

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

15 May 2015

**Update on the Development of the Old Pirate High-Grade Gold Deposit**

ABM Resources NL (“ABM” or the “Company”) is pleased to provide an update on the development of the Old Pirate High-Grade Gold Deposit located on the Company’s Twin Bonanza Gold Project in the Northern Territory of Australia.

***Progress from the Old Pirate High-Grade Gold Deposit Development:***

- Mine site development and mining operations on track:
  - Four open pits being excavated concurrently
  - Pre-strip of waste to the base of the trial mining pits (5m) continuing
  - New veins with visible gold exposed in Old Pirate South area
  - Mining and stockpiling of ore continues.
- Ore haulage contract awarded and haulage has commenced.
- Coyote Gold Processing Plant refurbishment on track:
  - Como Engineering completing refurbishment within the coming week
  - ABM process operators mobilised and training commenced
  - ABM Registered Manager appointed
  - Commissioning anticipated to commence before the end of May.
- Costs at both sites tracking in line with budget.



**Figure 1. Road Train being loaded with first ore hauled**

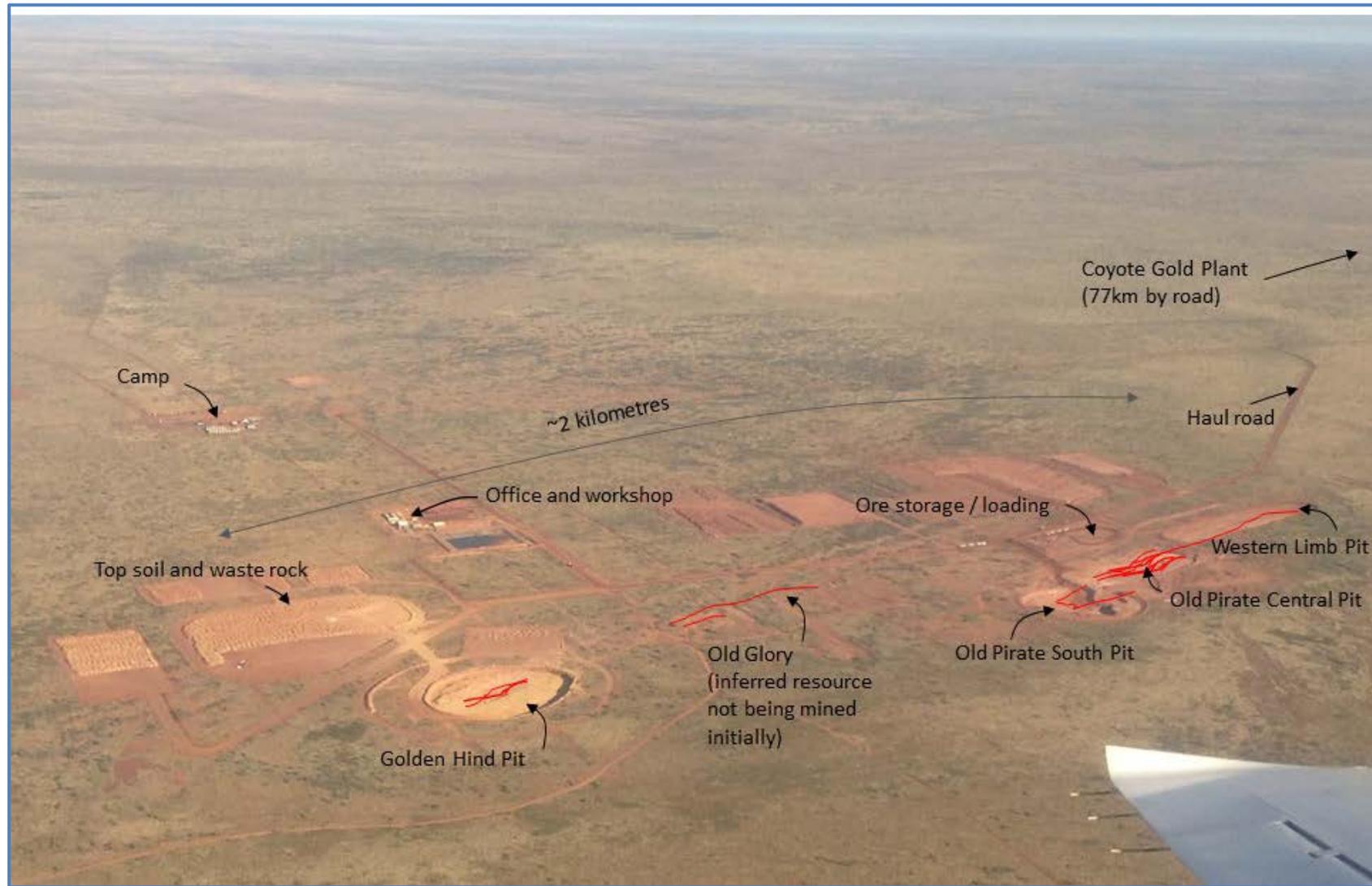


Figure 2. Site layout aerial photograph on 12/05/2015. Red lines indicate approximate location of high-grade gold bearing quartz veins. View west

