

15 May, 2012

## *Old Pirate Stage 1 Scoping Study Results*

ABM Resources NL ("ABM" or "The Company") is pleased to announce the results of the **Old Pirate Stage 1 Open Pit Scoping Study**. The Old Pirate Gold Deposit is located in the Northern Territory of Australia on the same project as the Company's multi-million ounce resource at the Buccaneer Porphyry Gold Deposit. The Stage 1 Old Pirate open pit is modelled to contain **832,000t @ 11.5g/t gold for 308,000oz** and is based on both Inferred and Indicated Resources Estimations as announced April 16<sup>th</sup>, 2012.

The presence of high grade coarse free gold at Old Pirate allows for construction of a simple Gravity Processing Plant with savings on capital expenditure and processing compared to conventional cyanide leach processing. Work is also on-going with Tanami Gold NL under the previously announced Memorandum of Understanding to consider processing Old Pirate material at the Coyote Gold Mine located 45 km from Old Pirate.

***On-site Gravity Processing Plant.** Assumes a 350,000 to 450,000 tonnes per annum gravity gold recovery plant is installed at Old Pirate:*

- **261,000 ounces gold recovered in Stage 1 open pit via gravity gold extraction methods. Stage 1 does not include cyanide leach, underground scenarios or integration of other gold bearing veins identified but not in the resource estimation.**
- **\$27.1M capital expenditure (gravity plant, camp and associated infrastructure) paid back in the first 5 months of production.**
- **\$257M Net Present Value (NPV) applying 0% discount rate (equivalent to cash flow over 2 years mine life).**
- **\$228M NPV applying 9.8% discount rate.**
- **\$511 per ounce of gold total operating cost inclusive of mining, processing, royalties and administration (cash cost ~\$383 per ounce).**

*NOTE - Assumes \$1600 per ounce realised gold price.*

Darren Holden, Managing Director, said, "We are very pleased with the outcomes of the Entech Scoping Study for Old Pirate. The study presents the potential for a low-cost and highly profitable open pit mining operation. Considering that the Scoping Study neither takes into account possible underground development nor is optimised to include known gold-bearing veins outside the resource, we are considering this as a first base case with upside yet to be factored in. ABM is currently exploring another three kilometres of prospective strike length of sedimentary horizons at Old Pirate targeting gold bearing vein material."

### ***Scoping Study***

ABM Resources contracted Entech Pty Ltd Mining Consultants to review the Old Pirate Gold Deposit resource estimation and to conduct an open pit optimisation study. The study was based on the Inferred and Indicated Resource models announced by the Company on 16<sup>th</sup> April, 2012. The study used a \$1600 per ounce realised gold price. However, due to the very low operating costs, a sensitivity analysis was also run at \$1200 per ounce gold price which also showed strong cash-flows.

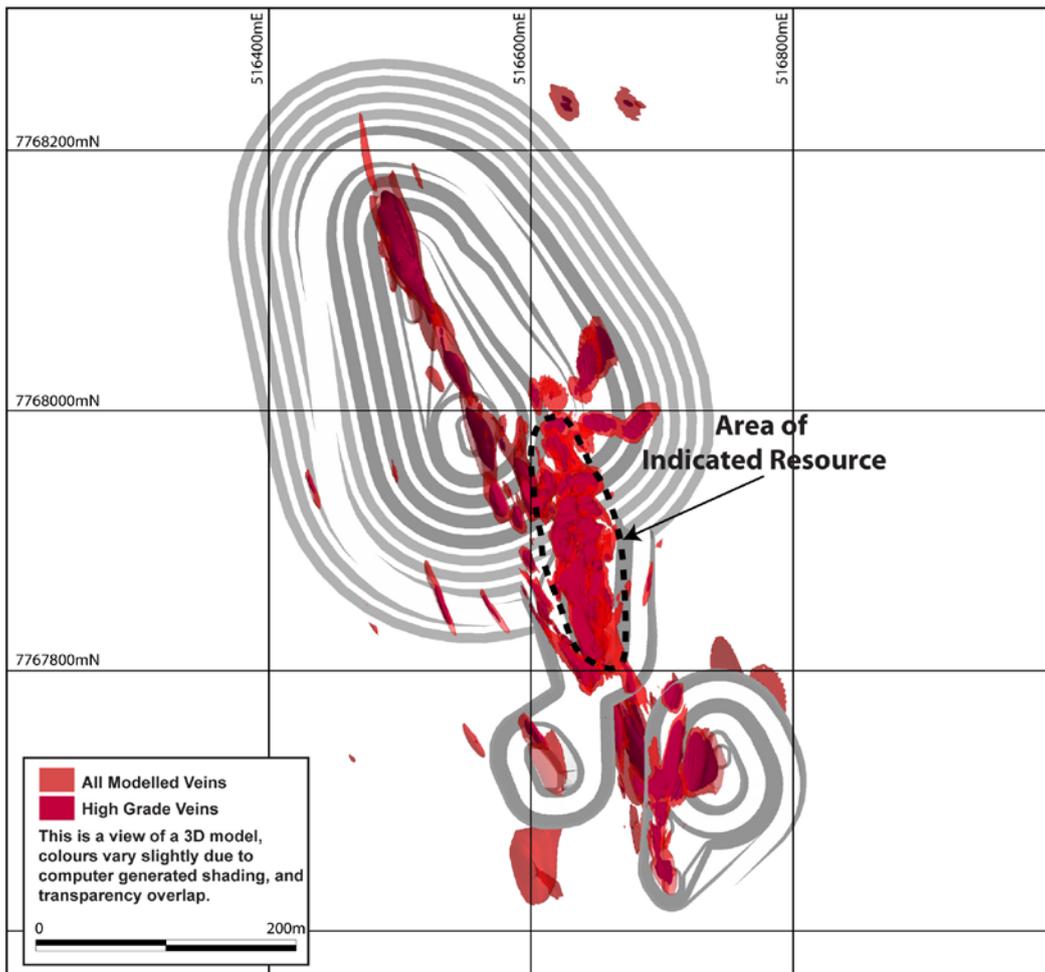
ABM is continuing with aggressive extensional exploration at Old Pirate by drilling and trenching, with a view to upgrading resource categories and identifying further mineralised zones in the immediate area.

