

16<sup>th</sup> August, 2013

## ***Trial Mining Continues and Commissioning of the Old Pirate Processing Plant is Underway***

ABM Resources NL ("ABM" or "The Company") presents an update on the Trial Mining and Processing at the Old Pirate High-Grade Gold Project in the Northern Territory of Australia.

### **Trial Mining continues:**

- Between 3,000 and 4,000 tonnes of gold bearing material stockpiled and ready for processing.
- Mining of first bench (1 to 1.5 metre depth) from Old Pirate Central Area including Eastern Limb and Heartland veins) complete:
  - High-grade gold bearing veins up to 3 metres wide extracted over a combined 300 metre strike length.
  - Coarse and fine visible gold sighted throughout mining of Central area (including Eastern Limb and Heartland Veins), with the Heartland Veins containing very coarse gold (>4mm).
- Mining of first bench (to 1 metre depth) complete from SE Veins:
  - High grade gold bearing veins up to 0.5 metres wide over a 30 metre strike length.
  - Fine visible gold sighted throughout mining of the SE Veins.
- Mining of first bench (to 1.5 metres depth) from Western Limb is 80% complete:
  - High-grade gold bearing veins up to 0.5 metre wide extracted over 240 metres strike length (300m total).
  - Coarse and fine visible gold sighted throughout mining of Western Limb.
- First benches now complete for all Trial Mining areas. Second bench ready to be mined at Golden Hind and Old Pirate South.

### **Commissioning underway at the Trial Processing Plant**

- Generators are installed and operational.
- Tailings, pumps and water storage facility commissioned and ~3.5 million litres of water stored in preparation for trial processing.
- Three stage crushing unit has been tested and is operational.
- Coarse gold jig has been tested and is operational.
- Scrubber / trommel unit has been tested and is operational.
- Knelson Concentrator is installed and being commissioned.
- Ball Mill and motors installed, being aligned and commissioned.
- Ramping up to full scale trial-processing shortly.

### ***Trial Mining and Pilot Processing Update***

ABM is committed to a staged approach to the development of the Old Pirate High-Grade Gold Project. Stage One, conducted under an exploration license, involves the extraction and processing of up to 10,000 tonnes of gold-bearing material to test the system for grade reconciliation, recovery and dilution management. ABM anticipates that Trial Mining and Processing, using a modular pilot processing plant, will increase geological understanding of the mineralisation controls as well as expose new mineralised zones not previously identified as part of exploration work to date. The Trial Mining is ABM's equivalent of a feasibility study but has the advantage of providing more robust data, as well as producing saleable gold.

### ***Trial Mining***

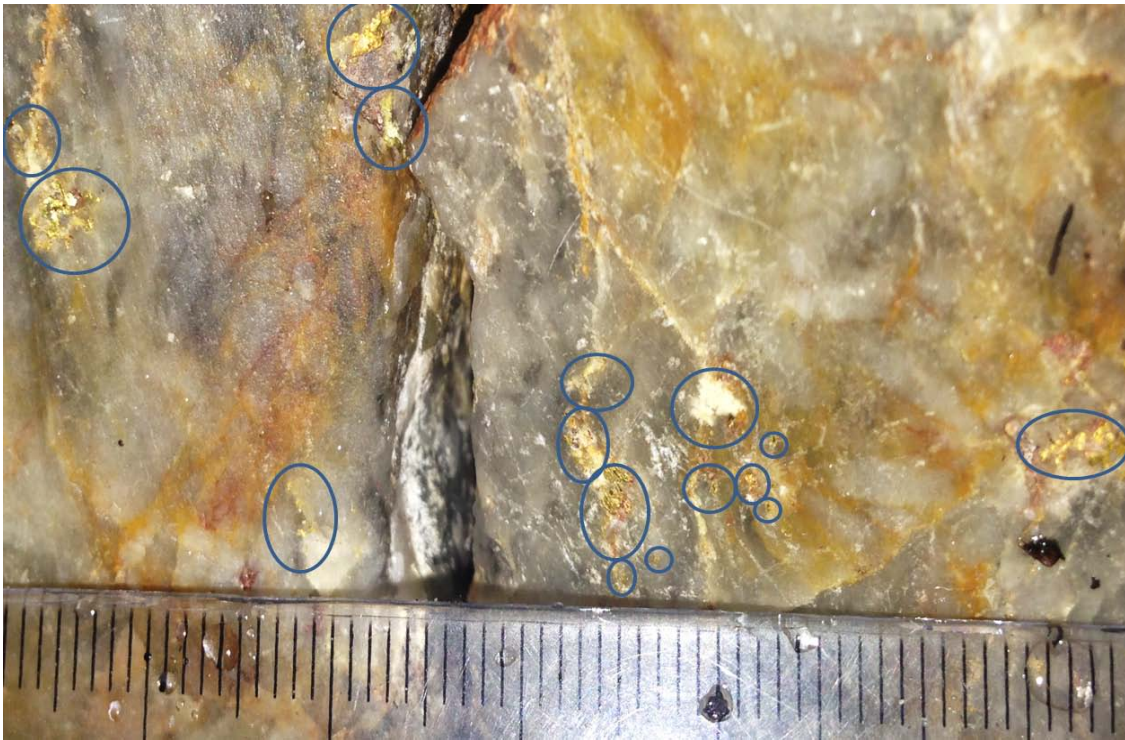
The Trial Mining is well underway with concurrent excavation of several areas. To date approximately 3,000 to 4,000 tonnes of high-grade gold bearing material has been extracted. One of the key advantages of the project is that ABM can open up multiple high-grade mining areas over the nearly 2 kilometres of vein strike length exposed at surface. As each level/bench is complete, the area can be mapped and sampled whilst excavation is underway in other areas.

