|---|---|
| | **Vesting Conditions** | Vest upon issue | Vest upon issue |
| Inputs used in determining valuation | **Number of Options** | 6,000,000 | 6,187,500 |
| | **Underlying Share Price** | $0.050 | $0.045 |
| | **Exercise Price** | $0.10 | $0.075 |
| | **Expected volatility** | 100% | 100% |
| | **Expiry Date / Years** | 31 August 2023 / 2 years | 30 June 2024 / 2 years |
| | **Expected Dividends** | Nil | Nil |
| | **Risk free rate** | 0.14% | 2.60% |
| **Total Value of Options** | | $107,500 | $116,611 |

In respect of all three tranches of Options issued, the Company is unable to estimate reliably the fair value of the services received and accordingly the Company has measured the value of the services received, and corresponding increase in equity, indirectly, by reference to the fair value of the equity instruments granted.

The fair value of the Options issued to the Argonaut Securities Pty Ltd and Taylor Collison Limited was recognised as capital raising costs within equity, as the Options were provided for services in connection with the issue of equity instruments. As there were no future vesting conditions attached to the Options issued, the full value of these Options is recognised in the reporting period in which the Options are issued.

### Performance Rights

A total of 28,000,000 Performance Rights are held by issued to the Company's Chairman, Managing Director and members of the technical and management team. This includes 20,000,000 Performance Rights issued on 13 October 2020 and 8,000,000 Performance Rights issued on 9 February 2021.

The performance rights were issued in four tranches, and the terms of the Performance Rights is as set-out below. Subject to the Performance Rights in any or all of the Tranches vesting, the holder will be entitled to receive one fully paid ordinary share in the Company for every Performance Right which vests.

Tranche 1
The vesting condition applicable to this Tranche of Performance Rights is the Company reporting a 250,000-ounce gold Mineral Resource on any Oracle Project with a minimum cut-off grade of 0.5g/t gold in accordance with the JORC Code in respect of any Project before the End Date (5 October 2025).

Tranche 2
The vesting condition applicable to this Tranche of Performance Rights is the Company reporting a 500,000-ounce gold Mineral Resource on any Oracle Project with a minimum cut-off grade of 0.5g/t gold in accordance with the JORC Code in respect of any Project before the End Date (5 October 2025).

Tranche 3
The vesting condition applicable to this Tranche of Performance Rights is the Company's shares achieving a VWAP of at least $0.15 per share (post-Consolidation) for at least 15 business days.

Tranche 4
The vesting condition applicable to this Tranche of Performance Rights is the Company's shares achieving a VWAP of at least $0.25 per share (post-Consolidation) for at least 15 business days.

| | Awarded to Chairman and Managing Director | | | Awarded to Technical and Management Team | | | Total |
|---|---|---|---|---|---|---|---|
| | Number of Rights | Value of one Right | Total value of Rights | Number of Rights | Value of one Right | Total value of Rights | Total Value of Rights |
| 'Tranche 1' | 5,000,000 | $0.11 | $550,000 | 3,800,000 | $0.0970 | $368,600 | $918,600 |
| 'Tranche 2' | 5,000,000 | $0.11 | $550,000 | 3,800,000 | $0.0970 | $368,600 | $918,600 |
| 'Tranche 3' | 5,000,000 | $0.1050 | $525,000 | - | - | - | $525,000 |
| 'Tranche 4' | 5,000,000 | $0.0990 | $495,000 | 400,000 | $0.0990 | $39,600 | $534,600 |
| **Total** | **20,000,000** | | | **8,000,000** | | | **$2,896,800** |

The Performance Rights in all tranches vest over a maximum period of 5 years from the date that shareholders approved the award of the Performance Rights in favour of the Company Chairman and Managing Director, which was 5 October 2020. Any Performance Rights which have not vested by that time will lapse. In relation to each tranche, the Performance Rights will either vest in their entirety or be forfeited in their entirety.

For Tranches 1 and 2, the value of expense recognised in the reporting period is a function of the value of each tranche, the likelihood at the end of the reporting period that the Performance Rights will vest, and the length of the period over which the Options are anticipated to vest since their grant date. The total value recognised as an expense in the share-based payment reserve will reflect the actual number of equity instruments which ultimately vest to the recipient.

On 12 June 2023, the directors determined that the vesting conditions applicable to the Tranche 1 and Tranche 2 Performance Rights were satisfied, and accordingly, consistent with application of the Company's accounting policy for share based payments, in the current reporting period, it is necessary to recognise as an expense the value of the Tranche 1 and Tranche 2 Performance Rights which had not been expensed to the start of the current financial year, as set out below.

For Tranches 3 and 4, the value of the Performance Rights, calculated at grant date, will be recognised as an expense over the shorter of the length of time to which: the Performance Rights vest or to the date of their expiry, being 5 October 2025.

| | | | | Movement | | | |
|---|---|---|---|---|---|---|---|
| **Tranche** | **Vesting Condition** | **Grant Year** | **Number as at 1 July 2022** | **Vested** | **Number as at 30 June 2023** | **Expense in Period** | **Expensed since grant of Performance Rights** |
| One | (1) | 2021 | 8,800,000 | 8,800,000 | 8,800,000 | $618,160 | $918,600 |
| Two | (2) | 2021 | 8,800,000 | 8,800,000 | 8,800,000 | $618,160 | $918,600 |
| Three | (3) | 2021 | 5,000,000 | - | 5,000,000 | $104,943 | $286,938 |
| Four | (4) | 2021 | 5,400,000 | - | 5,400,000 | $107,453 | $289,448 |
| | | | **28,000,000** | **-** | **28,000,000** | **$1,448,716** | |

(1) The Company reporting a 250,000-ounce gold Mineral Resource on any Oracle Project with a minimum cut-off grade of 0.5g/t gold in accordance with the JORC Code in respect of any Project before 5 October 2025.

(2) The Company reporting a 500,000-ounce gold Mineral Resource on any Oracle Project with a minimum cut-off grade of 0.5g/t gold in accordance with the JORC Code in respect of any Project before 5 October 2025.

(3) VWAP of at least $0.15 per share for at least 15 business days.

(4) VWAP of at least $0.25 per share for at least 15 business days.

### Share based payments relating to Asset Acquisitions

**Acquisition of Fairplay Gold Pty Ltd**

As disclosed at note 3 ("Acquisition of Fairplay Gold Pty Ltd"), in June 2023, BMG acquired 100% of the shares on issue of Fairplay Gold Pty Ltd ("Fairplay"). Consideration paid for the acquisition included 15,000,000 BMG Ordinary Shares, this portion of the consideration is valued as at the date when BMG Resources Limited acquired the shares of Fairplay, 23rd June 2023. The closing share price of BMG shares on this date was $0.011 per share, accordingly the Ordinary Shares issued had a collective value of $165,000. The value of these shares is recognised within Exploration and Evaluation assets and Contributed equity, refer to notes 10 and 13 respectively for further disclosure.

