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ASX ANNOUNCEMENT

30 October 2020

SEPTEMBER 2020 QUARTERLY ACTIVITIES REPORT

- **Transformational deal announced in August 2020 to acquire three outstanding Western Australian Gold Projects through acquisition of Oracle Mining Limited (Oracle)**
- **General Meeting of shareholders held on 5 October 2020 with all resolutions passing. This included all the resolutions relating to the Oracle acquisition, and the proposed 10:1 share capital consolidation (Consolidation)**
- **Effective date for the Consolidation occurred on 5 October 2020, with trading in post-Consolidation shares commencing on 7 October 2020**
- **Oracle transaction completed on 13 October 2020, together with a $4m capital raising via a Share Purchase Plan ($1m) and placement to professional and sophisticated investors ($3m)**
- **Contemporaneous with the Oracle completion, John Prineas and John Dawson were appointed to BMG's Board as non-executive directors, with Simon Trevisan and Malcom Castle resigning from the Board**
- **Operational focus now on the preparation for pre-Christmas drilling program at Abercromby, and the airborne geometric and radiometric survey of the Invincible project area**

BMG Resources Limited (ASX: BMG) (**BMG** or **the Company**) is pleased to provide shareholders with the Company's September 2020 Quarterly Report.

Quarterly Activities

In August 2020, the Company announced that it had entered into a binding agreement to acquire three highly prospective gold projects with strong growth potential in Tier 1 and emerging Western Australian gold districts through the acquisition of 100% of Oracle Mining Limited (Oracle Acquisition). Refer ASX announcement on 17 August 2020 *"Transformational Acquisition: BMG to Acquire Three Outstanding Western Australian Gold Projects"*. The three gold projects acquired are the Abercomby Project in the Wiluna district, the Invincible Project in the Central Pilbara, and the South Boddington Project (under application) located along strike from Newmont's (NYSE: NEM) giant Boddington deposit (+40Moz) in the same greenstone belt.

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Figure 1 – Location of BMG (Oracle) WA Gold Projects

The Oracle Acquisition was subject to requisite approval from shareholders at a General Meeting and other conditions precedent including a 10:1 share capital consolidation (Consolidation) and the completion of a $4m capital raising via a $3m placement to professional and sophisticated investors and a $1m share purchase plan for BMG shareholders.

The Oracle Acquisition was completed subsequent to the end of the quarter on 13 October 2020, following the approval by BMG shareholders of all requisite resolutions at a General Meeting held on 5 October 2020 (General Meeting), and the satisfaction of all conditions precedent.

On completion of the Oracle Acquisition non-executive directors Simon Trevisan and Malcolm Castle resigned from the BMG board and new non-executive directors John Prineas and John Dawson, both directors and previous shareholders of Oracle, joined Greg Hancock (Chairman) and Bruce McCracken (Managing Director) on the BMG Board.

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Completion of Capital Raising

On 13 October 2020 BMG completed the $4m capital raising with new and existing professional and sophisticated investors, together with existing BMG shareholders under the share purchase plan. The capital raising was completed on the basis of the new capital structure of BMG resulting from the 10:1 share capital consolidation approved by shareholders at the General Meeting.

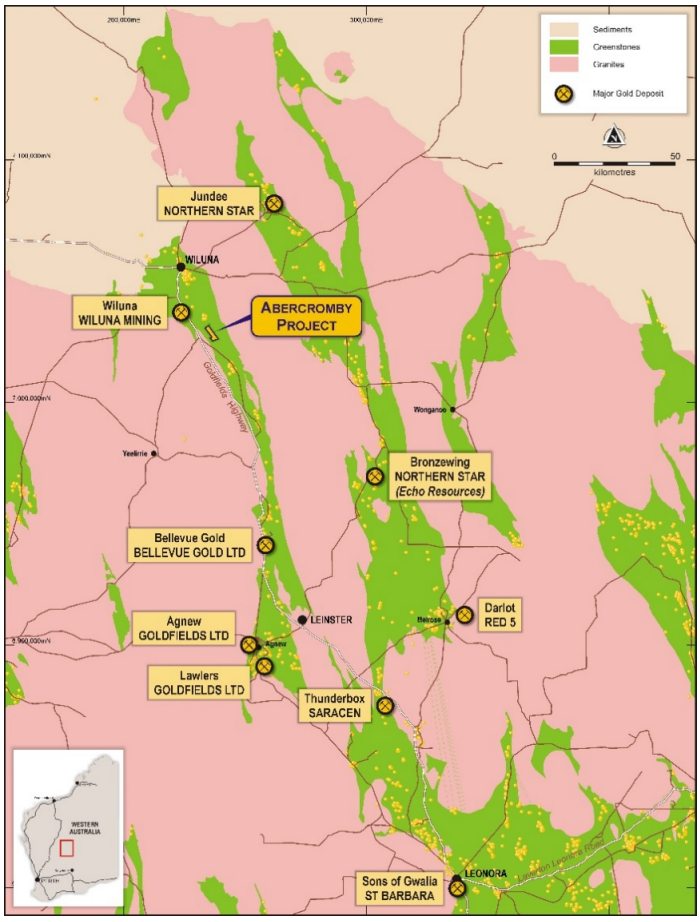
Following completion of the capital raising and the acquisition of Oracle, BMG has 240m ordinary shares on issue which are listed and trade under ASX code 'BMG'. The Company has no listed options on issue.

