

ABM Resources NL

ACN 009 127 020

OFFER DOCUMENT

NON-RENOUNCEABLE PRO RATA RIGHTS ISSUE

This is an offer to Eligible Shareholders to participate in a fully underwritten non-renounceable pro rata rights issue on the basis of three New Shares for every five Shares held by Eligible Shareholders on the Record Date at an Issue Price of \$0.04 per New Share to raise approximately \$8.2 million (before costs) (**Offer**). The Offer is fully underwritten by Key Pacific Advisory Partners Pty Ltd (ACN 003 464 980) 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. Eligible Shareholders may also apply for Shortfall Shares under the Shortfall Facility.

The Offer opens on 18 March 2016 and closes at 5.00pm WST on 31 March 2016 (unless it is lawfully extended). Valid acceptances must be received before the closing deadline.

Applications for New Shares by Eligible Shareholders can only be made by using or following the instructions on an Entitlement and Acceptance Form sent together with this Offer Document. The Entitlement and Acceptance Form sets out the Eligible Shareholders' Entitlement to participate in the Offer.

Important Information

This Offer Document is an important document and requires your attention. This Offer Document is not a prospectus and does not contain all information that you may require in order to make an informed investment decision. You should read the contents and instructions in this Offer Document and on the Entitlement and Acceptance Form in their entirety. If you do not understand their contents or are in any doubt about how to deal with your Entitlements or the course you should follow, please consult your stockbroker, accountant, financial planner or other professional adviser without delay and before making an investment decision. The New Shares offered under this document should be considered speculative.

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1. IMPORTANT NOTE

This Offer Document has been prepared by the Company and is dated 9 March 2016. This is an Offer Document for an Offer of continuously quoted securities of the Company as defined by the Corporations Act and has been prepared in accordance with section 708AA of the Corporations Act and ASIC Class Order 08/35. Section 708AA and ASIC Class Order 08/35 relate to rights issues that do not require the issue of a prospectus or other disclosure document. Accordingly, this Offer Document is not a prospectus and the level of disclosure in this Offer Document is significantly less than that required in a prospectus. This Offer Document does not contain all of the information that an investor would find in a prospectus or other disclosure document or which may be required or expected by an investor in order to make an informed investment decision regarding, or about the rights attaching to, the New Shares. You should therefore rely on your own knowledge of the Company, refer to disclosures already made by it to ASX and, if you are in any doubt whether or not to take up the Offer, consult your legal, financial or other professional adviser before deciding whether to take up your Entitlement. This Offer Document has not been lodged with ASIC and neither ASIC nor ASX takes any responsibility for the contents of this Offer Document nor the merits of the investment to which this Offer Document relates.

The information contained in this Offer Document is in summary form and is not, and does not purport to be, complete. This Offer Document is not a recommendation or advice in relation to the Company or investment in the New Shares.

You should carefully consider whether New Shares are an appropriate investment for you. There are significant risks associated with an investment in the Company. The New Shares to be issued under this Offer Document should be regarded as a speculative investment. The New Shares carry no guarantee whatsoever with respect to return on capital investment, payment of dividends or the future value of the New Shares. Share prices can fall as well as rise.

This Offer Document and the Entitlement and Acceptance Form are important and you should read them in their entirety (including the "Investment Risks" section) prior to making an investment decision. If you do not understand the documents or are in any doubt as to how to deal with your Entitlements, you should consult your professional adviser.

No person is authorised to give any information or make any representation in connection with the Offer which is not expressly contained in this Offer Document. Any information or representation not so contained may not be relied on by any person as having been authorised by the Company in connection with the Offer.

Certain words and terms used in this Offer Document have defined meanings that are given to them in the Glossary.

Applications for New Shares by Eligible Shareholders can only be made on an original Entitlement and Acceptance Form sent together with this Offer Document. The Entitlement and Acceptance Form sets out an Eligible Shareholder's Entitlement. By returning an Entitlement and Acceptance Form or otherwise arranging for payment for your New Shares through BPAY® in accordance with the instructions on the Entitlement and Acceptance Form, you acknowledge that you have received and read this Offer Document, you have acted in accordance with the terms of the Offer detailed in this Offer Document and you agree to all of the terms and conditions as detailed in this Offer Document.

The distribution of this Offer Document in jurisdictions outside Australia and New Zealand may be restricted by law and persons who come into possession of this Offer Document should seek advice on, and observe the requirements of, these laws. Non-observance by such persons may violate securities laws. Any recipient of this Offer Document residing outside Australia and New

Zealand should consult their professional advisers on requisite formalities.

This Offer is not being extended and Shares will not be issued to Shareholders with a registered address which is outside Australia and New Zealand (**Overseas Shareholders**).

The Company will be sending to each Overseas Shareholder details of the Offer and advice that the Company will not offer New Shares to that Shareholder.

Neither this Offer Document, the Entitlement and Acceptance Form nor any other document released or distributed by the Company in connection with this Offer constitutes an offer or an invitation by or on behalf of the Company to subscribe for or purchase any New Shares in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or invitation. No action has been taken to register or qualify this Offer Document in Australia or New Zealand or elsewhere or to otherwise permit a public offering of New Shares outside Australia and New Zealand. Shareholders in Australia or New Zealand holding Shares on behalf of overseas Shareholders are responsible for ensuring that taking up an Entitlement under the Offer does not breach regulations in the relevant overseas jurisdiction. Return of a duly completed Entitlement and Acceptance Form will be taken by the company to constitute a representation that there has been no breach of the applicable regulations.

The New Shares are being offered to existing Shareholders with registered addresses in New Zealand in reliance on the *Securities Act (Overseas Companies) Exemption Notice 2013*.

This Offer Document and Entitlement and Acceptance Form may not be released or distributed in the United States. This Offer Document does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. Any securities described in this Offer Document have not been, and will not be, registered under the *US Securities Act of 1933* and may not be offered or sold in the United States except in transactions exempt from, or not subject to, registration under that act or any applicable US state securities laws.

Electronic Access to this Offer Document

The Offer Document is available in electronic form via the Company's website www.abmresources.com.au. Any person may obtain a copy of this Offer Document free of charge by contacting the Company.

Information

This Offer Document does not constitute investment or financial product advice nor is it a recommendation to acquire any New Shares. It is not intended to be used as the basis for making a financial decision, nor is it intended to constitute legal, tax, accounting or other advice.

An investment in New Shares is subject to known and unknown risks, which are beyond the control of the Company, including, possible loss of income and principal invested. The Company does not guarantee any particular rate of return or the performance of the Company, nor does it guarantee any particular tax treatment. Eligible Shareholders should have regard to the Investment Risks section of this Offer Document when making their investment decision.

The information provided in this Offer Document is not intended to be relied on as advice to investors and has been prepared without taking into account your individual investment objectives, financial circumstances, taxation position or particular needs. Before deciding to apply for New Shares, you should consider your own review and investigation of the Company. You should obtain professional advice if you require it to evaluate the merits and risks of an investment in the Company before making any decision.

Whilst this Offer Document has been prepared with reasonable care, to the maximum extent permitted by law, neither the Company nor its officers, employees or professional advisers (**Relevant Persons**) makes any representation or warranty, express or implied, as to the accuracy, reliability or completeness of the information contained in this Offer Document or subsequently provided to you by any of the Relevant Persons including without limitation any historical information or financial information. To the maximum extent permitted by law, the Relevant Persons do not accept any liability or responsibility for, and exclude, any loss or damage whatsoever, including loss of opportunity whether direct or indirect, special or consequential, that you or any other person suffer howsoever caused in relation to this Offer Document, the Company, a subscription for New Shares, any tax liability incurred, a purchase or sale of Shares, or any failure to carry out appropriate due diligence and investigations on the suitability of any investment in the Company.