A Scoping Study is not a Feasibility Study. A Scoping Study is based on optimised mine designs, conceptual parameters, and it utilises general approximations based on similar deposits or mines. Refer to Appendix 2 for a more detailed review of parameters. It is important to note that Inferred Resources do not have a comparable reserve definition and hence resource definition requires upgrading (from Inferred Resource to Indicated or Measured Resource) prior to more definitive feasibility studies.

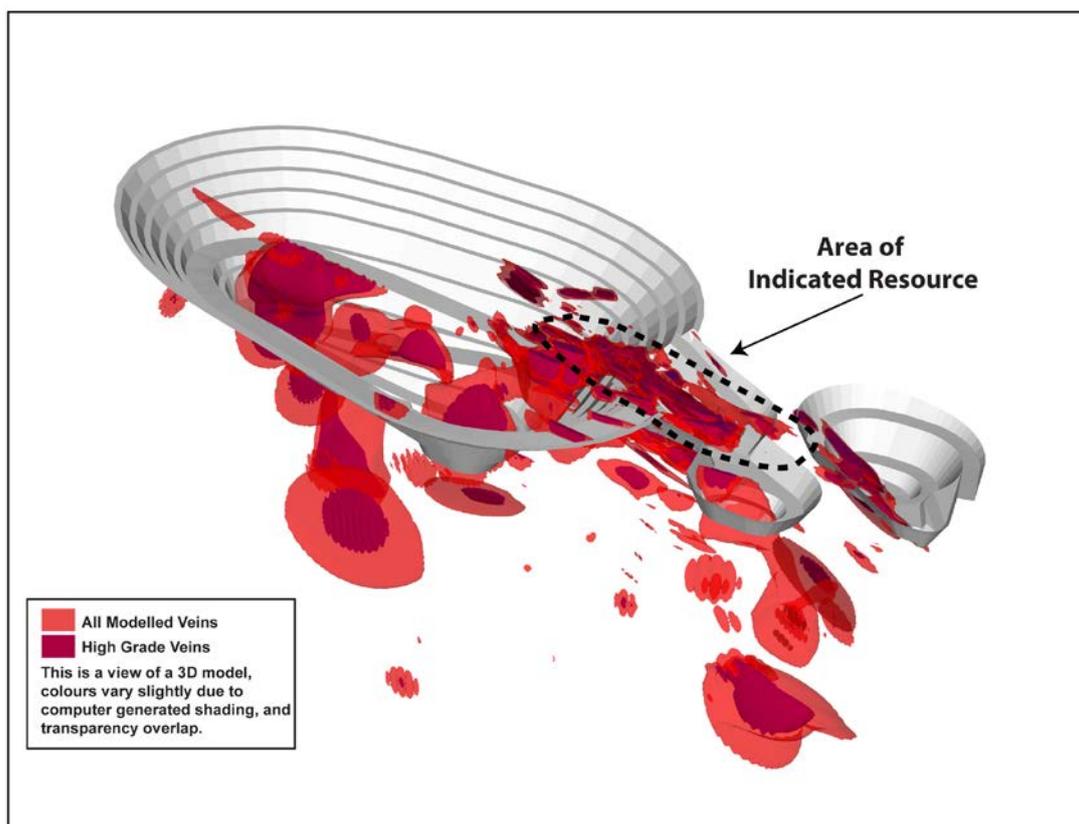
### ***Open Pit Optimisation***

The Inferred and Indicated Resource models were analysed with various parameters for mining rates and a series of "nested" pit shells were produced to assess the economic value. The uncut resource model was used with a dilution factor of 10% and a mining recovery factor of 95%. Mining and haulage costs were calculated at variable rates for increasing depth. Drill and blast costs were varied for oxide, transitional and fresh rock material.

Overall the models revealed an average of approximately 3,000 ounces of gold per vertical metre and a strip ratio of (ore:waste) 1:13 with a pit extending to a maximum depth of approximately 100 metres below natural land surface.



**Figure 1 Plan-view showing resource model and open pit design.**



**Figure 2 Oblique 3D view (view to NE) showing resource model and open pit design.**

## Standalone Gravity Processing Scenario

A standalone processing scenario involves a total capital expenditure of ~\$27.1M for the processing plant and other facilities. Capital expenditure is based on the installation of a pre-constructed, modular gravity gold extraction facility. Preliminary metallurgical test work at Old Pirate has indicated that approximately 85% of the gold is extractable via simple gravity processing without the need for cyanide. The cost of a 50 tonne per hour (350,000 to 450,000 tonnes of material per annum) plant is estimated at \$15M with an additional \$12M required for a power plant, camp facilities, equipment and site works. The cost of processing is estimated at \$35 per tonne. The plant and processing costs are based on discussions with gravity plant construction companies and are considered general approximations. Gold not extracted via gravity plant can possibly be reprocessed via cyanide methods at a later date and is not included in this Scoping Study.