**Settlement of Performance Shares**

In October 2020 BMG issued 13,333,333 Performance Shares as part of the consideration for the acquisition of Oracle Mining Limited ("Oracle").

The vesting conditions which applied to the Performance Shares are as set-out below:

| | Number of Performance Shares | Milestone |
|---|---|---|
| **Performance Shares** | 6,666,667 (Tranche 1) | The Company reporting a 250,000-ounce gold Mineral Resource on any Oracle Project, with a minimum cut-off grade of 0.5g/t gold in accordance with the JORC Code in respect of any Project before 5 October 2025. |
| | 6,666,666 (Tranche 2) | The Company reporting a 500,000-ounce gold Mineral Resource with a minimum cut-off grade of 0.5g/t gold in accordance with the JORC Code in respect of any Project before 5 October 2025. |

On 12 June 2023, the directors determined that the vesting conditions applicable to the Performance Shares were satisfied, and accordingly, the 13,333,333 Performance Shares converted into Ordinary Shares in the Company. At acquisition date, the total value of these Performance Shares was $1,400,000.

A summary of the Group's share-based payments relating to the current or comparative financial year, including a reconciliation of the Group's share-based payments at the end of the reporting period is provided below:

| | Share Based Payment Reserve ($) |
|---|---|
| **Balance at 1 July 2021** | **1,797,803** |
| Share based payment expense – 28,000,000 Performance Rights | 590,649 |
| **Issue of Share Options as part of fee for capital raisings** | |
| 6,000,000 Share Options | 107,500 |
| 6,187,500 Share Options | 116,611 |
| **Balance at 30 June 2022** | **2,612,563** |
| | |
| **Balance at 1 July 2022** | **2,612,563** |
| Share based payment expense – 28,000,000 Performance Rights | 1,448,716* |
| **Issue of Share Options as part of fee for capital raisings** | |
| 15,000,000 Share Options | 94,617 |
| **Conversion of Performance Shares** | |
| 13,333,333 Performance Shares | (1,400,000)* |
| **Balance at 30 June 2023** | **2,755,896** |

*The Consolidated Statement of Changes in Equity includes an amount of $48,716, this is the net amount of:

- An increase in the reserve to recognise the vesting expense pertaining to the 28,000,000 Performance Rights ($1,448,716); and
- A reduction in the reserve of $1,400,000 relating to the Performance Shares which has been transferred from the reserve to Issued Ordinary Capital during the year.

## 6. INCOME TAX

| | 2023 ($) | 2022 ($) |
|---|---|---|
| Income tax benefit | | |
| **Tax Rate** | 25% | 25% |
| The potential tax benefit in respect of tax losses not brought into account has been calculated at 25%. | | |
| **Numerical reconciliation between tax expenses and pre-tax net loss** | | |
| Income tax benefit at the beginning of the year | - | - |
| (Loss) before income tax expense | (2,730,917) | (1,287,912) |
| Income tax benefit/(expenses) calculated at rates noted above | (682,729) | (321,978) |
| Tax effect on amounts which are not tax deductible | 382,369 | 151,057 |
| Tax effect on non-assessable income | - | (45,265) |
| Tax effect on timing differences | 6,527 | 6,014 |
| Tax effect on deductible exploration costs | (481,301) | (850,078) |
| Tax effect on deductible capital raising costs/other | (92,411) | (75,636) |
| Deferred tax asset on tax losses not brought to account | 867,546 | 1,135,886 |
| **Net deferred tax assets not brought to account** | | |
| Unused tax losses | 34,252,726 | 30,782,543 |
| Timing differences | | |
| - Attributable to intangible assets (Exploration expenditure) | (17,653,155) | (15,827,803) |
| - Attributable to accrued liabilities and other assets | 115,159 | 98,487 |
| Other capital expenditure – non equity | 41,673 | 71,616 |
| Capital raising cost in equity | 953,463 | 694,428 |
| **Total** | **17,709,866** | **15,819,271** |
| **Tax at 25% (2022: 25%)** | **4,427,467** | **3,954,818** |

The tax note values for the current financial year relates to BMG Resources Limited and its 100% owned subsidiaries listed at note 22, with the exception of Fairplay Gold Pty Ltd (acquired in June 2023) which has not yet been added to the income tax consolidated group.

The value of revenue losses included in the Unused tax losses values above is $28,824,375 for the 2023 financial year (year ended 30 June 2022: $25,354,192). The value of capital losses included in the Unused tax losses values above is $5,428,351 for the 2023 financial year (year ended 30 June 2022: $5,428,351).

The benefit for tax losses will only be obtained if:

(a) the Company derives future assessable income of a nature and an amount sufficient to enable the benefit from the deductions for the losses to be realised;

(b) the Company continues to comply with the conditions for deductibility imposed by Law; and

(c) no changes in tax legislation adversely affect the ability of the Company to realise these benefits.

## 7. CASH AND CASH EQUIVALENTS

| | 2023 ($) | 2022 ($) |
|---|---|---|
| Cash at bank and in hand | 2,071,978 | 2,892,674 |
| | **2,071,978** | **2,892,674** |

### (a) Reconciliation to cash at the end of the year

| | 2023 ($) | 2022 ($) |
|---|---|---|
| The above figures are reconciled to cash at the end of the financial year as shown in the Consolidated Statement of Cash Flows as follows: | | |
| Balances as above | 2,071,978 | 2,892,674 |
| Balances per Statement of Cash Flows | **2,071,978** | **2,892,674** |

### (b) Risk exposure

The Group's exposure to interest rate risk is discussed in Note 12. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of cash and cash equivalents mentioned above. The Consolidated Entity's exposure to interest rate risk and a sensitivity analysis for financial assets and liabilities are discussed in Note 12.

## 8. INVESTMENT IN ASSOCIATE

BMG holds a 10% interest in Treasure Development Limited ('TDC'), a joint venture company incorporated in Cyprus. The remaining 90% of shares were held by New Cyprus Copper P.A. Ltd ('New Cyprus'), the operator of the joint venture for the 'Treasure Project', and wholly owned subsidiary of Caerus Mineral Resources PLC ('Caerus').

At the end of the previous financial year, being the year ended 30 June 2022, BMG held a put option to require New Cyprus to purchase the remaining 10% interest in the JV for a cash payment of A$2,000,000.

At 30 June 2022 the put option was a derivative financial asset of the Group, measured at fair value through profit or loss.

Notwithstanding that the put option had not been exercised at 30 June 2022, Management assessed the carrying value of the asset at this date and concluded that there was a material uncertainty surrounding the capacity of New Cyprus to complete the put option payment in accordance with the underlying terms if exercised. On this basis the asset was not brought to account in the Group's Consolidated Statement of Profit or Loss and Other Comprehensive Income and on the Consolidated Statement of Financial Position for the year ended and as at 30 June 2022.