No Forecasts

Some statements in this Offer Document are in the nature of forward looking statements, including statements of current intention, statements of opinion and predictions as to possible future events. Forward looking-statements may be identified by words such as "aim", "intend", "should", "expect", "estimate", "likely", "believe", "anticipate", "planned" and similar expressions.

Such statements are not statements of fact and there can be no assurance or certainty of outcome in relation to the matters to which the statements relate. Forward-looking statements are based on an assessment of present economic and operating conditions and are only predictions based on a number of assumptions regarding future events and actions that are expected to take place, and are subject to inherent risks and uncertainties. Past performance is not necessarily an indication of future performance. Actual events or results may differ materially from the events or results expressed as implied in any forward looking statement. Such statements are not guarantees of future performance or representations of future matters and involve known and unknown risks, uncertainties, assumptions and other factors, many of which are beyond the control of the Company, the Directors and management. The estimates and projections contained in this Offer Document involve significant elements of subjective judgment and analysis, which may or may not be correct when considered with hindsight against the background of actual events. You are cautioned not to place undue reliance on any forward looking statement. You should make your own independent review of the relevant assumptions, calculations and circumstances upon which the forward looking statements, estimates and projections are based. The forward looking statements in this Offer Document reflect views held only as at the date of this Offer Document and the Company assumes no obligation to update such information or publish any further prospective information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Offer Document, except where required by law.

Disclaimers

None of the Underwriter, the Sub-Underwriter, Security Transfer Registrars Pty Limited or BDO Audit (WA) Pty Ltd, their affiliates, related bodies corporates, and directors, officers, partners, employees, contracts or agents of any of them (**Limited Parties**) have authorised, permitted or caused the issue of this Offer Document. None of the Limited Parties take any responsibility for any information in this Offer Document or any action taken by investors on the basis of such information, and none of them makes or purports to make any statement in this Offer Document.

No representation or warranty, express or implied, is made by any person in relation to the fairness, accuracy, completeness or reliability of all or part of this Offer Document, or any constituent or associated presentation, information or material, or the accuracy, likelihood of achievement or reasonableness of any forecasts, prospects or returns contained in, or implied by, the information or any part of it. The information in this Offer Document may include information derived from third party sources that has not been independently verified.

Without limiting anything else in this Offer Document, to the maximum extent permitted by law, the Limited Parties, the Company, its subsidiaries, and their respective partners, directors, officers, employees, agents and advisers disclaim all liability and responsibility for any direct or indirect loss or damage which may be suffered by any recipient through the use or reliance on anything contained in or omitted from this Offer Document, including without limitation, any liability arising from fault or negligence on the part of the Company or its subsidiaries, directors, partners, officers, employees and advisers.

The information in this Offer Document remains subject to change without notice. No person is under any obligation to provide any recipient of this Offer Document with any access to any additional information, or to notify any recipient or any other person of any other matter arising or coming to its notice after the date of the presentation.

The recipient of this Offer Document acknowledges and agrees that neither it nor any Limited Party intend that any Limited Party act or be responsible as a fiduciary to the recipient, its officers, employees, consultants, agents, security holders, creditors or any other person. Each of the recipient and the Underwriter (on behalf of each other Limited Party) by accepting and providing this Offer Document respectively, expressly disclaims any such fiduciary relationship, and the recipient agrees that it is responsible for making its own independent judgments with respect to the Offer, and any other transaction and any other matters that may arise in connection with this Offer Document. A Limited Party may have interests in the securities of the Company, including being directors or shareholders of the Company. Further, they may act as a market maker or buy or sell those securities or associated derivatives as principal or agent. The Underwriter may receive fees for acting in its capacity as Underwriter, to the Offer.

Privacy

If you complete an Entitlement and Acceptance Form, you will be providing personal information to the Company (directly or by the Share Registry). The Company (and the Share Registry on its behalf) collects, holds and uses personal information of Shareholders in order to service their needs as Shareholders, provide facilities and services that they request or that are connected with their interests in New Shares and carry out appropriate administration.

The information may also be used from time to time and disclosed to persons inspecting the securities register, bidders for the securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers and mail houses.

A Shareholder may request access, correct and update his or her personal information held by the Company or the Share Registry, by contacting the Share Registry or the Company Secretary.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the *Privacy Act 1988* (Commonwealth) (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules.

You should note that if you do not provide the information required on the Entitlement and Acceptance Form, the Company may not be able to accept or process your Application.

2. CORPORATE DIRECTORY

ABM Resources NL

Directors & Officers

Mr Richard Procter - Non-Executive Chairman
Mr Andrew Ferguson - Non-Executive Director
Dr Helen Garnett - Non-Executive Director
Ms Susie Corlett - Non-Executive Director
Mr Brett Lambert - Managing Director

Company Secretary

Ms Jutta Zimmermann

Registered Office

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Nedlands WA 6009
Telephone: +61 8 9423 9777
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Website: www.abmresources.com.au

ASX Code

Ordinary shares: ABU

Lawyers

Piper Alderman
Level 16, 70 Franklin Street, Adelaide SA 5000
Telephone: 08 8205 3312

Underwriter

Key Pacific Advisory Partners Pty Ltd (ACN 003 464 980)

Sub-Underwriter

Pacific Road Capital Management Pty Ltd (ACN 117 934 586) as trustee for Pacific Road Fund II Managed Investment Trust

Share Registry

Security Transfer Registrars Pty Limited
770 Canning Highway
Applecross WA 6153
Telephone: +61 8 9315 2333

Auditor

BDO Audit (WA) Pty Ltd
38 Station Street
Subiaco WA 6008

3. LETTER FROM THE MANAGING DIRECTOR

Dear Shareholders

PRO RATA NON-RENOUCEABLE RIGHTS ISSUE – ABM RESOURCES NL

On behalf of the Company, I am pleased to invite you to take part in a pro-rata non-renounceable fully underwritten rights issue to raise approximately \$8.2 million (**Offer**).

The Company has also entered into a facility agreement with the Sub-Underwriter of the Offer in relation to a \$3.8 million Debt Facility to support environmental and general performance bonds currently provided by ANZ Bank, that the Company was required to cash back earlier this year.

As previously reported, the Company's current operations at the Old Pirate Gold Mine and Coyote Processing Plant are scheduled to cease in April 2016 and to close by 30 June 2016. The Company's existing cash resources are being applied to this closure and working capital requirements.

After the completion of mining, ABM will be fully committed to the exploration of its Northern Territory land holdings and the capital raising is intended to provide sufficient 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. Additional capital is essential for the on-going operation of the Company as the requirement to cash back environmental and general performance bonds early in the year removed \$3.8 million from general working capital and payment of trade creditors following the completion of mining will consume a substantial proportion of the Company's total funds.

Exploration will be focused on the Company's Tanami tenements, a region with a demonstrated capacity to host multi-million ounce gold deposits. Significant savings are being achieved in tenement holding costs through the divestment or relinquishment of non-core tenements, with further savings targeted from a reduction in corporate overhead costs. This will ensure that the clear majority of funds raised from the Offer can be directed to exploration and evaluation activities.

Drilling programs are planned to further evaluate existing projects, 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 is 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.

The announcement of this Offer coincides with a restructuring and refreshment of ABM's Board. As of yesterday, the Company's Non-executive Chairman of over six years, Dr Mike Etheridge, has retired from the Board and I have joined the Board as Managing Director after serving as interim CEO of the Company for the last four months.

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 the 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 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.

The Board restructure will result in a lower cost Board with experience relevant to the Company's repositioning as an active exploration company.

