

## QUARTERLY REPORT

For the 3 months ended 31 December 2015

### Old Pirate Gold Mine

The Old Pirate Gold Mine is part of the Twin Bonanza Gold Project located in the Tanami region of the Northern Territory. Gold ore is extracted at Old Pirate by open pit mining and hauled for treatment to the Coyote Processing Plant, located over the Western Australian border.

#### *Mining Operations*

During the quarter 51,463 tonnes of ore were mined with 41,571 tonnes processed for the recovery of 8,570 ounces of gold. Mine production costs<sup>1</sup> were A\$1,270 per ounce of gold recovered. Gold sales during the quarter totaled 9,131 ounces at an average price of A\$1,526 per ounce.

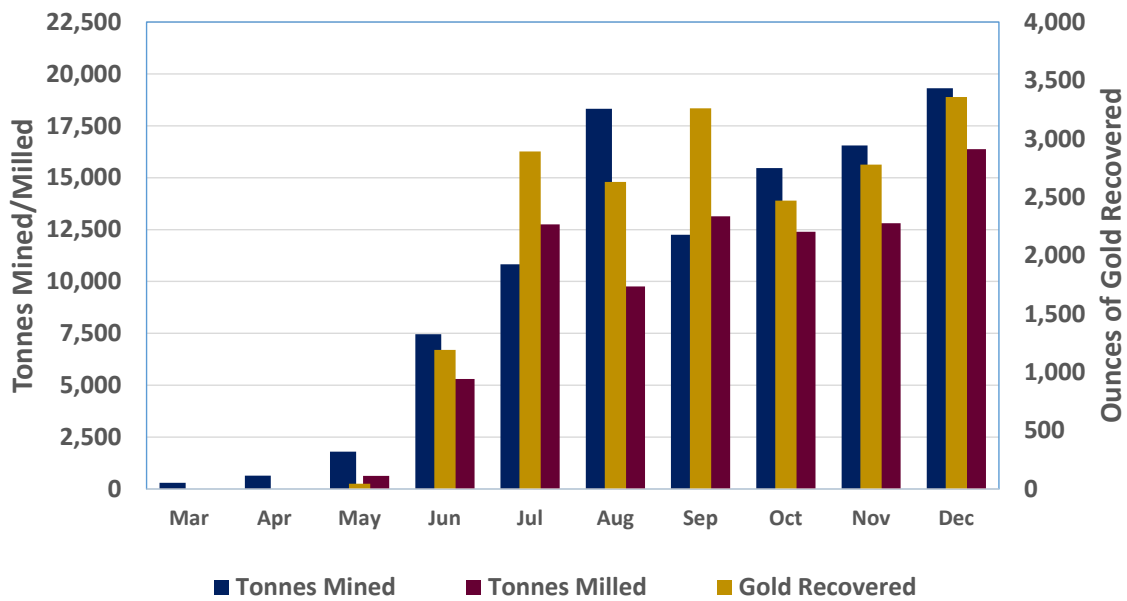
Production statistics for the Old Pirate Gold Mine in the December quarter and project to date are summarised in the table below, with monthly performance since operations commenced presented in the following graph.

Old Pirate Gold Mine Production Summary December Quarter 2015			
		December Quarter	Project to Date
Tonnes Mined	tonnes	51,463	103,056
Grade	g/t	5.9	6.3
Contained Gold	ounces	9,727	20,954
Tonnes Processed	tonnes	41,571	83,144
Grade	g/t	6.5	7.0
Contained Gold	ounces	8,662	18,753
Recovery	%	98.9	99.1
Recovered Gold	ounces	8,570	18,590
Gold Poured	ounces	8,124	16,405
Gold Sold	ounces	9,131	16,046

<sup>1</sup> Includes mining, processing and business services costs (includes royalties), but excludes capital expenditure of \$1.2 million during this period.

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### Old Pirate Production to 31 December 2015



#### Revised Mine Plan

During the quarter a thorough review of operational performance at the Old Pirate Gold Mine was carried out, primarily focusing on the discrepancy experienced between mine estimated head grade and mill reconciled grade (ASX announcement 20 November 2015). Subsequently, a study was carried out to re-optimize open pit designs, revise mine plans and update production forecasts using operational data acquired since mining commenced. The main objective of this study was to improve overall economic performance by excising underperforming areas from the mine plan and, where possible, expand mining in areas of the deposits that were performing well.