The Scoping Study indicates an initial 2 year mine life for the Stage 1 pit which can be expanded with further extensional resource work and possible underground mining.

Table 1 below shows a summary of cash-flow from a standalone processing facility.

**Table 1. Stand alone gravity gold processing facility for Old Pirate open pit.**

Item	Total	Unit	Year 1	Year 2
Milled Tonnes	832,000	T	450,000	382,000
Gold Grade	11.5	g/t	10.9	16.0
Recovered Gold	261,000	Oz	112,000	149,000
Revenue	<b>418.4</b>	\$M	179.6	238.7
Capital Expenditure	<b>27.1</b>	\$M	26.5	0.7
Operating Expenditure	<b>133.5</b>	\$M	75.9	57.6
Total Expense	<b>160.6</b>	\$M	102.4	58.2
<b>Cash Flow</b>	<b>257.8</b>	<b>\$M</b>	<b>77.2</b>	<b>180.5</b>

*Note: Figures have been rounded therefore differences may occur*

**Table 2. Stand alone gravity gold processing facility summary of costs for Old Pirate.**

Category	Stand Alone Scenario	
	Cost (\$M)	\$/t ore
Capital Expenditure	27.1	32.2
Mine Operating Costs	60.9	73.2
Processing	29.1	35.0
General and Administration	10.0	12.0
Royalties	33.5	40.2
<b>Operating Cost Total (ex Capex)</b>	<b>133.5</b>	<b>160.4</b>

*Note: Figures have been rounded therefore differences may occur*

## Next Steps

The Old Pirate Deposit is located on an Exploration Licence and consists of both Inferred and Indicated Resources. ABM is currently trenching extensional veins at Old Pirate and a drilling program will commence shortly.

Further testing, resource definition, design, feasibility studies and environmental work along with regulatory approvals for a Mineral Lease need to be carried out before mining can commence. This work is on-going.

## About ABM Resources

ABM Resources is an exploration company developing several gold discoveries in the Tanami-Arunta region of the Northern Territory of Australia. The Company has a multi-tiered approach to exploration and development with a combination of high grade potentially short-term production scenarios such as Old Pirate, large scale discoveries such as Buccaneer, and regional exploration discoveries such as the Kroda Gold Project. In addition, ABM Resources is committed to regional exploration programs throughout its extensive holdings.

ABM Resources is well capitalised to achieve its milestones in 2012 and into 2013 with over \$26M in cash (quarterly report dated 31<sup>st</sup> March 2012).

