

**ASX ANNOUNCEMENT / MEDIA RELEASE****ASX: ABU**16<sup>th</sup> July 2015**Commissioning of the Old Pirate Gold Mine Reaches Major Milestone**

ABM Resources NL (“ABM” or the “Company”) is pleased to announce an update on the commissioning of the Old Pirate Gold Mine (part of the Twin Bonanza Gold Project) and the associated infrastructure at the Coyote Processing Plant.

***Progress from the commissioning of the Coyote Processing Plant***

- 10,000 tonne principally low and medium grade test processing parcel complete.
- Plant operational at 600 tonnes per day on a 2 weeks on / 1 week off basis.
- Excellent mill gold recoveries indicated at >95%.
- ABM exercising the sublease agreement with payment of \$2M to Tanami Gold for the next 12 months of sublease rent.

***Progress from the mining of the Old Pirate Gold Deposit***

- Four pits being developed in parallel:
  - Old Pirate South pit & Golden Hind now approximately 7.5 metres deep and accessing high-grade ore.
  - Western Limb pit now at 5 metres depth with high-grade zone to be accessed in August.
  - Old Pirate Central pit 90% excavated to 5 metres deep with high-grade zone to be accessed in August.



**Figure 1. Approximately 20kg (640 ounces) gold doré bar poured recently**

### **Commissioning of Coyote Gold Processing Plant**

ABM has now processed the 10,000 tonnes 'commissioning ore' through the Coyote Gold Plant. The completion of this parcel is a milestone in ABM's lease agreement with Tanami Gold and the Company has now triggered the sublease term with a \$2M payment to Tanami Gold. This enables ABM to proceed to ramp up the processing without further lease payments for the next 12 months. Please refer to press-release dated 7 July 2014.

The Coyote Gold Plant is processing at approximately 600 to 700 tonnes per day and the Company is operating the plant on a 24 hours a day for 2 weeks on and 1 week off basis. The Company is aiming to process approximately 150,000 tonnes of ore from Old Pirate over the next 12 months.

The 10,000 tonnes of ore used for commissioning was principally low-grade ore blended with some medium and high-grade ore from Old Pirate. ABM has completed three gold pours from the gravity circuit only. The leach tanks are operational and the first carbon strip and commissioning of the elution circuit is expected at the end of July.

**Table 1. Tonnes and grade estimate of Old Pirate commissioning ore (principally from low and medium grade ore) processed through the Coyote Processing Plant:**

Tonnes Processed (15/07/2015)	12,972 tonnes
Head Grade <sup>1</sup>	5.73g/t gold
Total Gold	74.3kg (2,388 ounces)
Tailings Grade	0.08g/t gold
Gold Produced (from gravity circuit only) <sup>2</sup>	47.6kg (1,530 ounces)
Gold In Circuit <sup>3</sup>	25.7kg (826 ounces)
Mill recovery <sup>4</sup>	98.5%

1. Principally from low and medium grade commissioning ore. Composite samples collected daily from mill feed conveyor.
2. Gold produced from gravity circuit only and includes estimate of gold doré delivered to Perth Mint but not yet out-turned / refined.
3. Gold-in-circuit estimate based on gold in leach tanks (loaded on carbon); gold in gravity circuit including Acacia reactor; and gold in mill lock-up (<10%).
4. Estimate based on head-grade versus tails-grade. These are preliminary results, a full metallurgical balance is pending commissioning of the CIL circuit. *All assays conducted at on-site laboratory using aqua regia digest with AA finish. Laboratory operated by ALS Global Ltd.*

### **Update from Mining at Old Pirate**

Four open pits are being excavated concurrently. The Golden Hind and Old Pirate South pits are now accessing high-grade ore (beneath the 2013 trial mining pits), with the geology and detailed grade control sampling generally in-line with the mining inventory estimates. The Western Limb pit has been cleared and the main ore zone exposed with first mining of high-grade ore anticipated in August. The Old Pirate Central pit top 5 metres is cleared for about 90% of the footprint with high-grade veins to be mined in August.