Following on from the previous update (01/08/2013), ABM has continued trial mining. Recently the Company excavated gold-bearing material from the main Central Zone including the Eastern Limb and Heartland Veins. The Central Zone included quartz veins up to 3 metres wide with coarse visible gold (>0.5mm) sighted during the excavation (Figure 1). The Eastern Limb is a composite of multiple veins between 20 centimetres and 2 metres wide and again coarse visible gold was sighted during excavation. The Heartland Veins are narrow (~20 to 50 centimetres as previously noted in surface sampling) however, they differ from other veins in the area as they cross-cut stratigraphy and have a very grey recrystallised texture. The Heartland veins have revealed very coarse / spectacular visible gold >4mm (Figure 2).



**Figure 1. Coarse visible gold (>0.5mm) coating a fracture surface from a quartz vein 3 metres wide in the Old Pirate Central Area. Scale marks are 1mm.**





**Figure 2. Coarse visible gold (inside blue circles) from the 20cm wide vein in the Heartland area. Scale marks are 1mm.**

Trial mining from the Western Limb has continued with 240 metres of strike length of material extracted from a >300 metre long first bench (to depth of 1.5 metres). Similarly to previous reports the Western Limb ranges from 20 to 50 centimetres wide and visible gold has been observed throughout the extraction process. Approximately 30 metres of strike length of the SE Veins have been extracted from the first bench. The SE Veins range from 0.2 metres to 0.5 metres in width and fine visible gold was also observed during the extraction.

The first benches of the trial mining areas including Golden Hind, Old Pirate South, East-Side, SE Veins, Central areas are now complete. The Company is now commencing extraction of gold-bearing vein material from the second benches at the Golden Hind and Old Pirate South.



**Figure 3. Gold-bearing vein material and waste extracted from 240 metres of strike length (first bench) at the Western Limb. Material on the left surface is stock-piled high-grade vein, and on the right is waste material or material being resampled to check for presence of gold.**