The re-optimisation study did not result in significant modification of the original pit designs for Old Pirate. The principal changes involved final design depths of the Old Pirate Central and Old Pirate South pits being reduced by 10 metres and 25 metres respectively. It was concluded that cutting back the walls on any of the pits to extend mining at depth was not economically viable under current operating conditions.

A revised mine plan and production forecast were prepared (ASX announcement 24 December 2015) with mining and processing, including the recovery of gold in circuit, now scheduled to be completed by the end of April 2016. Rehabilitation of the Old Pirate mine site continues to be carried out concurrently with mining and is expected to be largely complete by the end of April 2016, when all mining equipment, leased infrastructure and accommodation will be demobilised. The Wilson's Exploration Camp at Twin Bonanza will be retained to support on-going exploration activities.

Significant technical data has been obtained from mining at Old Pirate leading to an improved understanding of the geology and mineralisation in the area. A major constraint on the existing operation has been haulage and processing costs associated with the small scale Coyote processing plant. There is considered to be scope to revisit Old Pirate and potentially develop a more extensive and financially robust mining operation if a larger scale, lower cost processing option can be established or otherwise accessed.

## EXPLORATION

### *Tanami Region*

ABM's primary exploration focus is on the Tanami Region of the Northern Territory where the Company holds over 10,000 square kilometres of exploration licences and applications. During the quarter, ABM's exploration team continued to analyse data throughout the area to establish priorities for near-term exploration targeting. In particular, the Company has targeted the Hyperion project area where ABM's new discovery in the near surface at Hyperion East (ASX announcement 26 August 2015) intersected:

- 21 metres averaging 2.84g/t gold including:
  - 9 metres averaging 5.77g/t gold;
- 12 metres averaging 3.43g/t gold; and
- 12 metres averaging 3.03g/t gold.

ABM intends to follow up this new discovery with further work during 2016.

### *Lake Mackay / Warumpi Margin Alliance with Independence Group NL (ASX:IGO)*

The Lake Mackay / Warumpi Margin alliance is an alliance between ABM and IGO with IGO sole funding the current work. During the quarter ABM announced a number of significant precious and base metal intercepts at the Bumblebee Prospect, together with lower order gold intercepts on the Prowl and Springer prospects located within the Du Faur Project area (EL24915) on the far southern end of the Lake Mackay alliance area (ASX announcement 6 October 2015).

Significant drill intercepts at Bumblebee included:

- 2m averaging 1.3g/t gold, 34.6g/t silver, 7.4% copper, 1.6% zinc, 1.3% lead and 0.09% cobalt from 29m (oxide)
- 7m averaging 3.3g/t gold, 37.7g/t silver, 3.2% copper, 1.3% zinc, 0.9% lead and 0.08% cobalt from 35m (supergene)
- 5m averaging 2.4g/t gold, 12.4g/t silver, 1.4% copper, 1.0% zinc, 0.2% lead and 0.1% cobalt from 56m (fresh rock)

During the quarter IGO continued work and undertook detailed follow-up surface sampling across seven prospect areas including Bumblebee to provide better anomaly definition. This work has extended the anomalous footprint at Bumblebee both to the west and east. Tenement wide geological mapping of EL24915 and a petrographic and lithochemical study of rocks from outcrop and drilling were also completed during the quarter. This work will assist in characterising mineralisation style and the development of follow-up drill targets at Bumblebee. Drill follow-up is scheduled to commence in the June quarter 2016.

During the quarter IGO and ABM extended the exploration agreement over the Lake Mackay / Warumpi Margin Project areas for a further three years (ASX announcement 7 December 2015) and added a further 6 exploration licence applications to the alliance.

Subsequent to the end of the quarter IGO and ABM agreed to withdraw a large block of tenure north of the project area from the Alliance Agreement. The withdrawn tenements were previously the focus of a systematic surface geochemical program, generating a number of anomalies which were drill tested with no significant discovery. The project area now comprises one granted tenement covering 518 km<sup>2</sup>

(EL29415) and eight exploration licence applications covering 5,534 km<sup>2</sup> situated over a prominent gravity ridge along the margin of the Proterozoic Aileron and Warumpi provinces. The Bumblebee polymetallic discovery highlights the prospectivity of this largely unexplored region.

ABM relinquished most of the withdrawn tenements subsequent to the end of the quarter.

