



## December 2022 QUARTERLY ACTIVITIES REPORT

### Quarter underpinned by significant growth of mineralised footprint at Abercromby Gold Project

#### Highlights:

- **Final diamond drill assays received from third major drilling campaign at Abercromby**
  - **Another set of impressive drill results further demonstrate the large, extensive mineral system at the Capital Prospect, with both oxide and fresh mineralisation confirmed along a strike of more than 1.3km**
  - **Extensional drilling delivers wide intercepts of gold mineralisation – up to 90m thick – below and along strike from existing mineralised footprint**
  - **Conformity of mineral system to the south of Capital confirmed. Primary East and West lodes remain open**
  - **Strong potential for further high-grade ounces at Capital and Capital South, and for further Capital-style discoveries**
- **Metallurgical testwork underway to confirm Abercromby ore as free milling and amenable to carbon-in-leach processing**
  - **Test work is being undertaken by Extreme Metallurgy and GR Engineering Services and will support a scoping study for a mining proposal at Abercromby**
  - **Results are imminent**
- **Preparation for CY23 exploration programs underway, while the Company remains open to the addition of prospective exploration projects, particularly in the Lithium and battery minerals space**

Western Australian gold explorer BMG Resources Limited (**ASX: BMG**) (**BMG** or the **Company**) is pleased to provide its quarterly activities report for the three months to 31 December 2022.

During the quarter, BMG received final results from the third major drilling campaign at the Company's 100% owned Abercromby Gold Project located in the Agnew-Wiluna Greenstone belt of WA, including the high-grade Capital Prospect – refer Figure 1.

BMG is targeting a maiden resource estimate at Capital following two highly successful drilling programs in 2022 and pursuing a pipeline of regional targets to the south to make further potential Capital-style



discoveries. The Company's third major campaign expanded on the previous campaign, completed in the June quarter, that more than doubled the mineralised envelope at Capital and continued to define regional targets.

## Abercromby Project

On 11 November, BMG received the final results from the third major drilling program at Abercromby completed in September 2022. The program comprised seven diamond holes at the Capital Prospect and 59 aircore holes to test three large gold anomalies to the south of Capital – Capital South, Archer and Barrack.

Laboratory assay results were received for the seven hole, 3,989m diamond drill program which focused on infill, extensional and resource definition drilling at the Capital Prospect. Details of the six diamond drill holes completed, and a seventh hole that was abandoned due to drill bit failure are outlined Table 1 in Schedule 1.

Mineralisation at Capital comprises several north-west trending lodes that contain high-grade, plunging shoots. The latest results continued to define and extend these mineralised zones as shown in the Figures below.

