

**ABM RESOURCES NL  
AND CONTROLLED ENTITIES**

ABN 58 009 127 020

**INTERIM FINANCIAL REPORT  
FOR THE HALF-YEAR ENDED  
31 DECEMBER 2016**



# Contents



ABN 58 009 127 020 ACN 009 127 020

<b>Directors</b>	Mr Thomas McKeith (Chairman) Mr Matthew Briggs (Managing Director) (appointed 3 October 2016) Ms Susan Corlett Mr Brett Smith
<b>Chief Executive Officer</b>	Mr Brett Lambert (resigned 2 September 2016)
<b>Secretary</b>	Ms Jutta Zimmermann
<b>Auditors</b>	BDO Audit (WA) Pty Ltd 38 Station Street SUBIACO WA 6008
<b>Bankers</b>	Australia and New Zealand Banking Group Limited Level 10, 77 St Georges Terrace PERTH WA 6000
<b>Share Registry</b>	Security Transfer Registrars Pty Ltd 770 Canning Highway APPLECROSS WA 6153 Telephone: +61 8 9315 2333
<b>Solicitors</b>	Ward Keller Northern Territory House Level 7, 22 Mitchell Street DARWIN NT 0800  Piper Alderman Level 16, 70 Franklin Street ADELAIDE SA 5000
<b>Stock Exchange</b>	Australian Securities Exchange Limited ASX Code: ABU
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<b>Principal Place of Business</b>	Level 1, 141 Broadway NEDLANDS WA 6009 Telephone +61 8 9423 9777 Fax: + 61 8 9423 9733
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# DIRECTORS' REPORT

The Directors of ABM Resources NL present their report on the consolidated entity (Group), consisting of ABM Resources NL and the entities it controlled at the end of, and during, the half-year ended 31 December 2016.

## Directors

Mr Thomas McKeith	Non-Executive Chairman	
Mr Matthew Briggs	Managing Director	Appointed 3 October 2016
Ms Susan Corlett	Non-Executive Director	
Mr Brett Smith	Non-Executive Director	

The Directors have been appointed for the whole period unless otherwise disclosed.

## Operating Results

The consolidated loss of the Group for the half-year ended 31 December 2016 after providing for income tax amounted to \$4,008,977 (2015: loss of \$22,605,222).

## Review of Operations

Since the start of the 2016/2017 financial year ABM:

- Completed board and management changes with the appointment of Matthew Briggs as Managing Director on 3 October 2016
- Commenced the implementation of a focussed exploration strategy on ABM's under-explored and highly prospective tenement holdings in the Tanami region
- Assessed corporate and asset level opportunities, including joint ventures on early stage exploration projects, and divestments
- Undertook exploration at the Suplejack Project completing a total of 954 metres of RC drilling and 1,906 metres of diamond drilling
- Identified a new structure at Hyperion – Tethys Prospect, named the Suess Fault. Results included up to 6.3g/t gold from rock chip sampling
- Released an updated Resource model for the Old Pirate Deposit
- Commenced work to update the Hyperion resource
- Mapping and geochemical sampling continued across the area
- IGO continued exploration at the Lake Mackay Project completing an aeromagnetic survey and an 18 RC hole drilling program, delivering multiple intersections at the Grapple Prospect
- Commenced a joint venture and divestment process for the Twin Bonanza area
- Partial release of rehabilitation bond for the Old Pirate Deposit

## Events Subsequent to the Reporting Date

- ABM continues to add historical drilling and soil sampling results to the database
- Focussed exploration targeting work
- Hyperion Resource update
- Continued joint venture and divestment discussions for early stage project areas and the deposits making up Twin Bonanza