### North Arunta Region

The North Arunta region is considered non-core to ABM's activities in the Tanami Region. As a result ABM continues to seek alliance partners for the highly prospective North Arunta region. Confidentiality agreements are in place and reviews are underway by four groups. The North Arunta region consists of multiple identified mineral occurrences with walk up drill targets for gold and base metals. The granted tenement holdings at Bonita and Walkeley (5,181 square kilometres / 8 licences) are considered early stage exploration with no drill ready targets were relinquished.

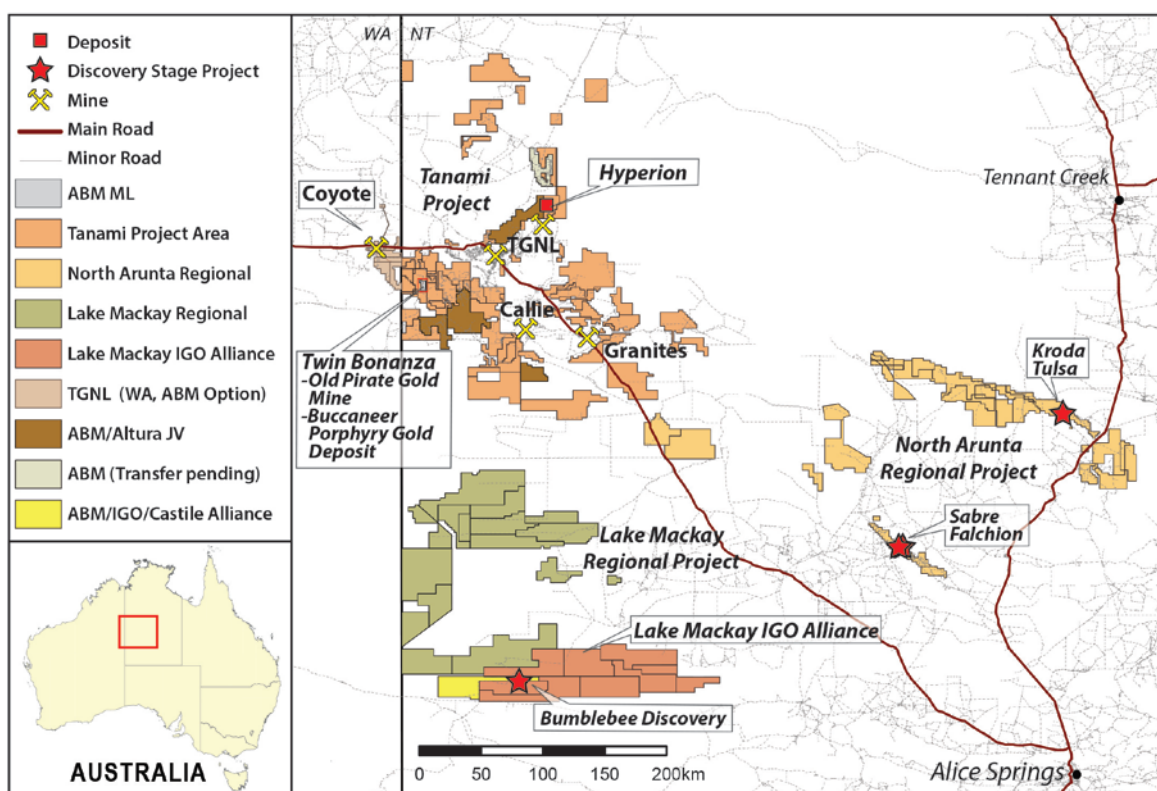


Figure 1. ABM's land position in the Central Desert

## CORPORATE

### Cash Position

ABM's financial position at the end of the Quarter was \$7.5 million in cash with an additional \$0.5 million of gold in hand (sold subsequent to end of quarter). The Company has no debt.

The Company has a \$7 million bond and guarantee facility with the ANZ bank which is drawn to approximately \$3.8 million to cover performance bonds associated with the Old Pirate Gold Mine and a number of exploration sites. The ANZ has requested that the Company progressively cash back the performance bonds by depositing cash into a restricted account. Post quarter end the Company transferred \$2.75 million into the restricted account. ABM is in discussions with another party in relation to establishing a bonding facility that does not require cash backing, which, if concluded would release all of the Company's cash reserves to be available for working capital.

### **Impairment**

The Company is reviewing asset values following the decision to cease mining at the Old Pirate Gold Mine and reduce non-core tenement holdings. As a result, potentially significant asset impairment charges will apply to the Old Pirate mine development and to the acquisition costs of exploration tenements being relinquished. Final audited numbers will be released with the half yearly financial results.