Eligible Shareholders will have the opportunity under the Offer to subscribe for three New Shares for every five Shares held on the Record Date at the Issue Price of \$0.04 per New Share. The Issue Price under the Offer represents a discount of approximately 31% to the volume weighted average traded price (**VWAP**) over the last 20 trading days preceding the date of announcement of the Offer, being 9 March 2016.

The Company intends that the funds raised under this Offer, together with existing cash, will be used for exploration costs including tenement holding costs, for general working capital and for expenses associated with the Offer.

As the Offer is non-renounceable, Entitlements will not be tradeable on ASX or otherwise transferable. Eligible Shareholders who do not take up their Entitlements in full will not receive any value for those Entitlements that they do not take up. There is a Shortfall Facility under which Eligible Shareholders can apply for New Shares in excess of their Entitlement. Any New Shares that are not taken up by Shareholders (whether on exercise of any Entitlement under this Offer Document, or otherwise taken up under the Shortfall Facility) will be subscribed for by the Underwriter.

The Offer is fully underwritten by Key Pacific Advisory Partners Pty Ltd and fully sub-underwritten by Pacific Road Capital Management Pty Ltd as trustee for Pacific Road Fund II Managed Investment Trust and provides you with the opportunity to participate in the future growth of the Company.

Full details of the Offer are contained in this Offer Document and the accompanying Entitlement and Acceptance Form which I encourage you to read carefully before deciding whether to invest. The Closing Date for the Offer is 5.00pm (WST) on 31 March 2016. To participate, you need to ensure that you have completed your personalised Entitlement and Acceptance Form and lodged it along with payment in the required amount with the Share Registry, before the Closing Date.

For further information on the Company, you can visit the Company's website at: www.abmresources.com.au. If you are in any doubt as to how to respond to this Offer, you should consult your stockbroker, accountant or other independent professional adviser.

On behalf of the Board, I commend this Offer to you and look forward to your continuing investment in the Company. I also invite existing shareholders to apply for New Shares in addition to their Entitlement under the Shortfall Facility to increase their shareholding in the Company.

Thank you for your continued support.



Brett Lambert
Managing Director

4. DETAILS OF THE OFFER

The details of the Offer are as follows.

4.1. The Offer

The Offer is being made as a non-renounceable fully underwritten rights issue to Eligible Shareholders. Under the Offer, each Eligible Shareholder is entitled to apply for three New Shares at an Issue Price of \$0.04 per New Share, for every five Shares held at the Record Date.

Based on the capital structure of the Company as at the date of this Offer Document, a maximum of approximately 205,772,691 New Shares will be issued pursuant to this Offer to raise up to approximately \$8.2 million. As at the date of this Offer Document, the Company has no Options on issue.

The Issue Price is a 31% discount to the 20 day VWAP of the Shares (\$0.058) before the date of the announcement of the Offer, being 9 March 2016.

The number of New Shares that Eligible Shareholders are entitled to apply for under this Offer (that is, an Eligible Shareholder's Entitlement) is shown on the personalised Entitlement and Acceptance Form accompanying this Offer Document sent to Eligible Shareholders. There is also an offer to issue Shortfall Shares under the Shortfall Facility. Please refer to section 4.7 for further information and details of the Shortfall Facility.

The Issue Price is payable on application.

The Directors may at any time decide to withdraw this Offer Document and the Offer of New Shares in which case, the Company will return all Application Monies (without interest) within 28 days of giving such notice of withdrawal.

4.2. Indicative Timetable

Event	Date
Announcement of Offer 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 to ineligible Shareholders	Thursday 10 March 2016
Notice of Offer sent to all Shareholders	Thursday 10 March 2016
'Ex' date (date from which securities commence trading without the entitlement to participate in the Offer)	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

This timetable is indicative only and is subject to change. The Company reserves the right to vary the dates and times of the Offer in consultation with the Underwriter and Sub-Underwriter and without prior notice to you, subject to compliance with the Corporations Act and the Listing Rules. Should this occur, any extension will have a consequential effect on the anticipated date of issue of the New Shares.

4.3. Purpose of the Offer

The Offer is proposed to raise approximately \$8.2 million by the issue of approximately 205,772,691 New Shares (before the payment of costs associated with the Offer). The Company intends to apply funds raised under the Offer as follows:

Proceeds of the Offer	\$	%
Exploration costs (including tenement holding costs)	\$6.0 million	73.2%
General working capital	\$1.5 million	18.3%
Offer Costs	\$0.7 million	8.5%
Total	\$8.2 million	100%

ABM's primary exploration focus is on the Tanami Region of the Northern Territory where the Company holds over 10,000 square kilometres of exploration licences and applications. The Company has established priorities for near-term exploration targeting to further evaluate existing projects including Buccaneer and Old Pirate. 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 is 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.

The above table is an indication of current intentions as at the date of this Offer Document. As with any budget, intervening events and new circumstances have the potential to affect the ultimate way that the funds will be applied. The Board reserves the right to alter the way funds are applied on this basis.

4.4. Eligible Shareholders

Eligible Shareholders are those holders of Shares who:

- are registered as a holder of Shares as at 5.00pm (WST) on 16 March 2016 (the Record Date);
- have a registered address in Australia or New Zealand; and
- are not in the United States and are not acting for the account or benefit of a person in the United States.

If you are a Shareholder who does not satisfy each of the criteria listed above, you are an "Overseas Shareholder". Refer to Section 4.20 for more information regarding the Offer and Overseas Shareholders.

By returning a completed Entitlement and Acceptance Form or making a payment by BPAY®, you will be taken to have represented and warranted that you satisfy each of the criteria listed above. Eligible Shareholders who are nominees, trustees or custodians are therefore advised to seek independent professional advice as to how to proceed.

4.5. Entitlements and acceptance

Details of how to apply under the Offer are set out in section 5 of this Offer Document. The Entitlement of Eligible Shareholders to participate in the Offer will be determined on the Record Date and set out on the Entitlement and Acceptance Form accompanying this Offer Document. The Directors reserve the right to reject any Application that they believe comes from a person who is not an Eligible Shareholder.

4.6. Non-Renounceable

The Entitlement is non-renounceable. Accordingly, there will be no trading of rights on the ASX and you may not dispose of your Entitlements to subscribe for New Shares under the Offer to any other party. If you do not take up your Entitlement to New Shares by the Closing Date, the Offer to you will lapse.

Where an Eligible Shareholder does not take up their Entitlement, their shareholding will be diluted with no compensating cash payment. New Shares not subscribed for by Eligible Shareholders will become Shortfall Shares which can be taken up by other Eligible Shareholders under the Shortfall Facility.

4.7. Shortfall Facility

The Company is offering to Eligible Shareholders the opportunity to subscribe for Shortfall Shares (which will be in addition to their Entitlement) under the Shortfall Facility. Under the Shortfall Facility, Eligible Shareholders will be entitled to apply for Shortfall Shares in excess of their Entitlement, at the same issue price as the New Shares. The total number of Shortfall Shares available will be determined by the number of Entitlements that have not been taken up under the Offer. Eligible Shareholders wishing to subscribe for Shortfall Shares must apply for them at the same time as they apply for New Shares under their Entitlement by completing the relevant section of their Entitlement and Acceptance Form. There is no limit on the number of Shortfall Shares that Eligible Shareholders may apply for under the Shortfall Facility. However, applications under the Shortfall Facility will only be satisfied to the extent that there are Shortfall Shares available.

Shortfall Shares will be allocated as follows:

- the Directors reserve the right to issue the Shortfall Shares to Eligible Shareholders at their discretion and in that regard, intend to exercise that discretion to accept all applications in full;
- Eligible Shareholders will not receive more Shortfall Shares than they have applied for; and
- allocations will be made in such a way that the provisions of the Listing Rules and the Corporations Act, and in particular the takeovers prohibitions in Chapter 6 of the Corporations Act, are complied with.

