

ASX ANNOUNCEMENT

19 October 2021

BMG REPORTS FURTHER HIGH-GRADE GOLD AT ABERCROMBY AS DIAMOND DRILLING COMMENCES

- The initial phase of BMG's current drilling program at its Abercromby Gold Project has delivered further high-grade gold intersections at the Capital Prospect
- First laboratory assays (4m composites*) from the RC drill program have returned multiple intervals of thick high-grade gold, including:
 - 12m @ 7.02g/t from 80m (21ABRC007)
 - 56m @ 1.03g/t from 136m (21ABRC007) including 4m @ 3.56g/t from 172m
 - 4m @ 9.84g/t from 236m (21ABRC007)
 - 56m @ 1.51g/t from 132m (21ABRC005) including 16m @ 3.59g/t from 160m
 - 4m @ 6.16g/t from 104m (21ABRC021)
 - 36m @ 1.30g/t from 232m (ABRC004) including 8m @ 2.94g/t from 252m
- BMG completed 4,095m of reverse circulation (RC) drilling from the current c.6,000m program, with diamond drilling to get underway this week
- The remaining c.2,000m of diamond drilling will test deeper extensions of the high-grade orebody at Capital
- An additional sub-audio magnetic survey (SAM) is also scheduled to be completed at the southern 3km portion of Abercromby later this month to map extensions of the Capital host structure

* Assay results are based on 4m composite samples and are preliminary in nature; assaying of 1m samples is underway and will provide a more definitive determination of the mineralisation in these drill holes

Western Australian gold explorer BMG Resources Limited (ASX: BMG) (**BMG** or the **Company**) is pleased to announce outstanding high-grade gold intersections from the initial reverse circulation (RC) phase of its current drill program at the Company's 100% owned Abercromby Gold Project, in the north-eastern Goldfields of WA.

In July, BMG launched a 6,000m combined RC and diamond drill program at Abercromby. To date, 24 RC drill holes have been completed for 4,095m drilled, with a diamond rig now mobilising to site to complete the remaining circa 2,000m of the program.

All RC holes completed at the Capital Prospect intersected gold mineralisation. These results confirm significant extensions of the known mineralisation and continue to underline the strong potential to deliver a significant, high-grade gold resource at Abercromby.

Drilling has also identified a new eastern lode which has not been previously intersected by historical drilling. This is an exciting development that opens up an area for a sizeable extension of the potential resource envelope at Capital.

Step-out drilling to the north of the Capital Prospect continues to intersect gold mineralisation. This provides encouragement that the high-grade mineralisation at Capital extends continuously for a further 500m to the Capital North Prospect – potentially significantly increasing the strike of mineralisation at Capital and Capital North to more than 1km and suggesting a much larger mineral system.

The diamond drilling is to commence this week with eight holes to target high-grade portions, as well as, deeper extensions of the mineralised lodes at Capital. Four of the diamond holes will complete depth extensions of key RC holes which have already intersected high-grade gold. Two diamond holes, which have RC pre-collars (ie, RC drilling for the initial part of the hole), will also test high-grade lode positions. The remaining two diamond holes will test for depth continuity of the gold lodes, with an RC pre-collar already completed for one of the holes. The two deepest diamond holes are anticipated to be between 550m and 650m in length.

BMG Managing Director Bruce McCracken said:

“These latest high-grade gold intersections further validate our belief in the enormous potential that the Abercromby Project holds, and comes on the back of the successful maiden campaign completed by BMG in December 2020 – the first drilling to be carried out at Abercromby in more than 15 years.

“With a diamond rig now heading to site to commence the next phase of this 6,000m campaign, we look forward to seeing more highly encouraging drill results.

“Planning for our next drill program is advanced and will be finalised after review of the diamond drilling as well as the results of the upcoming sub-audio magnetic survey which has potential to establish a substantial strike extension to the south of the mineralised host structures that we have discovered at Capital.”

Significant Gold Intersections Continue

Laboratory assays for the RC drilling have been completed on the basis of 4m composite samples. The assays have confirmed outstanding high-grade gold intercepts as set out below. For full details of the RC drill holes and assay results, see Table 1.

Selected results on a hole-by-hole basis for the returned assays from Abercromby are shown below:

- 12m @ 7.02g/t from 80m (21ABRC007)
- 56m @ 1.03g/t from 136m (21ABRC007) including 4m @ 3.56g/t from 172m
- 4m @ 9.84g/t from 236m (21ABRC007)
- 56m @ 1.51g/t from 132m (21ABRC005) including 16m @ 3.59g/t from 160m
- 4m @ 6.16g/t from 104m (21ABRC021)
- 36m @ 1.30g/t from 232m (ABRC004) including 8m @ 2.94g/t from 252m