This material uncertainty was borne out in the current financial year. On 1 July 2022 BMG exercised the put option, New Cyprus was then required to settle the $2,000,000 within 5 business days, however this did not occur. Accordingly, there is no gain on disposal of investment recognised in the Group's Consolidated Statement of Profit or Loss and Other Comprehensive Income and the Group continues to hold its 10% interest in the Treasure Development Joint Venture.

The directors continue to engage with management of New Cyprus to secure an agreement under which the Group may generate value in exchange for disposal of the remaining interest in the Joint Venture.

## 9. OTHER FINANCIAL ASSETS AT AMORTISED COST

The Group classifies financial assets at amortised cost only if both of the following criteria are met:

- The asset is held within a business model whose objective is to collect the contractual cash flows, and
- The contractual terms give rise to cash flows that are solely payments of principal and interest.

At 30 June 2022 the Group had one financial asset measured at amortised cost which is an amount of $176,336 (£100,000) owed to it by Aeramentum Resources Limited. The debt was settled on 22 December 2022, the amount received was $179,782. In the Consolidated Statement of Cash Flows this is disclosed as receipt from disposal of investment because the entitlement to receive £100,000 arose from the Company's interest in Treasure Development Limited ('TDC'), a joint venture company incorporated in Cyprus.

## 10. EXPLORATION AND EVALUATION ASSETS

The below reconciliation is the costs attributed to the Group's mineral projects

**Financial Year ended 30 June 2023**

| | Note | Balance at the start of the period | Acquisition of Fairplay Gold Pty Ltd | Subsequent expenditure in the period | Balance at the end of the period |
|---|---|---|---|---|---|
| **Exploration activity** | | | | | |
| Abercromby Project | | $11,754,496 | - | $1,778,552 | $13,533,048 |
| Invincible Project | | $5,123,307 | - | $111,280 | $5,234,587 |
| South Boddington Gold Project | | - | - | $16,164 | $16,164 |
| Bullabulling Project | 3 | - | $368,707 | $19,207 | $387,914 |
| **Total** | | **$16,877,803** | **$368,707** | **$1,925,203** | **$19,171,713** |

**Financial Year ended 30 June 2022**

| | Balance at the start of the period | Subsequent expenditure in the period | Balance at the end of the period |
|---|---|---|---|
| **Exploration activity** | | | |
| Abercromby Project | $8,526,729 | $3,227,767 | $11,754,496 |
| Invincible Project | $4,950,762 | $172,545 | $5,123,307 |
| **Total** | **$13,477,491** | **$3,400,312** | **$16,877,803** |

## 11. TRADE AND OTHER PAYABLES

| | 2023 ($) | 2022 ($) |
|---|---|---|
| Trade payables | 128,132 | 299,377 |
| Other Accruals | 25,734 | 39,879 |
| Statutory Liabilities | 9,204 | 6,886 |
| | **163,070** | **346,142** |

### (a) Risk exposure

Information about the Group's exposure to risk in relation to trade creditors and other payables is provided in note 12.

## 12. FINANCIAL RISK MANAGEMENT

### (a) Overview

The Group has exposure to the following risks from their use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the Group's exposure to each of the above risks, their objectives, policies and processes for measuring and managing risk and the management of capital.

The Group's Risk Management Framework is supported by the Board, Management and the Audit and Risk Committee. The Board is responsible for approving and reviewing the Company's and Consolidated Entity's Risk Management Strategy and Policy. Management is responsible for monitoring appropriate processes and controls that are in place to effectively and efficiently manage risk. The Audit and Risk Committee is responsible for identifying, monitoring and managing significant business risks faced by the Group and considering the effectiveness of its internal control system. Management and the Audit and Risk Committee report to the Board.

The Board has established an overall Risk Management Policy which sets out the Group's system of risk oversight, management of material business risks and internal control.

The Group holds the following financial instruments:

| | 2023 ($) | 2022 ($) |
|---|---|---|
| **Financial assets** | | |
| Cash and cash equivalents | 2,071,978 | 2,892,674 |
| Other Financial Assets at Amortised Cost | - | 176,336 |
| | **2,071,978** | **3,069,010** |
| **Financial liabilities** | | |
| Trade and other payables | 153,866 | 339,256 |
| | **153,866** | **339,256** |

### (b) Financial Risk Management Objectives

The overall Financial Risk Management Strategy focuses on the unpredictability of the finance markets and seeks to minimise the potential adverse effects on financial performance and protect future financial security.

### (c) Credit Risk

Credit risk is the risk of financial loss to the Group if a counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's Cash and cash equivalents, and Other Financial Assets at Amortised Cost. The Consolidated Entity does not hold any credit derivatives to offset its credit exposure.

| | 2023 ($) | 2022 ($) |
|---|---|---|
| Cash and cash equivalents | 2,071,978 | 2,892,674 |
| Other Financial Assets at Amortised Cost | - | 176,336 |
| | **2,071,978** | **3,069,010** |

*Exposure to Credit Risk*

The carrying amount of the Group's financial assets represents the maximum credit exposure. The Group's maximum exposure to credit risk at the reporting date was:

| | 2023 ($) | 2022 ($) |
|---|---|---|
| Cash and cash equivalents | 2,071,978 | 2,892,674 |
| Other Financial Assets at Amortised Cost | - | 176,336 |
| Total | **2,071,978** | **3,069,010** |

*Impairment of financial assets*

The sole asset within Other Financial Assets at Amortised Cost is the asset which is described at note 9 above, assessing this asset for impairment is subject to the expected credit loss model. Management had assessed that the asset was not impaired at 30 June 2022, on 22 December 2022, the Company received $179,782 to settle this debt.

While cash and cash equivalents are also subject to the impairment requirements of AASB 9, no impairment loss was recognised.

### (d) Liquidity Risk

Liquidity risk arises from the financial liabilities of the Group and its ability to settle these liabilities as and when they fall due.

Ultimate responsibility for Liquidity Risk Management rests with the Board of Directors. The Board has determined an appropriate Liquidity Risk Management Framework for the management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves and continuously monitoring budgeted and actual cash flows and matching the maturity profiles of financial assets, expenditure commitments and liabilities.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying amounts as the impact of discounting is not significant.

**Contractual maturities of financial liabilities**

| | Less than 6 months | Total | Carrying Amount |
|---|---|---|---|
| **Group – as at 30 June 2023** | $ | $ | $ |
| Trade payables and other payables | 153,866 | 153,866 | 153,866 |
| **Total** | **153,866** | **153,866** | **153,866** |
| | | | |
| **Group – as at 30 June 2022** | $ | $ | $ |
| Trade payables and other payables | 339,256 | 339,256 | 339,256 |
| **Total** | **339,256** | **339,256** | **339,256** |

## (e) Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates affect the Group's income or the value of its holdings of financial instruments. The objective of Market Risk management is to manage and control market risk exposures within acceptable parameters, while optimising return.

