

**ASX ANNOUNCEMENT / MEDIA RELEASE****ASX:ABU**

2 June 2016

***Operational and Corporate Update***

ABM Resources NL ("ABM" or the "Company") is pleased to provide a brief update on the Company's current operational and corporate activities.

**HIGHLIGHTS**

- 1,200 metre RC/diamond drilling program underway at the Bumblebee Prospect
- 7,500 metre RC drilling program to commence at the Suplejack Project this week
- Processing of Old Pirate ore completed – gold production has exceeded forecast
- Capital raising deferred following strong operational performance and receipt of funds from the Lake Mackay option exercise

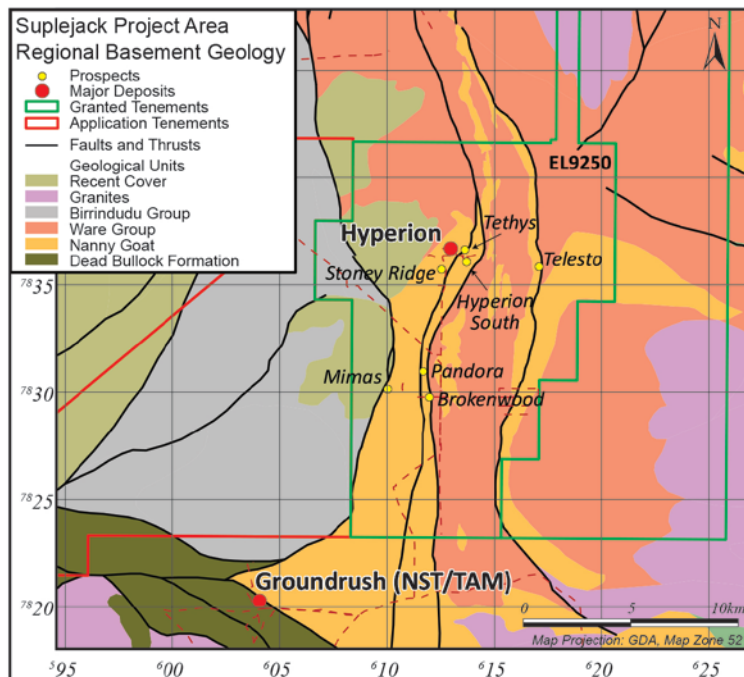
**EXPLORATION****Suplejack Project**

Field preparations have been completed for a 7,500 metre reverse circulation (RC) drilling program planned to test a number of prospects in the southern part of the Suplejack Project area. The contract drilling rig is en route to site in preparation for drilling to commence by the end of this week.

Approximately 50% of the drill metres in the proposed program will be directed to the Tethys (formerly Hyperion East) Prospect where initial shallow air-core drilling last year returned excellent results, including 21 metres at 2.84g/t gold, 12 metres at 3.43g/t gold and 12 metres at 3.03 g/t gold (ASX 26 August 2015). The current program will involve up to 40 holes to test for the extension of gold mineralisation at Tethys along strike and down dip to a depth of up to 120 metres below surface.

Drilling will also test for extensions to previously identified mineralisation approximately 400 metres to the west of the Hyperion deposit and at Hyperion South. The remaining drill metres have been allocated to five prospects; Pandora, Brokenwood, Mimas, Stoney Ridge and Telesto, which all have similar geological and geophysical features to Hyperion. As shown in Figure 1 below, all prospects targeted in the current drilling program are located on exploration licence EL9250, a tenement wholly owned by ABM, and are within 10 kilometres of the Hyperion deposit.

The Suplejack drilling program is expected to be completed in approximately six weeks, with assay results available within a month of completion.