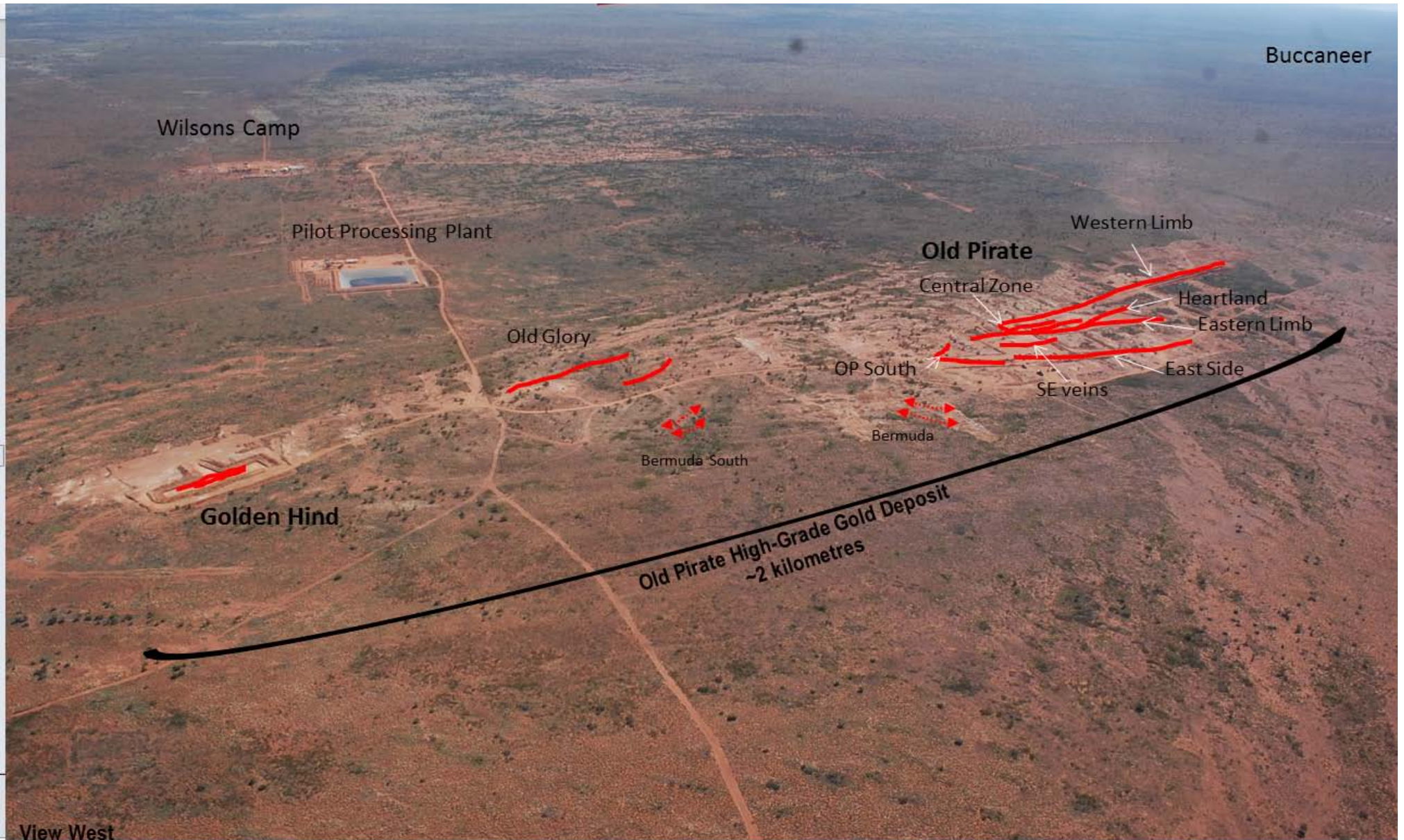