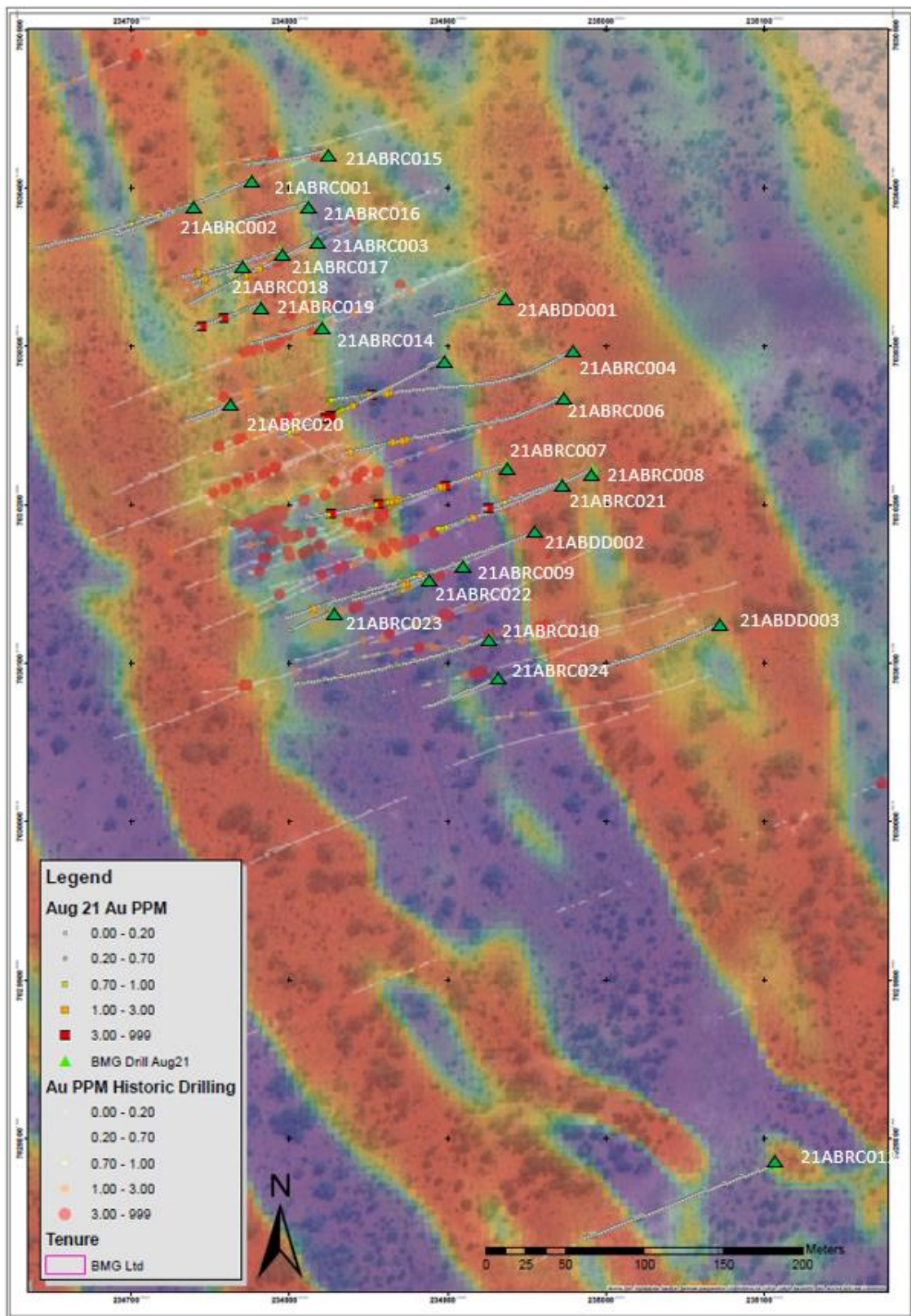


Figure 1 – Plan view of current drill program at the Capital Prospect, showing drilled RC holes (green), with SAM survey 2VD conductivity image in the background over aerial photograph.

Drilling Confirms Extensions to Multiple High-Grade Shoots in the Capital Prospect area

While the current drilling program is ongoing, preliminary results have confirmed extensions to multiple high-grade mineralised zones at the Capital Prospect – which has been the primary target of the current program. It is noted that a number of the RC holes did not reach target depths due to unfavourable ground conditions and will be completed by the diamond drilling.

BMG's interpretation of mineralisation at the Capital Prospect is there are a number of north-west trending mineralised shear zones (lodes) that contain internal high-grade, plunging gold shoots. Encouragingly the latest drill results have further confirmed the two broadly defined steeply north-east dipping mineralised zones, the Western lode and Eastern lode, as well as the Flat Lode to the east. In addition, there are also indications that there may be further mineralised zones in the Capital area, both to the east and west of the main zones, see Figures 2 and 3.