Exploration focus at Abercromby and Invincible

The Company is now focussing its exploration activity on its high-grade Abercromby and Invincible gold projects with work programs underway. Refer ASX update on 22 October 2020 *"BMG ramps up exploration at High-Grade Western Australian Gold Projects".*

Abercromby Project

Planning is well advanced to undertake a 5,000m reverse circulation and diamond drilling program at the Abercromby Project located in the Wiluna greenstone belt in Western Australia, with drilling scheduled to commence mid-November 2020.



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Figure 2 – Map showing the regional location of the Abercromby Project with other major gold projects in the region also highlighted.

The drilling is designed to test the nature and continuity of known mineralisation at the Capital prospect, which has yielded multiple thick high-grade gold intersections, including:

- 57.5m @ 5.73g/t Au from 80m
- 58m @ 1.17g/t Au from 77m
- 30m @ 10g/t from 164m
- 36m @ 4.33g/t from 100m

The Company believes that Abercromby has significant exploration upside. In particular:

- The down-dip continuity of previous strong drill results remains untested
- There are large gaps in the previous 100m/200m wide spaced drill traverses containing gold intercepts, and these will be tested with infill drilling
- The shoot control for multiple high-grade intercepts near surface (e.g. 6m @ 9.77g/t Au from 12m) will be tested.

For further details on the Abercromby gold project and the historic results, see our ASX Release dated 17 August 2020 *'Transformational Acquisition: BMG To Acquire Three Outstanding Western Australian Gold Projects'*.

A Programme of Works for the upcoming drill programme was lodged with the Western Australian Department of Mines, Industry Regulation and Safety in mid-October 2020 and is expected to be processed by early November. The Company anticipates that the drilling will commence in mid-November, and expects the program will take approximately 30 days to complete.

In addition to laboratory assays for drill samples, the Company will undertake preliminary metallurgical test-work on samples from Abercromby to assess the metallurgical performance of the gold mineralisation – including to test recovery levels from an accelerated cyanide leach.

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	Abercromby	100	*
M53/336	Nova Energy Pty Ltd	Abercromby	100	*

*BMG (Oracle) acquired the non-uranium and thorium mineral rights associated with mining leases M53/1095 and M53/336 subsequent to the end of the quarter on 13 October 2020, on completion of the acquisition of the mineral rights from MPI Nickel Pty Ltd.