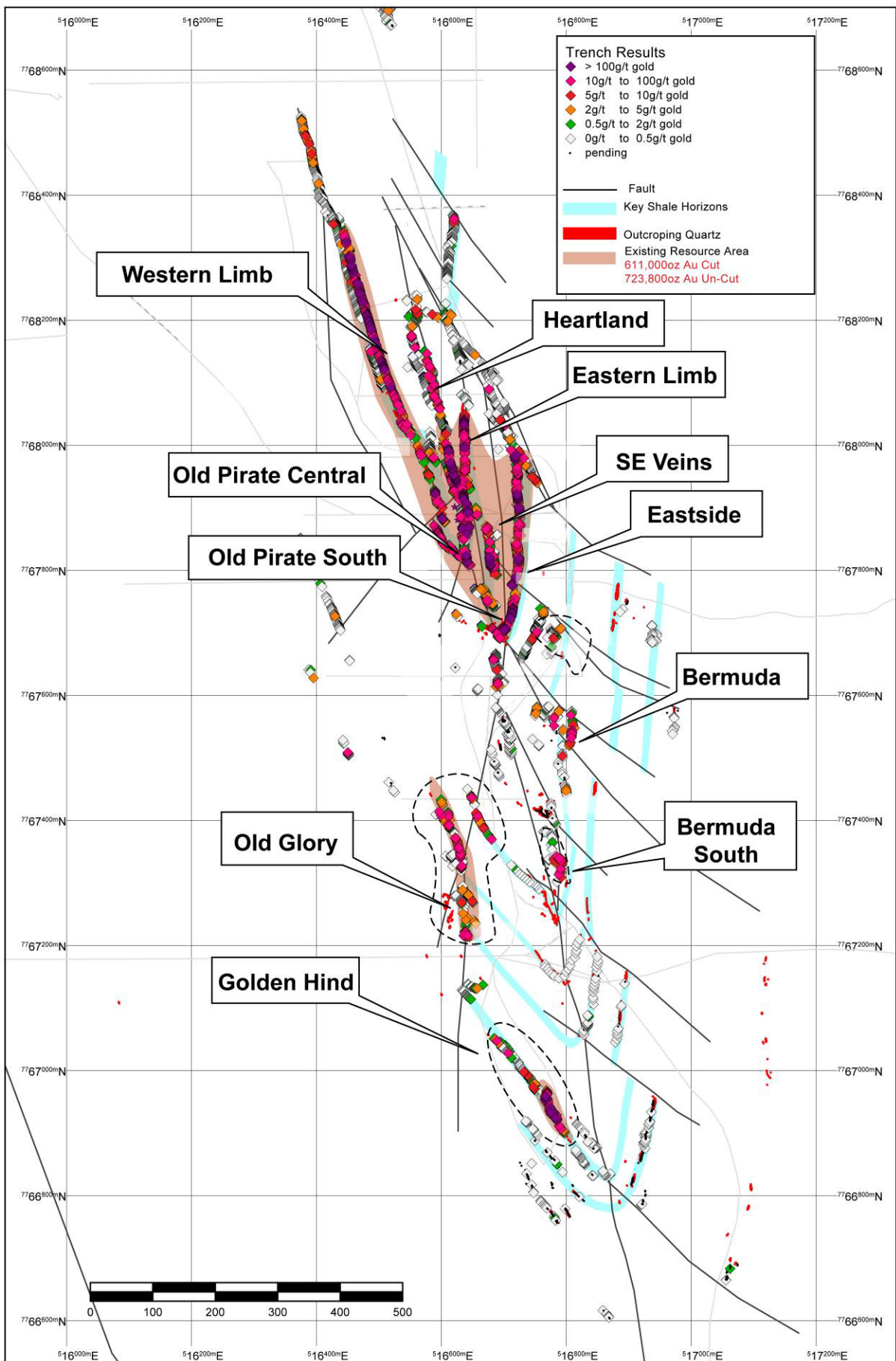