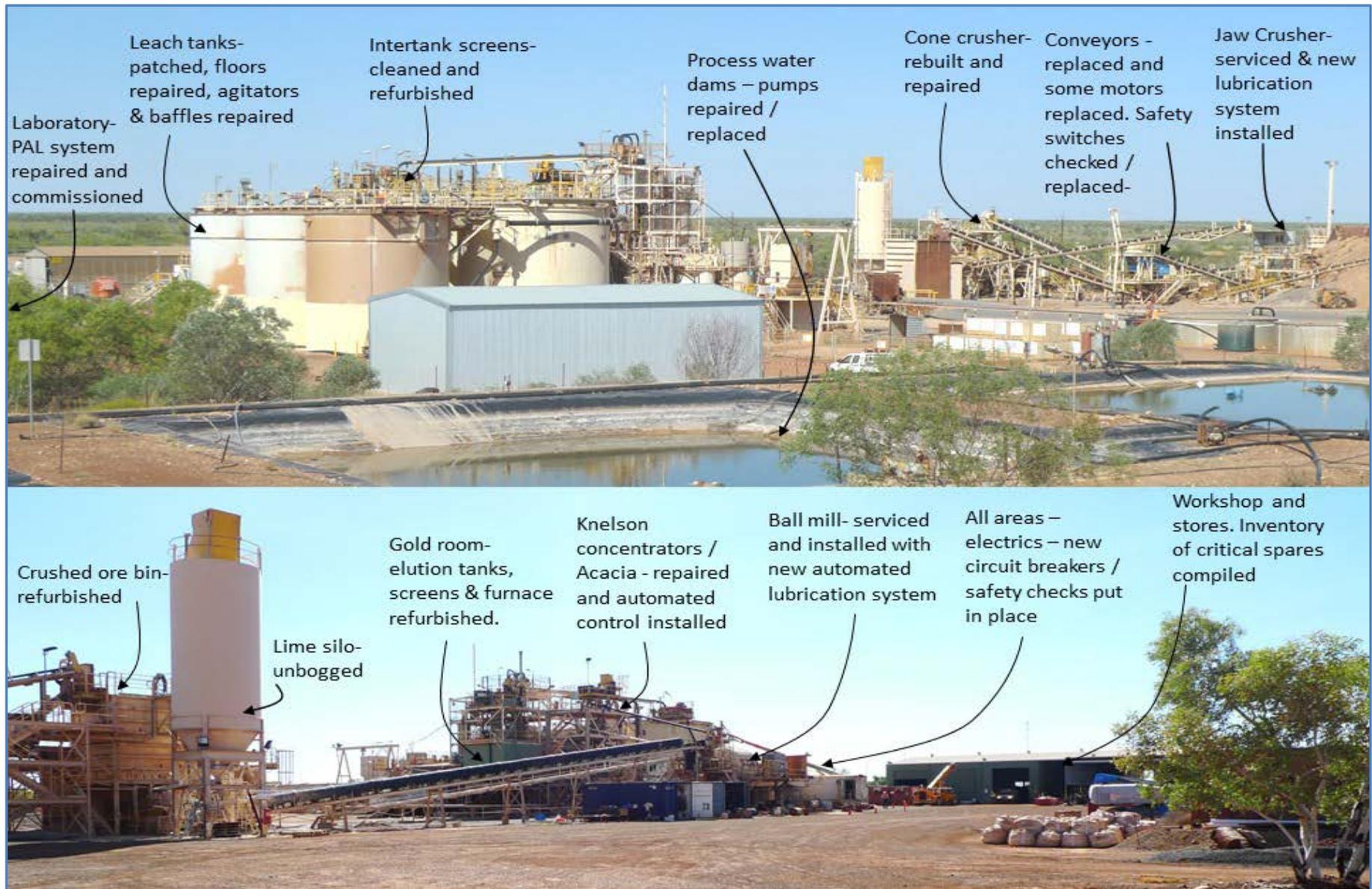


Figure 3. Coyote Gold Plant refurbishment nearing completion. Top image is view to southeast and bottom image is view to northwest

### **Mining at Old Pirate High-Grade Gold Deposit**

The mining contractor has continued with the development program at Old Pirate. There are currently 4 open pits in progress (Western Limb, Old Pirate Central, Old Pirate South and Golden Hind). The priority so far has been the movement of the waste rock down to the levels of the 2013 trial mining pits (~5m below natural land surface). This pre-strip also contains some gold-bearing veins and to date approximately 4000 tonnes of ore (including low-grade) has been stockpiled for commissioning with more high-grade gold-bearing quartz veins being exposed daily. Over the coming weeks the full extent of the ore system will be progressively exposed to the level of the trial mining pits and multiple high-grade areas will be mined. A range of selective blasting and mining techniques are being trialled on the veins exposed to date.