Invincible Project

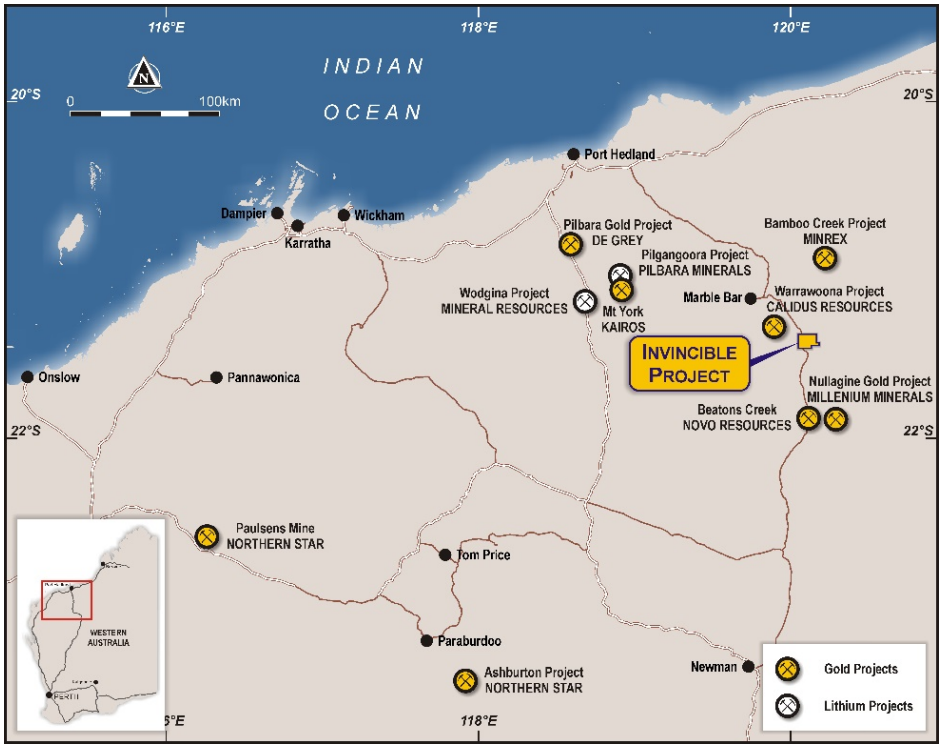


Figure 3 - Map showing the regional location of the Invincible Project with other major projects in the Pilbara region also shown.

The Company is currently undertaking an ultra-detailed high resolution aeromagnetic and radiometric survey of its Invincible project area (E45/4553), which is located immediately along strike from, and hosted in the same stratigraphy, as Calidus Resources (ASX:CAI) 1.5Moz Au resource which is in development. Calidus used a similar geophysical survey to generate further gold targets at its adjacent ground – see the ASX Release by Calidus dated 14 October 2020 *'Calidus identifies 22 high-priority regional targets'*.

The aerial survey work was completed on Thursday 29 October 2020, comprising approximately 5,000 line km in total. Results from the geophysical survey will now be processed and integrated with the other existing data sets to generate high priority gold target areas which will be prioritised for drilling, together with a high resolution digital terrain model of the project area.

The processing is expected to be completed within the next month, with the Company aiming to be in a position to undertake a drilling campaign at Invincible in calendar Q1 2021, subject to favourable weather/cyclone conditions.

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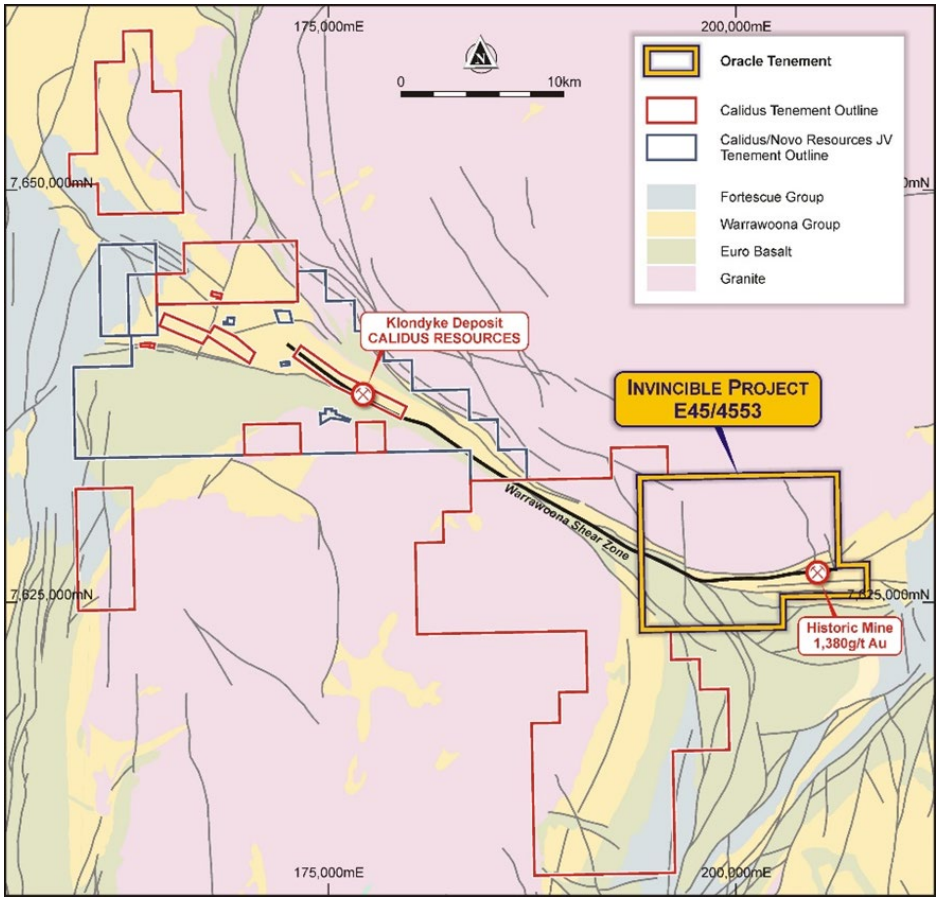


Figure 4 – Map showing the Invincible tenement and Calidus ground

Tenement Information as required by Listing Rule 5.3.3.