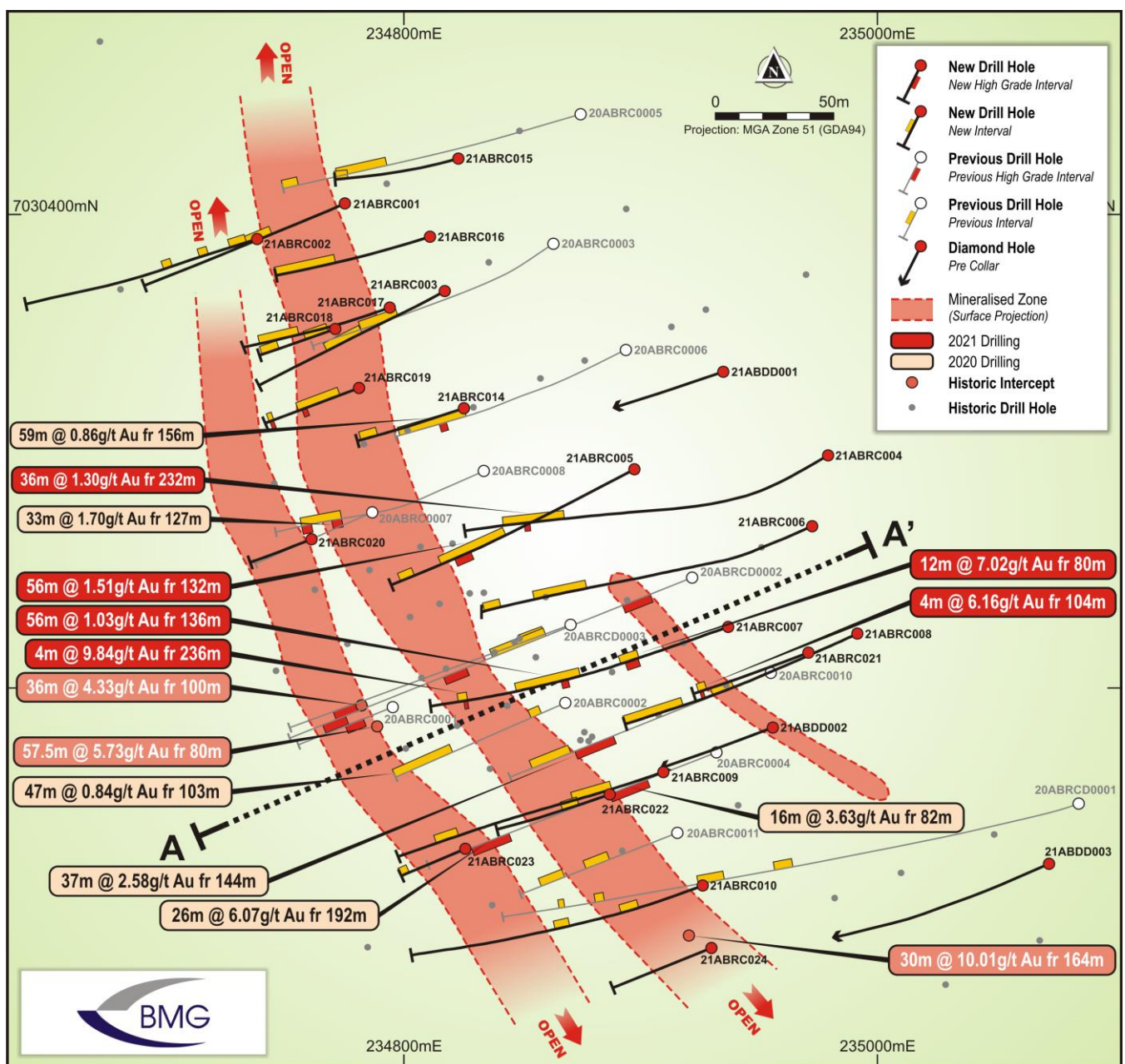


Figure 2 – Plan view of the Capital Prospect, together with the position of reported intercepts with selected high-grade intervals shown for >20 gram:metres highlighted. Sections A-A' is shown in Figure 3.

A compilation of assay results is presented in Table 1 below, with significant results highlighted. Assays undertaken so far are from 4m composites and therefore must be regarded as preliminary. More definitive assaying of 1m intervals is currently being completed to provide a more accurate representation of the drill intercepts.

Table 1 - Compilation of 2021 RC Drill Results

Hole	EOH Depth	Intercept				Intercept			Comments
		Metres	Au g/t	From		Metres	Au g/t	From	
21ABRC001	200	24	0.33	80					
21ABRC002	200	16	0.31	8					
21ABRC003	185	4	1.05	84					Northern Up-dip Extension of E Lode
21ABRC003		8	1.52	100					As above
21ABRC004	299	36	1.30	232	Includes	8	1.49	232	#
						8	2.94	252	
21ABRC005	233	56m	1.51	132	Includes	4	1.32	132	#
						16	3.59	160	
21ABRC005	233	4	1.08	212					Part of W Lode???
21ABRC006	299	32	0.90	216	Includes	8	1.69	224	#
						4	1.72	240	
21ABRC006		4	1.25	288					Partial test of W Lode
21ABRC007	270	4	1.72	36					Flat Lode?
21ABRC007		12	7.02	80					Part of Eastern Flat lode?
21ABRC007		56	1.03	136	Includes	8	2.10	144	Successfully confirmed down dip extension of E lode
						4	1.03	156	
						4	3.56	172	
21ABRC007		4	9.84	236					Part of Western Lode - 8m@5.3g/t in fresh rock
21ABRC008	203	43	0.45	160	Includes	4	1.10	160	Did not fully test target - further drilling required
21ABRC009	251	4	1.39	56					Confirmed up dip extension of Eastern lode
21ABRC009	251	4	2.00	208					Part of W Lode?
21ABRC010	238	16	0.17	56					
21ABRC012	238								All assays < 0.3g/t Au
21ABRC014	100	8	0.4	88					
21ABRC015	108	12	0.26	96					At EOH
21ABRC016	150	20	0.32	100					
21ABRC017	131	4	1.23	108					Confirmed northern updip Extension of W Lode
21ABRC018	71	4	1.23	52					Northern Updip Extension of Eastern Lode as seen in 21ABRC03
21ABRC019	89	4	3.40	48					As Above
21ABRC019		4	3.26	80					Partial test of W Lode
21ABRC020									All assays < 0.3g/t Au
21ABRC021	114	4	6.16	104					New Lode east of Eastern Lode?
21ABRC022	108	8	1.65	28					Confirmed up dip extension of E lode
21ABRC023	60	8	0.35	52					At EOH
21ABRC024	90								All assays < 0.3g/t Au

Holes 21ABRC04 to 21ABRC06 successfully confirmed the down dip extension of the Eastern Lode in an area that had not been drill tested - to be further tested with 21ABD001

