

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

16 May 2017

Drilling has commenced at the Homestead Prospect**HIGHLIGHTS**

- Hole located 30 kilometres west of the world class Callie gold deposit
- Interpreted to be the same rock type and tectonic setting as Callie
- Area had not been tested with surface sampling prior to 2012
- First bedrock test of the target
- 350 metre long diamond core drillhole planned
- Hole is co-funded by the NT Geological Survey

ABM Resources (ABM) is pleased to advise that diamond drilling has commenced on its 100% owned Homestead Prospect in the Tanami Region of the Northern Territory. The planned drillhole is the first test of an innovative soil sampling assaying method trialled by ABM in 2013. The target is an early stage exploration target being tested as part of ABM's strategy and is aimed to discover the next generation of large gold deposits through effective green fields exploration.



Photograph 1. Diamond drilling underway at Homestead

Homestead Target

The Homestead Prospect is located 30 kilometres west of Callie, and exhibits similar geophysical characteristics to this world class orebody. The diamond hole in progress is targeted to intersect the edge of a significant magnetic and gravity high anomaly located within the Trans-Tanami Fault Zone (TTZ). It is likely that the geophysical anomalies represent a region of highly favourable stratigraphy and tectonic setting.

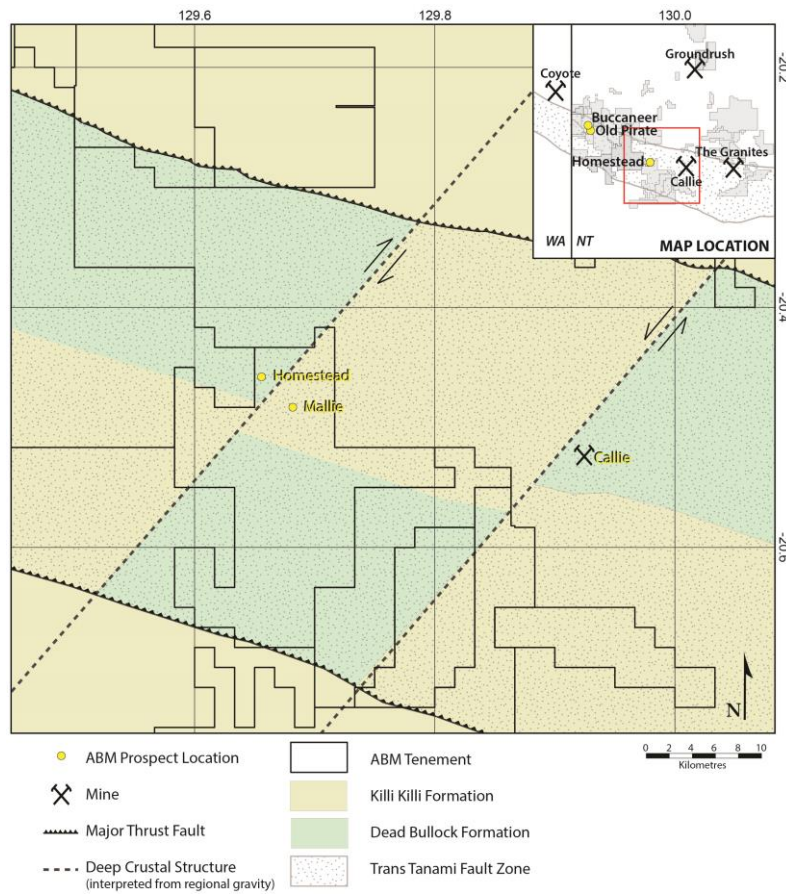


Figure 1. ABM Homestead Prospect Location Map with simplified geological interpretation

Interpretation of magnetic data combined with drilling 2 kilometres to the east indicate the prospect area lies under basalt cover. These basalts could conceal buried deposits from conventional exploration techniques applied in the past.

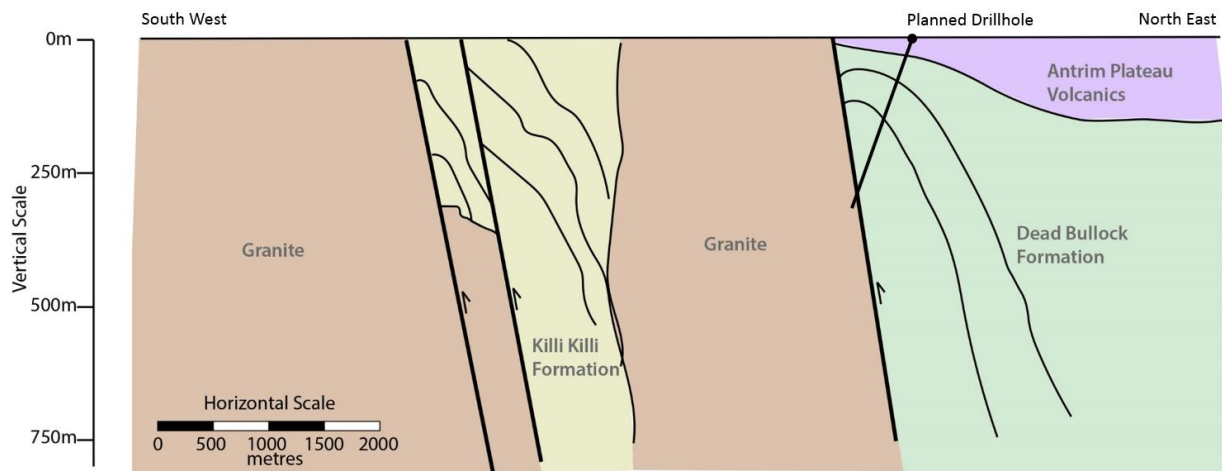


Figure 2. Schematic cross section through the Homestead project illustrating the interpreted bedrock geology

In 2012 ABM completed soil sampling over the area trialling Deep Penetrating Geochemistry (DPG). The aim of this technique is to detect mineralisation that is covered by many metres of transported cover and is essentially 'blind' at surface. It is important to note that ABM utilised Ionic Leach analytical techniques, which yield very low assay values in the order of 0.1ppb. Further details of the technique are available in AGES presentation released to the market on 19 March 2013 and group annual report for the period ending 15 March 2013 for the relevant tenement (refer to reference).

The current drilling is the first test of this target. The hole aims to confirm the rock type under the basalt is Dead Bullock Formation and tests whether the DPG anomaly represents the surface expression of a buried gold deposit. Drilling, assaying and reporting of this program are aimed to be completed by the end of the financial year.

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 and
- Exploring opportunities for joint ventures and divestment of early stage targets

Competent Person's Statement

The information in this announcement relating to exploration targets and exploration results are based on information reviewed and checked by Mr Matt Briggs who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Briggs 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 2012 edition of the "Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves". Mr Briggs consents to the inclusion in the documents of the matters based on this information in the form and context in which it appears.

References

ABM Resources NL, 2013. Group annual report for EL 23926, EL 23927, EL 29367 and EL 29368 GR253 Bonita Project from 16 March 2012 to 15 March 2013. Retrievable from <http://www.geoscience.nt.gov.au/gemis/ntgsjspui/handle/1/83190>

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