Tenement ID	Registered Holder	Project / Location	Interest (%)	Change in quarter
E45/4553	Delphi Resources Pty Ltd	Invincible	100	*

*Acquired subsequent to the end of the quarter on 13 October 2020, on completion of the acquisition of Oracle Mining Limited and its subsidiaries, including Delphi Resources Pty Ltd

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Treasure Project, Cyprus

BMG retains its 30% free-carried interest in the Treasure Project in Cyprus, which is highly prospective for Cu, Au, Ni and Co. The Treasure Project comprises nine exploration licences covering a total geographical area of 31.56km^2.

The Treasure Project's operator, New Cyprus Copper Company Limited, is the majority shareholder and is responsible for maintaining and progressing the project.

Tenement Information as required by Listing Rule 5.3.3.

Licence number	Project	Status	Interest (%)	Change in quarter
AE4654	BLACK PINE	granted	100	N/A
AE4653	BLACK PINE	granted	100	N/A
AE4591	BLACK PINE	granted	100	N/A
AE4610	BLACK PINE	granted	100	N/A
AE4612	BLACK PINE	granted	100	N/A
AE4674	MALA	granted	100	N/A
AE4607	KALAVASSOS	granted	100	N/A
AE4608	KALAVASSOS	granted	100	N/A
AE4649	KAMBIA	granted	100	N/A

There were no substantive exploration activities during the quarter.

Corporate

Annual General Meeting

The Company will hold its Annual General Meeting on 30 November 2020 at the QV1 Conference Centre, Level 2, 250 St Georges Terrace, at 1.00pm (4.00pm AEDT).

Payments to related parties of the entity and their associates

The amount included in section 6.1 of the Appendix 5B includes cash payments of $59,100 in directors' fees, including the Company's Managing Director, and $18,000 to Tribis Pty Ltd, a related party to former non-executive director Simon Trevisan (resigned as anticipated following Oracle completion on 13 October 2020), for administrative and related services to the Company.

Authority

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

*****ENDS*****

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Appendix 5B

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

Name of entity

BMG RESOURCES LTD

ABN	Quarter ended ("current quarter")
96 107 118 678	**30 September 2020**

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (3 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation (if expensed)	(20)	(20)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(59)	(59)
	(e) administration and corporate costs	(55)	(55)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	-	-
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	26	26
1.8	Other (provide details if material)	-	-
1.9	**Net cash from / (used in) operating activities**	**(108)**	**(108)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) exploration & evaluation (if capitalised)	-	-
	(e) investments	-	-
	(f) other non-current assets	-	-

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Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 months) $A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(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)	-	-
2.6	**Net cash from / (used in) investing activities**	**-**	**-**

3.	**Cash flows from financing activities**		
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)	-	-
3.10	**Net cash from / (used in) financing activities**	**-**	**-**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	280	280
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(108)	(108)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-

Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 months) $A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of period**	**172**	**172**

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	8	15
5.2	Call deposits	164	265
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**172**	**280**

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	(77)
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 $59,100 in cash to directors during the period, including its managing director.

The Company paid $18,000 in reduced cash fees to related party Tribis Pty Ltd, a related party to former non-executive director Simon Trevisan (resigned as anticipated following Oracle completion on 13 October 2020), for administrative and related services to the Company.

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7.	**Financing facilities** *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.*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
7.1	Loan facilities		
7.2	Credit standby arrangements		
7.3	Other (please specify)		
7.4	**Total financing facilities**		

7.5	**Unused financing facilities available at quarter end**	
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.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (Item 1.9)	(108)
8.2	Capitalised exploration & evaluation (Item 2.1(d))	-
8.3	Total relevant outgoings (Item 8.1 + Item 8.2)	(108)
8.4	Cash and cash equivalents at quarter end (Item 4.6)	172
8.5	Unused finance facilities available at quarter end (Item 7.5)	-
8.6	Total available funding (Item 8.4 + Item 8.5)	172
8.7	**Estimated quarters of funding available (Item 8.6 divided by Item 8.3)**	1.59

8.8 If Item 8.7 is less than 2 quarters, please provide answers to the following questions:

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:

Due to the completion of the Company's acquisition of Oracle Mining Limited (Oracle), subsequent to the end of the quarter, on 13 October 2020, and anticipated exploration activity in the near term, it is anticipated that the level of net operating cash outflows will increase.

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:

Subsequent to the end of the quarter, the Company completed a A$4,000,000 capital raising (before costs) via a Share Purchase Plan Offer to BMG shareholders and Placement to new and existing professional and sophisticated investors.

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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, the Company completed a $4,000,000 capital raising (before costs) in conjunction with the completion of the acquisition of Oracle on 13 October 2020, which will enable the Company to undertake the planned exploration activities across the Western Australian gold projects acquired as part of the Oracle acquisition.

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: .....30 October 2020.....

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.

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