### **Capital Structure**

During the quarter ABM cancelled 333,067 shares following a share-buy-back to cover an employee loan from a former employee. The transaction was cash-neutral.

### **Board and Management Changes**

Brett Lambert was appointed Chief Executive Officer and Darren Holden stepped down as Managing Director.

Signed



**Brett Lambert**  
**Chief Executive Officer**

### **Competent Persons Statements**

*The information in this announcement relating to Hyperion exploration results is based on information reviewed and compiled 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 they are 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.*

*The information in this announcement relating to recent exploration drill results from the Lake Mackay Project is based on information compiled by Independence Group NL and reviewed / checked by Mr Darren Holden who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Holden is a consultant to 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 Holden consents to the inclusion in the documents of the matters based on this information in the form and context in which it appears.*

During the Quarter the following ASX announcements regarding the Company's activities and projects were released.

<b>Date</b>	<b>Headline</b>
24/12/2015	Old Pirate Gold Mine - Revised Mine Plan (Amended)
21/12/2015	Old Pirate Gold Mine - Revised Mine Plan
18/12/2015	Becoming a substantial holder
07/12/2015	ABM and Independence Group Extend Exploration Agreement
24/11/2015	Results of Meeting
24/11/2015	CEO's Address to Shareholders
24/11/2015	Chairman's Address to Shareholders
20/11/2015	Old Pirate Gold Mine Operational Review
19/11/2015	Appendix 3F and Form 484
18/11/2015	Trading Halt
04/11/2015	Employee Share Scheme buy-back and Appendix 3C
21/10/2015	Notice of Annual General Meeting/Proxy Form
21/10/2015	Final Director's Interest Notice
21/10/2015	Quarterly Activities and Cashflow Report
19/10/2015	Key Management and Board Changes
06/10/2015	Bumblebee Gold-Copper-Silver-Lead-Zinc-Cobalt Discovery

# Appendix 5B

## Mining exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/2013

Name of entity

**ABM RESOURCES NL**

ABN

**58 009 127 020**

Quarter ended ("current quarter")

**31 December 2015**

### Consolidated statement of cash flows

	Current quarter	Year to date (6 months)
	\$A'000	\$A'000
<b>Cash flows related to operating activities</b>		
1.1 Receipts from product sales and related debtors	12,845	22,569
1.2 Payments for (a) exploration & evaluation	(805)	(1,748)
(b) development	(5,112)	(18,389)
(c) production	(6,552)	(6,552)
(d) administration	(1,041)	(1,837)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	31	64
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Other (R&D tax concession)		
<b>Net Operating Cash Flows</b>	<b>(634)</b>	<b>(5,893)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of: (a) prospects	(100)	(130)
(b) equity investments		
(c) other fixed assets	-	(16)
1.9 Proceeds from sale of: (a) prospects		
(b) equity investments		
(c) other fixed assets		
1.10 Loans to other entities		
1.11 Loans repaid by other entities		
1.12 Other (net cash flows on divestment of subsidiary)		
<b>Net investing cash flows</b>	<b>(100)</b>	<b>(146)</b>
1.13 Total operating and investing cash flows (carried forward)	<b>(734)</b>	<b>(6,039)</b>

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	Current quarter \$A'000	Year to date (6 months) \$A'000
1.13 Total operating and investing cash flows (brought forward)	(734)	(6,039)
<b>Cash flows related to financing activities</b>		
1.14 Proceeds from issues of shares, options, etc. (net)		
1.15 Proceeds from sale of forfeited shares		
1.16 Proceeds from borrowings/environmental bonds		
1.17 Payment of borrowings/environmental bonds		
1.18 Dividends paid		
1.19 Other (provide details if material)		
<b>Net financing cash flows</b>	-	-
<b>Net increase (decrease) in cash held</b>	(734)	(6,039)
1.20 Cash at beginning of quarter/year to date	8,278	13,583
1.21 Exchange rate adjustments to item 1.20		
1.22 <b>Cash at end of quarter</b>	<b>7,544</b> <sup>(1)(2)</sup>	<b>7,544</b> <sup>(1)(2)</sup>

- (1) In addition to the \$7.544 million cash on hand as at 31 December 2015, ABM Resources NL had an additional \$0.522 million in gold in transit for a total of \$8.066 million.
- (2) Post quarter end the Company deposited \$2.75 million into a restricted account to partially cash back the ANZ performance bond facility.

