

ABM Resources NL - Fully-Underwritten 3 for 5 Rights Issue and Debt Facility

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Perth, Australia - [ABM Resources NL](#) (ASX:ABU) (ABM or the Company) announces a fully underwritten 3 for 5 nonrenounceable 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 its 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 exrights 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.

To view the timetable, please visit:

<http://media.abnnewswire.net/media/en/docs/ASX-ABU-755580.pdf>

About ABM Resources NL:

[ABM Resources](#) (ASX:ABU) is developing several gold discoveries in the Central Desert region of the Northern Territory of Australia. The Company has a multi-tiered approach to exploration and development with a combination of high-grade production scenarios such as the Old Pirate High-Grade Gold Project, large scale discoveries such as Buccaneer, and regional exploration discoveries such as the Hyperion Gold Project. In addition, ABM is committed to regional exploration programs throughout its extensive holdings including the alliance with [Independence Group NL](#) at the regional Lake Mackay Project.

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