# DIRECTORS' REPORT

## **Auditor's Independence Declaration**

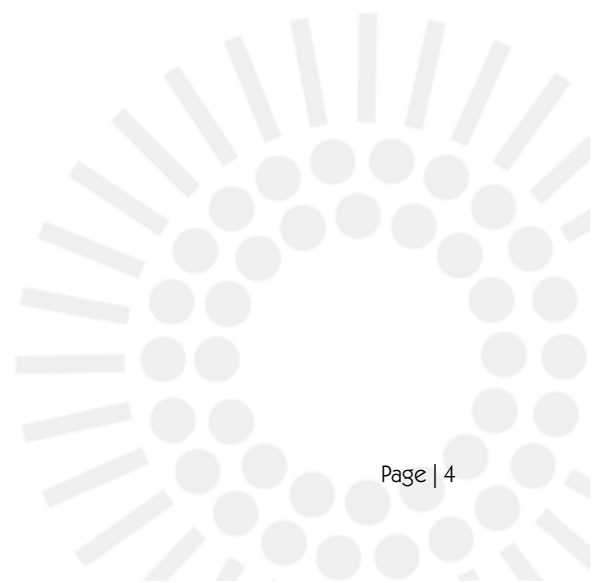
A copy of the auditor's independence declaration as required under Section 307C of the *Corporations Act 2001* is set out on page 5.

This report is made in accordance with a resolution of Directors.

A handwritten signature in black ink, appearing to read 'M Briggs', with a stylized flourish at the end.

**MATTHEW BRIGGS**  
Managing Director

Dated this 23<sup>rd</sup> day of February 2017  
Perth, Western Australia



## DECLARATION OF INDEPENDENCE BY WAYNE BASFORD TO THE DIRECTORS OF ABM RESOURCES NL

As lead auditor for the review of ABM Resources NL for the half-year ended 31 December 2016, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of ABM Resources NL and the entities it controlled during the period.



**Wayne Basford**

Director

**BDO Audit (WA) Pty Ltd**

Perth, 23 February 2017

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE HALF-YEAR ENDED 31 DECEMBER 2016

	Notes	Consolidated	
		31 December 2016 \$	31 December 2015 \$
Revenue	3	96,911	13,994,715
Other income		139,157	1,142,646
Mining, processing maintenance expenses		(257,865)	(15,065,587)
Administrative expenses			
Employee and Directors benefit expenses		(529,369)	(1,017,886)
Share-based payment expenses	11	(837,469)	(137,613)
Lease expenses		(32,254)	(69,652)
Depreciation expenses		(14,456)	(16,106)
Consultancy expenses		(111,598)	(207,939)
Legal fees		(23,445)	(38,435)
Other expenses		(248,066)	(317,898)
Exploration expenses		(2,190,523)	(1,871,846)
Impairment of property, plant and equipment		-	(2,635,641)
Impairment of capitalised exploration and evaluation expenditure		-	(7,808,521)
Impairment of mining assets		-	(8,555,459)
<b>Loss before income tax expense</b>		<b>(4,008,977)</b>	<b>(22,605,222)</b>
Income tax expense		-	-
<b>Loss for the half-year</b>		<b>(4,008,977)</b>	<b>(22,605,222)</b>
<b>Loss attributable to members of ABM Resources NL</b>		<b>(4,008,977)</b>	<b>(22,605,222)</b>
Other comprehensive income		-	-
<b>Total other comprehensive income for the half-year</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive income for the half-year</b>		<b>(4,008,977)</b>	<b>(22,605,222)</b>
<b>Total comprehensive income for the half-year attributable to members of ABM Resources NL</b>		<b>(4,008,977)</b>	<b>(22,605,222)</b>
<b>Basic loss per share attributable to the ordinary equity holders of the Company</b>			
Basic loss per share (cents per share)		(1.07)	(6.59)
Diluted earnings per share		n/a	n/a

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2016

	Notes	Consolidated	
		31 December 2016 \$	30 June 2016 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		7,544,769	10,096,566
Trade and other receivables	4	153,840	1,158,052
Inventories		30,260	361,099
Other current assets		51,878	209,877
<b>TOTAL CURRENT ASSETS</b>		<b>7,780,747</b>	<b>11,825,594</b>
<b>NON-CURRENT ASSETS</b>			
Trade and other receivables	4	2,533,023	4,150,674
Property, plant and equipment		352,730	533,920
Exploration and evaluation expenditure		10,061,054	10,061,054
<b>TOTAL NON CURRENT ASSETS</b>		<b>12,946,807</b>	<b>14,745,648</b>
<b>TOTAL ASSETS</b>		<b>20,727,554</b>	<b>26,571,242</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	5	206,050	2,484,212
Employee benefits		187,598	425,107
<b>TOTAL CURRENT LIABILITIES</b>		<b>393,648</b>	<b>2,909,319</b>
<b>NON-CURRENT LIABILITIES</b>			
Employee benefits		84,566	73,685
Provisions		1,804,802	1,972,192
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>1,889,368</b>	<b>2,045,877</b>
<b>TOTAL LIABILITIES</b>		<b>2,283,016</b>	<b>4,955,196</b>
<b>NET ASSETS</b>		<b>18,444,538</b>	<b>21,616,046</b>
<b>EQUITY</b>			
Contributed equity	6	166,259,494	166,259,494
Reserves		3,025,397	2,248,995
Accumulated losses		(150,840,353)	(146,892,443)
<b>TOTAL EQUITY</b>		<b>18,444,538</b>	<b>21,616,046</b>