***Foreign Exchange Risk***

***Exposure***

At 30 June 2023 the Group has no exposure to Foreign Exchange Risk. At 30 June 2022 the Group's exposure to Foreign Exchange risk related only to the $176,336 (£100,000) amount described at note 9. The Group does not take any steps to manage foreign exchange risk. The amounts below are expressed in Australian Dollars.

| | 2023 ($) | 2022 ($) |
|---|---|---|
| | **GBP** | **GBP** |
| Other Financial Assets at Amortised Cost | - | 176,336 |
| | **-** | **176,336** |

***Sensitivity***

The Group's sole foreign exchange exposure is to changes in GBP/AUD exchange rates.

| | Impact on post tax profit | |
|---|---|---|
| | 2023 ($) | 2022 ($) |
| GBP/AUD Exchange Rate – N/A (2022: increase 5%) | N/A | (8,397) |
| GBP/AUD Exchange Rate – N/A (2022: decrease 5%) | N/A | 8,817 |

### (f) Capital Management

When managing capital, the Board's objective is to ensure the Group continues as a going concern as well as to maintain optimal returns to Shareholders and benefits for other Stakeholders. The Board also aims to maintain a capital structure that ensures the lowest cost of capital available to the Group.

The Board seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position although there is no formal policy regarding gearing levels. This position has not changed from the previous year.

### (g) Fair value measurements

The fair values of financial assets and liabilities are determined in accordance with generally accepted pricing models based on estimated future cash flow. There are currently no assets and liabilities which require fair valuing under the measurement hierarchy. Due to their short-term nature, the carrying amounts of the current payables is assumed to approximate their fair value.

## 13. CONTRIBUTED EQUITY

***Ordinary Shares***

| | 30 June 2023 | | | 30 June 2022 | | |
|---|---|---|---|---|---|---|
| | No. of shares | Issue price ($) | $ | No. of shares | Issue price ($) | $ |
| Start of year | **385,991,658** | **-** | **63,317,829** | **239,991,658** | **-** | **57,458,271** |
| **Capital Raising** | | | | | | |
| Issue of shares under Placement [(1)] | 120,000,000 | $0.0125 | 1,500,000 | - | - | - |
| Issue of shares under Entitlement Offer [(1)] | 96,472,171 | $0.013 | 1,254,138 | - | - | - |
| Issue of shares for cash consideration | - | - | - | 80,000,000 | $0.05 | 4,000,000 |
| Issue of shares for cash consideration | - | - | - | 66,000,000 | $0.038 | 2,508,000 |
| | **216,472,171** | | **2,754,138** | **146,000,000** | | **6,508,000** |
| **Acquisition of Fairplay Gold Pty Ltd [(3)]** | | | | | | |
| Issue of Consideration Shares | 15,000,000 | $0.011 | 165,000 | - | - | - |
| **Other** | | | | | | |
| Conversion of Performance Shares | 13,333,333 | $0.105 | 1,400,000 | - | - | - |
| Cost of Shares Issued [(2)] | - | - | (285,265) | - | - | (648,442) |
| Balance at the end of the year | **630,797,162** | | **67,351,702** | **385,991,658** | | **63,317,829** |

**(1) Completion of Capital Raisings**

The company raised a total of $2,754,138 during the financial year through the placement of 120,000,000 Ordinary shares to Institutional and Sophisticated investors, and the issue of 96,472,171 Ordinary Shares for the completion of an Entitlement Offer, both capital raisings were for the purpose of major exploration at the Company's 100% owned WA Gold Projects.

- The placement was completed over May to June 2023. 81,497,914 shares were issued on 8 May 2023 using the available placement capacities under ASX listing rule 7.1 and 7.1A. Following shareholder approval, on 15 June 2023 the Company issued a further 38,502,086 shares, to raise a total of $1,500,000 before costs. Shares issued under this capital raising were at $0.0125 per share. Argonaut Securities Pty Ltd was engaged as the lead manager to the Placement.
- On 26 April 2023 the Company announced a non-renounceable Entitlement Offer, the Offer enabled shareholders to apply for 1 new share for every 4 shares held, at an issue price of $0.013 per share to raise up to $1.25 million before costs.

In relation to both the Placement and the Entitlement Offer, participants received free attaching Options. Options were issued on a 1 for 3 basis, that is, for every 3 shares issued, participants received 1 Option each exercisable at $0.025 on or before 30 September 2024. A total of 72,157,507 Options were issued.

**(2) Cost of completing the capital raisings**

- For the placement, pursuant to the mandate entered into with Argonaut Securities, as part of the fee for their service the Company issued a total of 15,000,000 Share Options. Collectively, these Options were valued at $94,617. Disclosure on the value of these Options is provided at note 5.

  Accordingly, the remaining cost of issuing the shares, $190,648, is fees paid in cash, to recipients including Argonaut Securities, Professional Advisors and the ASX.

**(3) Acquisition of Fairplay Gold Pty Ltd**

- On 23 June 2023 the Company completed the acquisition of Fairplay Gold Pty Ltd, refer to note 3 for further disclosure on the acquisition. A component of the consideration paid to acquire this company was the issue of 15,000,000 Ordinary Shares.

Holders of Ordinary Shares are entitled to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held. Upon a poll every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote. Ordinary Shares have no par value, and the Company does not have a limited amount of authorised capital.

***Performance Rights and Performance Shares***

At the commencement of the financial year there were 13,333,333 Performance Shares on issue, in June 2023, the directors of the Company determined that the performance milestones attached to these Shares had been achieved, and these Shares converted into Ordinary Shares in the Company. Refer to note 5 above for full disclosure.

At 30 June 2023 there are 28,000,000 Performance Rights on issue (30 June 2022: 28,000,000). Of these Performance Rights, 17,600,000 have vested during the year and may be converted into Ordinary Shares upon exercise of the Rights by the holder. Performance Rights do not carry an entitlement to vote. Refer to note 5 above for full disclosure.

## 14. RESERVES

| | Share Based Payment Reserve ($) | Options Reserve ($) | Total ($) |
|---|---|---|---|
| **Balance as at 1 July 2022** | **2,612,563** | **314,452** | **2,927,015** |
| Share Based Payment - 28,000,000 Performance Rights | 1,448,716 | - | 1,448,716 |
| Share Based Payment – 12,187,500 Share Options as consideration for capital raising | 94,617 | - | 94,617 |
| Share Based Payment, conversion of Performance Shares issued for acquisition of Oracle Mining Limited | (1,400,000) | - | (1,400,000) |
| **Balance as at 30 June 2023** | **2,755,896** | **314,452** | **3,070,348** |

| | Share Based Payment Reserve ($) | Options Reserve ($) | Total ($) |
|---|---|---|---|
| **Balance as at 1 July 2021** | **1,797,803** | **314,452** | **2,112,255** |
| Share Based Payment - 28,000,000 Performance Rights | 590,649 | - | 590,649 |
| Share Based Payment – 12,187,500 Share Options as consideration for capital raising | 224,111 | - | 224,111 |
| **Balance as at 30 June 2022** | **2,612,563** | **314,452** | **2,927,015** |

### (a) Share Based Payment Reserve

This reserve is used to record the value of the share-based payment awards provided to employees, related parties and consultants in exchange for services.

