

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

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Exploration Update – Grapple Prospect Drill Intersections

ABM Resources NL (“ABM” or the Company) is pleased to provide all drill results for the Grapple Prospect on the Lake Mackay Joint Venture (“JV”) being managed by Independence Group (“IGO”).

Highlights

- 18 RC hole program completed at EL24915 as part of the reconnaissance drilling program on the Lake Mackay Project
- All results are now available from the Grapple Prospect with anomalous mineralisation intersected in 8 out of 11 holes
- Multiple additional intersections at the Grapple Prospect including **6m at 8.98 g/t gold, 23.5 g/t silver, 1.45% copper, 1.40% zinc, 0.26% lead and 0.15% cobalt**
- Downhole EM interpretation suggests the modelled conductor extends to the west

Background

The Lake Mackay Project is located 400km northwest of Alice Springs, adjacent to the Western Australian border, and includes 7,200 square kilometres of exploration licences (Figure 1). The belt is at a very early stage of exploration. The only reported previous exploration was completed by BHP Billiton targeting nickel sulphide mineralisation in the early 2000s. IGO is executing an exploration program as part of an exploration alliance¹ with ABM to systematically evaluate the Lake Mackay Project. The Project has consolidated the favourable Proterozoic margin between the Aileron and Warumpi Provinces, characterised by a continent-scale geophysical gravity ridge and the Central Australian Suture. The JV partners believe that there is potential to unlock a new metallogenic province hosting multiple styles of mineralisation.

IGO has previously intersected interpreted VMS style mineralisation at Bumblebee. This target was identified through soil geochemistry and ground EM surveys. Subsequent drilling (ASX 27 July 2016) intersected low grade base metal mineralisation, comprising chalcopyrite, sphalerite and galena. Four of the holes returned a total of five intercepts greater than 1% copper. The intersection of these sulphides along with elevated gold, silver, copper, lead and zinc provides support for the prospectivity of the Lake Mackay Project.

Encouraging drilling intersections were reported (ASX 14 November 2016) from the Grapple Prospect based on the first three holes of the RC drilling program.

Current Lake Mackay RC Drilling Program

An 18 hole reverse circulation (RC) drilling program was completed on EL24915 in November 2016. This included 11 holes at the Grapple Prospect, 3 holes at the Springer Prospect and 4 holes at the Prowl Prospect (Figure 2). Additional holes that were planned at Prowl, were not completed due to the requirement to demobilise the rig before a large weather front hit the area.

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

| Criteria | JORC Code explanation | |
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| <i>Diagrams</i> | <ul style="list-style-type: none"> • <i>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</i> | <ul style="list-style-type: none"> • A plan view is provided in Figure 3 and section in Figure 4 |
| <i>Balanced reporting</i> | <ul style="list-style-type: none"> • <i>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</i> | <ul style="list-style-type: none"> • Results above 1g/t Au or 1% Cu were reported. The remainder of the results are considered low grade. |
| <i>Other substantive exploration data</i> | <ul style="list-style-type: none"> • <i>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</i> | <ul style="list-style-type: none"> • Au ppb in soil contours are provided in Figure 3 of the report to show the coincidence of the positive drill results with the soil anomalism. |
| <i>Further work</i> | <ul style="list-style-type: none"> • <i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</i> • <i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i> | <ul style="list-style-type: none"> • Further drilling will be conducted to determine the lateral extent of the mineralisation. • The MLEM plates displayed on Figure 3 may approximate the extent of the mineralisation in the near surface environment. It must be noted that 16PRRC002 did not intersect precious or base metals up-dip of the MLEM plate so this may be caused by pyrrhotite. |