

ASX ANNOUNCEMENT / MEDIA RELEASE

ASX:ABU

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Lake Mackay JV: Exploration Update

HIGHLIGHTS

- Spectrem airborne EM orientation survey has been completed
- Soil sampling has defined a 3.2km strike length zone of anomalism
- Demonstrates target corridor extends to the north east

ABM Resources NL (“ABM” or the Company) is pleased to provide an update to activities on the Lake Mackay Joint Venture (“JV”) being managed by Independence Group NL (“IGO”)¹.

ABM Managing Director Matt Briggs said:

“The orientation airborne EM survey at Grapple, Springer and Bumblebee aims to optimise the system to be used to screen the broader target corridor at Lake Mackay. The granting of tenements in the last quarter of 2017 has unlocked a large area for on-ground exploration. Previous exploration was limited to EL24915 representing only 4% of the project area. The program planned for 2018 has the potential to rapidly and cost effectively identify additional Grapple and other style targets on the remainder of the Lake Mackay Project.”

“The new soil anomaly is substantially larger than previously defined over Bumblebee and Grapple. The size and amplitude of this anomaly is encouraging at this very early stage. The soil gold anomaly has coincident silver, copper, cobalt, and zinc responses.”

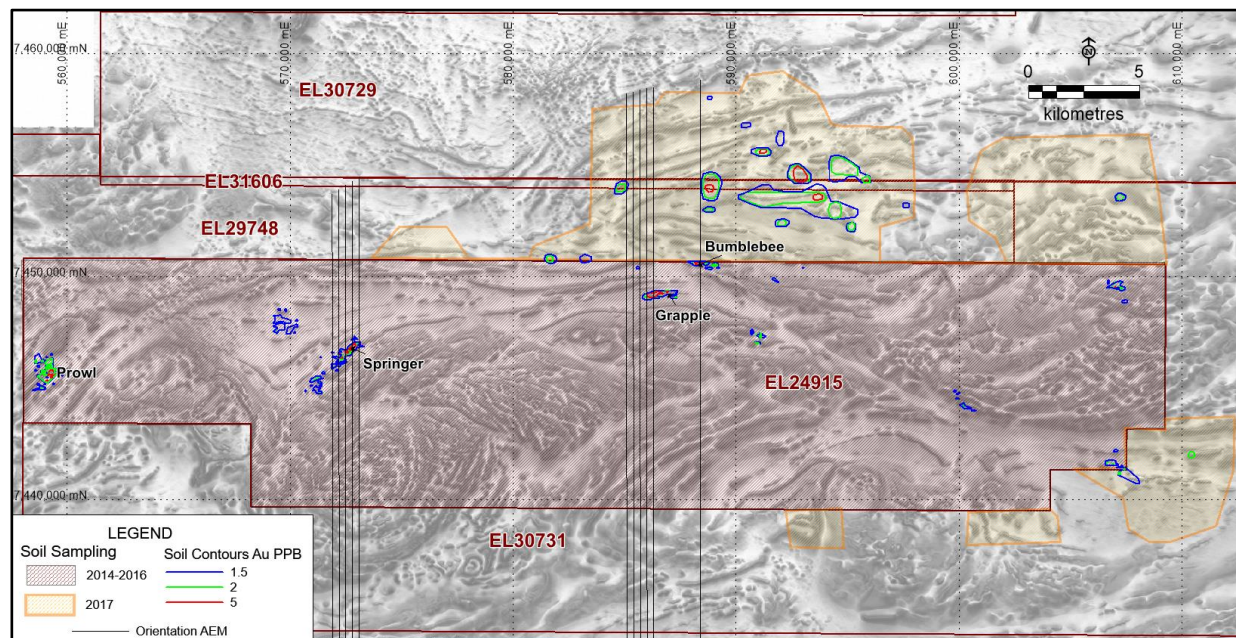


Figure 1. Soil sampling areas, gold anomalies and orientation airborne EM lines

¹IGO is earning 70% interest in ABM’s Lake Mackay tenements by solely funding \$6 million of exploration expenditure (ASX 6 May 2016).