At the commencement of the financial year, this reserve also included the value of the 13,333,333 Performance Shares which were issued to the vendors of Oracle Mining Limited when it was acquired on 13 October 2020. These shares are valued at $0.105 each, being the closing price of a BMG Resources Limited share on 13 October 2020, the date when BMG obtained control of Oracle.

### (b) Options Reserve

The Options reserve is used to recognise:

- The net amount of funds received by the Group during the year ended 30 June 2020 for the issue of 346,502,263 BMGOB Options to investors for net proceeds after costs of $314,452.

  All of the BMGOB Options expired unexercised at 31 December 2019.

## 15. ACCUMULATED LOSSES

| | 2023 ($) | 2022 ($) |
|---|---|---|
| Accumulated (loss) at the beginning of the year | **(46,677,286)** | **(45,389,374)** |
| Net (loss) attributable to shareholders | (2,730,917) | (1,287,912) |
| Accumulated (loss) at end of the year | **(49,408,203)** | **(46,677,286)** |

## 16. CASH FLOW INFORMATION

**Reconciliation of cash flow from operating activities with the loss from continuing operations after income tax:**

| | 2023 ($) | 2022 ($) |
|---|---|---|
| **Net (Loss) after Income Tax** | **(2,730,917)** | **(1,287,912)** |
| Depreciation | 790 | 1,070 |
| Share based payment expense | 1,448,716 | 590,649 |
| **Changes in assets & liabilities** | | |
| (Increase) in Other Financial Assets at Amortised Cost | - | (176,336) |
| (Increase)/decrease in prepayments | 4,960 | (6,420) |
| (Increase)/decrease in other receivables | 19,330 | (26,213) |
| Increase in trade and other payables | 45,146 | 3,070 |
| Increase in Employee Benefits payable | 8,581 | 22,252 |
| **Net Cash (Outflow) from Operating Activities** | **(1,203,394)** | **(879,840)** |

**Non-cash investing and financing activities:**

The Company acquired 100% of the Ordinary Shares of Fairplay Gold Pty Ltd on 23 June 2023, part of the consideration for the acquisition was the issue of 15,000,000 BMG Ordinary shares. Further disclosure is provided at note 3 above.

## 17. LOSS PER SHARE

The following reflects the net (loss) and share data used in the calculation of basic loss per share:

| | 30 June 2023 | 30 June 2022 |
|---|---|---|
| **(a) Reconciliation of earnings to profit or loss** | | |
| Net (loss) used in calculating basic loss per share | $(2,730,917) | $(1,287,912) |
| **(b) Weighted average number of ordinary shares outstanding during the half year** | | |
| Weighted average number of ordinary shares used in calculating basic loss per share | 407,306,691 | 316,084,857 |
| **Weighted average number of ordinary shares used in calculating basic loss per share** | **407,306,691** | **316,084,857** |
| Calculated Basic (Loss) per share (cents per share) | (0.67) | (0.41) |

**Information concerning the classification of securities**

**Options**

Options granted to service providers and investors who have participated in in capital raisings completed by the Company are considered to be potential ordinary shares. These are not included in the determination of basic loss per share.

The Company issued a total of 87,157,507 Options during the year, including those issued under the $1.5m placement, the entitlement offer and those Options issued to Argonaut Securities Pty Ltd. These are not included the calculation of diluted earnings per share because they are antidilutive for the year ended 30 June 2023. The options could potentially dilute basic earnings per share in the future.

**Performance Rights**

Performance Rights on issue are considered to be potential ordinary shares. There is a total of 28,000,000 Performance Rights on issue. These Performance Rights are in four tranches.

A total of 17,600,000 Performance Rights, which are those in tranches 1 and 2 are regarded as contingently issuable shares because the vesting conditions applicable to these Performance Rights have been satisfied. Accordingly, the potential issue of these shares is included in the calculation of the weighted average number of ordinary shares above and consequentially, included determining the basic (loss) per share. The Company is obliged to issue one ordinary share for every performance right within these two tranches which may be exercised.

The remaining 10,400,000 Performance Rights, which are those in tranches 3 and 4 are not regarded as contingently issuable shares because the vesting conditions applicable to these Performance Rights have not been satisfied. These Performance Rights could potentially dilute basic earnings per share in the future.

## 18. RELATED PARTY TRANSACTIONS

### *Key Management Personnel Compensation*

The remuneration of the Company's directors is disclosed below, there are no key management personnel other than the Company's Directors.

| | 2023 ($) | 2022 ($) |
|---|---|---|
| Short-term employee benefits | 350,581 | 335,214 |
| Post-employment benefits | 29,610 | 25,700 |
| Share-based payments | 922,563 | 423,768 |
| | **1,302,754** | **784,682** |

Detailed remuneration disclosures are provided in the Remuneration Report on pages 26 to 37.

### Transactions with Key Management Personnel

**<u>Related Party Transactions within the 2023 Financial Year.</u>**

### *Director participation in capital raisings*

In April 2023, the Company announced a one for four non-renounceable pro-rata entitlement issue, directors of the Company participated in the Entitlement Offer and collectively acquired 9,481,917 Ordinary Shares for a total investment of $123,265.

Further disclosure is provided at note 13 and in the remuneration report.

### *Royalties*

Mr John Prineas and Mr John Dawson are shareholders of Gold Growth Pty Ltd. Gold Growth holds a royalty in relation to the Group's three gold projects in Western Australia. Further detail on these royalties is disclosed at note 19 below.

### *Conversion of Performance Shares*

In June 2023, a total of 9,600,000 Ordinary Shares were issued to Non-Executive Directors, Mr John Prineas and Mr John Dawson, these shares were issued upon the conversion of 9,600,000 Performance Shares.

The Performance Shares had been issued to Mr Prineas and Mr Dawson in October 2020 in their capacity as two of the four vendors of the transaction when BMG Resources Limited acquired Oracle Mining Pty Ltd and subsidiaries.

Further disclosure is provided at note 13 and in the remuneration report.