Figure 4. Aerial view west (photo taken 2 weeks ago).

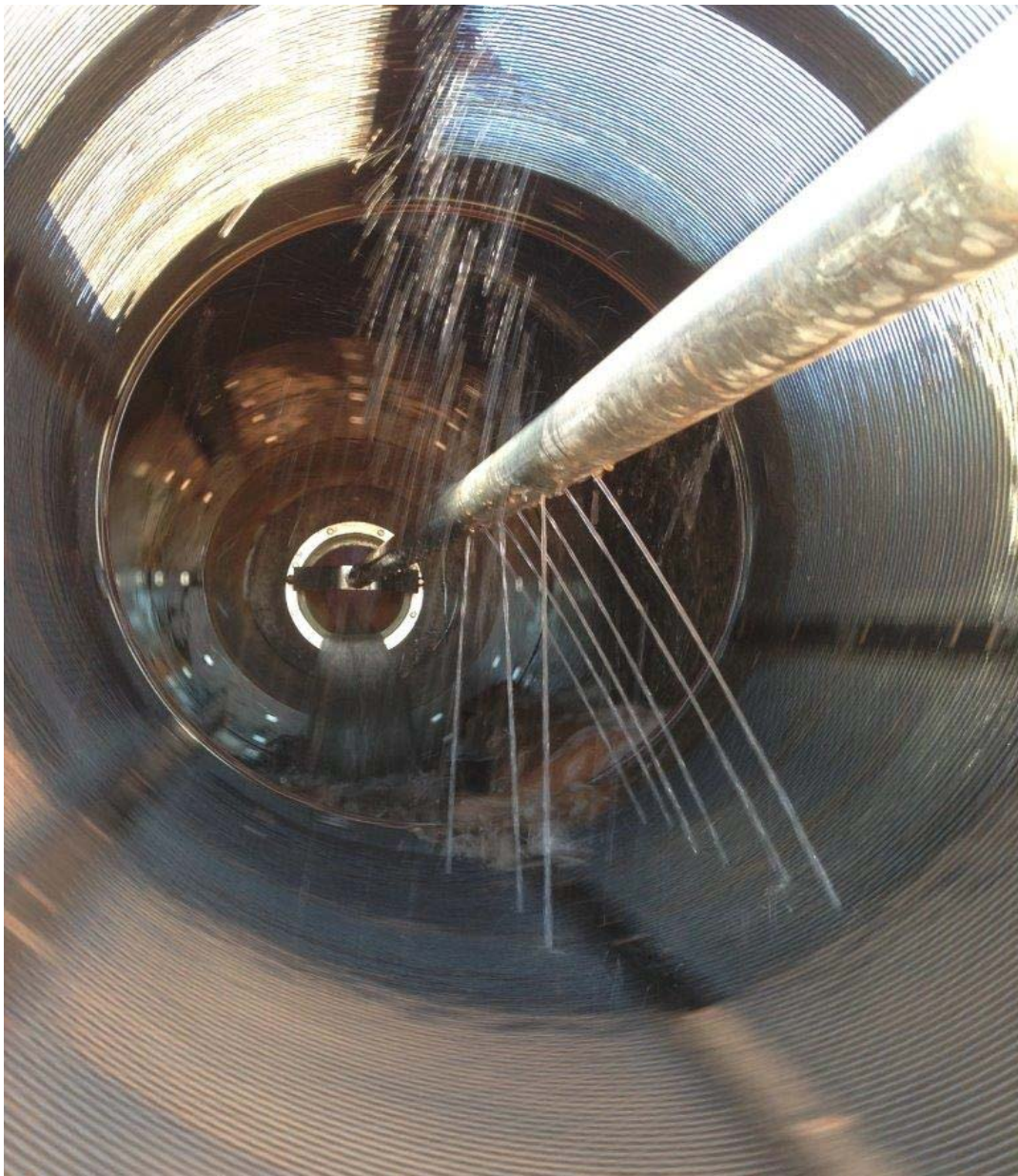


**Figure 5. Old Pirate Trend Gold Systems. The Trial Mining is to process ores from the Golden Hind, Old Pirate South, Eastside, SE veins, Eastern Limb, Central, Heartland Veins and the Western Limb.**



### ***Commissioning of the Pilot Processing Facility***

The Commissioning of the Pilot Processing Facility has commenced. The generator has been tested and is operational. The tailings storage / process water facility is complete and the dam is now filled with ~3.5 million litres of ground water from existing water bores in preparation for processing. Return water pumps from the dam and water feed have also been installed and tested. The second-hand, three-stage crushing plant has been tested and is operational. The scrubber / trommel and the coarse gold jig installation and testing are also complete. The Ball Mill along, with the Knelson Concentrator have been placed and are being tested and commissioned. The concentrate upgrade tables have been put in place including the secured concentrate upgrade room. ABM expects to complete commissioning and move into processing shortly. The production rate for trial processing is targeted at 15 tonnes per hour on a day-shift basis.



**Figure 6. Water running through scrubber and trommel.**





**Figure 7. Ball mill in place. Crushing plant to the left installed and tested; photo taken 4 days ago. Cyclone tower, screen decks and knelson concentrator installed (at the back to the right).**



**Figure 8. Ball mill in place with motors attached; with cyclone tower and Knelson concentrator (left back). To the right is the containerised concentrate upgrade / gold tabling room. Photo taken 2 days ago.**

## About Old Pirate

The Old Pirate Trend consists of a series of gold-bearing quartz veins over a 1.8 kilometre strike length, consisting of 3 distinct vein clusters of mineralisation named Old Pirate, Old Glory and Golden Hind deposits. Gold mineralisation is hosted primarily within narrow quartz veins of between 20cm and 6m in width. Mineralised zones are up to 40m in width and consist of multiple veins hosted primarily within sedimentary shale horizons which are part of a turbidite sequence (interbedded sandstone and shales). Structurally the turbidite sequence has been folded into a faulted anticline.