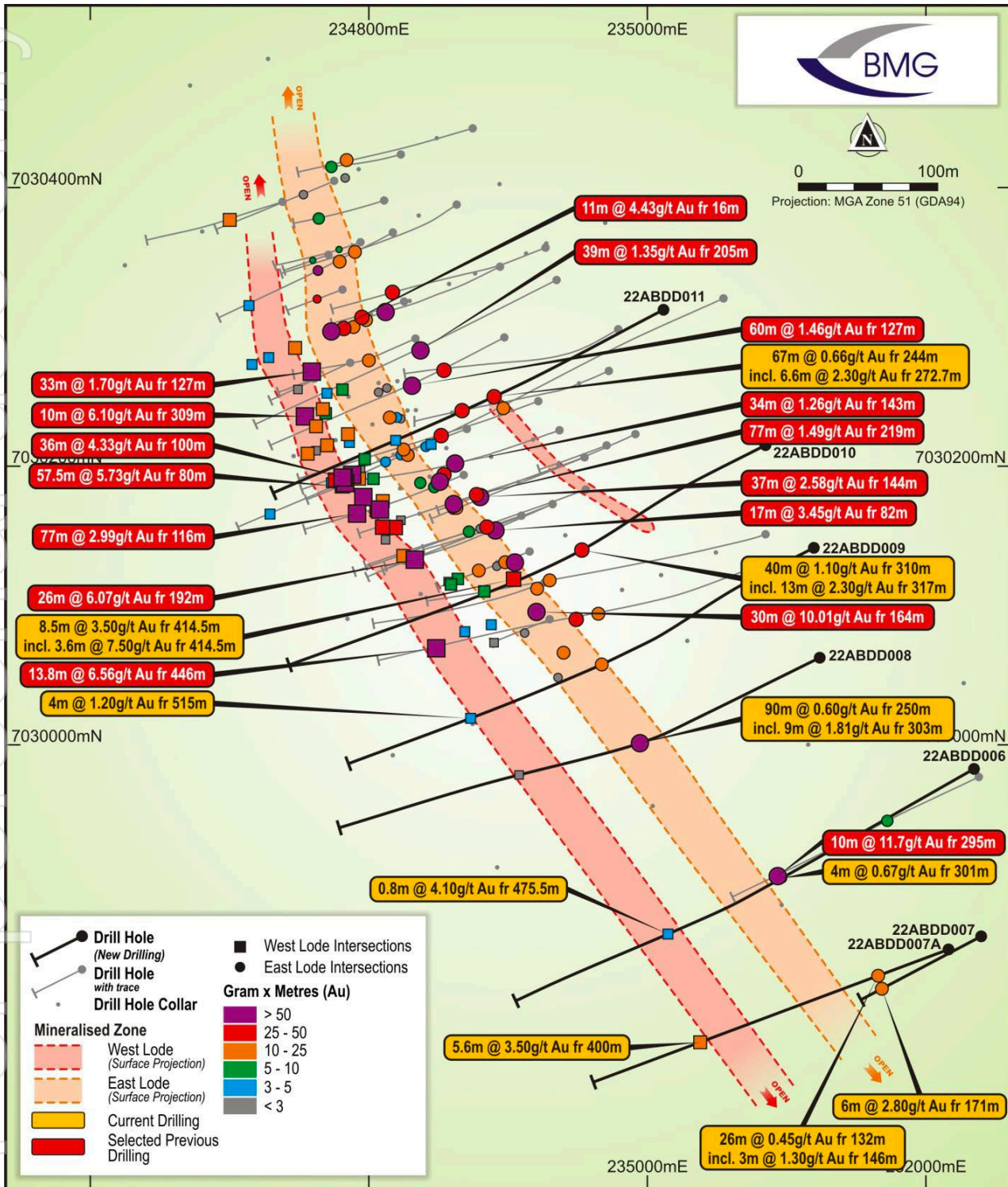
All seven diamond holes intersected mineralisation in positions at or near planned locations down hole. Most significantly, drilling confirmed the southward continuation of the mineralised structure, with both lodes returning mineralised intercepts.

The strong intercept from the West Lode in hole 21ABDD007A indicates the possibility of another high-grade shoot in this area. The result warrants further drilling to define the extent of this high-grade mineralisation. This drill hole was completed 335m south of previous known mineralisation in the West Lode intersecting 5.56m @ 3.5 g/t Au from 400m, demonstrating significant strike extension potential to the West Lode.

A compilation of significant results from the program are outlined in Table 2 in Schedule 1.

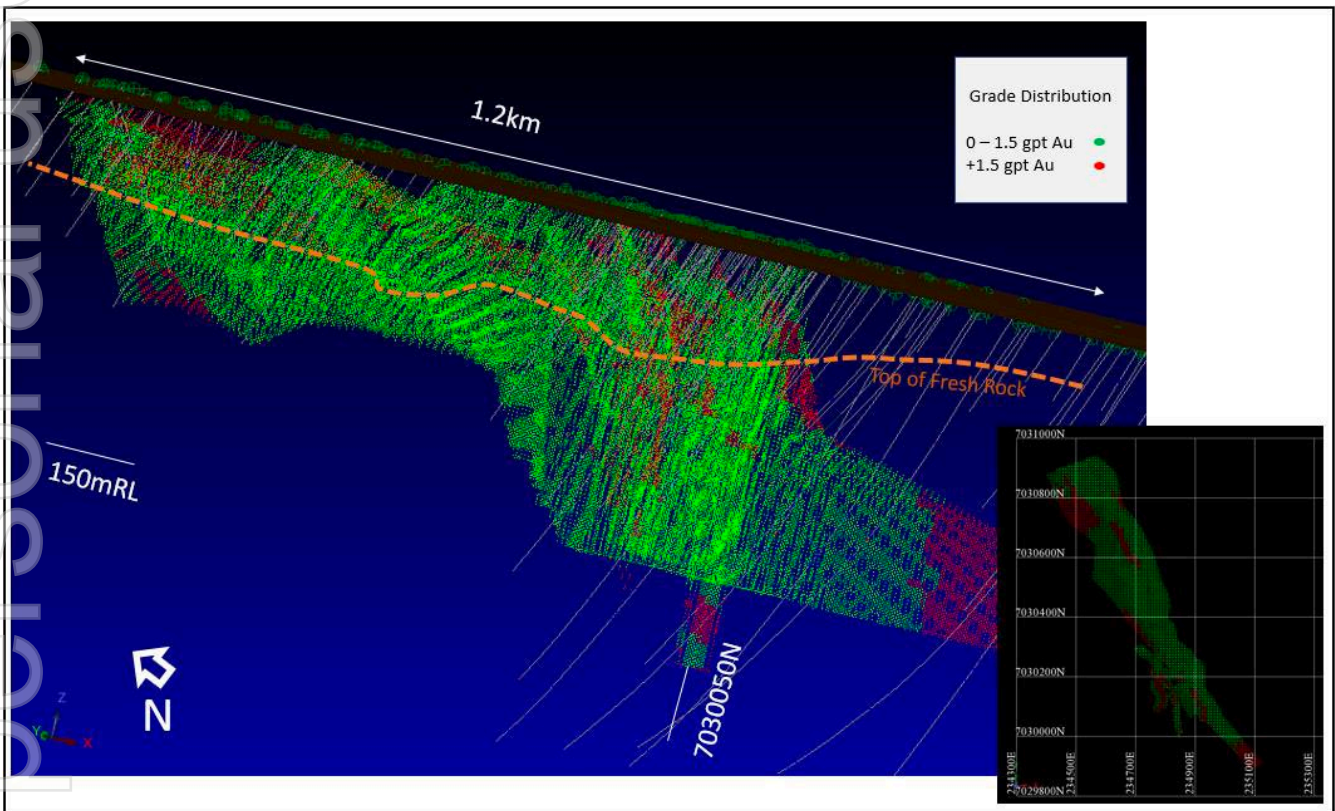
Selected results on a hole-by-hole basis for the returned assays are shown below and in Figure 1:

- 5.56m @ 3.5g/t Au from 400m (22ABDD007A)
- 6m @ 2.79g/t Au from 171m (22ABDD007)
- 90m @ 0.6g/t Au from 250m, incl 9m @ 1.81g/t Au from 303m (22ABDD008)
- 8.45m @ 3.46g/t Au from 414.5m and 13m @ 2.3 g/t Au from 317m (22ABDD010)
- 60m @ 0.66g/t Au from 244m, incl 6.6m @ 2.32g/t Au from 272.7m (22ABDD011)



**Figure 1 – Plan view of Capital Project showing interpreted lode positions and East and West Lode drill intercepts as gram-metre points and significant intercepts labelled. Holes completed as part of the diamond program are in bold and intercepts in yellow with prior high-grade intercepts in red**

The success of BMG’s recent drill programs, particularly the two completed diamond drill programs in 2022, have added significant scale to the mineralised footprint at Abercromby. This is illustrated by the Orthographic view of modelled grade distribution in Figure 2, which highlights the broad band of mineralisation (green), punctuated by high-grade zones (red), across a 1.2km section at the Capital Prospect, which remains open in all directions. The delineation between the shallower oxidised zones and the deeper fresh rock zones is noted on the diagram, showing an even dispersion of mineralisation through the weathering profile, which runs from near surface and remains open at depth – as well as in both directions along strike.



**Figure 2 – Orthographic view of modelled grade distribution. Green zones = 0.5 to 1.5g/t Au, Red zones = +1.5g/t Au. The broken orange line indicates the top of fresh rock, and highlights the significant volume of near surface oxide gold mineralisation.**

Full analysis of the data from the drilling program is ongoing, and further extensional and infill drilling is planned during 2023 as BMG progresses toward a maiden Mineral Resource at Capital. In addition, planning is underway follow up the highly-encouraging results from aircore testing at regional targets – Capital South, Barrack and Archer.

Expenditure in relation to the Abercromby project during the quarter primarily related to settlement of invoices from the drilling contractor and payments to consultants.