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.



# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE HALF-YEAR ENDED 31 DECEMBER 2016

	Notes	Contributed Equity \$	Share-based Payment Reserve \$	Employee Options Reserve \$	Retained Earnings \$	Total \$
<b>Balance at 1 July 2015</b>		164,733,001	1,800,000	779,416	(125,743,718)	41,568,699
<b>Comprehensive income for the half-year</b>						
Loss for the half-year		-	-	-	(22,605,222)	(22,605,222)
Other comprehensive income		-	-	-	-	-
<b>Total comprehensive income for the half-year</b>		-	-	-	(22,605,222)	(22,605,222)
<b>Transaction with owners in their capacity as owners:</b>						
Recognition of treasury shares	6	(119,904)	-	-	-	(119,904)
Employee shares bought-back	6	119,904	-	-	-	119,904
Transfer of reserve on vested shares issued to employees		-	-	(72,245)	72,245	-
<b>Total transactions with owners</b>		-	-	(72,245)	72,245	-
<b>Balance at 31 December 2015</b>		164,733,001	1,800,000	707,171	(148,276,695)	18,963,477
<b>Balance at 1 July 2016</b>		166,259,494	1,937,613	311,382	(146,892,443)	21,616,046
<b>Comprehensive income for the half-year</b>						
Loss for the half-year		-	-	-	(4,008,977)	(4,008,977)
Other comprehensive income		-	-	-	-	-
<b>Total comprehensive income for the half-year</b>		-	-	-	(4,008,977)	(4,008,977)
<b>Transaction with owners in their capacity as owners:</b>						
Share-based payments	11	-	837,469	-	-	837,469
Transfer of reserve on vested shares issued to employees		-	-	(61,067)	61,067	-
<b>Total transactions with owners</b>		-	837,469	(61,067)	61,067	837,469
<b>Balance at 31 December 2016</b>		166,259,494	2,775,082	250,315	(150,840,353)	18,444,538

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

# CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2016

	Consolidated	
	31 December 2016 \$	31 December 2015 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipt from gold and silver sales	1,379	12,845,307
Other Income	114,748	-
Payments to suppliers and employees	(1,118,631)	(1,907,737)
Interest received	83,702	63,688
R&D uplift refund	810,212	-
Payments for exploration	(2,697,259)	(1,764,122)
Payments for mining and processing	(1,386,607)	(6,551,591)
<b>Net cash inflow/(outflow) from operating activities</b>	<b>(4,192,456)</b>	<b>2,685,545</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	-	-
Payments for mine development	-	(18,317,969)
Receipt from pre-production revenue	-	9,723,591
Purchase of exploration interest	(6,000)	(130,000)
Proceeds from sale of property, plant and equipment	29,008	-
<b>Net cash inflow/(outflow) from investing activities</b>	<b>23,008</b>	<b>(8,724,378)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Placement of security deposits (cash-back)	1,617,651	-
<b>Net cash inflow from financing activities</b>	<b>1,617,651</b>	<b>-</b>
Net increase/(decrease) in cash and cash equivalents	(2,551,797)	(6,038,833)
Cash and cash equivalents at beginning of reporting period	10,096,566	13,583,128
<b>Cash and cash equivalents at end of reporting period</b>	<b>7,544,769</b>	<b>7,544,295</b>

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2016

## NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### (a) Basis of Preparation

This general purpose interim financial report for the half-year reporting period ended 31 December 2016 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2016 and any public announcements made by ABM Resources NL during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

#### *Going concern*

The financial statements have been prepared on the going concern basis of accounting which assumes that the Group will be able to meet its commitments, complete mine closure and rehabilitation, realise its assets and discharge its liabilities in the ordinary course of business.

