

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

9 March 2016

Fully-Underwritten 3 for 5 Rights Issue and Debt Facility

ABM Resources NL (ASX: ABU) (**ABM** or the **Company**) announces a fully underwritten 3 for 5 non-renounceable rights issue at an issue price of \$0.04 (**Issue Price**) per new share (**New Share**) to raise approximately \$8.2 million (before transaction costs) (**Rights Issue**). The Company has also entered into a facility agreement with the sub-underwriter of this Rights Issue, Pacific Road Capital Management Pty Ltd as trustee for Pacific Road Fund II Managed Investment Trust, in relation to a \$3.8 million debt facility (**Debt Facility**) to cash back environmental and general performance bonds currently provided by ANZ Bank (together, the **Capital Raising**). Following the Rights Issue, ABM will be fully funded to complete an intensive two year exploration program focused on the Tanami region, including drilling to further evaluate existing projects at Buccaneer and Old Pirate as well as advanced prospects such as the Hyperion trend.

ABM Managing Director, Brett Lambert, said “The capital raising is a key step in the repositioning of ABM as an active and successful exploration company following the scheduled completion of mining at the Old Pirate Gold Mine in April this year. The chosen funding structure will provide the capital required by the Company in a manner that enables existing shareholders to participate on a pro rata basis, while providing funding certainty to the Company to pursue its restructuring and step up its exploration activities. The Company has already begun an exhaustive drive to reduce overhead and administrative costs so that the clear majority of funds raised can be directed to exploration and evaluation activities.”

Operational Strategy

The Rights Issue is intended to provide funding to implement and sustain a substantial, but clearly focused, exploration program, with the goal of generating value for shareholders from the Company’s highly prospective gold projects in the Northern Territory. Major cost savings are being achieved by focusing exploration activities on core projects within the Company’s Tanami tenements, a region with a demonstrated capacity to host multi-million ounce gold deposits.

Drilling programs are planned to further evaluate prospects with existing mineral resources, including Buccaneer and Old Pirate, to help determine the potential for development of financially viable mining operations on these deposits. Follow up work will also be conducted at advanced prospects, such as the Hyperion trend, where exploration last year delivered a number of highly encouraging drill intercepts. In addition, drilling activities are planned for a number of earlier stage regional targets, such as Wild Turkey and Indefatigable which have been assessed to have potential for significant new discoveries.

Board Restructure

ABM’s Board of directors is to be restructured, ultimately resulting in a smaller, lower cost Board with experience relevant to it’s repositioning as an exploration company. The Company’s Non-executive

Chairman of over six years, Dr Mike Etheridge, has retired from the Board and concurrently Mr Brett Lambert, formerly Interim CEO, has been appointed to the Board as Managing Director.

The search for a new independent Non-executive Chairman is well advanced and is expected to be completed in the near term. In the interim, Non-executive Director, Mr Richard Procter, will act as Chairman. Both Richard and current Non-executive Director, Dr Helen Garnett, have indicated their intention to resign from the Board upon the appointment of a new Chairman and the completion of the capital raising.

As part of this Board restructure, Ms Susie Corlett has joined the Board of ABM as a Non-executive Director after being nominated by Pacific Road Capital Management Pty Ltd as trustee for Pacific Road Fund II Managed Investment Trust. Susie has over 20 years' experience in the mineral resources sector across mining, exploration, financing and investment, including as a geologist with RGC and Goldfields Limited. Susie holds a Bachelor of Science (Honours) degree in Geology from the University of Melbourne and is currently a Principal of Pacific Road Capital Management Pty Ltd.

Overview of Rights Issue

Under the Rights Issue, eligible shareholders will be entitled to apply for 3 New Shares for every 5 fully paid ordinary shares held at 5.00pm (WST) on Wednesday 16 March 2016 (**Record Date**).

The Issue Price represents a 31% discount to the 20 day volume weighted average price of the Company's shares prior to the date of this announcement and a 18% discount to the theoretical ex-rights price based on the last close price prior to this announcement.

All New Shares will rank equally with existing shares of the Company from the date of issue.

Any New Shares not taken up by eligible shareholders will be shortfall shares and can be applied for by other eligible shareholders under the shortfall facility in addition to their entitlement of New Shares.