### **Commissioning to Commercial Production**

The 10,000 tonne test parcel processing at the Coyote Gold Processing Plant was a key part of the commissioning schedule and, as originally planned, used principally low to medium grade material. The only remaining factors for commissioning of the processing plant are the leach tanks and elution circuit which are scheduled to be commissioned in late July or early August 2015. Completion of commissioning and declaration

of commercial production only awaits this final plant commissioning and the achievement of steady-state delivery of high-grade material to the plant.



**Figure 2. Old Pirate Mine-Site at Twin Bonanza Gold Project - view north**



**Figure 3. Old Pirate Mine-Site at Twin Bonanza Gold Project - view south**

## About the Old Pirate High-Grade Gold Deposit

The Old Pirate High-Grade Gold Project, which is part of the wider Twin Bonanza Gold Camp, consists of a series of gold-bearing quartz veins with an overall strike-length of ~1.8 kilometres. Veins range from a few centimetres to zones greater than 6 metres in width with individual veins varying in grade and width along strike. Quartz veins are both parallel with stratigraphy, preferentially following shale horizons in an overall anticline structure, and also cross-cut stratigraphy following shear-zones and other structures.

Gold is characterised as both, fine and coarse, and along with the variable width, the project has a high statistical nugget effect whereby low-grade drill-hole intercepts can often be located within known high-grade structures which increases uncertainty in modelling. Multiple samples from the same location or re-assaying of duplicate samples can produce highly variable results. Hence drilling alone cannot generally provide statistical and geometric information required to define a long term and detailed mine plan. As a result of the geological factors, the project is classified as high-risk and ABM applies a risk managed staged approach to development at Old Pirate whereby capital expenditure is deployed sequentially and each stage of development informs the next stage. The first stage was trial mining completed in early 2014. ABM is now developing the second stage with full scale open pit mining. These stages are based on mineral resource estimates (rather than reserves) with regular revisions to near-term mine planning modelling (refer releases 30/9/2014).

## About ABM Resources

ABM is developing several gold discoveries in the Central Desert region of the Northern Territory of Australia. The Company has a multi-tiered approach to exploration and development with a combination of high-grade production scenarios such as the Old Pirate High-Grade Gold Project, large scale discoveries such as Buccaneer, and regional exploration discoveries such as the Hyperion Gold Project. In addition, ABM is committed to regional exploration programs throughout its extensive holdings including the alliance with Independence Group NL at the regional Lake Mackay Project.

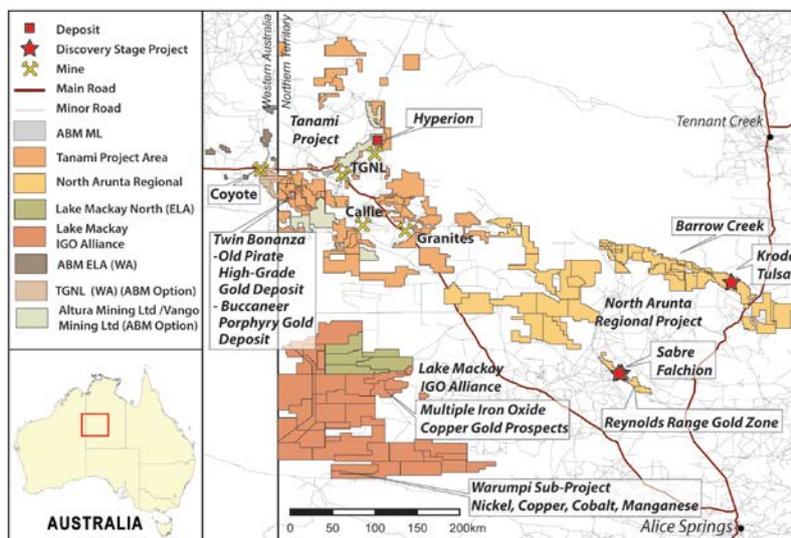


Figure 4. ABM's land position in the Central Desert

Signed

Darren Holden – Managing Director