## **Metallurgical testwork**

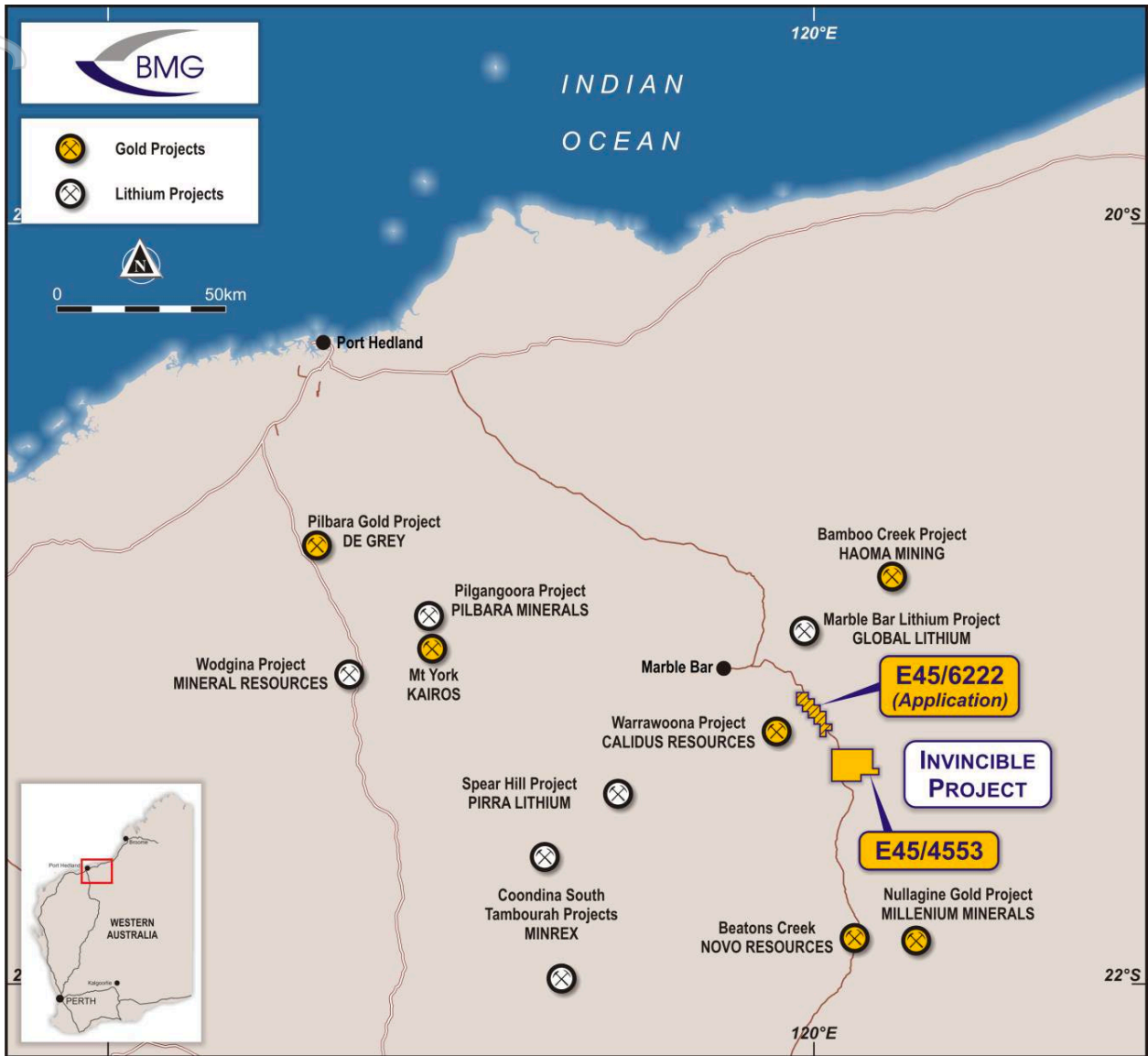
BMG engaged GR Engineering Services and Extreme Metallurgy to assist with further metallurgical testwork on mineralised material from Abercromby. This work will determine the character of the mineralisation and its amenability to a typical gravity/cyanidation flowsheet, as used in many plants around the world. The work has been completed, and results are imminent.

The program tested two circa 50kg samples of fresh mineralised material, and was designed to build upon preliminary test work undertaken in 2021 that indicated Abercromby ore was free milling across the weathering profile from shallower oxidised zones to deeper fresh rock zones.