There is no guarantee that an Eligible Shareholder will receive all of the Shortfall Shares they have applied for under the Shortfall Facility. Should applications for Shortfall Shares exceed the New Shares available, all applications received for Shortfall Shares and accepted by the Directors will be scaled back in proportion to the number of Shares held by each applicant on the Record Date. If an Eligible Shareholder receives less Shortfall Shares than they have

applied for, the Application Monies for those Shortfall Shares which have not been allocated will be returned to the relevant Eligible Shareholders without interest.

Any Shortfall Shares not taken up will form part of the shares to be taken up by the Underwriter pursuant to the Underwriting Agreement.

4.8. Fractional Entitlements

Fractional Entitlements to New Shares will be rounded down to the nearest whole number.

4.9. Rights on Issue of New Shares

New Shares will have the same rights as, and will rank equally with, Shares on issue as at the date of this Offer Document. The rights attaching to Shares are set out in the Company's constitution, a copy of which can be obtained from the Company.

4.10. No Minimum Subscription

There is no minimum subscription for the Offer.

4.11. Effect of the Offer on the capital structure

Financial Position

The below table shows the pro forma balance sheet based on the auditor reviewed figures as at 31 December 2015, the adjustment to be made as a result of the Offer, and the pro forma figures after the Offer based on the figures as at 31 December 2015. No adjustment has been made to the pro forma figures to reflect the Debt Facility.

ABM RESOURCES NL CONSOLIDATED STATEMENT OF FINANCIAL POSITION PRO-FORMA BALANCE SHEET AS AT 31 DECEMBER 2015	Auditor reviewed 31-Dec-15	Pro Forma adjustment rights issue 31-Dec-15	Pro-forma 31-Dec-15
	A\$	A\$	A\$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	7,544,295	7,500,000	15,044,295
Trade and other receivables	2,941,707		2,941,707
Inventories	4,840,859		4,840,859
Other current assets	312,193		312,193
TOTAL CURRENT ASSETS	15,639,054	7,500,000	23,139,054
NON-CURRENT ASSETS			
Trade and other receivables	455,086		455,086
Property, plant and equipment	3,117,695		3,117,695
Exploration and evaluation expenditure	10,051,054		10,051,054
TOTAL NON-CURRENT ASSETS	13,623,835	-	13,623,835
TOTAL ASSETS	29,262,889	7,500,000	36,762,889
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	6,457,465		6,457,465
Employee benefits	472,859		472,859
Provisions	1,600,000		1,600,000
TOTAL CURRENT LIABILITIES	8,530,324	-	8,530,324
NON-CURRENT LIABILITIES			
Employee benefits	152,916		152,916
Provisions	1,616,172		1,616,172
TOTAL NON-CURRENT LIABILITIES	1,769,088	-	1,769,088
TOTAL LIABILITIES	10,299,412	-	10,299,412
NET ASSETS	18,963,477	7,500,000	26,463,477
EQUITY			
Contributed equity	164,733,001	7,500,000	172,233,001
Reserves	2,507,171		2,507,171
Accumulated losses	(148,276,695)		(148,276,695)
TOTAL EQUITY	18,963,477	7,500,000	26,463,477

Capital Structure

Upon completion of the Offer, the effect of the Offer on the capital structure of the Company, assuming all Entitlements are accepted and no options are exercised between the date of this Offer Document and prior to the Record Date, is set out below:

	Number
Shares on issue at the date of this Offer Document	342,954,486
New Shares to be issued under this Offer Document	205,772,691*
Total Shares on issue after completion of the Offer (notional expanded capital)	<u>548,727,177*</u>

*The numbers may vary due to the rounding of Entitlements.

	Number
Options on issue at the date of this Offer Document	0
Options issued to the Sub-Underwriter under the Debt Facility *	10,000,000
Total Options on issue after completion of the Offer	<u>10,000,000</u>

*Pursuant to the terms of the Debt Facility, with these options to be issued on or around the date of this Offer Document. See Section 4.13 for further information about the Debt Facility arrangement.

4.12. Underwriter

The Offer is fully underwritten by the Underwriter pursuant to the Underwriting Agreement and fully sub-underwritten by the Sub-Underwriter. The Underwriter is not a shareholder of the Company and is not a related party of the Company for the purpose of the Corporations Act.

Any Shortfall Shares that are not subscribed for by Eligible Shareholders under the Shortfall Facility will be issued to the Underwriter in accordance with the Underwriting Agreement. The effect of the underwriting on the Share capital is further explained under Section 4.11. The significant terms of the Underwriting Agreement are summarised under Section 7.1.

4.13. Sub-Underwriter

The Sub-Underwriter is a Shareholder of the Company. It holds 68,080,809 shares in the capital of the Company as at the date of this Offer Document and has a relevant interest of approximately 19.85% in Shares in the Company.

In conjunction with the Sub-Underwriter's agreement to sub-underwrite the Offer, 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 down 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 equal to \$0.058, being the 20 day VWAP preceding the date of announcement of the Offer.

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 this Offer Document. 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.

Additionally, the Company must procure that, if requested by the Sub-Underwriter, nominees of the Sub-Underwriter be appointed as Directors in proportion to the Sub-Underwriter's ownership of Shares in the Company (being at least one).

4.14. Effect of New Shares on Voting Power

The effect of the Offer on voting power in the Company for the purposes of the Corporations Act is dependent on the number of New Shares taken up (including under the Shortfall Facility) and the number of remaining Shortfall Shares (if any), which will be subscribed for by the Underwriter.

The following tables set out the possible effects of the Offer (on the basis set out below) on the Sub-Underwriter (being the largest Shareholder of the Company and also the Sub-Underwriter) and the remaining Shareholders.

Table 1 – Before the Offer

Table 1 shows the number of Shares held by, and the relevant interest of, the Sub-Underwriter and the remaining shareholders as at the date of this Offer Document and assumes that the options have not been granted to or exercised by the Sub-Underwriter under the Debt Facility.

Shareholder	Number of Shares	Relevant interest (%)
Sub-Underwriter	68,080,809	19.85%
Remaining Shareholders	274,873,677	80.15%
Total	342,954,486	100.00%

Table 2 – After the Offer

Table 2 shows the number of Shares held by, and the relevant interest of, the Sub-Underwriter and the remaining Shareholders after the Offer and assumes that none of the options granted to the Sub-Underwriter under the Debt Facility have been exercised. We note that the Underwriter will not have a relevant interest in the Company as a result of the Offer on the basis that the Offer is fully sub-underwritten. Table 2 has been prepared on the assumption that the Sub-Underwriter takes up all of its Entitlements and does not apply for any Shortfall Shares, and that the remaining Shareholders take up 100%, 50% or 0% of their Entitlements and Shortfall Shares, so that the Sub-Underwriter takes up 0%, 50% or 100% of the New Shares offered to the remaining Shareholders under the Offer.

Shareholder	Entitlements and shortfall take up by remaining shareholders*					
	0%		50%		100%	
	Number of Shares	Relevant interest	Number of Shares	Relevant interest	Number of Shares	Relevant interest
Sub-Underwriter	273,853,500	49.91%	191,391,397	34.88%	108,929,294	19.85%
Remaining Shareholders	274,873,677	50.09%	357,335,780	65.12%	439,797,883	80.15%
Total	548,727,177	100.00%	548,727,177	100.00%	548,727,177	100.00%

*Note: where any of the above figures is not a whole number, that number has been rounded down to the nearest whole number.