**<u>Related Party Transactions within the 2022 Financial Year.</u>**

### *Director participation in capital raisings*

In July 2021, the Company announced a capital raising to raise $4,000,000 through a placement to Institutional and Sophisticated investors. Following the receipt of shareholder approval which was received on 23 August 2021:

- A company related to Non-Executive Director Mr John Dawson, Impulzive Pty Ltd, acquired 2,000,000 Ordinary Shares for cash consideration of $100,000.
- A company related to Non-Executive Director Mr John Prineas, Zeus Private Equity Pty Ltd, acquired 2,000,000 Ordinary Shares for cash consideration of $100,000.

## 19. CONTINGENT LIABILITIES

The Group had contingent liabilities at 30 June 2023 in respect of:

**Royalties**

The financial impact to the Group of the below royalties has not been included as consideration for the acquisition Oracle Mining Limited on 13th October 2020. The value of the royalties are contingent in nature and cannot be reliably measured at the date of acquisition because they are dependent on future events not wholly within the control of the entity.

Abercromby Project

Outokumpu Mining Australia Pty Ltd is entitled to a royalty of US$0.04 per pound of payable nickel or nickel equivalent produced, and 2% of gold mined and removed from those Abercromby Project tenements held by Nova Energy Pty Ltd. The tenements are M53/1095 and M53/336.

A 1% net smelter return is held by Gold Growth Pty Ltd in regard to the net proceeds of any mineral production at the Project.

Invincible Project

A 2% net smelter return is held by Gold Growth Pty Ltd in regard to the net proceeds of any mineral production at the Project.

South Boddington Project

Geotech International Limited holds a 1% net smelter royalty in regard to the net proceeds of any mineral production from exploration licence E70/4225 (when granted).

Gold Growth Pty Ltd holds a 2% net smelter royalty in regard to the net proceeds of any mineral production from E70/4590 (when granted), and a 1% net smelter royalty in regard to the net proceeds of any mineral production from E70/4225 (when granted).

## 20. REMUNERATION OF AUDITOR

During the year the following fees were paid or payable for services provided by the Auditor of the Entity and its related parties.

| | 2023 ($) | 2022 ($) |
|---|---|---|
| **Audit and Other Assurance Services** | | |
| BDO Audit (WA) Pty Ltd | | |
| Audit and Review of Financial Statements | 49,220 | 49,076 |
| **Total remuneration for Audit and Other Assurance Services** | **49,220** | **49,076** |

No other services were provided by the auditor of the parent company (BDO Audit (WA) Pty Ltd), its related practices or non-related audit firms in the relation to the 2023 nor 2022 financial year.

## 21. COMMITMENTS

### Management Fees Commitment

Tribis Pty Ltd provides corporate administration services to the Company for a monthly fee of $12,000 plus reasonable reimbursements for certain costs, expenses and liabilities incurred and/or paid by Tribis on behalf of the Company during that month.

| | 2023 ($) | 2022 ($) |
|---|---|---|
| Not later than one year | 72,000 | 72,000 |
| **TOTAL** | **72,000** | **72,000** |

The Company has no commitments of any other nature as at 30 June 2023.

## 22. INTERESTS IN OTHER ENTITIES

| | | Ownership Interest | | |
|---|---|---|---|---|
| **Name of Entity** | **Place of incorporation** | **30 June 2023** | **30 June 2022** | **Principal Activities** |
| Oracle Mining Pty Ltd | Australia | 100% | 100% | Abercromby Gold Project<br>Holding Company for Delphi Resources Pty Ltd and South Boddington Gold Pty Ltd |
| Delphi Resources Pty Ltd | Australia | 100% | 100% | Invincible Gold Project |
| South Boddington Gold Pty Ltd | Australia | 100% | 100% | South Boddington Gold Project |
| Treasure Development Limited | Cyprus | 10% | 10% | Free carried interest in Treasure Project (Cyprus). This project is operated by New Cyprus Copper P.A. Limited. |
| Fairplay Gold Pty Ltd | Australia | 100% | - | Bullabulling Gold Project |

## 23. EVENTS OCCURING AFTER THE REPORTING PERIOD

In July, BMG was advised by the ATO that it has been allocated $750,000 of exploration credits for the 2023/2024 income year. The credits were received following the Company's application to the Australian Taxation Office to participate in the Junior Minerals Exploration Incentive (JMEI) scheme. Under this scheme, when BMG incurs Greenfields expenditure during the year the Company will generate exploration credits and will be able to distribute exploration credits (up to $750,000) to shareholders who are issued shares by the Company during the 12-month period after the grant of the credits in July 2023. The credit allocation to investors will be dependent on the value of Greenfields expenditure incurred and the level of funds that the Company may raise through capital raisings, for an individual investor the credit is a refundable tax offset, or for a corporate entity, the credit is additional franking credits.

There were no other material matters or circumstances that have arisen since the reporting date.

## 24. PARENT ENTITY INFORMATION

The following details information related to the Parent Entity, BMG Resources Limited, as at 30 June 2023. The information presented here has been prepared using consistent accounting policies as presented in Note 1.

| | 2023 ($) | 2022 ($) |
|---|---|---|
| Current assets | 2,092,982 | 3,114,304 |
| Non-current assets | 19,173,360 | 16,880,240 |
| **Total Assets** | **21,266,342** | **19,994,544** |
| | | |
| Current liabilities | (252,496) | (426,986) |
| **Total Liabilities** | **(252,496)** | **(426,986)** |
| **Net Assets** | **21,013,847** | **19,567,558** |
| | | |
| Contributed equity | 67,038,231 | 63,317,829 |
| Retained earnings/(accumulated losses) | (49,408,203) | (46,677,286) |
| Reserve | 3,383,819 | 2,927,015 |
| **Total Equity** | **21,013,847** | **19,567,558** |
| | | |
| (Loss) for the year | (2,730,918) | (1,298,570) |
| **Total Comprehensive (Loss) for the Year** | **(2,730,918)** | **(1,298,570)** |

**Retained Earnings/(Accumulated Losses) reconciliation**

| | 2023 ($) | 2022 ($) |
|---|---|---|
| Balance at beginning of year | (46,677,286) | (45,378,716) |
| Current year loss | (2,730,918) | (1,298,570) |
| Balance at end of year | **(49,408,204)** | **(46,677,286)** |

**Reserves reconciliation**

| | 2023 ($) | 2022 ($) |
|---|---|---|
| Balance at beginning of year | **2,927,015** | **2,112,255** |
| Net share-based payment reserve transactions | 143,333 | 814,760 |
| Balance at end of year | **3,070,348** | **2,927,015** |

There are no other separate commitments and contingencies for parent entity as at 30 June 2023.

# DIRECTORS' DECLARATION

In the opinion of the Directors of BMG Resources Limited (**Company**):

(a) the Financial Statements and Notes set out on pages 42 to 81, are in accordance with the *Corporations Act 2001*, including:

  (i) giving a true and fair view of the Consolidated Entity's financial position as at 30 June 2023 and of their performance, for the financial year ended on that date; and

  (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and Corporations Regulations 2001; and other mandatory professional reporting requirements.