**Payments to directors of the entity, associates of the directors, related entities of the entity and associates of the related entities**

	Current quarter \$A'000
1.23 Aggregate amount of payments to the parties included in item 1.2	460
1.24 Aggregate amount of loans to the parties included in item 1.10	
1.25 Explanation necessary for an understanding of the transactions	

**Non-cash financing and investing activities**

- 2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows
- 2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

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## Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	Nil	Nil
3.2 Credit standby arrangements		

## Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	800
4.2 Development	100
4.3 Production	10,000
4.4 Administration	750
<b>Total</b>	<b>11,650</b>

## Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	3,516	4,250
5.2 Deposits at call	4,028	4,028
5.3 Bank overdraft		
5.4 Other (provide details)		
<b>Total: cash at end of quarter (item 1.22)</b>	<b>7,544</b>	<b>8,278</b>

## Changes in interests in mining tenements

	Tenement reference and location	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed	Refer attached			
6.2 Interests in mining tenements acquired or increased	Refer attached			

## Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

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	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 <b>Preference securities</b> ( <i>description</i> )				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 <b>+Ordinary securities</b>	342,954,486	342,954,486		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	(333,067)	(333,067)	36.0	36.0
7.5 <b>+Convertible debt securities</b> ( <i>description</i> )				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 <b>Options*</b> ( <i>description and conversion factor</i> ) *	Nil		<i>Exercise price</i>	<i>Expiry date</i>
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.11 <b>Debentures</b> ( <i>totals only</i> )				
7.12 <b>Unsecured notes</b> ( <i>totals only</i> )				

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## Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here: .....  
(Company secretary)

Date: 29 January 2016

Print name: Jutta Zimmermann

## Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities;** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards;** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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## Summary of Mining Tenements and Areas of Interest

*For the Quarter Ended 31 December 2015*

Areas of interest	Tenements	Economic Entity's Interest	Notes	Acquired during the quarter
<b>Northern Territory</b>				
<b>TANAMI</b>				
<b>Birrindudu</b>	EL5889	100	granted	
	EL27705	100	granted	
	EL28326	100	granted	
	EL28560	100	granted	
	EL28566	100	granted	
	EL29181	100	granted	
	EL29182	100	granted	
	EL23523	100	application	
<b>Bonanza</b>	EL22850	100	granted	
	EL23208	100	granted	
	EL23659	100	granted	
	EL24344	100	granted	
	EL24436	100	granted	
	EL24437	100	granted	
	EL25194	100	granted	
	EL25844	100	granted	
	EL26608	100	granted	
	EL26610	100	granted	
	EL26616	100	granted	
	EL27124	100	granted	
	EL27127	100	granted	
	EL27339	100	granted	
	EL27378	100	granted	
	EL27813	100	granted	
	EL28322	100	granted	
	EL28323	100	granted	
	EL28324	100	granted	
	EL28325	100	granted	
	EL28327	100	granted	
	EL28328	100	granted	
	ML29822	100	granted	
	EL27119	100	application	
	EL27589	100	application	
	EL28394	100	application	
	EL29790	100	application	
	EL29860	100	application	
	EL30814	100	application	
	EL30944	100	application	
<b>South Tanami</b>	EL25191	100	granted	
	EL25192	100	granted	
	EL28785	100	granted	
	EL25156	100	application	
	EL29832	100	application	
	EL29859	100	application	
	EL30270	100	application	
	EL30274	100	application	

+ See chapter 19 for defined terms.

*For the Quarter Ended 31 December 2015 Continued*

Areas of interest	Tenements	Economic Entity's Interest	Notes	Acquired during the quarter
<b>Northern Territory</b>				
<b>TANAMI</b>				
<b>Euro</b>	EL25845	100	granted	
	EL26590	100	granted	
	EL26591	100	granted	
	EL26592	100	granted	
	EL26593	100	granted	
	EL26613	100	granted	
	EL26615	100	granted	
	EL26618	100	granted	
	EL26620	100	granted	
	EL26621	100	granted	
	EL26622	100	granted	
	EL26673	100	granted	
	EL27604	100	granted	
	EL30271	100	application	
	EL30272	100	application	
	EL30273	100	application	
EL30283	100	application		
<b>Supplejack</b>	EL9250	100	granted	
	EL26609	100	granted	
	EL26619	100	granted	
	EL27125	100	granted	
	EL27126	100	granted	
	EL27566	100	granted	
	EL27812	100	granted	
	EL27979	100	granted	
	EL28333	100	granted	
	EL26623	100	application	
	EL26634	100	application	
	EL27570	100	application	
	EL27980	100	application	
EL26483	100	granted	✓	
<b>Altura JV</b>	EL26628	90	granted	✓
	EL29828	90	granted	✓
	EL26626	90	application	✓
	EL26627	90	application	✓
<b>LAKE MACKAY PROJECT</b>				
<b>Dodger</b>	EL28028*	100	granted	
<b>Lake Mackay North</b>	EL30552	100	application	
	EL30553	100	application	
	EL30554	100	application	
	EL30555	100	application	
	EL30556	100	application	
<b>Tekapo</b>	EL9442*	100	granted	
	EL9449*	100	granted	
	EL24858*	100	granted	
	EL28682	100	application	
<b>Warumpi</b>	EL30729	100	application	
	EL30730	100	application	
	EL30731	100	application	
	EL30732	100	application	
	EL30733	100	application	
	EL30739	100	application	
	EL30740	100	application	