**Note: the Sub-Underwriter reserves the right to apply for Shortfall Shares.

The number of Shares held by the Sub-Underwriter and its voting power in the above table shows the potential effect of the sub-underwriting of the Offer. If the Sub-Underwriter increases its voting power in the Company above 50%, then it will have the unilateral ability, by voting the Shares in which it has voting power, to defeat or pass ordinary resolutions at Shareholder meetings. This would enable it to control the composition of the Board.

The Board is of the opinion that the potential control effect of the underwriting and sub-underwriting arrangements does not exceed what is reasonably necessary for the capital raising that is the subject of the Offer given the Company's financial position and its urgent need for funds. The Board is also of the opinion that the size of the Offer is consistent with and does not exceed the Company's current funding requirements.

The Company's second largest Shareholder is BNP Paribas Nominees Pty Ltd (**BNP**) and its Entitlement prior to the Offer is set out in the table below.

Substantial Holder	Shares	Voting Power	Entitlement	\$
BNP (holds 50,872,814 Shares as nominee for APAC Resources Ltd)	51,412,949	14.99%	30,847,769	\$1,233,910.76

The potential effect that the issue of the New Shares under the Offer will have on the control of the Company is as follows:

- if all Eligible Shareholders take up their Entitlements under the Offer, the issue of New Shares under the Offer will have no effect on the control of the Company and all Shareholders will hold the same percentage interest in the Company, subject only to changes resulting from ineligible shareholders being unable to participate in the Offer;
- in the event that there are Shortfall Shares, Eligible Shareholders who do not subscribe for their full Entitlement of New Shares under the Offer and ineligible shareholders unable to participate in the Offer will be diluted relative to those

Shareholders who subscribe for some or all of their Entitlement and any additional Shortfall Shares.

4.15. Dilution

Shareholders should note that if they do not participate in the Offer, their holdings are likely to be diluted by approximately 37.5% (as compared to their holdings and number of Shares on issue as at the date of this Offer Document).

Examples of how the dilution may impact Shareholders are set out in the table below:

Holder	Holding as at Record date	Approximate % at Record Date	Entitlements under the Offer	Holdings if Offer not taken Up	Approximate % post Offer
Shareholder 1	50,000,000	14.58%	30,000,000	50,000,000	9.11%
Shareholder 2	25,000,000	7.29%	15,000,000	25,000,000	4.56%
Shareholder 3	10,000,000	2.92%	6,000,000	10,000,000	1.82%
Shareholder 4	1,000,000	0.29%	600,000	1,000,000	0.18%
Shareholder 5	100,000	0.03%	60,000	100,000	0.02%

Note: This is based on a share capital of 342,954,486 Shares at the date of this Offer Document and the dilution effect is the maximum percentage on the assumption that those Entitlements that are not accepted are placed under the Shortfall Facility or under the Underwriting Agreement.

Directors' Interests and Participation

Each Director's interest in the Shares of the Company at the date of this Offer Document and their Entitlement is set out in the table below.

Director*	Shares	Entitlement	\$
Mr Andrew Ferguson	Nil	Nil	Nil
Dr Helen Garnett	45,500	27,300	\$1,092
Mr Richard Procter	60,000	36,000	\$1,440
Mr Brett Lambert	Nil	Nil	Nil
Ms Susie Corlett	Nil	Nil	Nil

***Note:** The Company has received a request from a shareholder to call a general meeting of Shareholders to put before Shareholders resolutions (amongst others) to appoint Mr Brett Smith and Mr Myles Campion, and to remove Dr Mike Etheridge (who is no longer a director of the Company), Dr Helen Garnett and Mr Richard Procter, as directors of the Company. Further details will be provided in due course in a notice of meeting. The composition of the Board may therefore change by the time the Offer is completed. However, as it is not certain whether those resolutions will pass, the shareholding interests of those nominated persons (if any) have not been set out in the table above.

4.16. Issue and Dispatch

New Shares issued pursuant to the Offer will be issued in accordance with the ASX Listing Rules and the indicative timetable set out in this Offer Document. New Shares issued under the Shortfall Facility will be issued at the same time.

Pending the issue of the New Shares or payment of refunds pursuant to this Offer Document, all Application Monies will be held by the Share Registry in trust for the Applicants in a separate bank account as required by the Corporations Act. The Company, however, will be entitled to retain all interest that accrues on the bank account and each Applicant waives the right to claim interest by completing and returning the Entitlement and Acceptance Form.

The expected dates for issue of New Shares offered by this Offer Document and dispatch of holding statements is expected to occur on the dates specified in the timetable set out in this Offer Document.

It is the responsibility of Applicants to determine their allocation prior to trading in the New Shares. Applicants who sell New Shares before they receive their holding statements will do so at their own risk.

4.17. Expenses of the Offer

The estimated expenses which are payable by the Company for underwriting fees, legal fees, printing fees, listing fees and other costs incurred in preparing and distributing this Offer Document and making the Offer are estimated to be approximately \$700,000.

4.18. Quotation of Shares

The Company will make application to ASX for quotation of the New Shares on the date of announcement of the Offer. The fact that ASX may grant official quotation to the New Shares is not to be taken in any way as an indication of the merits of the Company or the New Shares now offered for subscription.

If ASX does not grant quotation for the New Shares, the Company will not allot the New Shares and all Application Monies will be returned without interest.

4.19. Market Price of Shares

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares are quoted on ASX.

The highest, lowest and last market sale prices of the Shares on ASX during the three months immediately preceding the date of release of this Offer Document and the respective dates of those sales were:

	(\$)	Date
Highest	0.074	14 December 2015
Lowest	0.024	14 January 2016
Last	0.054	8 March 2016

4.20. Nominee for overseas Shareholders

This Offer does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Offer Document. The Company has decided not to make the Offer to overseas Shareholders who do not have a registered address in Australia or New Zealand (**Overseas Shareholders**), having regard to each of the following:

- the number of Overseas Shareholders in each jurisdiction where the Offer would be made;
- the number and value of New Shares that the Overseas Shareholders would be offered; and
- the cost of complying with the legal requirements and requirements of a regulatory authority in each jurisdiction of the Overseas Shareholders.

Accordingly, the Offer is not being extended and New Shares will not be issued to Shareholders with a registered address outside of Australia or New Zealand. The Company will be sending to each Overseas Shareholder details of the Offer and advice that the Company will not offer New Shares to that Shareholder.

In respect of Overseas Shareholders, the Company has appointed a Nominee approved by ASIC under section 615 of the Corporations Act. The process applicable to such Overseas Shareholders is as follows:

- the Company will issue to that Nominee the New Shares that would otherwise be issued to Overseas Shareholders who accept the Offer; and
- that Nominee will sell those New Shares and distribute to each of those overseas Shareholders, their proportion of the proceeds of the sale net of expenses and after deducting payment of the Issue Price.

There is no guarantee that any net proceeds will be realised from the sale of those New Shares of those Overseas Shareholders, particularly where the costs of the sale are greater than the sale proceeds, or where the sale price is less than the Issue Price.

4.21. CHESS

The Company is a participant in CHESS, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHESS will be issuer sponsored by the Company. Because the sub-registers are electronic, ownership of securities can be transferred without having to rely upon paper documentation.

Electronic registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with a statement (similar to a bank account statement) that sets out the number of New Shares allotted to them under this Offer Document. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHESS and issuer sponsorship.

Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

4.22. Taxation Implications

The Directors do not consider it appropriate to give Shareholders advice regarding the taxation consequences of subscribing for New Shares under this Offer Document. The Company, its advisers and its officers do not accept any responsibility or liability for any such taxation consequences to Shareholders.

Shareholders should consult their professional tax adviser in connection with subscribing for New Shares under this Offer Document.

4.23. Enquiries

Enquiries relating to this Offer Document should be directed to the Company Secretary on 08 9423 9777 or the Company's Share Registry on 08 9315 2333.