### **New High-Grade Veins Exposed**

At the Old Pirate South pit, extraction of waste on the western side of the pit encountered several high-grade gold bearing quartz veins that were not previously modelled or identified in drilling. These veins contain visible gold and are likely extensions to the known high-grade veins in the Old Pirate South area. This material has been stockpiled as high-grade ore. The veins will be mapped on the next bench to establish overall continuity and geometry.

Some new gold bearing quartz veins have also been exposed in the north eastern extensions to the Old Pirate Central pit.



**Figure 4. Old Pirate South Pit view east. Red lines annotate approximate location of high-grade veins**

### **Haulage of ore**

Rusca Bros Services Pty Ltd of Darwin, Northern Territory, have been awarded the ore haulage contract and have mobilised to site. The first ore has now been hauled the 77 kilometres from the mine site to the Coyote Processing plant.

### **Coyote Gold Plant Refurbishment**

ABM is accessing and utilising the Coyote Gold Processing Plant and associated infrastructure under a lease / purchase agreement with Tanami Gold NL (refer announcement 07/07/2014). A comprehensive refurbishment program has been undertaken by Como Engineering, and this will be completed within the coming week. ABM has appointed and mobilised its own processing team, with inductions and initial training programs completed in readiness for the commencement of processing operations. ABM's Process Manager – Mr Andrew Warburton - has been designated and appointed as Registered Manager of the Coyote processing site.

Following the completion of final maintenance and operational checks, it is anticipated that commissioning will commence with first ore throughput expected in the next two weeks. The Coyote Gold Processing Plant will be operated on a campaign basis with a throughput of ~600 tonnes per day. The circuit consists of primary and secondary crusher, ball mill, two Knelson gravity gold concentrators, an Acacia intensive leach reactor, carbon-in-pulp leach tanks and a gold elution circuit. Based on previous metallurgical test work ABM expects to recover ~97% of the gold, with ~85% recovered from the gravity circuit and the remainder from the cyanide leach tanks.

### **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 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. 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.

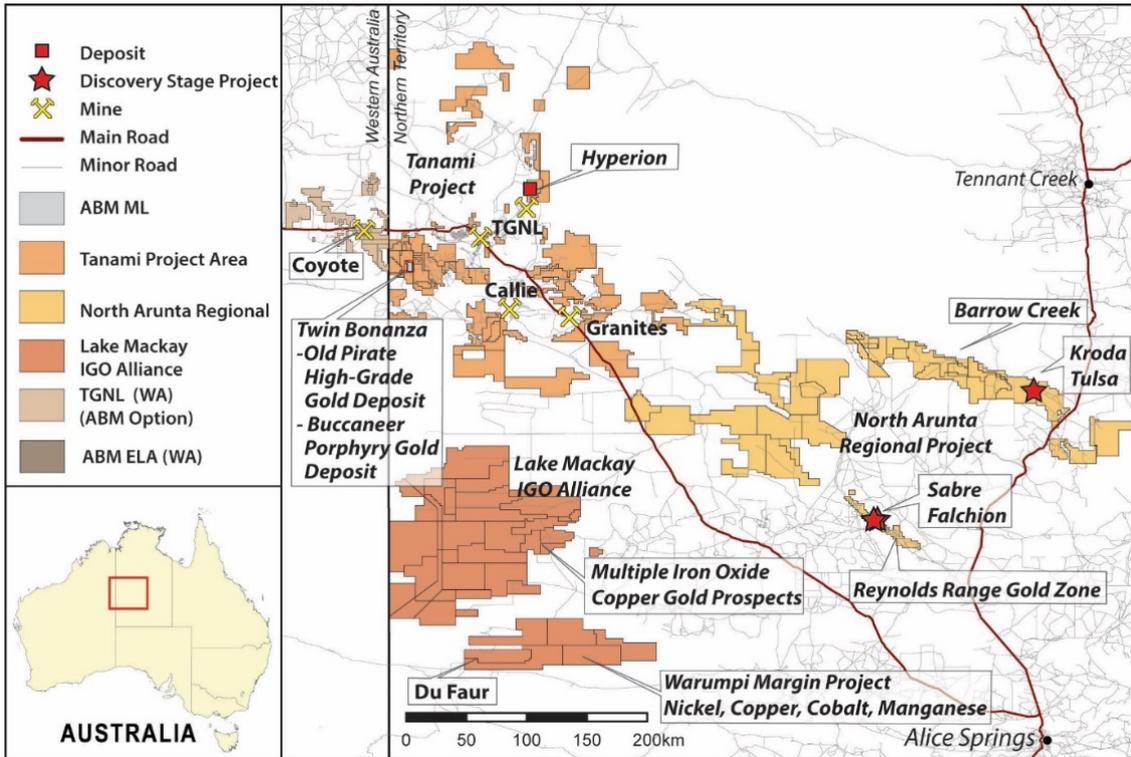


Figure 5. ABM's land position in the Central Desert

Signed

Darren Holden – Managing Director

### Competent Persons Statement

The information in this report relating to geological observations is based on information compiled and reviewed by Mr Darren Holden who is a member of The Australian Institute of Mining and Metallurgy. Mr Holden is a full time employees 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 Competent Person as defined in the 2012 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 which it appears.