

ASX ANNOUNCEMENT

9 June 2022

\$2.5 MILLION RAISED FOR MAJOR EXPLORATION AT 100% OWNED WA GOLD PROJECTS

- Commitments received to raise \$2.5 million through a Placement of shares
- Proceeds to fund drilling and exploration campaigns at the Company's 100% owned gold projects in Western Australia
- Recently completed drill programs at the high-grade Abercromby gold project delivered multiple thick intercepts of high-grade gold mineralisation at the Capital prospect, more than doubling the mineralised envelope, which remains open in all directions
- Recent air-core drilling at Abercromby has highlighted significant regional prospectivity with three large gold anomalies with similar structural characteristics to the Capital prospect
- Major follow-up drilling at Abercromby is underway, with an air-core rig operating on site and a diamond rig scheduled to return to site within the next week

Western 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 \$2.5 million before costs (**Placement**).

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 follow-up drilling campaigns at the high-grade Abercromby Gold Project, located in the north-eastern Goldfields, to further delineate the high-grade Capital Prospect and to test regional targets.

A total of 66,000,000 shares will be issued at \$0.038 per share, with Argonaut Securities Pty Ltd acting as lead manager to the Placement. The Placement 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.

BMG Managing Director Bruce McCracken said:

"Gold exploration continues at pace in Western Australia, and we're pleased to have received this strong backing from both new and existing shareholders.

"With these funds secured, we look forward to advancing the next phase of exploration across our portfolio of gold assets in WA, in particular the Abercromby Project, which has been the central focus of our efforts over the past 18 months.



“On behalf of the Board, I’d like to thank our investors for their continued support in BMG, and we look forward to delivering more exciting results throughout 2022.”

The next phase of drilling at Abercromby is underway with 4,000m of diamond drilling focused on resource step-outs, extension holes and infill drilling at the Capital Prospect, while 7,500m of air-core drilling is focused on testing key regional targets. The air-core rig is operating on site and the diamond rig is scheduled to arrive within the next week.

BMG’s drilling at Abercromby has delivered exceptional results that confirm high-grade gold mineralisation across broad zones, with mineralisation in these gold zones interpreted to be open in all directions with potential for further extensions along strike and at depth.

For further details of the most recent diamond drilling and air-core drilling results at Abercromby, see our ASX Releases dated 26 April 2022 *“Assays Confirm Significant Extensions of High-Grade Gold at Abercromby”* and 2 May 2022 *“Air-core Highlights Significant Regional Gold Potential at Abercromby.”*

Successful Capital Raising

Strong investor support for the capital raising demonstrates 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 \$0.038 represents a 15% discount to the 15-day VWAP of \$0.0447 and a 15% discount to the 5-day VWAP of \$0.0447.

The Placement will be made through the issue of 34,000,835 Placement shares under BMG’s existing LR7.1 placement capacity and 31,999,165 Placement shares under BMG’s LR7.1A placement capacity.

New shares will rank equally with existing BMG shares.

The lead manager will be granted 6,187,500 options exercisable at \$0.075 each and expiring 30 June 2024, 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 | Thursday, 9 June 2022 |
| Settlement and issue of new Shares | Thursday, 16 June 2022 |

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

For personal use only



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@bmg.com.au

Fraser Beattie

Media and investor relations

Cannings Purple

Phone: +61 421 505 557

Email: fbeattie@canningspurple.com.au

For personal use only

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.

For personal use only