5. How to Accept the Offer

Before taking any action, you should read this Offer Document in its entirety.

5.1. What you may do

You may:

- take up all your Entitlements by completing the Entitlement and Acceptance Form, filling in all the relevant details in the spaces provided and attaching your payment for the amount indicated on that form;
- take up part of your Entitlements by filling in the number of New Shares you wish to accept in the space provided on the Entitlement and Acceptance Form and attaching your payment for the appropriate Application Monies;
- if you have taken up all of your Entitlements, apply for Shortfall Shares under the Shortfall Facility by completing the Entitlement and Acceptance Form, filling in all the relevant details in the spaces provided including the number of New Shares under the Shortfall Facility you wish to apply for, and attaching your payment for the appropriate Application Monies which would be calculated as the amount indicated on that form for your full Entitlements plus the additional New Shares that you wish to apply for under the Shortfall Facility; or
- not do anything with your Entitlements and allow all of them to lapse.

Your acceptance of the Offer must be made on the Entitlement and Acceptance Form accompanying this Offer Document. You should read the instructions on the Entitlement and Acceptance Form in their entirety. Your completed Entitlement and Acceptance Form must reach the Share Registry no later than the Closing Date.

The Offer is non-renounceable. Accordingly, Shareholders may not sell or transfer any of their Entitlements.

Any Application Monies received for more than your final allocation of New Shares or Shortfall Shares will be refunded to you. No interest will be paid on any Application Monies.

5.2. Your Entitlements

Your Entitlements are set out on your personalised Entitlement and Acceptance Form and will have been calculated as three New Shares for every five Shares you held at the Record Date of 5.00pm (WST) on 16 March 2016. If you have more than one holding of Shares you will be sent a personalised Entitlement and Acceptance Form for each holding.

5.3. If you do nothing with your Entitlements

If you choose to not do anything with your Entitlements, you will not be allocated any New Shares and your Entitlements will lapse and any associated New Shares will be taken up by Eligible Shareholders subscribing for Shortfall Shares under the Shortfall Facility, or the Underwriter/Sub-Underwriter. Eligible Shareholders who do not take up their Entitlements in full will not receive any payment or value for those Entitlements they do not take up.

5.4. Nominees and Custodians

The Company is not required to determine whether or not any registered holder of Shares is acting as a nominee or the identity or residence of any beneficial owners of Shares. Where any registered holder of Shares is acting as a nominee for a foreign person, that holder, in dealing with its beneficiary, will need to assess whether indirect participation by the beneficiary in the Offer is compatible with applicable foreign laws.

5.5. Acceptance of your Entitlement

The method of acceptance of your Entitlement will depend on your method of payment being:

- by cheque; or
- by BPAY®.

By completing, and the Share Registry or the Company receiving, your personalised Entitlement and Acceptance Form with the requisite Application Monies or making a payment by BPAY®, you:

- agree to be bound by the terms of this Offer Document and the provisions of the Company's constitution;
- authorise the Company to register you as the holder(s) of the New Shares allotted to you;
- declare that all details and statements made in the Entitlement and Acceptance Form are complete and accurate;
- acknowledge that the Offer Document is not investment advice and does not constitute a recommendation that you subscribe for New Shares under the Offer or the Shortfall Facility;
- declare that you have full legal capacity to subscribe for New Shares under the Offer;
- acknowledge that once the Company receives the Entitlement and Acceptance Form or your payment by BPAY®, you may not withdraw it except as allowed by law;
- agree to apply for, and be issued with up to, the number of New Shares that you apply for at the Issue Price per New Share;

- authorise the Company and its officers or agents to do anything on your behalf necessary for the New Shares to be issued to you;
- represent and warrant that you are an Eligible Shareholder; and
- have read and understood this Offer Document and the Entitlement and Acceptance Form and that you acknowledge the matters, and make the warranties and representations and agreements contained in this Offer Document and the Entitlement and Acceptance Form.

5.6. Payment by BPAY®

For payment by BPAY® please follow the instructions on the personalised Entitlement and Acceptance Form. You can only make a payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions.

Please note that should you choose to pay by BPAY®:

- you do not need to submit the personalised Entitlement and Acceptance Form but are taken to make the declarations on that Entitlement and Acceptance Form; and
- you are deemed to have applied for such whole number of New Shares which is covered in full by your Application Monies, whether that number is less than, equal to, or more than your Entitlement (in the latter case, you will be deemed to have applied for Shortfall Shares under the Shortfall Facility).

When paying by BPAY® please make sure you use the specific Biller Code and your unique customer reference number (**CRN**) which can be found on the back of your personalised Entitlement and Acceptance Form. If you pay by BPAY®, and the amount paid is more than the total Application Monies for your Entitlement, such excess amount will be treated as an application for such number of Shortfall Shares as may be subscribed for at the Issue Price (rounded down to the nearest whole number).

It is your responsibility to ensure that your BPAY® payment is received by the Share Registry by no later than 5.00pm (WST) on the Closing Date. You should be aware that your financial institution may implement earlier cut-off times with regards to electronic payment, and you should therefore take this into consideration when making payment.

Any Application Monies received for more than your final allocation of New Shares will be refunded as soon as practicable after the Closing Date. No interest will be paid on any Application Monies received or refunded.

5.7. Payment by cheque

For payment by cheque, you should complete your Entitlement and Acceptance Form in accordance with the instructions on the Entitlement and Acceptance Form and return it accompanied by a cheque in Australian currency for the amount of the Application Monies payable to "**ABM Resources NL**" and crossed "Not Negotiable".

Your cheque must be:

- for an amount equal to the Issue Price multiplied by the number of New Shares that you are applying for (including any Shortfall Shares applied for under the Shortfall Facility); and

- in Australian currency drawn on an Australian branch of a financial institution.

If the amount of your cheque for Application Monies (or the amount of which the cheque clears in time for allocation) is insufficient to pay in full for the number of New Shares you have applied for in your personalised Entitlement and Acceptance Form, you will be taken to have applied for such number of New Shares (rounded down to the nearest whole number) as your cleared Application Monies will pay for (and to have specified that number of New Shares on your Entitlement and Acceptance Form). Alternatively, your Application will not be accepted.

Any Application Monies received for more than your final allocation of New Shares (including after the allocation of any Shortfall Shares under the Shortfall Facility) will be refunded as soon as practicable after the Closing Date. No interest will be paid on any Application Monies received or refunded.

Your completed Entitlement and Acceptance Form and cheque must reach the Company's Share Registry at the address set out on the Entitlement and Acceptance Form and be cleared by no later than 5:00pm WST on the Closing Date. It is your responsibility to ensure that your cheque clears by that time. You should be aware that financial institutions may have different lead times for the clearing of cheques and you should therefore take this into consideration when making payment.

5.8. Entitlement and Acceptance Form is binding

You will not have any right to withdraw your Application for New Shares or to be repaid any amount once your Application has been accepted. Even if an Application has not been completed or submitted correctly it may still be treated as a valid Application for New Shares. The Company's decision as to whether to treat an Application as valid and how to construe, amend, complete or submit the Application is final.

5.9. Mail

To participate, your Application Monies must be received no later than 5.00pm (WST) on 31 March 2016. Shareholders who make payment via cheque should mail their completed personalised Entitlement and Acceptance Form together with Application Monies to:

**Security Transfer Registrars Pty Limited
770 Canning Highway
Applecross WA 6153**

6. INVESTMENT RISKS

6.1. Introduction

The New Shares offered under this Offer Document should be considered speculative because of the nature of the Company's business.