(b) the Financial Report also complies with International Financial Reporting Standards as disclosed in Note 1; and

(c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

The Directors have been given the declarations required by Section 295A of the *Corporations Act 2001* by the Financial Officer for the financial year ended 30 June 2023.

Signed in accordance with a resolution of the Directors.

**Bruce McCracken**
Managing Director
Dated at Perth, Western Australia, this 29th September 2023.

## INDEPENDENT AUDIT REPORT

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**INDEPENDENT AUDITOR'S REPORT**

To the members of BMG Resources Limited

## Report on the Audit of the Financial Report

### Opinion

We have audited the financial report of BMG Resources Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2023, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies and the directors' declaration.

In our opinion the accompanying financial report of the Group, is in accordance with the *Corporations Act 2001*, including:

(i) Giving a true and fair view of the Group's financial position as at 30 June 2023 and of its financial performance for the year ended on that date; and

(ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

### Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

### Recoverability of Exploration and Evaluation Asset

| *Key audit matter* | *How the matter was addressed in our audit* |
| --- | --- |
| As at 30 June 2023, we note the carrying value of exploration and expenditure asset is significant to the financial statements.<br><br>As a result, we considered it necessary to assess whether any facts or circumstances exist to suggest that the carrying amount of this asset may exceed its recoverable amount.<br><br>Judgement is applied in determining the treatment of exploration expenditure in accordance with costs in accordance with Australian Accounting Standard AASB 6 Exploration for and Evaluation of Mineral Resources ("AASB 6"). In particular:<br><br>• Whether the conditions for capitalisation are satisfied;<br><br>• Which elements of exploration and evaluation expenditure qualify for recognition; and<br><br>• Whether facts and circumstances indicate that the exploration and evaluation assets should best tested for impairment. | Our audit procedures in respect of this are included but were not limited to the following:<br><br>• Obtaining a schedule of the assets of interest held by the Group and assessing whether the rights to tenure of those areas of interest remain current at balance date;<br><br>• Considering the status of ongoing exploration programmes in the respective areas of interest by holding discussions with management, and reviewing the Group's exploration budgets, ASX announcements and director's minutes;<br><br>• Considering whether any such areas of interest had reached a stage where a reasonable assessment of economically recoverable reserves existed;<br><br>• Considering whether any facts of circumstances existed to suggest impairment testing was required; and<br><br>• Assessing the adequacy of the related disclosure of the Financial Report. |

## Other information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2023, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of the directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

## Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (http://www.auasb.gov.au/Home.aspx) at:

https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf

This description forms part of our auditor's report.

## Report on the Remuneration Report

### Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 26 to 37 of the directors' report for the year ended 30 June 2023.

In our opinion, the Remuneration Report of BMG Resources Limited, for the year ended 30 June 2023, complies with section 300A of the *Corporations Act 2001*.

### Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

**BDO Audit (WA) Pty Ltd**

BDO

**Neil Smith**

**Director**

Perth,

29 September 2023

# ASX ADDITIONAL INFORMATION

Additional information required by the Australian Securities Exchange Ltd and not shown elsewhere in this report is as follows. The information is current as at 11 September 2023.

## (a) Distribution of equity securities

| | Shares |
|---|---|
| Holding | Number of Holders |
| 1 - 1,000 | 388 |
| 1,001 - 5,000 | 112 |
| 5,001 - 10,000 | 77 |
| 10,001 - 100,000 | 425 |
| 100,001 and over | 456 |
| | **1,458** |

There were 834 holders of less than a marketable parcel of ordinary shares.

## (b) Top twenty shareholders

The names of the twenty largest holders of quoted equity securities are listed below:

| | | Ordinary Shares | |
|---|---|---|---|
| | Name | Number held | Percentage |
| 1 | MR JOHN PRINEAS | 50,224,696 | 7.92% |
| 2 | IMPULZIVE PTY LTD | 42,402,936 | 6.69% |
| 3 | MR GEOFFREY JAMES HARRIS | 34,458,656 | 5.44% |
| 4 | BNP PARIBAS NOMINEES PTY LTD | 30,984,240 | 4.89% |
| 5 | ST BARNABAS INVESTMENTS PTY LTD | 30,000,000 | 4.73% |
| 6 | MR PHILLIP DAVID NASH & MRS DONELLA RAE NASH | 15,000,000 | 2.37% |
| 7 | MS YI CHEN | 14,000,000 | 2.21% |
| 8 | TRIBIS PTY LTD | 8,837,365 | 1.39% |
| 9 | HONNAMMA PTY LTD | 8,550,000 | 1.35% |
| 10 | MR JOSEPH MELEDATH JOSEPH & MRS NITHA JAISON THRIKKUKARAN | 7,893,320 | 1.25% |
| 11 | TEGAR PTY LTD | 7,747,307 | 1.22% |
| 12 | MR MALIK MOHAMMED EASAH | 7,550,000 | 1.19% |
| 13 | MR BRUCE MCCRACKEN | 7,000,000 | 1.10% |
| 14 | ALTOR CAPITAL MANAGEMENT PTY LTD | 6,753,247 | 1.07% |
| 15 | OCEANIC CAPITAL PTY LTD | 5,975,000 | 0.94% |
| 16 | MR JIUMIN YAN | 5,750,000 | 0.91% |
| 17 | MR KIERAN HATCHER | 5,400,000 | 0.85% |
| 18 | HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED – A/C 2 | 5,253,510 | 0.83% |
| 19 | MS YILEI CAI | 5,000,000 | 0.79% |
| 20 | JORLYN INVESTMENTS PTY LTD | 4,617,500 | 0.73% |
| | | **303,397,777** | **47.87%** |

# ASX ADDITIONAL INFORMATION

## (c) Substantial Shareholders

The names of Substantial Shareholders who have notified the Company in accordance with section 671B of the *Corporations Act 2001* are:

| | Number of Shares | Percentage |
|---|---|---|
| MR JOHN PRINEAS | 52,724,696 | 8.32% |
| IMPULZIVE PTY LTD | 42,402,936 | 6.69% |
| MR GEOFFREY JAMES HARRIS | 34,458,656 | 5.44% |
| MR DAVID MICHAEL | 38,686,162 | 6.10% |

## (d) Voting rights

(i) All ordinary shares carry one vote per share without restriction.

(ii) There are no voting rights attached to Options on issue.

(iii) There are no voting rights attached to the Performance Rights on issue.

## (e) Shares subject to escrow.

(i) There are 15,000,000 BMG Ordinary Shares subject to voluntary escrow, the escrow period for these shares ends on 23 June 2024.

## (f) Unquoted equity securities

(i) There are 21,187,500 Unlisted Options on issue (BMGAA), these Options are held by Argonaut Investments Pty Limited <Argonaut Invest No 3 A/C>.

(ii) 7,300,000 Performance Rights (Tranche 1)(ASX: BMGAB) issued under an employee incentive scheme, held by four holders. Three people hold more than 20% of the Performance Rights.

