

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

6 May 2016

***IGO Exercises Lake Mackay Option and subscribes for \$1.5M of ABM Shares***

ABM Resources NL (“ABM” or the “Company”) is pleased to report that Independence Group NL (“IGO”) has exercised its option to enter into a farm-in and joint venture agreement (“Option”) in accordance with the Lake Mackay Exploration Agreement (Exploration Agreement) entered into in 2013 and amended in 2015 (ASX 21 August 2013 and 7 December 2015).

Under the terms of the Exploration Agreement, to exercise the Option IGO could elect to pay ABM a cash amount of \$1,000,000 or subscribe for ordinary shares in ABM to the value of \$1,500,000. IGO has elected to subscribe for the ABM shares. The pricing for the share subscription is set in the Exploration Agreement as the volume weighted average price (“VWAP”) for the Company’s shares in the preceding month, which equates to 4.42 cents per share.

Payment of \$1,500,000 has been received from IGO and 33,936,651 shares have been issued to IGO representing approximately 9.0% of the Company’s shares now on issue. The Exploration Agreement requires IGO to enter into a voluntary escrow agreement where the ABM shares it acquired cannot be sold for a period of six months. IGO is now ABM’s third largest shareholder.

ABM Managing Director, Brett Lambert, said “We are very pleased with IGO’s further substantial commitment to Lake Mackay and look forward to the next round of results from Bumblebee. We also welcome IGO to the Company as a new supportive major shareholder.”

Following exercise of the Option, IGO is entitled to earn a 70% interest in ABM’s Lake Mackay tenements and applications through the expenditure of \$6,000,000 within four years. IGO has advised that this month it intends to commence drilling within the Lake Mackay project area at the exciting Bumblebee Prospect. Initial drilling at Bumblebee returned strong base and precious metals values (ASX 6 October 2015) and a recent electromagnetic survey further enhanced this prospect with the identification of a strong, clear conductor coincident with mineralisation intercepted by the initial drilling (ASX 23 March 2016).

The proceeds from the IGO share subscription will make a significant contribution to ABM’s funding requirements and may enable the Company to review the timing and amount of its proposed rights issue (ASX 29 April 2016). The receipt of these funds, together with the better than forecast cash flow from the last months of operations at the Old Pirate Gold Mine, now enables ABM to make a firm commitment to the commencement of drilling this field season. Also, the price per share paid by IGO was higher than that in either of the sub-underwriting proposals from the Company’s two major shareholders, making the IGO subscription a less dilutive source of funds with the additional benefit that no fees were payable.

Drilling will commence at the Tethys (formerly Hyperion East) Prospect where drilling last year returned excellent initial results, including 21 metres at 2.84g/t gold, 12 metres at 3.43g/t gold and 12 metres at 3.03 g/t gold. The mineralisation is near surface and open at depth and along strike (ASX 26 August 2015). Drilling of other advanced targets on the Suplejack Trend will follow, however no substantive field work will be carried out elsewhere until a thorough prospectivity review and prioritisation of other exploration targets has been completed.



Brett Lambert  
Managing Director

#### **Competent Persons Statements**

*The information in this announcement relating to exploration results is based on information reviewed and checked 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 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 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.*