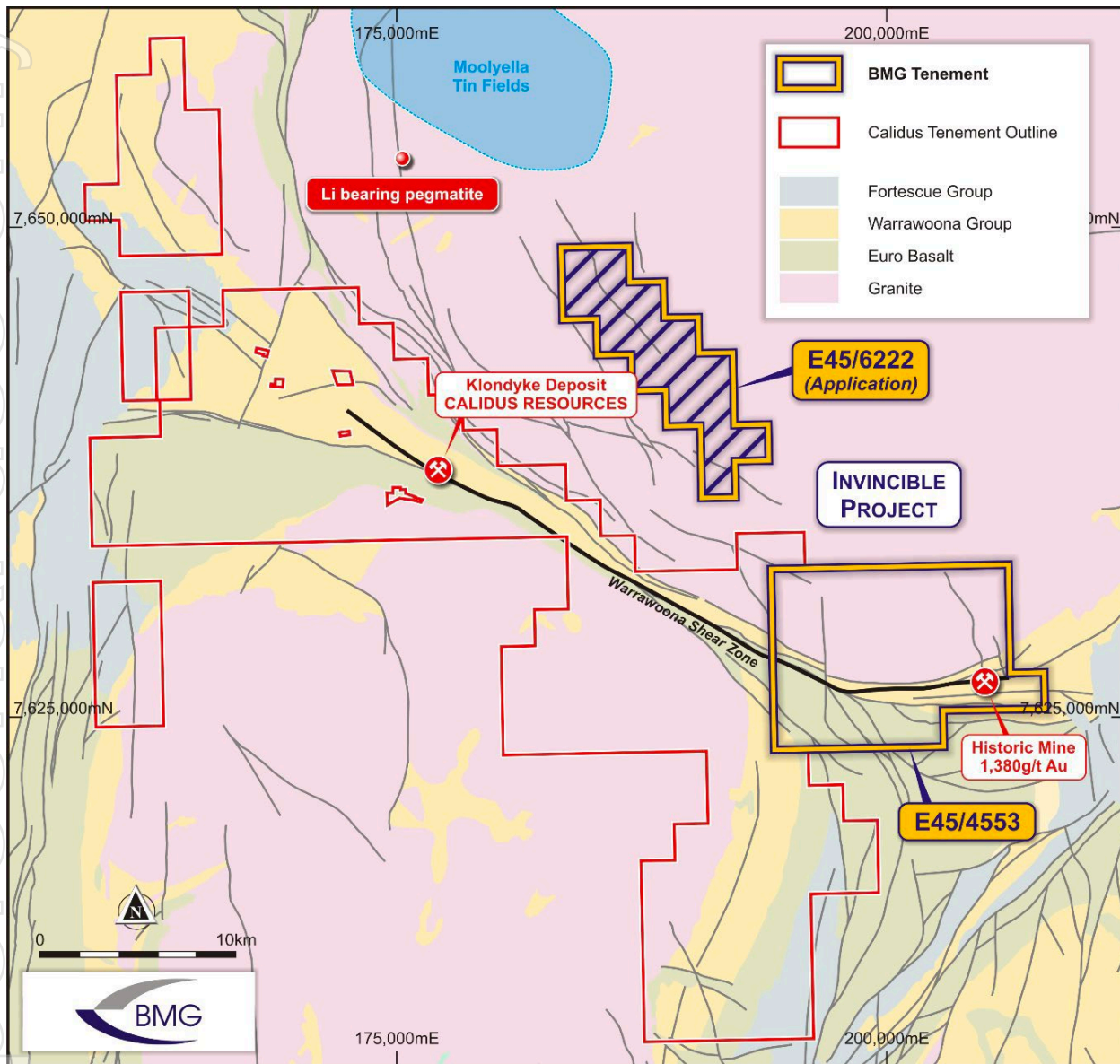
Test work results will feed into future planned mine feasibility works.