(iii) 7,300,000 Performance Rights (Tranche 2)(ASX: BMGAC) issued under an employee incentive scheme, held by four holders. Three people hold more than 20% of the Performance Rights.

(iv) 5,000,000 Performance Rights (Tranche 3)(ASX: BMGAD) issued under an employee incentive scheme, held by two holders who each hold more than 20% of the Performance Rights.

(v) 5,400,000 Performance Rights (Tranche 4)(ASX: BMGAE) issued under an employee incentive scheme, held by three holders. Two people hold more than 20% of the Performance Rights.

(vi) 72,157,507 Options on issue (BMGAM), held by 290 holders. No person holds more than 20% of the Options.

## SCHEDULE OF MINING TENEMENTS AND INTERESTS

### Abercromby Gold Project

| Tenement ID | Registered Holder | Project / Location | Interest (%) |
|---|---|---|---|
| M53/1095 | Nova Energy Pty Ltd(1) | Abercromby | 100 |
| M53/336 | Nova Energy Pty Ltd(1) | Abercromby | 100 |

*(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.*

### Invincible Gold Project

| Tenement ID | Registered Holder | Project / Location | Interest (%) |
|---|---|---|---|
| E45/4553 | Delphi Resources Pty Ltd(2) | Invincible | 100 |

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

### South Boddington Gold Project

| Tenement ID | Registered Holder | Project / Location | Interest (%) |
|---|---|---|---|
| E70/6206 | South Boddington Gold Pty Ltd(3) | South Boddington | 100 |
| E70/6207 | South Boddington Gold Pty Ltd(3) | South Boddington | 100 |

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

### Bullabulling Project

| Tenement ID | Registered Holder | Project / Location | Interest (%) |
|---|---|---|---|
| P 15/6411 | Fairplay Gold Pty Ltd(4) | Bullabulling | 100 |
| P 15/6412 | Fairplay Gold Pty Ltd(4) | Bullabulling | 100 |
| P 15/6413 | Fairplay Gold Pty Ltd(4) | Bullabulling | 100 |
| P 15/6414 | Fairplay Gold Pty Ltd(4) | Bullabulling | 100 |
| P 15/6535 | Fairplay Gold Pty Ltd(4) | Bullabulling | 100 |
| P 15/6281 | Fairplay Gold Pty Ltd(4) | Bullabulling | 100 |
| P 15/6282 | Fairplay Gold Pty Ltd(4) | Bullabulling | 100 |
| P 15/6283 | Fairplay Gold Pty Ltd(4) | Bullabulling | 100 |
| P 15/6284 | Fairplay Gold Pty Ltd(4) | Bullabulling | 100 |

| | | | |
|---|---|---|---|
| P 15/6285 | Fairplay Gold Pty Ltd(4) | Bullabulling | 100 |
| P 15/6286 | Fairplay Gold Pty Ltd(4) | Bullabulling | 100 |
| P 15/6533 | Fairplay Gold Pty Ltd(4) | Bullabulling | 100 |
| P 15/6519 | Fairplay Gold Pty Ltd(4) | Bullabulling | 100 |
| P 15/6524 | Fairplay Gold Pty Ltd(4) | Bullabulling | 100 |
| P 15/6525 | Fairplay Gold Pty Ltd(4) | Bullabulling | 100 |
| P 15/6526 | Fairplay Gold Pty Ltd(4) | Bullabulling | 100 |
| P 15/6527 | Fairplay Gold Pty Ltd(4) | Bullabulling | 100 |
| P 15/6502 | Fairplay Gold Pty Ltd(4) | Bullabulling | 100 |
| P 15/6503 | Fairplay Gold Pty Ltd(4) | Bullabulling | 100 |
| P 15/6504 | Fairplay Gold Pty Ltd(4) | Bullabulling | 100 |
| P 15/6505 | Fairplay Gold Pty Ltd(4) | Bullabulling | 100 |
| P 15/6507 | Fairplay Gold Pty Ltd(4) | Bullabulling | 100 |
| P 15/6508 | Fairplay Gold Pty Ltd(4) | Bullabulling | 100 |
| P 15/6510 | Fairplay Gold Pty Ltd(4) | Bullabulling | 100 |
| P 15/6511 | Fairplay Gold Pty Ltd(4) | Bullabulling | 100 |
| P 15/6514 | Fairplay Gold Pty Ltd(4) | Bullabulling | 100 |
| P 15/6501 | Fairplay Gold Pty Ltd(4) | Bullabulling | 100 |
| P 15/6509 | Fairplay Gold Pty Ltd(4) | Bullabulling | 100 |
| P 15/6521 | Fairplay Gold Pty Ltd(4) | Bullabulling | 100 |
| P 15/6522 | Fairplay Gold Pty Ltd(4) | Bullabulling | 100 |
| P 15/6523 | Fairplay Gold Pty Ltd(4) | Bullabulling | 100 |
| P 15/6547 | Fairplay Gold Pty Ltd(4) | Bullabulling | 100 |
| P 15/6671 | Fairplay Gold Pty Ltd(4) | Bullabulling | 100 |
| P 15/6672 | Fairplay Gold Pty Ltd(4) | Bullabulling | 100 |
| P 15/6675 | Fairplay Gold Pty Ltd(4) | Bullabulling | 100 |
| P 15/6676 | Fairplay Gold Pty Ltd(4) | Bullabulling | 100 |
| P 15/6683 | Fairplay Gold Pty Ltd(4) | Bullabulling | 100 |

| | | | |
|---|---|---|---|
| P 15/6686 | Fairplay Gold Pty Ltd[4] | Bullabulling | 100 |
| P 15/6687 | Fairplay Gold Pty Ltd[4] | Bullabulling | 100 |
| P 15/6673 | Fairplay Gold Pty Ltd[4] | Bullabulling | 100 |
| P 15/6692 | Fairplay Gold Pty Ltd[4] | Bullabulling | 100 |
| P 15/6685 | Fairplay Gold Pty Ltd[4] | Bullabulling | 100 |
| P 15/6688 | Fairplay Gold Pty Ltd[4] | Bullabulling | 100 |
| P 15/6689 | Fairplay Gold Pty Ltd[4] | Bullabulling | 100 |
| E 15/1866 | Fairplay Gold Pty Ltd[4] | Bullabulling | 100 |

(4) *Fairplay Gold Pty Ltd is a wholly owned subsidiary of BMG Resources Limited.*

### Treasure Project

| Tenement ID | Registered Holder | Project / Location | Interest (%) |
|---|---|---|---|
| AE4674 | Treasure Development Limited[5] | Treasure Project | 10 |
| AE4810 | Treasure Development Limited[5] | Treasure Project | 10 |
| AE4811 | Treasure Development Limited[5] | Treasure Project | 10 |

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