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*For the Quarter Ended 31 December 2015 Continued*

Areas of interest	Tenements	Economic Entity's Interest	Notes	Acquired during the quarter
<b>Northern Territory</b>				
<b>LAKE MACKAY PROJECT</b>				
<b>Tarawera</b>	EL9343*	100	granted	
	EL10305*	100	granted	
	EL10306*	100	granted	
	EL24299*	100	granted	
	EL24492*	100	granted	
	EL24567*	100	granted	
	EL24915	100	granted	
	EL24949*	100	granted	
	EL25630*	100	granted	
	EL25632*	100	granted	
	EL25866*	100	granted	
	EL27780*	100	granted	
	EL27872*	100	granted	
	EL29459*	100	granted	
	EL29460*	100	granted	
	EL8695	100	vetoed	
	EL23898	100	application	
	EL24473	100	vetoed	
	EL25146	100	application	
	EL25147	100	application	
	EL27894	100	application	
	EL29314	100	vetoed	
	EL29315	100	vetoed	
	EL29316	100	vetoed	
	EL29369	100	vetoed	
<b>McEwin Hills</b>	EL29483	100	granted	
<b>Terry's Find</b>	EL27906	100	granted	
<b>NORTH ARUNTA</b>				
<b>Barrow Creek</b>	EL8766	100	granted	
	EL23880	100	granted	
	EL23883	100	granted	
	EL23884	100	granted	
	EL23885	100	granted	
	EL23886	100	granted	
	EL26825	100	granted	
	EL28515	100	granted	
	EL28727	100	granted	
	EL28748	100	granted	
	EL29723	100	granted	
	EL29724	100	granted	
	EL29725	100	granted	
	EL29896	100	granted	
	EL30470	100	granted	
	EL30507	100	granted	
	EL30637	100	granted	
	EL30422	100	application	
<b>Reynolds Range</b>	EL23655	60	granted	
	EL23888	100	granted	
	EL28083	100	granted	

+ See chapter 19 for defined terms.

*For the Quarter Ended 31 December 2015 Continued*

Areas of interest	Tenements	Economic Entity's Interest	Notes	Acquired during the quarter
<b>Northern Territory</b>				
<b>NORTH ARUNTA</b>				
<b>Bonita</b>	EL23926*	100	granted	
	EL23927*	100	granted	
	EL29367*	100	granted	
	EL29368*	100	granted	
	EL29833	100	application	
	EL29834*	100	application	
	EL30506	100	application	
	EL30508	100	application	
<b>Lander River</b>	EL25031	100	granted	
	EL25033	100	granted	
	EL25034	100	granted	
	EL25035	100	granted	
	EL25041	100	granted	
	EL25042	100	granted	
	EL25044	100	granted	
	EL25030	100	vetoed	
	EL25036	100	vetoed	
	EL29819	100	vetoed	
	EL29820	100	vetoed	
	<b>Walkeley</b>	EL26903	100	application
<b>Western Australia</b>				
<b>Killi Killi Hills</b>	E80/4903*	100	application	
	E80/4904*	100	application	
	E80/4905*	100	application	
	E80/4909*	100	application	
	E80/4910*	100	application	
	E80/4913*	100	application	
	E80/4933*	100	application	

\*Tenement disposed of subsequent to 31 December 2015 to date.

During the quarter ABM disposed of the following granted tenements in the Walkeley area of the Northern Territory: EL22544, EL22555, EL30153 and EL30155.

+ See chapter 19 for defined terms.