

ASX ANNOUNCEMENT

12 July 2021

\$4.0 MILLION RAISED FOR MAJOR EXPLORATION AT 100% OWNED WA GOLD PROJECTS

- Commitments received to raise \$4.0 million before costs through a private placement of shares
- Proceeds from the raising will be used to fund drilling and exploration campaigns at the Company's 100% owned gold projects in Western Australia
- BMG's maiden drill program at the high-grade Abercromby gold project was carried out in December 2020 and delivered multiple thick intercepts of high-grade gold with mineralisation interpreted to be open in all directions
- Planning for the follow-up drilling campaign at Abercromby is well underway

West Australian gold explorer BMG Resources Limited (**ASX: BMG**) (**BMG** or the **Company**) is pleased to announce that it has received firm commitments for a placement of fully paid ordinary shares to institutional and sophisticated investors, raising \$4.0 million before costs (**Placement**).

A total of 80,000,000 shares will be issued at \$0.05 per share, with Argonaut Securities Pty Ltd and Taylor Collison Limited the joint lead managers to the Placement. The Placement of c.\$3.0m will be carried out using the Company's available capacity under ASX Listing Rules 7.1 and 7.1A pursuant to section 708 of the Corporations Act 2021. The balance of the Placement is subject to shareholder approval, to be sought at a General Meeting proposed to be held in August 2021. This will include approval for the placement of \$0.2m on the same terms to directors of the Company.

The proceeds from the raising will be used to fund major drilling and exploration programs at the Company's 100%-owned Western Australian gold projects. This will include a follow-up drilling campaign at the high-grade Abercromby Gold Project, located in the north-eastern Goldfields, and a maiden drill program at the Invincible Project located in central Pilbara.

BMG Managing Director Bruce McCracken said:

"Our maiden drill program at Abercromby returned results displaying width and grade that supports the presence of a significant volume of gold mineralisation.

"We are excited to be progressing to a follow-up drill program at Abercromby that will be designed to further scope the extent of this high-grade gold mineral system.

"Initial work at Invincible has identified targets for potential gold mineralisation, and we pleased to also advance further drill and exploration programs for this gold project.

"We thank our investors for their support in the capital raising and look forward to bringing our 2021 exploration programs into action."

The next drill program at Abercromby is currently in the final planning stage and is anticipated to be in the order of 5,000m to 6,000m of reverse circulation and diamond drilling that will focus on resource step-outs, extension holes and infill drilling at the Capital Prospect.

BMG's maiden drill program at Abercromby delivered exceptional results that confirmed gold mineralisation across broad zones with mineralisation in these gold zones interpreted to be open in all directions with potential extensions along strike and at depth.

Assay results confirmed very wide intersections of gold mineralisation often containing thick high-grade intervals including:

- 26m @ 6.07 g/t Au from 192m, including 7m @ 21.22 g/t Au from 192m (20ABRC0004)
- 16m @ 3.64 g/t Au from 82m, including 3m @ 14.38 g/t Au from 83m (20ABRC0004)
- 33m @ 1.7 g/t Au from 127m, including 3m @ 15.29 g/t Au from 157m (20ABRC0008)
- 37m @ 2.58 g/t Au from 144m including 8m @ 8.1 g/t Au from 173m (20ABRC0010)
- 5m @ 5.86 g/t Au from 42m including 2m @ 10.83 g/t Au from 42m (20ABRC0010)
- 8m @ 2.72 g/t Au from 32m and 2m @ 4.37 g/t Au from 107m (20ABRC0003)
- 59m @ 0.86 g/t Au from 156m, including 7m @ 3.33 g/t Au from 173m (20ABRC0006)
- 2.7m @ 6.54 g/t Au from 215.3m (20ABRC0003)
- 12m @ 2.56 g/t Au from 25m including 2m @ 4.87 g/t Au from 25m (20ABRC0001)

For further details of the results from BMG's drill program at Abercromby, see our ASX Release dated 9 March 2021 *"Excellent New High-Grade Gold Intercepts at Abercromby"*.

Successful Capital Raising

The capital raising was very heavily oversubscribed, indicating investor recognition for the quality of BMG's gold projects and the potential value creation of upcoming drill and exploration programs. The issue price of \$0.05 represents a 4.8% discount to the 15-day VWAP of \$0.0525 and a 11.9% discount to the 5-day VWAP of \$0.0568.

The Placement will be made in two tranches:

- Tranche 1 - the issue of 35,998,748 Placement shares under BMG's existing LR7.1 Placement capacity and 23,999,165 Placement shares under BMG's LR7.1A placement capacity.
- Tranche 2 - the issue of 20,002,087 Placement shares subject to the necessary shareholder approvals, at a general meeting anticipated in August 2021.



New shares will rank equally with existing BMG shares.

Subject to shareholder approval at the General Meeting, the lead managers will be granted 6,000,000 options exercisable at \$0.10 each and expiring 31 August 2023, as part of their fees for their services in respect of the Placement.

Timetable

The indicative timetable for the Placement is set out below:

Event	Date*
Capital raising announced and BMG shares resume trading on ASX	Monday, 12 July 2021
Settlement and issue of new Shares under Tranche 1 Placement	Monday, 19 July 2021
BMG shareholder meeting	Friday, 27 August 2021
Settlement and issue of new Shares under Tranche 2 Placement	Friday, 27 August 2021

*The dates in the timetable above are indicative only and are subject to possible change without notice.

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

*****ENDS*****

For further information, please contact:

Bruce McCracken

Managing Director

BMG Resources Limited

Phone: +61 8 9424 9390

Email: enquiry@bmgl.com.au

Fraser Beattie

Media and investor relations

Cannings Purple

Phone: +61 421 505 557

Email: fbeattie@canningspurple.com.au

Competent Person requirements

The information in this announcement that relates to Exploration Results was previously released by the Company in its ASX release dated 9 March 2021 "*Excellent New High-Grade Gold Intercepts at Abercromby*". The Company confirms that it is not aware of any new information or data that materially affects the information in the previous release.

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.