**Figure 1: Geology and prospect location plan for the southern portion of the Suplejack Project**

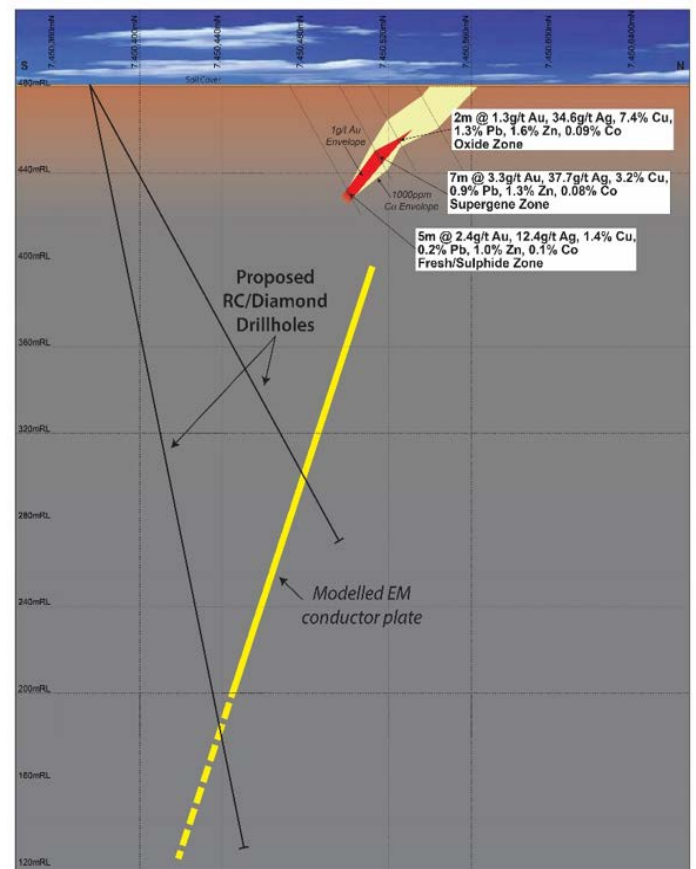
### Bumblebee Prospect (Lake Mackay Project)

Independence Group NL (“IGO”) has commenced drilling the first of four planned holes in a program of approximately 1,200 metres at the Bumblebee Prospect. The program is designed to test the strong electromagnetic (EM) conductor reported in March 2016 (ASX 23 March 2016).

The EM conductor coincides with a surface geochemical anomaly and multi-element intercepts from initial air-core drilling in 2015, which included 7 metres averaging 3.3g/t gold, 37.7g/t silver, 3.2% copper, 0.9% lead, 1.3% zinc and 0.08% cobalt, approximately 30 metres below surface (ASX 6 October 2015).

The two 250 metre and two 350 metre deep holes that have been proposed will be pre-collared by RC ahead of diamond drilling through the target zone. Down-hole electromagnetic (DHEM) surveys will be carried out progressively, with results used to guide subsequent drill holes.

The Bumblebee Prospect is situated on exploration licence EL24915 within the Lake Mackay Project and is wholly owned by ABM. Following the exercise of an option in May (ASX 6 May 2016) IGO have the right to earn a 70% joint venture interest in ABM’s Lake Mackay tenements, including EL24915, by spending \$6 million on exploration within four years.



**Figure 2: Bumblebee Prospect cross-section on 588100mE looking west showing the modelled EM conductor and proposed drill holes**