The Group has approved a budget that contemplates an equity raising during the next financial year to fund an extensive exploration program in excess of its current cash reserves. However, the Group has the ability to defer exploration expenditure or divest assets in the event that the terms of an equity raising are not considered suitable to the Group.

### (b) Estimates

The preparation of the half-year financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these consolidated half-year financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty are the same as those that applied to the consolidated financial statements as at and for the year ended 30 June 2016.

## NOTE 2: SEGMENT INFORMATION

Following commencement of mining operations in April 2015, the full Board of Directors, who are the chief operating decision makers, identified two main reportable segments from the Group's main activities, being the Mining and Processing segment and Exploration segment. Mining and processing has since ceased, however maintenance costs for the segment are still being incurred.

Management assesses the performance of the operating segments based on a measure of mining and processing / mining and processing maintenance expenditure, and exploration expenditure for each activity. The measure excludes items such as the effects of share based payment expenses, interest income and corporate expenses as these activities are centralised.

	Mining & Processing \$	Exploration \$	Total \$
<b>Half-year ended 31 December 2016</b>			
Segment revenue	45	-	45
Segment other income	113,002	16,287	129,289
Segment loss			
Total segment loss	(144,818)	(2,174,236)	(2,319,054)
Net segment loss	(144,818)	(2,174,236)	(2,319,054)

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2016

## NOTE 2: SEGMENT INFORMATION cont'd

	Mining & Processing \$	Exploration \$	Total \$
Segment loss includes the following significant items:			
Depreciation expenses	-	(129,805)	(129,805)
Other expenses	(257,865)	(2,060,718)	(2,318,583)
<b>Total segment assets</b>			
31 December 2016	-	12,863,473	12,863,473
<b>Half-year ended 31 December 2015</b>			
Segment revenue	13,935,207	-	13,935,207
Segment other income	-	1,142,482	1,142,482
Segment loss			
Total segment loss	(12,321,480)	(8,537,885)	(20,859,365)
Inter-segment loss	-	-	-
Net segment loss	(12,321,480)	(8,537,885)	(20,859,365)
Segment loss includes the following significant items:			
Depreciation expenses	(1,380,578)	(301,022)	(1,681,600)
Impairment of capitalised exploration and evaluation expenditure	-	(7,808,521)	(7,808,521)
Impairment of mining assets	(8,555,459)	-	(8,555,459)
Impairment of property, plant and equipment	(2,635,641)	-	(2,635,641)
Other expenses	(13,685,009)	(1,570,824)	(15,255,833)
<b>Total segment assets</b>			
31 December 2015	6,751,276	13,951,393	20,702,669

Reconciliation of segment result to Group net profit/(loss) before tax is provided as follows:

	Consolidated	
	31 December 2016 \$	31 December 2015 \$
Net segment loss	(2,319,054)	(20,859,365)
Corporate items:		
Interest revenue	96,866	59,508
Other income	9,868	164
Employee and Directors' benefit expenses	(529,369)	(1,017,886)
Share-based payments	(837,469)	-
Depreciation expenses	(14,456)	(16,106)
Other expenses	(415,363)	(771,537)
Net loss before tax from continuing operations	(4,008,977)	(22,605,222)

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2016

## NOTE 2: SEGMENT INFORMATION cont'd

Segment assets reconcile to total assets as follows:

	Consolidated	
	31 December 2016 \$	30 June 2016 \$
Segment assets	12,863,473	16,037,481
Cash and cash equivalents	7,544,769	10,096,566
Trade and other receivables	255,193	211,313
Other current assets	30,028	75,983
Trade and other receivables – non-current	105,086	105,086
Property, plant and equipment	30,358	44,813
Total assets per statement of financial position	<u>20,828,907</u>	<u>26,571,242</u>

## NOTE 3: REVENUE

	Consolidated	
	31 December 2016 \$	31 December 2015 \$
Gold and silver sales	45	13,935,207
Interest received	96,866	59,508
	<u>96,911</u>	<u>13,994,715</u>