There are a number of risk factors, both specific to the Company or the Offer, and of a general nature, which could adversely impact the Company's performance and financial position and the value of its Shares. Some of these risks can be mitigated by the use of safeguards and appropriate systems and controls, however, many are outside the control of the Company and cannot be mitigated. Accordingly, an investment in the Company carries no guarantee with respect to the payment of dividends, return of capital or price at which securities will trade. This section describes certain specific areas that are believed to be the material risks associated with an investment in the Company.

The following is a summary only and the risks in this section are not exhaustive of the risks faced by a potential investor in the Company but they are considered by the Directors to be the more material risks that potential investors should be aware of. These risks in respect of the Company together with the general risks applicable to all investments in listed securities may affect the value of the Shares in the future. You should consider carefully the risks described in this section and read this Offer Document in its entirety, and consult your accountant, broker, financial or other professional adviser before making an investment decision and applying for New Shares.

6.2. Specific Risk Factors

- **Exploration risks**

Exploration is a high risk activity that requires large amounts of expenditure over extended periods of time. The closure of the Old Pirate Gold Project means that the Company will focus solely on exploration. The Company's exploration activities are subject to all the hazards and risks normally encountered in the exploration of minerals, including climatic conditions, hazards of operating vehicles and plant, risks associated with operating in remote areas and other similar considerations. Conclusions drawn during mineral exploration are subject to the uncertainties associated with all sampling techniques and to the risk of incorrect interpretation of geological, geochemical, geophysical, drilling and other data.

Further, the costs of the Company's exploration activities may materially differ from its estimates and assumptions. No assurance can be given that the Company's cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely affect the Company's viability.

There is no certainty that exploration carried out by the Company will result in the discovery of mineralisation that has economic value.

- **Reliance on key personnel**

The Company's success depends to a significant extent upon its key management personnel, as well as other management and technical personnel including sub-contractors. The loss of the services of any such personnel could have an adverse effect on the Company at this stage of its development.

- **Ceasing of Mining Operations**

- **Old Pirate Gold Mine**

- The closure of the Old Pirate Gold Project will require the achievement of environmental closure standards, and the orderly retrenchment of employees and contractors. There may be significant environmental and other works resulting from the closure of the Old Pirate Gold Project. Ongoing monitoring, including ground water testing, will be essential to identify and address these and other issues arising from the closure of the mine.

- The successful completion of tasks resulting from the closure of the mine will be dependent on the ability to negotiate and implement appropriate agreements with the relevant regulatory and government bodies, the community, employees, contractors and other third parties. Any issues that arise as a result of the mine closure may lead to increased closure costs, delays, ongoing work to manage environmental impacts and potentially corporate reputation damage if desired outcomes cannot be achieved. This could have a material adverse effect on the Company, its business and its financial position.

- **Coyote Processing Plant**

- The closure of the Coyote Processing Plant will require the achievement of environmental baseline standards, and the orderly retrenchment of employees and contractors.

- There is a requirement to care for and maintain the Coyote processing plant until the end of the lease in July 2016. At the end of the lease the Company is required to conduct an audit of the Coyote processing plant, including environmental conditions, and if it is found that the Company has caused deterioration of the plant beyond normal wear and tear or any environmental disturbance (outside terms agreed in the lease) or contamination, the Company may be responsible for carrying out appropriate repair or remediation work.

- **Gold Price**

- The success of the projects held by the Company will be significantly influenced by the price of gold. Forecast revenue from the Old Pirate Gold Mine for the period up to closure in April 2016 would be adversely affected if the price of gold fell below forecast levels. The ability to raise additional funding for future exploration activities could be impacted if the price of gold fell materially below current levels causing the Company to cease activities. The ability to develop an economically viable mining operation based on currently identified resources or gold resources discovered through future exploration could be impacted if the price of gold was below the level required to ensure viability. Gold prices are volatile and may fluctuate as a result of numerous factors, which are beyond the control of the Company.

- **Exchange rates**

- Any revenue that the Company may receive from gold sales in the future will be received in Australian dollars which is an exchange rate function of the gold price in United States dollars while its operating expenses will be incurred in Australian dollars. Because the Company's financial statements are in Australian dollars, appreciation of the Australian dollar against the US dollar, without offsetting improvement in US dollar

denominated gold prices, could adversely affect the Company's reported profitability and financial position.

In addition, the cost of diesel in Australian dollars is also a function of the cost of oil quoted in United States dollars. These costs will increase in Australian dollar terms if there is a depreciation of the Australian dollar against the US dollar, which could adversely affect the Company's profitability, results of operations and financial position.

- **Performance Bonds**

The Company has lodged environment and general performance bonds with the Northern Territory Government and the Central Land Council in relation to the Old Pirate Gold Mine and a number of its exploration projects. The bonds are currently supplied by the ANZ Bank and the Company has approximately \$3.8 million deposited in a restricted account with the ANZ to provide cash backing of the bonds. The bonds will only be returned and the cash backing of the bonds released when the Company has performed its obligations in relation to rehabilitation of the Old Pirate Gold Mine and exploration sites and performed its obligations to the Central Land Council to the reasonable satisfaction of the bond holders. There is a risk that return of the bonds and release of the cash backing them could be delayed if there is dispute with the bond holders in relation to the performance of the Company or does not happen at all if the Company is not able to perform its obligations to the bond holders.

- **Debt Risk**

The Company has entered in to the Debt Facility and intends to draw down funds to cash back environmental and general performance bonds. The maximum outstanding principal allowed under the Debt Facility is initially \$3.8 million, reducing to \$2.5 million after 18 months and the facility terminates and must be fully repaid after two years. It is expected that drawn down funds can be at least partially repaid as rehabilitation is carried out and bonds are returned. However there is risk that return of some or all of the bonds may not occur during the term of the Debt Facility and that repayment of the facility may have to be made in part or in full by other means. This could involve using funds from the Offer, which would reduce the amount of exploration that could be carried out, issuing further shares in the Company to raise funds for debt repayment and or selling assets to raise funds for debt repayment. There is risk that the Company is not able to raise sufficient funds to fully repay funds drawn down from the Debt Facility and the lender exercises its rights to take control of the Company's assets.

6.3. Risks Associated with the Offer

- **Dilution**

The completion of the Offer will result in the issue of approximately 205,772,691 New Shares. If an Eligible Shareholder does not take up their full Entitlement their percentage holding of Shares will be diluted.

- **No cooling off**

There are no cooling off rights in relation to the Offer. You cannot withdraw your Application for New Shares once it has been submitted.

- **Offer provides no guarantee of future performance**

While the Offer will help improve the Company's financial position and provide it with additional flexibility, it does not guarantee the Company's future financial performance.

6.4. General Risk Factors

- **Competition**

The Company competes with other companies, including major exploration companies in Australia and internationally. Some of these companies have greater financial and other resources than the Company and, as a result, may be in a better position to compete for future business opportunities. There can be no assurance that the Company can compete effectively with these companies.

- **General economic conditions**

The performance of the Company may be significantly affected by changes in local, national and international financial and economic conditions. Profitability of the business may be affected by factors such as market conditions, fluctuations in currencies, commodity prices, interest rates, inflation, industrial disruption and supply and demand. The Company's future possible revenues and Share price can be affected by these factors, all of which are beyond the control of the Company or its Directors.

- **Changes in government policy**

Changes in government policy (including fiscal, monetary and regulatory policies at federal, state and local levels) may affect the amount and timing of the Company's future cash flows and profits, and its viability and profitability. The activities of the Company are subject to various federal, state and local laws governing prospecting, development, production, taxes, labour standards and occupational health and safety, and other matters.

- **Geo-political factors**

The Company may be affected by the impact that geo-political factors have on the various world economies or the Australian economy or on financial markets and investments generally or specifically.

- **Equity market conditions**

Securities listed on the stock market, and in particular securities of mining and exploration companies, can experience extreme price and volume fluctuations that are often unrelated to the operating performances of such companies. The market price of Shares may fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general.