The Old Pirate Gold Deposit has a total uncut mineral resource estimate of **1.88Mt averaging 11.96g/t gold for 723,800 ounces** (refer Appendix 2) and has a number of key advantages compared to other projects in Australia. Firstly, metallurgical test work indicates that up to 97% of gold can be recovered from low cost / low capital expenditure gravity processing methods (refer release dated 05/09/2012). Secondly, there is abundant high-grade gold observed in multiple quartz veins extending from surface to depths of greater than 200m. The project has a high coarse-gold content (statistical nugget effect) resulting in a high variability of grade between samples. By trialling multiple techniques, the Company has established that the collection of larger sample sizes results in a generally higher grade assay. This sampling effect is typical in coarse gold systems where drilling generally under-calls the overall grade.

As a result, the Company is not undertaking the standard feasibility study process involving detailed desktop studies and drilling, but is instead conducting a staged approach to development where the Trial Mining (Bulk Sampling) forms a key part of determining the costs and feasibility of a full-scale mine, and allows for ongoing 'in-mine' exploration. The Trial Mining involves installation of a gravity gold plant that will be used and expanded in the subsequent stages.

The staged process takes advantage of the low engineering risk at Old Pirate and allows the Company to keep up-front capital expenditure to a minimum. The objective is for each stage of development to be profitable with quick payback periods, and to provide the capital required for the subsequent stages from cash flow.

## About ABM Resources

ABM is an exploration Company developing several gold discoveries in the Central Desert region of the Northern Territory of Australia. The Company has a multi-tiered approach to exploration and development with a combination of high-grade potentially short-term production scenarios such as Old Pirate and the Golden Hind, large scale discoveries such as Buccaneer, and regional exploration discoveries such as the Kroda Gold Project. In addition, ABM is committed to regional exploration programs throughout its extensive holdings.

ABM is well capitalised to achieve its milestones in 2013.



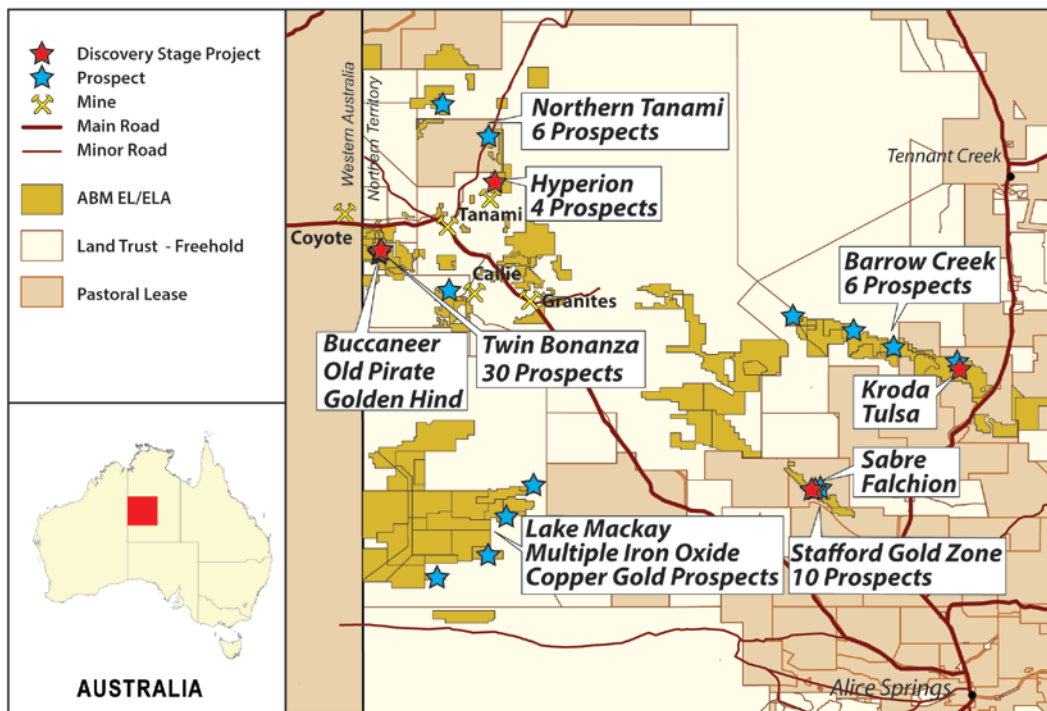


Figure 9. ABM Project Location Map in Northern Territory.