## NOTE 4: TRADE AND OTHER RECEIVABLES

	Consolidated	
	31 December 2016 \$	30 June 2016 \$
CURRENT		
R&D uplift refund	-	810,212
Other receivables (Note 4(a))	153,840	347,840
	<u>153,840</u>	<u>1,158,052</u>
NON-CURRENT		
Bonds term deposit	2,533,023	4,150,674
	<u>2,533,023</u>	<u>4,150,674</u>

### (a) Other receivables

These amounts generally arise from transactions outside the usual operating activities of the Group, and do not contain any past due assets that are not impaired.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2016

## NOTE 5: TRADE AND OTHER PAYABLES

	Consolidated	
	31 December 2016 \$	30 June 2016 \$
CURRENT LIABILITIES (Unsecured)		
Trade payables	126,024	863,293
Sundry payables and accrued expenses	80,026	1,620,919
	206,050	2,484,212

## NOTE 6: CONTRIBUTED EQUITY

Details	Date	Number of Shares	Issue Price \$	Value \$
Opening balance at the beginning of reporting period <sup>1)</sup>	1 July 2015	343,287,553		164,733,001
Recognition of treasury shares <sup>1)</sup>	16 September 2015			119,904
Employee shares bought-back	19 September 2015	(333,067)	0.360	(119,904)
Closing balance	31 December 2015	342,954,486		164,733,001
Opening balance at the beginning of reporting period	1 July 2016	375,157,803		166,259,494
Closing balance	31 December 2016	375,157,803		166,259,494

<sup>1)</sup> Director and employee loans have been derecognised in the prior period to take into account the treasury share nature of the underlying securities. The total number of treasury shares as at 31 December 2016 was 1,245,333 (2015: 3,260,200).

## NOTE 7: DIVIDENDS

No dividends were paid or declared during the half-year.

## NOTE 8: FAIR VALUES OF FINANCIAL INSTRUMENTS

### (a) Recurring fair value measurements

The Group does not have any financial instruments that are subject to recurring or non-recurring fair value measurements.

### (b) Fair values of financial instruments not measured at fair value

The carrying amounts of trade and other receivables and trade and other payables are assumed to equal their fair value.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2016

## NOTE 9: CONTINGENCIES

The Group provides for all known environmental liabilities. While the Directors believe that, based upon current information, its current provisions for the environmental rehabilitation are adequate, there can be no assurance that material new provisions will not be required as a result of new information or regulatory requirements with respect to known sites or identification of new remedial obligations at other sites.

Bank guarantees totalling \$2,427,937 (2015: \$4,107,829) have been provided. Term deposits of \$2,427,937 (2015: \$350,000) secure these guarantees.

## NOTE 10: RELATED PARTY TRANSACTIONS

Transactions between related parties occur on normal commercial terms and conditions and are no more favourable than those available to other parties unless otherwise stated. During the year loan transactions occurred between the Parent Entity and its wholly owned subsidiaries.

The terms and conditions of the transactions with Directors, other key management personnel and their related parties and entities were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions with non-Director related parties and entities on an arm's length basis.

## NOTE 11: SHARE-BASED PAYMENTS

During the financial year ended 30 June 2016 the Group agreed to grant 7 Million options as an equity incentive to Mr T McKeith (Non-Executive Chairman), which were approved by shareholders at the Company's Annual General Meeting in November 2016. The term of the options is 4 years from the date of signing the letter of appointment, with an exercise price to be calculated at a premium of 145% to the 5 day VWAP of ABM's share price on the day immediately prior to the date of signing the letter of appointment.

Tommy McKeith	Tranche 1	Tranche 2	Tranche 3
Number of options to be granted	3,000,000	2,000,000	2,000,000
Number of options vested	3,000,000	Nil	Nil
Fair value at grant date	\$0.066	\$0.066	\$0.066
Exercise price	\$0.095	\$0.095	\$0.095
Price at agreement date	\$0.066	\$0.066	\$0.066
Grant date	2 November 2016	2 November 2016	2 November 2016
Exercise period	48 months	48 months	48 months
Vesting date (subject to option issue)	AGM 2016	27 June 2017	27 June 2018
Expected price volatility of options	110%	110%	110%
Risk free interest rate	1.64%	1.64%	1.64%