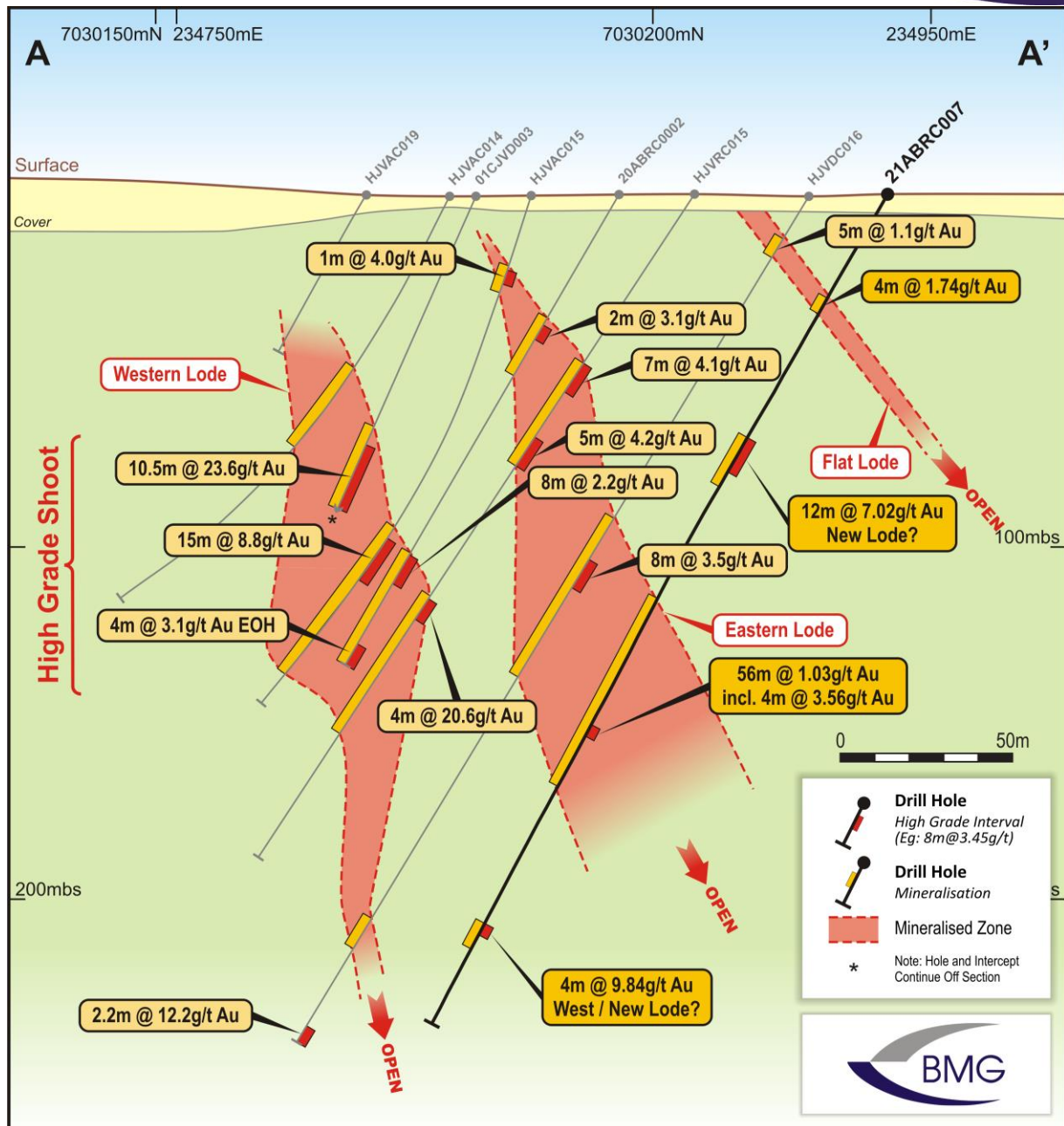


Figure 3 – Capital Prospect cross section A-A' (looking NW) showing recent and historical drilling together with interpreted mineralised zones and selected internal high-grade intersections. Also showing potential new lodes.

Large Mineral System

The recent drill programs have focused on an area 200m x 400m within the Capital Prospect. Excellent opportunities to extend this high-grade gold zone exist with multiple high-grade intersections outside this area reported by previous explorers – indicating a large and underexplored mineral system. The historical results have not been followed-up with systematic exploration and provide walk-up drill targets to confirm and extend known mineralisation, Figure 4.

A priority area for further exploration is the Capital North Prospect – located to the north of the recently completed drilling at the Capital Prospect. Sporadic historical drilling at Capital North has intersected thick intervals of high-grade gold but the area remains largely unexplored. Historical intersections at Capital North include:

- 58m @ 1.71g/t Au from 77m (95WJVP274)
- 8m @ 14.47g/t Au from 114m (96CJVP024)
- 2m @ 27.9g/t Au from 27m (95WJVP280)

The current combined footprint of the Capital and Capital North Prospects is approximately 1,000m x 300m to support the potential for further drilling to establish a very significant resource envelope.

The SAM survey completed by the company earlier this year (ASX Release dated 15 July 2021 - Multiple New Targets Identified by Geophysical Survey) successfully identified known gold-bearing structures and also mapped continuity of these structures into areas where little or no drilling has taken place. This highlights the potential for considerable further growth of the mineralised footprint at Abercromby, particularly south of Capital.

A further SAM survey is scheduled to commence soon over this southern portion of the Company's tenure. This geophysical survey is designed to provide high-resolution mapping of the structures in the southern part of the tenement area, which are the controls on gold mineralisation. This information will enhance the structural model for Abercromby and assist in planning follow-up drilling. Given the northern survey's success in identifying the known gold-bearing structures and also mapping the continuity of these structures it is anticipated this will also be case in the southern survey.