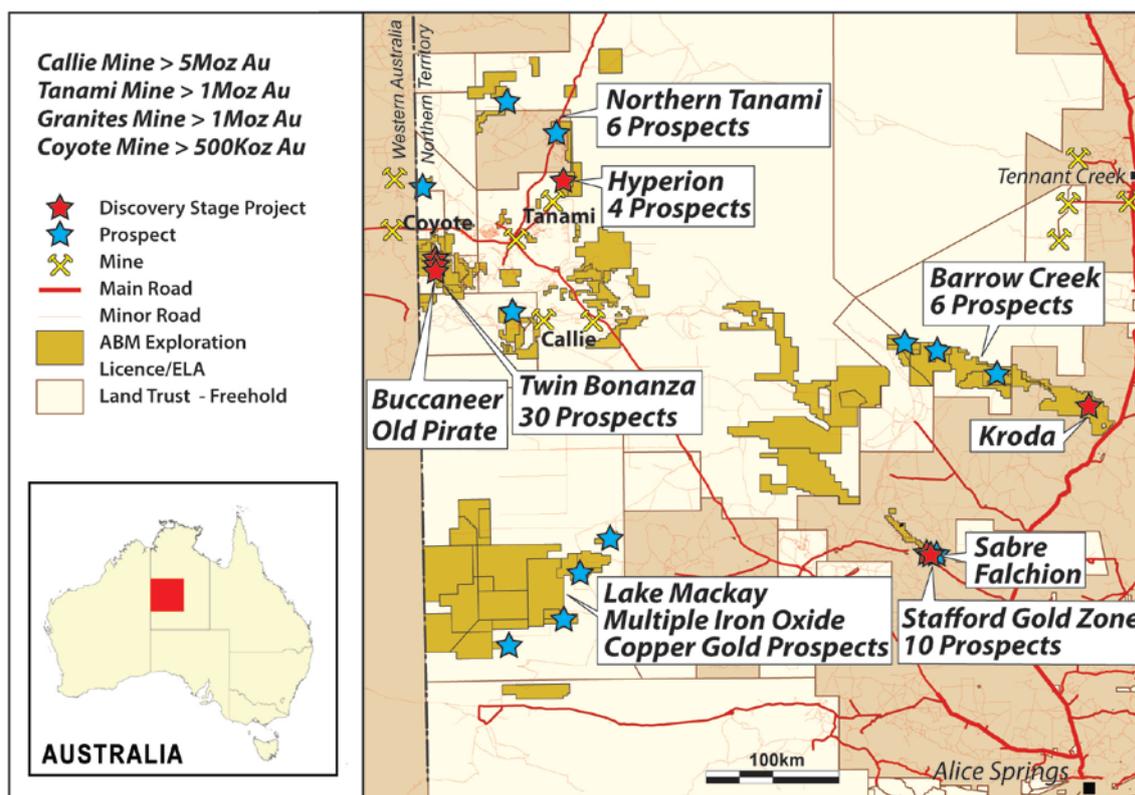


Figure 3. ABM Project Location Map Northern Territory.

Signed

Darren Holden – Managing Director

### **Competent Persons Statement**

*The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Darren Holden who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Holden 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 2004 Edition of the "Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves". Mr Holden consents to the inclusion in the documents of the matters based on this information in the form and context in which it appears.*

*The information in this report that relates to the Scoping Study was based on studies by Stuart Swapp (Grad Dip Mining, MPhys) and reviewed by Shane McLeay MAusIMM, BEng (Hons) who are both Mining Engineers and full time employees of Entech Mining Pty Ltd.*

### **For Further Information Please Contact**

Jutta Zimmermann  
CFO / Company Secretary  
+61 8 9423 9777

Darren Holden  
Managing Director  
+61 8 9423 9777

Berdine Mastaglia  
Investor Relations Manager  
+61 8 9423 9777

## Appendix 1 - ABM Resources - JORC Compliant Resources

(Refer to press release dated April 16th, 2012) for full details.

Table A1.1 Old Pirate Resource Estimation without utilising a top-cut.

All Vein Models	Tonnes	Gold (g/t)	Ounces
Indicated	347,000	5.31	59,200
Inferred	1,327,000	11.86	505,800
<b>Total</b>	<b>1,673,000</b>	<b>10.50</b>	<b>565,000</b>
High Grade Vein Models Only	Tonnes	Gold (g/t)	Ounces
Indicated	132,000	7.74	32,800
Inferred	354,000	22.64	257,600
<b>Total</b>	<b>486,000</b>	<b>18.60</b>	<b>290,400</b>

\*Note - totals may vary due to rounding.