Proceeds of the Rights Issue will be used primarily for exploration activities, including tenement holding costs, for general working capital and for expenses associated with the Rights Issue.

Indicative Timetable

Event	Date
Announcement of Rights Issue and lodgement of Appendix 3B with ASX	Wednesday 9 March 2016
Release of Offer Document and s708AA cleansing notice to ASX	Wednesday 9 March 2016
Notice sent to ineligible Shareholders	Thursday 10 March 2016
Notice of Rights Issue sent to all Shareholders	Thursday 10 March 2016
'Ex' date (date from which securities commence trading without the entitlement to participate in the Rights Issue)	Tuesday 15 March 2016
Record date (5.00pm WST)	Wednesday 16 March 2016
Dispatch of Offer Document and Entitlement and Acceptance Form to Shareholders	Friday 18 March 2016
Closing Date (5.00pm WST)	Thursday 31 March 2016
New Shares quoted on a deferred settlement basis	Friday 1 April 2016
Shortfall Shares notification to ASX, Underwriter and Sub-Underwriter	Friday 1 April 2016
Allotment of New Shares	Thursday 7 April 2016
Expected commencement of trading of New Shares	Friday 8 April 2016
Dispatch of holding statements for New Shares	Friday 8 April 2016

Note: All dates and times are indicative only and subject to change. Subject to compliance with the ASX Listing Rules, the Company reserves the right to: (i) not proceed with the Rights Issue and return any applications moneys received without interest; or (ii) vary the dates and times above including closing the offer earlier or later.

Underwriting

The Rights Issue is fully underwritten by Key Pacific Advisory Partners Pty Ltd (ACN 003 464 980) (**Underwriter**) and fully sub-underwritten by Pacific Road Capital Management Pty Ltd (ACN 117 934 586) as trustee for Pacific Road Fund II Managed Investment Trust (**Sub-Underwriter**). Details of the potential effect of the underwriting and sub-underwriting arrangements on the Company, as well as the underwriting agreement and sub-underwriting agreements themselves, are set out in the offer document.

Offer Documents

Further details about the Rights Issue, including how eligible shareholders may apply for their entitlement and apply for additional new shares under the shortfall facility, will be set out in an offer document to be sent to eligible shareholders on or about 10 March 2016. In the meantime, a copy of the correspondence to be sent to shareholders about the Rights Issue will follow this announcement.

Shareholders whose registered address is outside of Australia and New Zealand will be ineligible to participate in the Rights Issue. A nominee has been appointed to sell the New Shares that would have been issued under the Rights Issue if the ineligible shareholders were eligible to subscribe for New Shares and had accepted all of their entitlement of New Shares, and remit any sale proceeds net of expenses and the Issue Price to the ineligible shareholders.

Debt Facility

In conjunction with the Sub-Underwriter's agreement to sub-underwrite the Rights Issue, the Sub-Underwriter has offered to provide to the Company the Debt Facility in the amount of A\$3,800,000 to cash back the environmental and general performance bonds provided by the ANZ bank or any other financial institution that provides environmental and general performance bonds to the Company and held by certain Northern Territory government departments or the Central Land Council. The Debt Facility will be for a term of approximately 24 months with a minimum of A\$2,200,000 to be drawn within 6 months of its signing or the facility will cease to be available. The total amount outstanding is to be progressively reduced as rehabilitation is completed and bonds are cancelled, and can be redrawn up to an amount of A\$300,000 to cash back any new bonds required for exploration activities. The Debt Facility will reduce to a maximum amount of A\$2,500,000 after 18 months. In return, the Company will grant a fixed and floating charge over the assets of the Company. Further, there is an upfront fee payable through the grant of 10 million 5-year options with an exercise price of \$0.058.

The Debt Facility will incur an interest rate of 15% per annum of the drawn amount which will be payable 6 monthly in arrears either via the issue of shares in the Company (based on the 20 day VWAP up to the date of payment) or cash payment (at the election of the Company). This Debt Facility will be implemented simultaneously as part of the release of the Rights Issue. This Debt Facility will be subject to arrangements being put in place for the perfection of the Sub-Underwriter's security interest, and appropriate approval or waivers being obtained under ASX Listing Rule 10.1 for the granting of the security.

Signed



Mr Brett Lambert
Managing Director