General factors that may affect the market price of Shares include economic conditions in both Australia and internationally (particularly Australian, US and Chinese economic conditions), investor sentiment, local and international share market conditions, changes in interest rates and the rate of inflation, variations in commodity prices, the global security situation and the possibility of terrorist disturbances, changes to government regulation, policy or legislation, changes which may occur to the taxation of companies as a result of changes in Australian and foreign

taxation laws, changes to the system of dividend imputation in Australia, and changes in exchange rates.

The Company, being a company listed on ASX, is subject to the market forces that influence the broad share market trends and the price of securities of individual companies. Accordingly, assuming that the New Shares are granted official quotation on ASX, they may trade on ASX at higher or lower prices than the Issue Price.

- **Liquidity and realisation**

There can be no guarantee that an active market in Shares will develop or that the price of Shares will increase. There may be relatively few buyers or a relatively high number of sellers of Shares on ASX at any given time. This may increase the volatility of the price of Shares. It may also affect the prevailing price of Shares at which Shareholders are able to sell.

7. ADDITIONAL INFORMATION

7.1. Underwriting Agreement

The Company has entered into the Underwriting Agreement with the Underwriter under which the Underwriter has agreed to fully underwrite the Offer.

The Company has agreed to pay to the Underwriter an underwriting fee representing 6% of the number of New Shares offered under the Offer multiplied by the Issue Price.

The Underwriting Agreement contains customary representations, warranties, indemnities and undertakings in favour of the Underwriter. In particular, the Underwriting Agreement contains certain warranties by the Company relating to matters such as the conduct of the Company, the content of the Offer Document and other information provided by the Company in relation to the Offer. The Underwriting Agreement also imposes various obligations on the Company, including the obligation to comply with all applicable laws in respect of the Offer, and to apply for the quotation of the New Shares on ASX.

The obligations of the Underwriter under the Underwriting Agreement to underwrite the Offer are conditional on customary conditions including amongst others, the dispatch of this Offer Document.

If certain events occur, the Underwriter has the right to terminate the Underwriting Agreement. In summary, these include:

- events or circumstances which will or are likely to have a material adverse effect on the Offer, the Underwriter, or the Company (determined by the Underwriter acting reasonably);
- an insolvency or similar event occurs in respect of the Company;
- there is a failure by the Company to comply with, or contravention of, applicable laws;
- there is a failure by the Company to satisfy any conditions precedent;
- the Company is unable to issue the New Shares or Shortfall Shares;

- ASIC takes adverse action against the Company or there are charges made against any of the Directors;
- there is an application to any government authority for an order, declaration or other remedy in connection with the Offer and the application is not withdrawn or rejected by the date on which the Underwriter has a material obligation under the Underwriting Agreement;
- a breach by the Company of the representations and warranties and undertakings that it has given in favour of the Underwriter;
- any of the Underwriter or Sub-Underwriter being unable to rely on the exception in item 10 of section 611 of the Corporations Act, which is required to permit the Sub-Underwriter to increase its relevant interest in the Company above 20%; or
- the Company has made a misrepresentation, or engaged in misleading or deceptive conduct in respect of this Offer or this Offer Document, or circumstances give rise to the requirement for a prospectus.

The Underwriting Agreement is otherwise on terms and conditions that are customary for an agreement of its nature.

7.2. Sub-Underwriting Agreement

The Underwriter has entered into the Sub-Underwriting Agreement with the Sub-Underwriter under which the Sub-Underwriter has agreed to fully sub-underwrite the Offer.

Under the Sub-Underwriting Agreement, the Underwriter will pay to the Sub-Underwriter, a sub-underwriting fee representing 6% of the number of New Shares take up by the Sub-Underwriter multiplied by the Issue Price less \$100,000 plus GST.

If the Offer does not proceed or the Underwriting Agreement is terminated, the Sub-Underwriting Agreement will also terminate.

The Sub-Underwriting Agreement contains customary acknowledgements and indemnities in favour of the Underwriter.

The Sub-Underwriter has no right to terminate the Sub-Underwriting Agreement. The Sub-Underwriting Agreement is otherwise on terms and conditions that are customary for an agreement of its nature.

7.3. Governing law

This Offer Document, the Offer and the contracts formed on acceptance of the Entitlement and Acceptance Forms are governed by the laws of the State of Western Australia, Australia. Each person that applies for New Shares submits to the exclusive jurisdiction of the Courts of the State of Western Australia, Australia and the Courts of appeal from them.

8. GLOSSARY

Applicant	means an applicant for New Shares who duly completes an Entitlement and Acceptance Form and pays the applicable Application Monies.
Application	means an application for New Shares (including Shortfall Shares under the Shortfall Facility) pursuant to the Offer and made on an Entitlement and Acceptance Form or by making payment via BPAY®.
Application Monies	means the Issue Price, multiplied by the number of New Shares (including Shortfall Shares under the Shortfall Facility) for which an Applicant has applied.
ASIC	means the Australian Securities and Investments Commission.
ASX	means ASX Limited ABN 98 008 624 691 (also known as Australian Securities Exchange).
CHESS	Clearing House Electronic Subregister System
Closing Date	means the last date by which Applications will be accepted, which is 5:00pm (WST) on 31 March 2016 or such other date as the Directors determine.
Company	means ABM Resources NL (ACN 009 127 020).
Corporations Act	means the Corporations Act 2001 (Commonwealth).
Debt Facility	means the debt facility between the Company and Sub-Underwriter on the terms summarised in Section 4.13.
Directors	means the directors of the Company.
Dollars or \$	means dollars in Australian currency.
Eligible Shareholders	has the meaning given in Section 4.4.
Entitlement	means the right to subscribe for New Shares initially offered to Eligible Shareholders under the Offer based on the number of Shares held by that Shareholder on the Record Date. Every Entitlement giving the holder, upon the payment of the Issue Price, the right to receive three New Shares for every five Shares held.
Entitlement and Acceptance Form	means the entitlement and acceptance form accompanying this Offer Document.
Issue Price	means the price payable on subscription for each New Share, being \$0.04.
Listing Rules	means the Listing Rules of ASX.
Nominee	means Patersons Securities Limited (ACN 008 896 311)
New Shares	means Shares offered under this Offer Document, including Shortfall Shares under the Shortfall Facility.
Offer	means the offer of New Shares, initially to Eligible Shareholders, under this Offer Document.
Offer Document	means this offer document dated 9 March 2016.

Record Date	means the date and time at which Shareholders must hold Shares in order to qualify for the Entitlement under the Offer, being 5:00pm (WST) on 16 March 2016.
Share	means a fully paid ordinary share in the Company.
Share Registry	means Security Transfer Registrars Pty Limited.
Shareholder	means a holder of Shares.
Shortfall Facility	means the offer to Eligible Shareholders to subscribe for any Shortfall Shares in addition to their initially allocated Entitlement.
Shortfall Shares	means such number of New Shares offered under the Offer for which valid Applications have not been received on the exercise of an Entitlement.
Sub-Underwriter	Pacific Road Capital Management Pty Ltd (ACN 117 934 586) as trustee for Pacific Road Fund II Managed Investment Trust.
Sub-Underwriting Agreement	means the Sub-Underwriting Agreement between the Underwriter and the Sub-Underwriter dated 9 March 2016, the details of which are summarised under Section 7.2.
Underwriter	means Key Pacific Advisory Partners Pty Ltd (ACN 003 464 980).
Underwriting Agreement	means the Underwriting Agreement between the Company and the Underwriter dated 9 March 2016, the details of which are summarised under Section 7.1.
VWAP	means volume weighted average price.
WST	Western Australian Standard Time