Table A1.2 Old Pirate Resource Estimation with utilising 300g/t top-cut

All Vein Models	Tonnes	Gold (g/t)	Ounces
Indicated	347,000	5.25	58,500
Inferred	1,327,000	8.65	368,900
<b>Total</b>	<b>1,673,000</b>	<b>7.95</b>	<b>427,400</b>
High Grade Vein Models Only	Tonnes	Gold (g/t)	Ounces
Indicated	132,000	7.62	32,200
Inferred	354,000	17.52	199,400
<b>Total</b>	<b>486,000</b>	<b>14.84</b>	<b>231,600</b>

\*Note - totals may vary due to rounding.

Table A1.3 Buccaneer Porphyry Gold Deposit Resource Update at varying cut-offs

0.2g/t cut off	Million Tonnes	Gold (g/t)	Million Ounces
Indicated	34.0	0.64	0.702
Inferred	93.9	0.65	1.970
<b>Total</b>	<b>127.9</b>	<b>0.65</b>	<b>2.672</b>
0.4g/t cut-off	Million Tonnes	Gold (g/t)	Million Ounces
Indicated	24.2	0.77	0.600
Inferred	64.1	0.80	1.657
<b>Total</b>	<b>88.3</b>	<b>0.80</b>	<b>2.257</b>
0.6g/t cut-off	Million Tonnes	Gold (g/t)	Million Ounces
Indicated	12.3	1.04	0.412
Inferred	31.8	1.13	1.154
<b>Total</b>	<b>44.1</b>	<b>1.10</b>	<b>1.566</b>

\*Note - totals may vary due to rounding.

Table A1.4 Hyperion Gold Project Resource Estimation without top-cut

0.8g/t cut off	Tonnes	Gold (g/t)	Ounces
Hyperion Central	2,209,000	2.14	152,100
Hyperion South	768,000	2.71	66,800
<b>Total</b>	<b>2,977,000</b>	<b>2.29</b>	<b>219,000</b>
2g/t cut-off	Tonnes	Gold (g/t)	Ounces
Hyperion Central	875,000	3.36	94,400
Hyperion South	272,000	5.37	47,000
<b>Total</b>	<b>1,147,000</b>	<b>3.83</b>	<b>141,400</b>

\*Note - totals may vary due to rounding.

Table A1.5 Hyperion Gold Project Resource Estimation with 50g/t top-cut

0.8g/t cut off	Tonnes	Gold (g/t)	Ounces
Hyperion Central	2,209,000	2.06	146,600
Hyperion South	768,000	2.25	55,500
<b>Total</b>	<b>2,977,000</b>	<b>2.11</b>	<b>202,200</b>
2g/t cut-off	Tonnes	Gold (g/t)	Ounces
Hyperion Central	875,000	3.17	89,100
Hyperion South	272,000	4.08	35,700
<b>Total</b>	<b>1,147,000</b>	<b>3.38</b>	<b>124,800</b>

\*Note - totals may vary due to rounding.

## Appendix 2 - Optimisation and Scoping Study Parameters

A Scoping Study is a preliminary and conceptual study using mining cost parameters generally considered as industry averages or comparable to existing mining operations. The final production or feasibility parameters may differ from those used in the study.

### *Geotechnical Parameters*

*Note - detailed geotechnical work at Old Pirate has not been completed, and these parameters are based on typical factors used in Australian open pit projects.*

#### Old Pirate Geotechnical Parameters

Pit Name	Wall	Rock Type	Bench Height	Batter Angle	Berm Width
Old Pirate	All	Oxide	10m	52°	5m
		Transitional	20m	62°	5m
		Fresh	20m	69°	5m

#### Old Pirate Optimisation Overall Wall Angles (Including Ramp)

Material Type	Overall Slope Angle
Oxide	38°
Transitional	42°
Fresh	45°

## Old Pirate Optimisation Input Parameters

Item	Units	Amount
<b>Production Factors</b>		
Dilution	%	10
Mining recovery	%	95
<b>Mining Costs</b>		
Haulage cost at Surface	\$/BCM	6.21
Cost Increase with Depth	\$/BCM /m	0.02
Drill and Blast		
Oxide	\$ / BCM	1.71
Transitional	\$ / BCM	3.03
Fresh	\$ / BCM	5.28
<b>Processing</b>		
Recovery Gravity Only		
Oxide	%	85
Transitional	%	85
Fresh	%	85
Processing cost		
Oxide	\$/t	35
Transitional	\$/t	35
Fresh	\$/t	35
<b>Selling costs</b>		
Royalty 1	%	8.0
Payability	%	99.90
Refining Costs	\$/A / oz	2.85
<b>Revenue</b>		
Sale Price	\$/A / oz	1,600