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Background

The Lake Mackay Project is located 400km northwest of Alice Springs, adjacent to the Western Australian border, and includes 12,833km² of exploration licences and applications (11,933km² IGO/ABM JV, 900km² IGO/ABM/Castile JV). This emerging mineralised belt at Lake Mackay is at a very early stage of exploration. IGO is executing an exploration program as part of a joint venture with ABM to systematically evaluate the Lake Mackay Project. The Project has a consolidated tenure over the favourable Proterozoic margin between the Aileron and Warumpi Provinces, and is characterised by a continent-scale geophysical gravity ridge and the Central Australian Suture. The JV partners consider that the exploration potential will unlock a new metallogenic province hosting multiple styles of precious and base metals mineralisation.



Figure 2. Spectrem Airborne EM aircraft

Soil Sampling

Results were received from the soil sampling program completed in October-November 2017. Multi-element anomalism was identified in the area north east of the Bumblebee/Grapple Prospects. The area was anomalous in Au, Ag, As, Bi, Cu, Co, Pb and Zn. A >2 ppb Au response was detected on 5 adjoining sample lines, giving a 3.2km strike length to this zone of anomalism (Figure 1). The soil response is similar in style to that overlying the Grapple Prospect.

Orientation Airborne EM

SpectremAir have completed flying an orientation airborne EM survey based out of Uluru (Figure 2). This trial is the first of two to be completed with separate airborne EM systems. The second system is now expected to be flown later this quarter. These trials are aiming to test the effectiveness of two of the best fixed-wing airborne EM systems on the known conductors at Grapple, Bumblebee and Springer. The optimal system will be selected to complete an extensive survey of the prospective areas of the Lake Mackay Project in the first half of 2018.

