

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

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Lake Mackay JV - Grapple Prospect Diamond Drilling underway

ABM Resources NL ("ABM" or the Company) is pleased to provide an update on the Lake Mackay Joint Venture ("JV") being managed by Independence Group ("IGO").

HIGHLIGHTS

- 4 hole diamond drill hole program of 1,450 metres is underway
- Moving Loop EM (MLEM) survey recently completed to optimise the design of the drilling
- Results of the diamond program are expected later in the quarter

IGO has commenced activity in anticipation of the JV parties being able to conclude an exploration agreement with the Central Land Council. The current diamond program aims to test the dip and strike extensions of the mineralisation previously drilled at Grapple.

Background

The Lake Mackay Project is located 400km northwest of Alice Springs, adjacent to the Western Australian border, and includes 8,040 square kilometres of exploration licences and applications. The belt is at a very early stage of exploration. IGO is executing an exploration program as part of an exploration alliance with ABM to systematically evaluate the Lake Mackay Project. The Project has consolidated tenure over the favourable Proterozoic margin between the Aileron and Warumpi Provinces, characterised by a continent-scale geophysical gravity ridge and the Central Australian Suture. The JV partners believe that there is potential to unlock a new metallogenic province hosting multiple styles of mineralisation.

Encouraging drilling intersections were reported (ASX 20 December 2016) from the initial 11 hole RC program on the Grapple Prospect. This included:

- **6m at 8.98g/t gold, 23.5g/t silver, 1.45% copper, 1.40% zinc, 0.26% lead and 0.15% cobalt**
- **9m at 3.26% copper, 1.8g/t gold, 49.1g/t silver, 3.63% zinc, 1.09% lead and 0.26% cobalt**
- **9m at 5.23g/t gold, 12.8g/t silver, 1.4% copper, 0.57% zinc, 0.23% lead and 0.07% cobalt**

Downhole electromagnetic (DHEM) surveying identified a conductive plate associated with the mineralisation intersected at the Grapple Prospect. The DHEM interpretation suggests 16GRR011 drilled above the main conductor and that the centre of this conductive body is further to the west.

Current Program

A 4 hole, 1,450 metre diamond drilling program has commenced at the Grapple Prospect to further define the size and grade of mineralisation (Figure 3). DHEM will be conducted as the drilling program is ongoing and the results will be used to modify the drilling plan in real time to target the EM plates that are generated. Logging of diamond core and subsequent analysis will increase the understanding of the stratigraphic/structural controls of mineralisation and the nature of the mineralisation.



Figure 1: Photo of diamond drill rig at the Grapple Prospect



Figure 2: Photo of ferruginous gossan representing the outcrop of the Grapple Prospect mineralisation

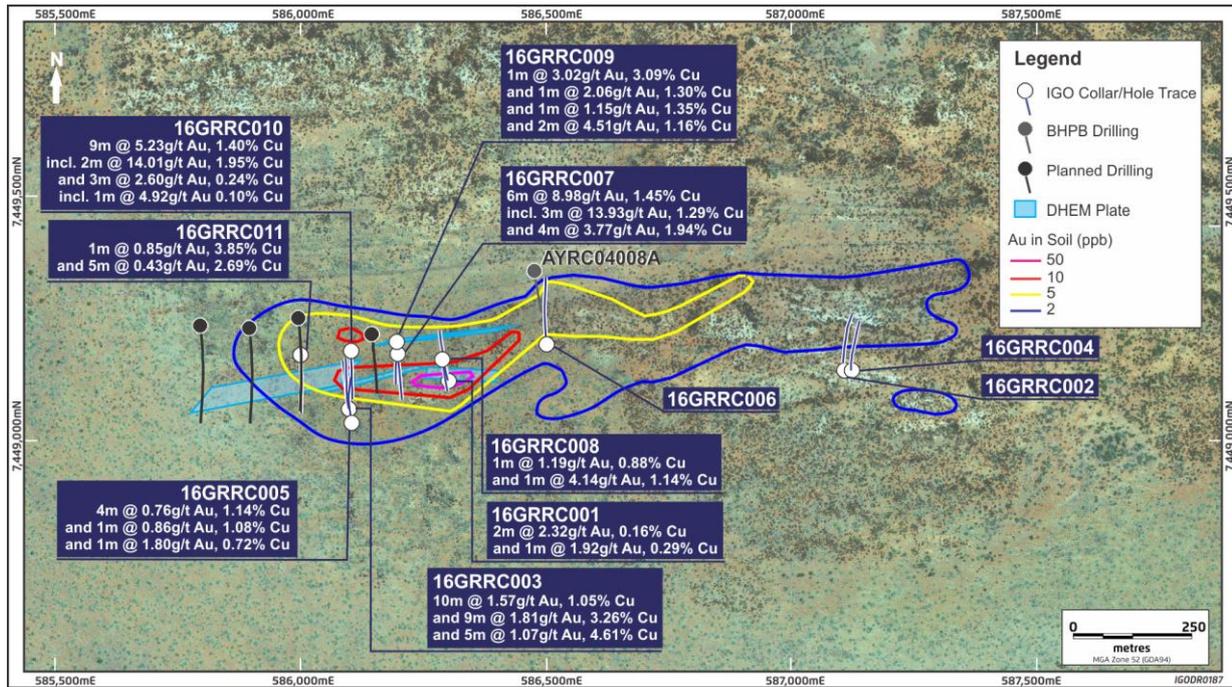


Figure 3: Grapple Prospect showing the location of the four planned drillholes, the eleven completed drill holes and the conductive plates to be tested.

Matt Briggs
Managing Director

About ABM Resources

ABM is an established gold exploration company with a successful track record of discovery in one of Australia’s premier gold mining districts. The Company owns gold resources and extensive prospective land holdings in the Central Desert region of the Northern Territory. The Company leadership is implementing a strategy of aggressive cost management initiatives and is developing a disciplined, tightly focused exploration strategy. Activities are currently focused on the Company’s under-explored 36,000 km² Tanami Project area and includes:

- Drilling of advanced prospects on the Suplejack Project
- Systematic evaluation of high potential early stage targets
- Assessment of existing resources
- Exploring opportunities for joint ventures of early stage targets