## **Invincible Project**

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



**Figure 3 – Regional map of the Invincible Project with other major gold and lithium operations highlighted**

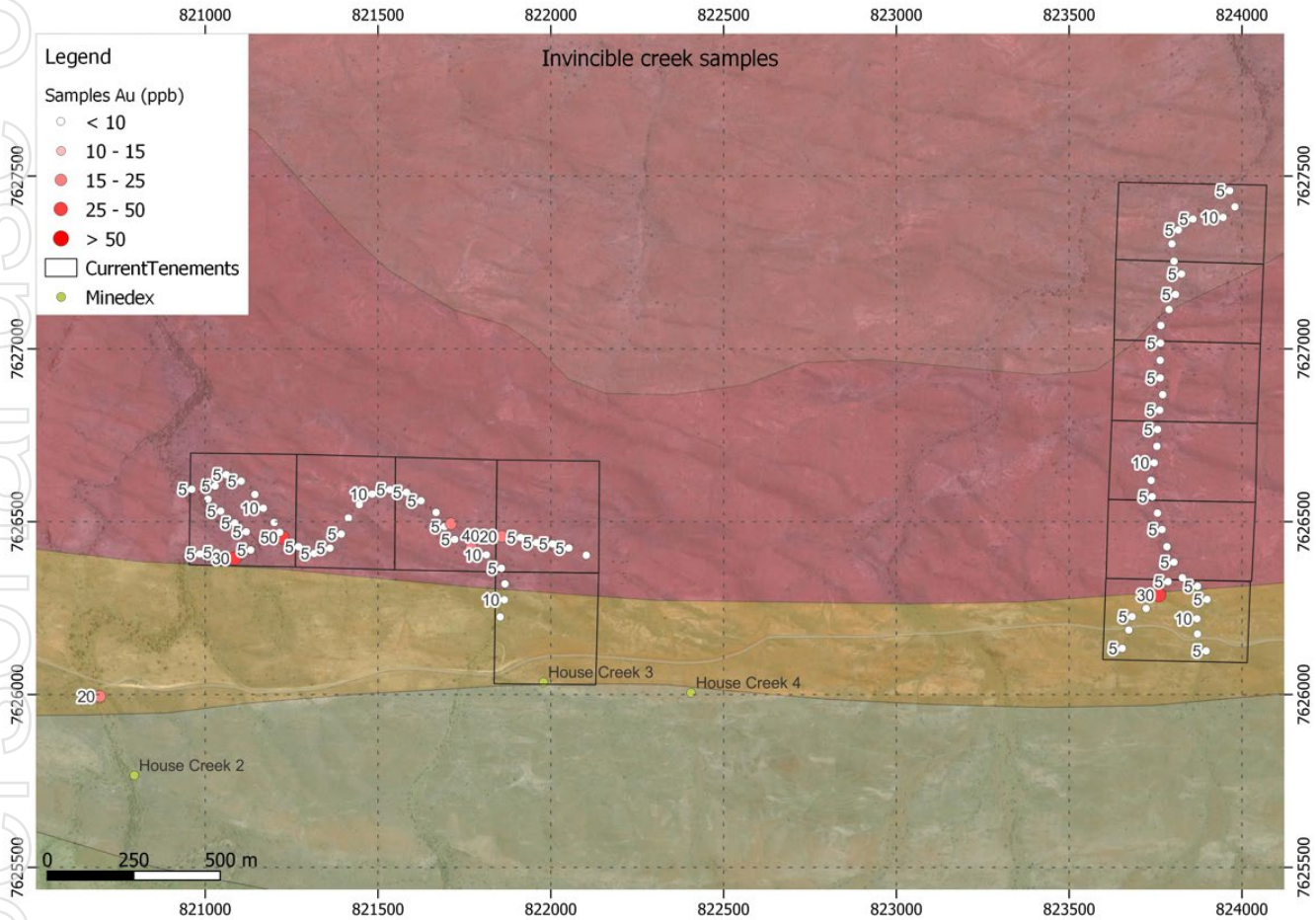


**Figure 4 – Map showing Invincible tenements and the Calidus ground**

Invincible hosts more than 12.5km of the Warrawoona Shear Zone – the mineralised trend that hosts Calidus’ gold resource and which is mostly comprised in the Klondyke deposit, as well as other prospective structures. A growing number of lithium projects in the district also indicates potential for lithium-bearing pegmatites, which the Company is evaluating.

During the quarter, BMG continued fieldwork activities on E45/4553 with 84 sieved stream sediment samples taken in various creek systems that drain greenstone lithologies and the granite greenstone contact. These creeks have hosted coarse gold nuggets as shown by historic prospecting activity. Samples were tested for Au and generally returned low tenor results, with a maximum of 50ppb (red

dots). The locations of +15ppb results, in a band proximal to the contact zone does give some impetus for follow-up by way of prospecting activities in the next field season. Figure 5 below shows the sample locations and results.



**Figure 5 – Map showing the location of Decembers stream sediment sample locations and results (over GSWA geology data)**