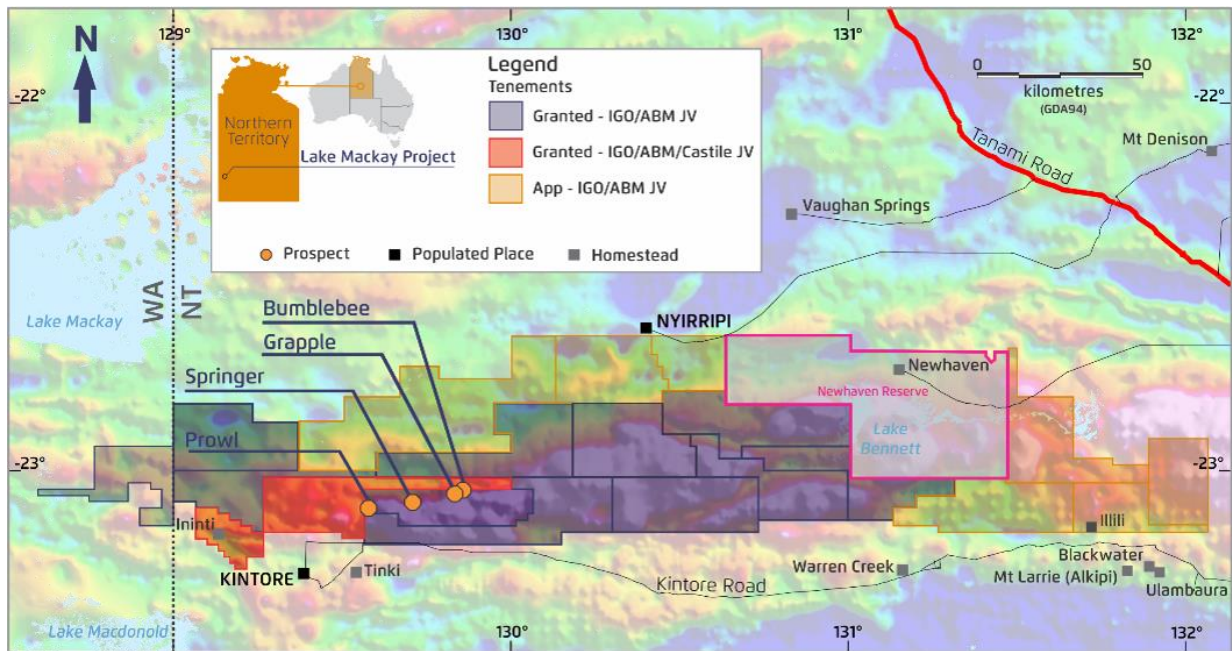


Figure 3. Lake Mackay Joint Venture Area

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 has implemented 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 21,000 km² Tanami Project area² and includes:

- Systematic evaluation of high potential early stage targets
- Drilling of advanced prospects on the Suplejack Project and
- Assessment of existing resources

The Company is exploring opportunities for joint ventures of early stage targets.

Matt Briggs
Managing Director

JORC Code (2012) Competent Persons' Statements

The information in this announcement relating to exploration results is based on information reviewed and checked by Mr Doug Winzar who is a Member of The Australian Institute of Geoscientists. Mr Winzar is a full-time employee and security holder of IGO. Mr Winzar has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they have undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (JORC 2012). Mr Winzar consents to the inclusion in the documents of the matters based on this information in the form and context in which it appears.

² Area managed by ABM excluding the Lake Mackay JV and North Arunta Projects

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Appendix 1: JORC Tables

Section 1: Sampling Techniques and Data

| Criteria | Explanation |
|---|---|
| Sampling techniques | <ul style="list-style-type: none"> - The project is reconnaissance soil sampled on nominal 800m x 400m grid spacing. The sample is uniformly collected from the surface to 20cm depth. - The samples are sieved through 0.4mm on site to reduce the sample size. - The sample positions are determined by a handheld GPS which records the sample number at the time of sample collection. - Sample holes are backfilled upon completion of the sample. - A sample description is recorded to specify if it is taken from an area with soil, lag or outcrop in close vicinity to the sample site. - Follow up sampling is conducted on more detailed grid spacing using the same sampling technique. - The samples are dried and sieved to recover a representative 30g of -50um material at a sample preparation laboratory. - A 10g sub-sample is used for analysis by BLEG with an MS finish for Au and Ag. A 0.5g sub-sample is used for analysis by Aqua Regia with ICP-MS finish for Al, As, B, Ba, Be, Bi, Ca, Cd, Ce, Co, Cr, Cu, Fe, Ga, Ge, Hf, Hg, In, K, La, Li, Mg, Mn, Mo, Na, Nb, Ni, P, Pb, Pd, Pt, Rb, Re, S, Sb, Sc, Se, Sn, Sr, Ta, Te, Th, Ti, Tl, U, V, W, Y, Zn and Zr. - Additional material is available for check assaying of either BLEG or Aqua Regia analysis. |
| Drilling techniques | <ul style="list-style-type: none"> - Not applicable |
| Drill sample recovery | <ul style="list-style-type: none"> - Not applicable |
| Logging | <ul style="list-style-type: none"> - Not applicable |
| Sub-sampling techniques and sample preparation | <ul style="list-style-type: none"> - Field duplicate samples are collected every 50 samples, with the material collected from the same sample site. - Fine fraction material is utilised to attempt to reduce the diluting effect of the transported sand cover at surface. This is not industry standard but is being attempted to try and utilise surface geochemistry in areas that were previously considered unsuitable for soil sampling. |
| Quality of assay data and laboratory tests | <ul style="list-style-type: none"> - Both BLEG and Aqua Regia are partial digestion techniques. - BLEG should be suitable for reconnaissance Au exploration at a lower detection limit than Aqua Regia. - Aqua Regia should be suitable for base metal exploration and for Au pathfinder elements. - Laboratory QAQC involves the use of internal lab standards and blanks using certified reference materials. - Independence Group also provides reference samples that are inserted every 50 samples. |
| Verification of sampling and assaying | <ul style="list-style-type: none"> - The sample coordinates are recorded on the GPS and recorded on the sample sheet. This is entered into excel and reviewed by the project manager prior to being submitted to the acquire database. - No adjustments or calibrations have been made to the assay data used in this report. |