Signed

Darren Holden – Managing Director

**Competent Persons Statement**

*The information in this report that relates to Exploration Results or Mineral Resources is based on information compiled by Mr Darren Holden who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Holden 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 2004 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.*

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## APPENDIX 1. Resource Estimations

### 1. Old Pirate Resources Estimations

Table 1.1 Old Pirate Trend Overall High-Grade Mineral Resource Estimation February 2013

Category	Tonnes	Gold Grade (g/t) (300g/t top-cut)	Gold Grade (g/t) (uncut)	Ounces Gold (300g/t top-cut)	Ounces Gold (uncut)
Indicated	889,000	8.19	8.93	234,100	255,300
Inferred	993,000	11.80	14.67	376,900	468,500
<b>Total</b>	<b>1,882,000</b>	<b>10.10</b>	<b>11.96</b>	<b>611,000</b>	<b>723,800</b>

Mineral Resources estimated at 1g/t cut-off except for the Central Zone estimated at a 3g/t cut-off. Totals may vary due to rounding. There is an additional 414,900 tonnes averaging 1.74g/t gold for 23,300 ounces of gold in low-grade Indicated Resource in the Central Zone (>1g/t, <3g/t cut-offs).

For further information refer to ASX release dated 04/02/2013.

### 2. Buccaneer HGZ Resources Estimations

Table 2a. Combined Resource Estimation with no top-cut, using a 1g/t block model cut-off

	Tonnes	Gold (g/t)	Ounces
Indicated	7,117,000	2.25	515,300
Inferred	8,183,000	2.78	732,200
<b>Total</b>	<b>15,300,000</b>	<b>2.54</b>	<b>1,247,500</b>

Table 2b. Combined Resource Estimation using a variable top-cut, and a 1g/t block model cut-off

	Tonnes	Gold (g/t)	Ounces
Indicated	7,117,000	2.00	458,500
Inferred	8,183,000	2.43	639,700
<b>Total</b>	<b>15,300,000</b>	<b>2.23</b>	<b>1,098,200</b>

Table 2c. Combined Resource Estimation with no top-cut, using a 2g/t block model cut-off

	Tonnes	Gold (g/t)	Ounces
Indicated	2,261,000	4.17	303,000
Inferred	3,573,000	4.56	523,500
<b>Total</b>	<b>5,834,000</b>	<b>4.41</b>	<b>826,500</b>

Table 2d. Combined Resource Estimation using a variable top-cut, and a 2g/t block model cut-off

	Tonnes	Gold (g/t)	Ounces
Indicated	2,261,000	3.39	246,200
Inferred	3,573,000	3.75	431,100
<b>Total</b>	<b>5,834,000</b>	<b>3.61</b>	<b>677,300</b>

Note – totals may vary due to rounding

For further information refer to ASX release dated 05/02/2013.

### 3. Twin Bonanza Global Resource (Old Pirate and Buccaneer)

Table 3.1 Twin Bonanza Global Resource with Old Pirate at 1g/t cut-off & Buccaneer at 2.0g/t cut-off

Project	Tonnes all categories	Grade (g/t Au) all categories	Ounces gold
Old Pirate Trend	1,882,000	10.1	611,000
Buccaneer HGZ	5,834,000	3.61	677,300
<b>Total</b>	<b>7,716,000</b>	<b>5.19</b>	<b>1,288,300</b>

Table 3.2 Twin Bonanza Global Resource with Old Pirate & Buccaneer at 1.0g/t cut-off

Project	Tonnes all categories	Grade (g/t Au) all categories	Ounces gold
Old Pirate Trend	1,882,000	10.1	611,000
Buccaneer HGZ	15,300,000	2.23	1,098,200
<b>Total</b>	<b>17,182,000</b>	<b>3.10</b>	<b>1,709,200</b>

Note – totals may vary due to rounding

For further information refer to ASX release dated 05/02/2013.