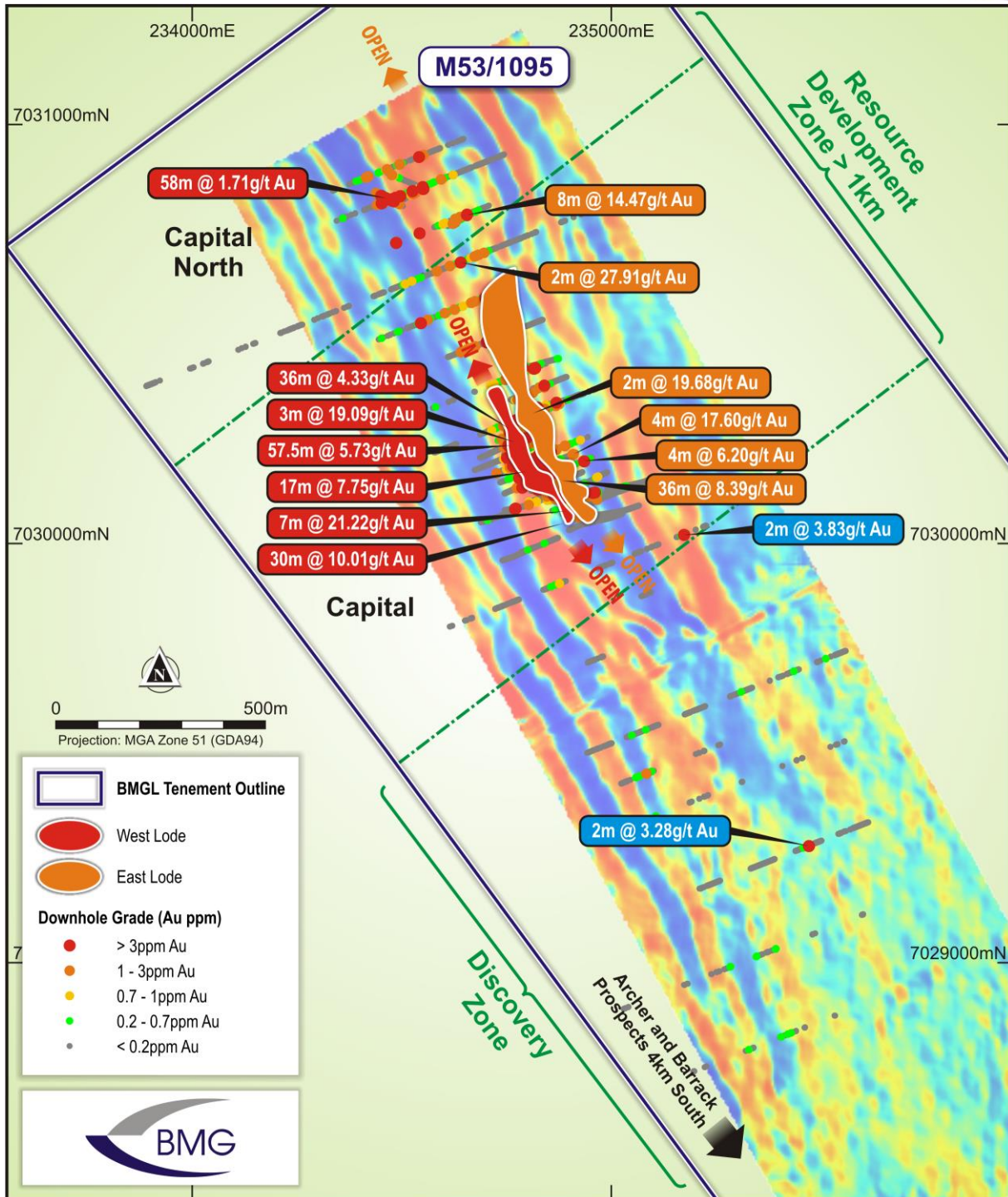


Figure 4 - Northern Abercromby project area underlain by recent SAM 2VD conductivity image

Drill Program Discussion

The current drilling program at Abercromby is still in progress, with several key proposed holes terminated early due to water ingress. These will be completed with diamond tails in the coming diamond drill program.

Another key component of the current program was the diamond drilling of the high-grade mineralisation at Capital both in fresh rock and testing the deeper continuity of the mineralisation to better understand the nature and continuity of known mineralisation at Capital. Again, these will be completed with diamond tails in the coming diamond drill program.

Table 2 – Drill hole details for drill holes completed in the current campaign at Abercromby.

Hole ID	Prospect	East	North	RL	Depth	Azi	Dip	comment
21ABDD001	Capital	234935	7030333	511	100	248	-60	Pre-collar
21ABDD002	Capital	234956	7030183	512	100	248	-60	Pre-collar
21ABDD003	Capital	235073	7030125	512	198	248	-60	Pre-collar
21ABDD004	Capital	235238	7029977	505	650	248	-60	Proposed
21ABRC001	Capital	234775	7030405	512	200	248	-60	
21ABRC002	Capital	234738	7030390	511	200	248	-60	
21ABRC003	Capital	234817	7030368	516	185	248	-60	To be completed with DD
21ABRC004	Capital	234979	7030298	512	299	248	-60	
21ABRC005	Capital	234897	7030292	513	233	248	-60	To be completed with DD
21ABRC006	Capital	234973	7030268	510	299	248	-60	
21ABRC007	Capital	234937	7030225	513	270	248	-60	To be completed with DD
21ABRC008	Capital	234992	7030223	511	203	248	-60	
21ABRC009	Capital	234910	7030164	510	251	248	-60	To be completed with DD
21ABRC010	Capital	234926	7030116	505	238	248	-60	
21ABRC012	Capital South	235107	7029783	511	240	248	-60	
21ABRC014	Capital	234820	7030315	505	100	248	-60	
21ABRC015	Capital	234823	7030424	511	108	248	-60	
21ABRC016	Capital	234811	7030391	513	150	248	-60	
21ABRC017	Capital	234794	7030361	511	131	248	-60	
21ABRC018	Capital	234771	7030352	511	71	248	-60	
21ABRC019	Capital	234781	7030327	511	89	248	-60	
21ABRC020	Capital	234761	7030263	511	60	248	-60	
21ABRC021	Capital	234971	7030215	512	114	248	-60	
21ABRC022	Capital	234887	7030155	512	108	248	-60	
21ABRC023	Capital	234826	7030132	512	60	248	-60	
21ABRC024	Capital	234930	7030090	512	90	248	-60	

Further Work

BMG is highly encouraged by drill results to date with planning for follow-up and extensional drilling at Capital well advanced. A Programme of Works (PoW) is already in place for further drilling and the company is in discussions with drilling firms to secure drill rigs for the next drilling campaign.