| Criteria | Explanation |
|--|--|
| Location of data points | <ul style="list-style-type: none"> - Sample points were recorded using Garmin handheld GPS. Expected accuracy is + or – 5m for easting and northing. - The grid system is MGA_GDA94 (zone 52), local easting and northing are in MGA. - Handheld GPS is adequate for soil sampling. |
| Data spacing and distribution | <ul style="list-style-type: none"> - Sample space is on a nominal 800 x 400m spacing with infill to 200m along lines in areas of interest. |
| Orientation of data in relation to geological structure | <ul style="list-style-type: none"> - The soil sampling is only intended to provide a surface soil sample. - The initial grid sampling should not have any sample bias. - Infill sampling is generally done on a 200m x 400m, followed by 50m x 200m grids. This creates a sample bias in the soil sampling. |
| Sample security | <ul style="list-style-type: none"> - The soil samples are transported from the field to the sample preparation laboratory in Alice Springs by Independence Group personnel. Once the samples are sieved they are transported to Perth using the laboratories standard chain of custody procedure. |
| Audits or reviews | <ul style="list-style-type: none"> - A review of initial BLEG results concluded that Au and Ag were the only elements appropriate for BLEG analysis in the Lake Mackay environment. Subsequently Aqua Regia was done for base metals and pathfinder elements. |

Section 2: Reporting of Exploration Results

| Criteria | Explanation |
|---|--|
| Mineral tenement and land tenure status | <ul style="list-style-type: none"> - The area of the Lake Mackay Project reference in this release includes EL24915, EL30729, EL31606, EL29748 and EL30731. - This tenements are in good standing and no known impediments exist. - ABM and Independence Group NL (“IGO”) entered into a multi-phase agreement covering the Lake Mackay Project on 21 August 2013. - In May 2016 IGO triggered phase 2 of the agreement to earn a 70% interest in the project. This involved subscribing for \$1.5M ABM shares in placement with a six month escrow period and spending \$6M on exploration on the project over 4 years. |
| Exploration done by other parties | <ul style="list-style-type: none"> - EL24915 was previously explored by BHP in the South Tanami JV. BHP flew a Geotem survey in 1999 and completed ground EM and drilling in 2004 targeting Ni sulphides. |
| Geology | <ul style="list-style-type: none"> - The project area is considered highly prospective for orogenic shear hosted gold deposits based on similarities that exist between the West Arunta and the Granites-Tanami Block with respect to gold deposition timing and structural settings. - The region is also considered by IGO and ABM to have potential for the discovery of deposits having a number of mineralisation styles including: <ul style="list-style-type: none"> • Iron-ore-copper-gold (IOCG) deposits • Volcanogenic hosted massive sulphide deposits (VMS) • Mafic or ultramafic intrusion related Ni-Cu-PGE |
| Drill hole Information | <ul style="list-style-type: none"> - Not applicable |
| Data aggregation methods | <ul style="list-style-type: none"> - Results defined as anomalous are elevated relative to background levels. |
| Relationship between mineralisation widths and intercept lengths | <ul style="list-style-type: none"> - Not applicable |

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|---|--|
| Diagrams | - A representative long section and tenement plan are included in the body of the ASX release. |
| Balanced reporting | - Not applicable. |
| Other substantive exploration data | - Surface EM survey and DHEM survey generated plates are displayed in the sections in the body of the ASX release. |
| Further work | - Further drilling is required to intersect the thicker zone of mineralisation in the positions interpreted based on the DHEM surveys. |