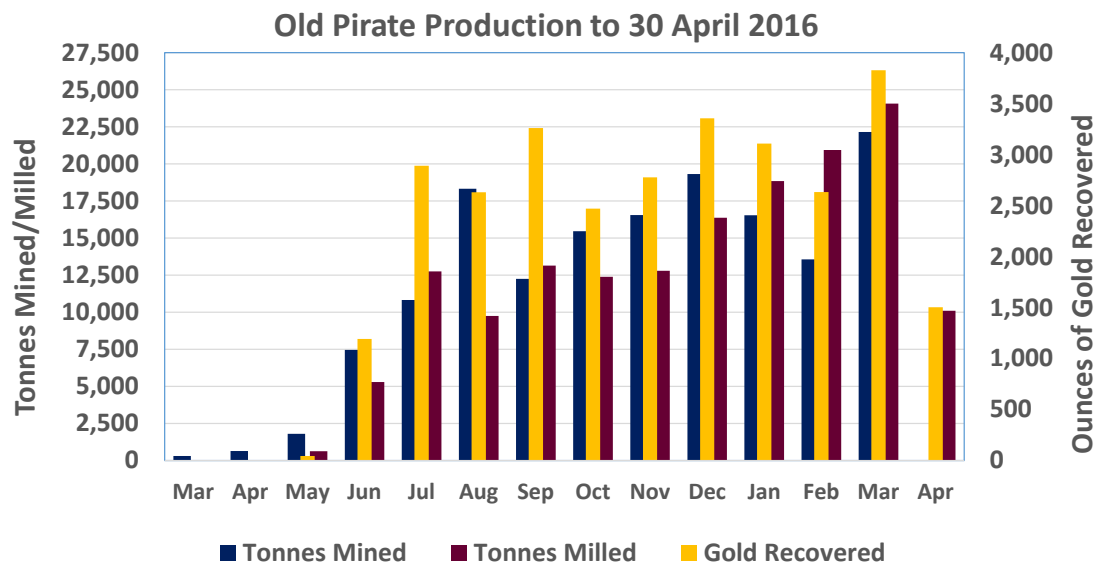
## OLD PIRATE GOLD MINE

Remaining ore stocks from the Old Pirate Gold Mine were processed at the Coyote plant during April. All gold bearing material has been removed from the plant which has now been placed on care and maintenance ahead of being handed back to Tanami Gold at the end of ABM's lease in mid July 2016.

The last three containers of gold bearing carbon have been transported from Coyote to Perth for stripping after transport was initially delayed due to the Tanami Highway being closed following sustained heavy rainfall. Final gold recovery is now expected to be completed by next week.

The reconciled tonnage and grade of stockpiled ore exceeded the reported figures, resulting in a modest positive adjustment to the life of project mining production. Some further adjustment to reported grade and recovered gold is likely to occur once all carbon has been stripped and the final reconciliation completed, however there is not expected to be any significant variance.

Project to date mine production, plant throughput and recovered gold are shown in the graph below, with production details summarised in the table following.



Old Pirate Gold Mine Production Summary to 30 April 2016			
		April 2016	Project to Date
Ore Mined <sup>1</sup>	tonnes	181	155,357
Grade	g/t	49.1	6.0
Contained Gold	ounces	286	29,812
Ore Processed <sup>2</sup>	tonnes	10,099	157,093
Grade	g/t	4.8	5.9
Contained Gold	ounces	1,553	30,035
Recovery	%	96.8%	98.8%
Recovered Gold	ounces	1,504	29,665
Gold Poured	ounces	1,849	27,144
Gold Sold	ounces	2,658	27,144

1. Adjustment based on final mill figures, no ore was mined in April

2. Includes 1,736t at 4.0 g/t remaining from trial mining stocks

## **CORPORATE**

### **Capital Raising**

Since release of the revised mine plan for the Old Pirate Gold Mine in December 2015 (ASX 24 December 2015), gold production has exceeded forecast, the gold sales price received has exceeded forecast, operating and closure costs have come in under budget and an unbudgeted \$1.5 million has been received from IGO upon exercise of the Lake Mackay option. This has left the Company in a stronger financial position than had been forecast. The board has therefore elected to defer plans for raising additional capital.



Brett Lambert  
Chief Executive Officer

### **Competent Persons Statement**

*The information in this announcement relating to exploration results is based on information reviewed and checked by Mr Alwin van Roij who is a Member of The Australasian Institute of Mining and Metallurgy. Mr van Roij is a full time employee of ABM Resources NL and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 edition of the "Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves". Mr van Roij consents to the inclusion in the documents of the matters based on this information in the form and context in which it appears.*