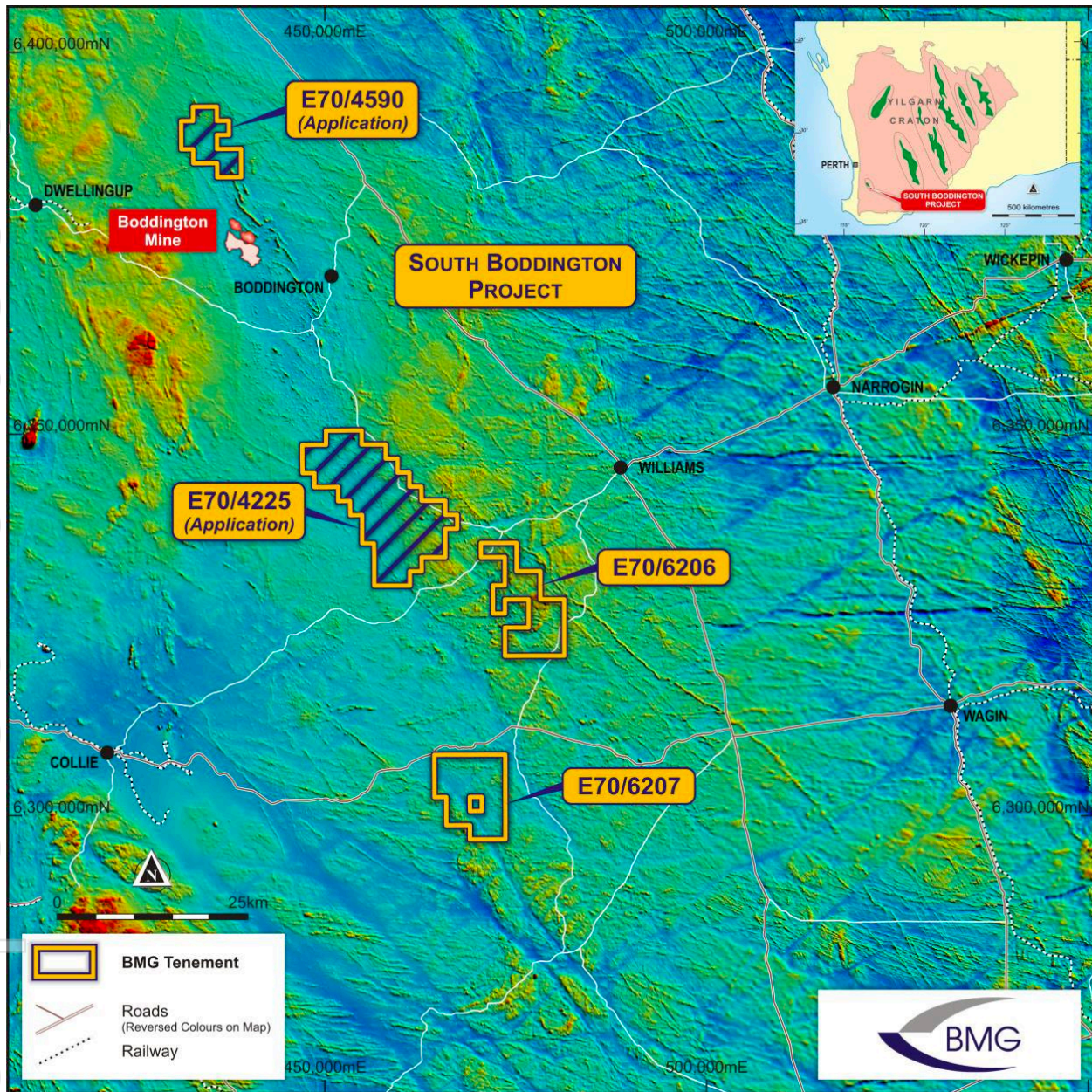
Exploration Licence E45/6222 application was granted during the quarter, which the Company believes to be prospective for Li bearing pegmatites.

## South Boddington Project

Located 150km south-east of Perth and along strike from Newmont’s giant Boddington gold deposit (+40Moz Au), the South Boddington Project area comprises ground that is located within the Saddleback



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



**Figure 6 – Map (overlying GSWA magnetic data) showing the location of South Boddington tenements**

Exploration licences E70/6206 and E70/6207 were granted during the quarter at South Boddington, adding to the two exploration licences under application (E70/4225 and E70/4590) which are interpreted to host similar stratigraphy to Boddington.

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



## Corporate

BMG's cash balance at the end of the December quarter was \$0.7m. The Company received a £100k cash payment from Aeramentum Resources in relation to certain Cyprus assets it purchased – refer previous disclosures. The Company is continuing to work with New Cyprus Copper Company Limited to resolve the matter in relation to the Treasure Development Limited Option as previously disclosed, and will keep the market informed of the outcome of the matter as and when resolved.

The Company continues to remain open to additional complementary portfolio opportunities, particularly in the Lithium and battery minerals space, and will update as and when appropriate with any developments.

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## ASX listing rule Compliance

Tenement Information as required by Listing Rule 5.3.3.

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

<sup>(1)</sup> 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.

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

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

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

For purposes of ASX listing rule 5.3.5, the Company advises that director fees paid during the quarter, including remuneration paid to the Company's Managing Director, amounted to \$67,483.



## Competent Persons Requirements

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

- 1) 9 March 2021, *Excellent new High-Grade Gold Intercepts at Abercromby*
- 2) 19 October 2021, *BMG Reports further High-Grade Gold at Abercromby as Diamond Drilling commences.*
- 3) 1 November 2021, *Diamond drilling progressing at High Grade Abercromby Gold Project*
- 4) 2 December 2021, *Full Steam Ahead at the High Grade Abercromby Gold Project*
- 5) 8 December 2021, *Addendum to ASX Announcement on 2 December 2021*
- 6) 9 December 2021, *Pipeline of Exploration Targets grows at Abercromby*
- 7) 20 January 2022, *Two drill rigs underway at Abercromby Gold Project*
- 8) 25 January 2022, *Assays confirm very high gold grades – including 1m over 100g/t Au- At Abercromby*
- 9) 26 April 2022, *Assays confirm significant extensions of high-grade gold at Abercromby Project*
- 10) 2 May 2022, *Aircore Highlights Significant Regional Gold Potential at Abercromby*
- 11) 13 July 2022, *OPERATIONAL UPDATE Abercromby Diamond Drilling Rapidly Progressing, Air Core Results Expected Shortly*
- 12) 25 August 2022, *EXPLORATION UPDATE – Abercromby Gold Project.*
- 13) 15 November 2022, *Mineralised Footprint grows to 1.3km at Abercromby Gold Project*