Additional drilling will be planned following a review of the diamond drilling underway at Capital as well as the new SAM survey over the southern part of the Abercromby project.

About the Abercromby Project:

The Abercromby Project is located on the Wiluna Greenstone Belt, one of Western Australia's most significant gold-producing regions with a gold endowment of +40Moz Au – second only to Kalgoorlie globally in terms of historic production.

The geology at Abercromby is very favourable for gold mineralisation, with historic drilling at Abercromby having intersected multiple thick intervals of high-grade gold mineralisation to confirm the presence of a large high-grade gold system.

BMG holds 100% of Abercromby, which comprises the gold and other mineral rights (ex-uranium) of two granted mining leases (M53/1095 and M53/336).

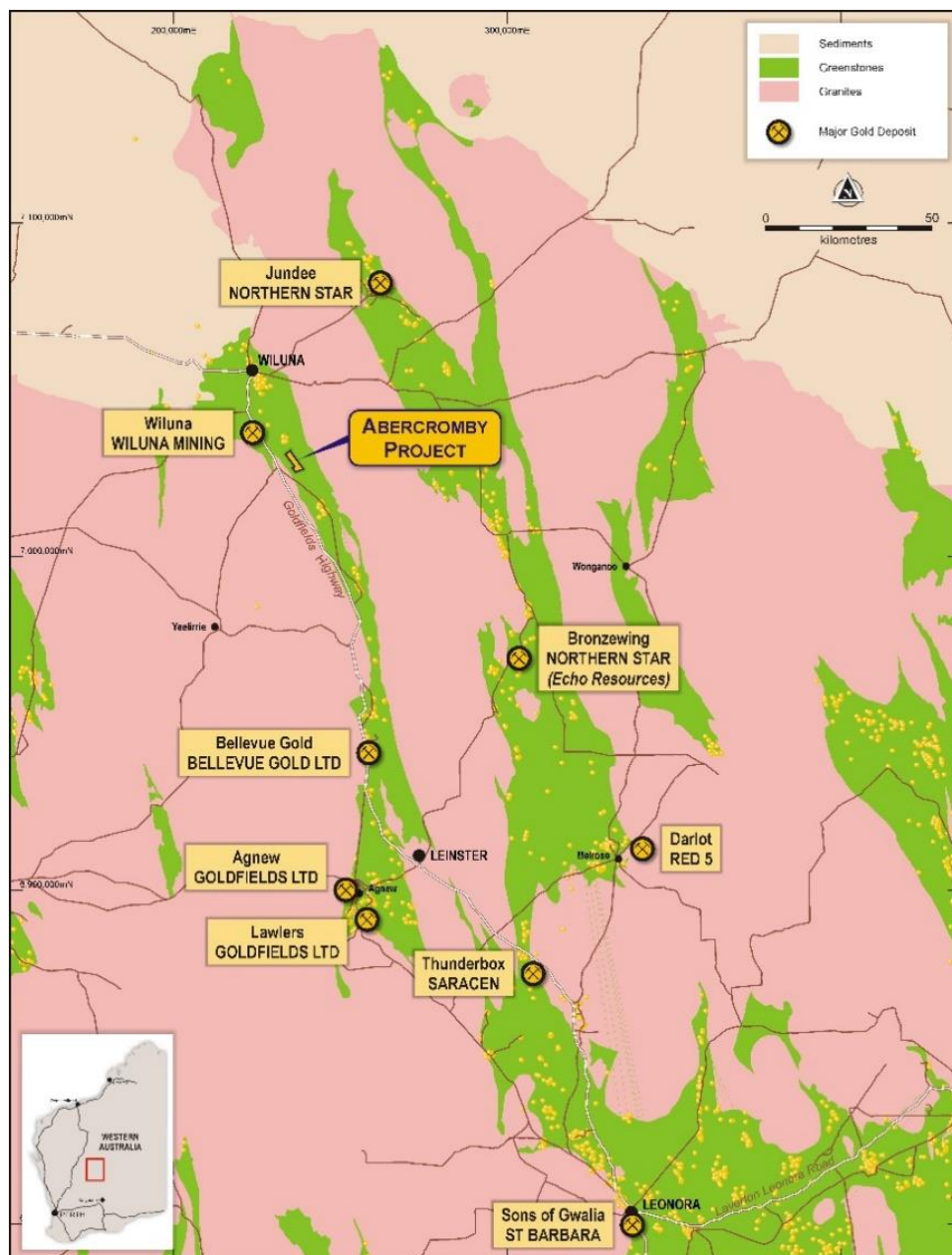


Figure 5 – Map showing the regional location of the Abercromby Gold Project with other major gold projects in the region also highlighted.



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

ENDS

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Competent Person Statement

The information in this report that relates to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Ben Pollard, a Competent Person who is a Member of the Australian Institute of Mining and Metallurgy. Mr Pollard is the Principal of Cadre Geology and Mining Pty Ltd and has been retained to provide technical advice on mineral projects.