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

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

### Authority

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

\*\*\*ENDS\*\*\*



**For further information, shareholders and media please contact:**

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## Schedule 1

**Table 1 – Drill hole details for drill holes completed in the recent DD campaign at Abercromby.**

Hole ID	Prospect	East	North	RL	Depth	Azi	Dip	Comment
22ABDD006	Capital	235236	7029983	504	664.7	248	-60	
22ABDD007	Capital	235241	7029862	504	206.8	248	-60	Abandoned*
22ABDD007A	Capital	235217	7029852	504	563.6	248	-60	
22ABDD008	Capital	235124	7030062	510	651.1	248	-60	
22ABDD009	Capital	235119	7030142	511	660.8	248	-60	
22ABDD010	Capital	235086	7030216	511	667.2	248	-60	
22ABDD011	Capital	235010	7030312	511	574.8	248	-60	

**Table 2 - Compilation of Significant DD Results**

Hole ID	EOH Depth	Intercept			Intercept			Comment
		Metres	Au g/t	From	Metres	Au g/t	From	
22ABDD006	664.7	4.0	0.67	301.0				
		0.8	4.10	475.5				
22ABDD007	206.8	<b>6.0</b>	<b>2.79</b>	<b>171.0</b>				Abandoned*
22ABDD007A	563.6	26.0	0.45	123.0	<i>incl</i>	3.0	1.32	146.0
		<b>5.6</b>	<b>3.50</b>	<b>400.0</b>				
22ABDD008	651.1	<b>11.0</b>	<b>1.87</b>	<b>38.0</b>				
		<b>90.0</b>	<b>0.61</b>	<b>250.0</b>	<i>incl</i>	<b>9.0</b>	<b>1.81</b>	<b>303.0</b>
22ABDD009	660.8	10.0	0.88	345.0				
		4.0	1.13	515.0				
22ABDD010	667.2	<b>13.0</b>	<b>2.30</b>	<b>317.0</b>				
		<b>8.5</b>	<b>3.46</b>	<b>414.5</b>	<i>incl</i>	<b>3.5</b>	<b>7.49</b>	<b>414.5</b>
22ABDD011	574.8	<b>60.0</b>	<b>0.66</b>	<b>244.0</b>	<i>incl</i>	<b>6.6</b>	<b>2.32</b>	<b>272.7</b>

\* Terminal drill rod failure

## Appendix 5B

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

Name of entity

**BMG RESOURCES LIMITED**

ABN

**96 107 118 678**

Quarter ended ("current quarter")

**31 December 2022**

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (6 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation	(13)	(57)
(b) development	-	-
(c) production	-	-
(d) staff costs	(60)	(119)
(e) administration and corporate costs	(167)	(393)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	2	4
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(238)</b>	<b>(565)</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	-
(d) exploration & evaluation	(485)	(1,849)
(e) investments	-	-
(f) other non-current assets	-	-

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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	180	180
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(305)</b>	<b>(1,669)</b>
<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>-</b>	<b>-</b>
<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	<b>1,202</b>	<b>2,893</b>
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(238)	(565)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(305)	(1,669)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-



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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	<b>Cash and cash equivalents at end of period</b>	<b>658</b>	<b>1,202</b>

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts		Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	7	6
5.2	Call deposits	651	1,196
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>658</b>	<b>1,202</b>

6. Payments to related parties of the entity and their associates		Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	(67)
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

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

The Company paid \$67,483 in cash to directors during the period, including its Managing Director.

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

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

8. <b>Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (item 1.9)	(238)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(485)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(723)
8.4 Cash and cash equivalents at quarter end (item 4.6)	658
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	658
8.7 <b>Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>	0.91
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: Yes	
8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: The Company has sufficient cash on hand to meet its current day-to-day operating needs, but will continue to manage its requirements in accordance with prudent capital management initiatives. The company has a long and successful track record of raising capital to meet its ongoing and investment requirements, and does not see any reason as to why this won't continue	

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

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

Answer:

Yes. Refer to response provided at 8.8.2

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

### Compliance statement

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

Date: .....31 January 2023.....

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

### Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.