Mr Pollard has sufficient experience that is relevant to the style of mineralisation and type of deposits under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Pollard consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Disclaimer

Forward looking statements are statements that are not historical facts. Words such as "expects", "anticipates", "believes", "potential", "may" and similar expressions are intended to identify forward looking statements. These statements include, but are not limited to, statements regarding future production, resources and reserves and exploration results. All such statements are subject to risks and uncertainties many of which are difficult to predict and generally beyond the control of the Company, that could cause actual results to differ materially from those expressed in or implied by the forward looking statements. Investors should not construe forward looking statements as guarantees of future performance due to the inherent uncertainties therein.

Schedule 1 – JORC Disclosures

JORC TABLE 1 DISCLOSURES, ABERCROMBY PROJECT

JORC Code, 2012 Edition – Table 1

Section 1: Sampling Techniques and Data

Criteria	JORC 2012 Explanation	Comment
Sampling techniques	<ul style="list-style-type: none"> • <i>Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.</i> • <i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i> • <i>Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (e.g., 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases, more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g., submarine nodules) may warrant disclosure of detailed information.</i> 	<ul style="list-style-type: none"> • Reverse Circulation (RC) was used to produce these samples. • For RC drilling 4m composites are employed – a sample of each 1m interval is collected and combined with another 3 1m intervals to reduce assaying cost. • Each sample selected is sent for analysis to Nagrom in Kelmscott, Perth. • The sample is pulverised in the laboratory (total prep) to produce a sub sample for assaying. • All sampling was conducted using BMG QAQC sampling protocols which are in accordance with industry best practice. • All samples were prepared and assayed by an independent commercial laboratory whose instrumentation are regularly calibrated.
Drilling Techniques	<ul style="list-style-type: none"> • <i>Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).</i> 	<ul style="list-style-type: none"> • Drilling is via RC. • A Schramm drilling rig is used. • RC drilling was with a 5^{1/4}" diameter face sampling hammer drilling bit. Onboard air utilised to yield 1000psi / 2200cfm. • All holes were surveyed using a reflex Gyro north seeking gyroscopic instrument (or equivalent) to obtain accurate down-hole directional data where ground conditions allowed.

Drill sample recovery	<ul style="list-style-type: none"> • <i>Method of recording and assessing core and chip sample recoveries and results assessed.</i> • <i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i> • <i>Whether a relationship exists between sample recovery and grade and whether sample bias</i> 	<ul style="list-style-type: none"> • Drilling recoveries are logged and recorded and captured within the project database. Core loss is noted where it occurs. • Overall, recoveries are generally considered good and there has been no significant loss of sample material due to ground or drilling issues in the results reported in the RC. In the diamond drilling, some intervals of core loss exist in the regolith – where assays have been reported in these intervals, the missing interval has diluted the reported result (that is, it has been accounted for at zero g/t Au) • Each individual sample is visually checked for recovery, moisture, and contamination. • The style of expected mineralisation and the consistency of the mineralised intervals are expected to preclude any issue of sample bias due to material loss or gain.
Logging	<ul style="list-style-type: none"> • <i>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</i> • <i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc)</i> • <i>The total length and percentage of the relevant intersections logged.</i> 	<ul style="list-style-type: none"> • RC chips and core were geologically logged using predefined lithological, mineralogical, and physical characteristic (colour, weathering etc.) logging codes. • RC logging was completed on one metre intervals at the rig by the geologist. A subsample of washed and sieved RC chips from each metre was collected and stored sequentially in numbered plastic chip trays. • Logging was predominately qualitative in nature, although vein and sulphide percent was estimated visually. All new core has been photographed wet and dry. • All holes are logged in full
Sub-sampling techniques and sampling preparation	<ul style="list-style-type: none"> • <i>If core, whether cut or sawn and whether quarter, half or all core taken.</i> • <i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i> • <i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i> • <i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i> • <i>Measures taken to ensure that the sampling is representative of the in-situ material collected, including for instance results for field duplicate/second-half sampling</i> • <i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i> 	<ul style="list-style-type: none"> • 4m composite samples are taken. • BMG drilling utilizes QAQC regime consisting of certified reference material checks, blanks, and duplicates. • Sample sizes are considered to be appropriate to correctly represent the geological model and the style of mineralisation.
Quality of assay data laboratory tests	<ul style="list-style-type: none"> • <i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i> • <i>For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</i> • <i>Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.</i> 	<ul style="list-style-type: none"> • QAQC protocols utilising Certified Reference Material (standards), blanks and duplicates were used. All checks passed quality test thresholds. • All samples were prepared and assayed by an independent commercial laboratory whose instrumentation are regularly calibrated, utilising appropriate internal checks in QAQC.
Verification of sampling and assaying	<ul style="list-style-type: none"> • <i>The verification of significant intersections by either independent or alternative company personnel.</i> • <i>The use of twinned holes.</i> • <i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i> • <i>Discuss any adjustment to assay data.</i> 	<ul style="list-style-type: none"> • Data collected in the field on paper and or digital logs, then transferred to the project database once collated and checked. • No twinned holes • All data is validated by the supervising geologist and sent to the Perth office for further validation and integration into a <i>Microsoft Access</i> database.

Location of data points	<ul style="list-style-type: none"> • <i>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</i> • <i>Specification of the grid system used.</i> • <i>Quality and adequacy of topographic control.</i> 	<ul style="list-style-type: none"> • Drill holes were located using handheld GPS. • Drill hole collar positions will be accurately surveyed utilising DGPS survey equipment to an accuracy of +/- 0.01m. Down holes surveys were completed using gyro. • The grid system used for locating the collar positions of drillholes is GDA2020. RL's referenced are AHDRL.
Data spacing and distribution	<ul style="list-style-type: none"> • <i>Data spacing for reporting of Exploration Results.</i> • <i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i> • <i>Whether sample compositing has been applied.</i> 	<ul style="list-style-type: none"> • Drilling has been completed on a variable grid drilled orthogonal to the mineralisation, generally toward 248° • Data spacing and distribution is so far thought to be insufficient to establish the degree of geological and grade continuity appropriate for Mineral Resources – establishing it will be the primary goal of the next round. • Raw samples have not been composited.
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> • <i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i> • <i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i> 	<ul style="list-style-type: none"> • The drilling is predominantly conducted at -60 degrees orthogonal to strike and as such drill holes intersect the mineralisation close to perpendicular. As such, the orientation of drilling is not likely to introduce a sampling bias.
Sample Security	<ul style="list-style-type: none"> • <i>The measures taken to ensure sample security.</i> 	<ul style="list-style-type: none"> • Chain of custody protocols used for the new BMG drill samples ensures sample security and integrity.
Audits and Reviews	<ul style="list-style-type: none"> • <i>The results of any audits or reviews of sampling techniques and data.</i> 	<ul style="list-style-type: none"> • No audits or reviews of the sampling techniques and data have been undertaken to date.

Section 2: Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC 2012 Explanation	Comment
Mineral tenement and land tenure status	<ul style="list-style-type: none"> Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area. 	<ul style="list-style-type: none"> The gold and other mineral rights (ex uranium and thorium) hosting the Abercromby deposit are owned 100% by BMG. No material issues exist with the underlying tenure. The tenements are in good standing.
Exploration done by other parties.	<ul style="list-style-type: none"> Acknowledgment and appraisal of exploration by other parties. 	<ul style="list-style-type: none"> Gold exploration at the Project area has been carried out by three previous explorers – CRA in 1995/97, Outokumpu in 2001 and Perilya in 2004. CRA initially identified gold mineralisation at Abercromby in 1995. They completed 84 drill holes – 82 reverse circulation (RC)/Percussion and 2 RC/diamond in the Capital area. Holes were initially drilled on 200m, and some infill 100m, spaced traverses. Holes were generally 60m and lesser 120m apart. All bar 6 of the RC holes drilled to the west at -60 degrees. Final hole depths varied from 75m to 183m deep. The remaining 6 RC holes were drilled vertically. Though CRA located and drilled tested the gold mineralisation the hole spacing is relatively broad and considered ineffective to test potential continuity between holes. Outokumpu completed a small number of drill holes. It is believed the company did not pursue the gold opportunity but instead focused on nickel exploration at Honeymoon Well which was their priority target. Perilya was the last dedicated gold explorer at the Project under a joint venture earn-in arrangement. Whilst further work was planned to follow-up on initial gold intersections, Perilya elected to pursue other 100% owned exploration opportunities in its portfolio. Norilsk Nickel completed some drilling on the project in 2007/2008 but mostly to satisfy expenditure commitments.
Geology	<ul style="list-style-type: none"> Deposit type, geological setting and style of mineralisation. 	<ul style="list-style-type: none"> Abercromby is a lode hosted orogenic gold deposit typical in type to much of the gold occurrences in Western Australia's Eastern Goldfields. The lode is developed amongst Archaean mafic rocks and gold is generally hosted by the sheared and quartz veined host.
Drill hole Information	<ul style="list-style-type: none"> A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: <ul style="list-style-type: none"> easting and northing of the drill hole collar elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar dip and azimuth of the hole down hole length and interception depth hole length. If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the 	<ul style="list-style-type: none"> The details of drill holes material to the exploration results/mineral resource are presented in Table 2 of the text in the main document.

	<i>understanding of the report, the Competent Person should clearly explain why this is the case.</i>	
Data aggregation methods	<ul style="list-style-type: none"> • <i>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.</i> • <i>Where aggregate intercepts incorporate short lengths of high-grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</i> • <i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i> 	<ul style="list-style-type: none"> • Length weighted averaging of the drill hole intercepts are applied. No maximum or minimum grade truncations are used in the calculations. • The reported assays have been length weighted averages. A lower arbitrary cut off is not applied, rather, intervals are selected based on continuous anomalism, with no top cut applied. High grade intercepts internal to broader zones of mineralisation are reported as included intervals. If an interval includes core loss, the lost interval is accounted for at zero g/t Au. • No metal equivalents have been used.
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> • <i>These relationships are particularly important in the reporting of Exploration Results.</i> • <i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i> • <i>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').</i> 	<ul style="list-style-type: none"> • Drill hole intersections may not be true widths – but generally thought to be around 90% of true width. • The gold mineralisation identified to date at Abercromby consists of a number of interpreted mineralised lodes striking approximately 340° and dipping steeply (80°-85°) to the east. Drilling is predominantly conducted at -60 degrees orthogonal to strike and as such drill holes intersect the mineralisation as close to perpendicular as possible.
Diagrams	<ul style="list-style-type: none"> • <i>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</i> 	<ul style="list-style-type: none"> • Refer to Figures in the text.
Balanced reporting	<ul style="list-style-type: none"> • <i>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</i> 	<ul style="list-style-type: none"> • All significant results are reported.
Other substantive exploration data	<ul style="list-style-type: none"> • <i>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</i> 	<ul style="list-style-type: none"> • All significant results are reported.
Further work	<ul style="list-style-type: none"> • <i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</i> • <i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i> 	<ul style="list-style-type: none"> • Exploration within the Abercromby Project is ongoing. • BMG Resources is focusing on staged development drilling at Abercromby in addition to mine planning, metallurgical studies and development studies as required. • Exploration drilling at priority targets over the next 12 months is planned. • Future exploration programs may change depending on results and strategy.