The vesting of the above Tranche 2 and Tranche 3 options is subject to continuing service conditions. The options were issued on 3 November 2016.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2016

## NOTE 11: SHARE-BASED PAYMENTS cont'd

During the half-year ended 31 December 2016 the Group agreed to grant 11 Million options as an equity incentive to Mr M Briggs (Managing Director), which were shareholder approved at the Company's Annual General Meeting in November 2016. The term of the options is 4 years from the date of signing the letter of appointment, with an exercise price to be calculated at a premium of 145% to the 5 day VWAP of ABM's share price on:

- the day immediately prior to the date of signing the letter of appointment for Tranche 1 and
- the day immediately prior to the date the options vest for Tranche 2 and Tranche 3.

	Tranche 1	Tranche 2	Tranche 3
Number of options to be granted	5,000,000	3,000,000	3,000,000
Number of options vested	5,000,000	Nil	Nil
Fair value at grant date	\$0.063	\$0.060	\$0.060
Exercise price	\$0.090	\$0.111	\$0.112
Price at agreement date	\$0.062	\$0.062	\$0.062
Grant date	2 November 2016	2 November 2016	2 November 2016
Exercise period	48 months	48 months	48 months
Vesting date (subject to option issue)	2 November 16	23 August 2017	23 August 2018
Expected price volatility of options	110%	110%	110%
Risk free interest rate	1.69%	1.69%	1.69%

The vesting of the above Tranche 2 and Tranche 3 options is subject to continuing service conditions. The options were issued on 3 November 2016.

During the half-year ended 31 December 2016 the Group agreed to grant 1.5 Million options each to Ms S Corlett and Mr B Smith (non-executive Directors) which will be subject to shareholder approval at the next general meeting and are issued under the terms and conditions of the ABM Option Plan. The Group also agreed to issue 1 Million option as an equity incentive to Ms J Zimmermann (Company Secretary) under the ABM Options Plan. The term of the options is 4 years from the date of acceptance of the option offer, with an exercise price to be calculated at a premium of 145% to the 5 day VWAP of ABM's share price on the date of acceptance. The options will be issued in one Tranche.

	S Corlett	B Smith	J Zimmermann
Number of options to be granted	1,500,000	1,500,000	1,000,000
Number of options vested	Nil	Nil	1,000,000
Fair value at agreement date	\$0.076	\$0.076	N/A
Fair value at grant date	N/A	N/A	\$0.073
Exercise price	\$0.133	\$0.133	\$0.109
Price at agreement date	\$0.092	\$0.092	\$0.073
Grant date	Next general meeting	Next general meeting	11 August 2016
Exercise period	48 months	48 months	48 months
Vesting date (subject to option issue)	Next general meeting	Next general meeting	11 August 2016
Expected price volatility of options	110%	110%	110%
Risk free interest rate	2.07%	2.07%	1.52%



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2016

## NOTE 11: SHARE-BASED PAYMENTS cont'd

### *Share-based payments expense reconciliation*

Total expenses arising from share-based payment transactions recognised during the year were as follows:

	Consolidated	
	31 December 2016 \$	31 December 2015 \$
OPTIONS ISSUED		
Options issued to Mr T McKeith or nominee	149,152	-
Options issued to Mr M Briggs or nominee	410,878	-
Options issued to Ms J Zimmermann or nominee	49,677	-
	<hr/>	<hr/>
	609,707	-
OPTIONS TO BE ISSUED FOLLOWING SHAREHOLDER APPROVAL		
Options to be issued to Ms S Corlett or nominee	113,881	-
Options to be issued to Mr B Smith or nominee	113,881	-
	<hr/>	<hr/>
	227,762	-
	<hr/>	<hr/>
Total share-based payments	837,469	-

## NOTE 12 EVENTS OCCURRING AFTER THE REPORTING PERIOD

- Hyperion Resource update

## DIRECTORS' DECLARATION

The Directors of the Group declare that:

- (a) the financial statements and notes set out on pages 6 to 16 are in accordance with the *Corporations Act 2001*, including:
  - (i) complying with Accounting Standard AASB 134 *Interim Financial Reporting*, the Corporations Regulations 2001; and
  - (ii) giving a true and fair view of the consolidated entity's financial position as at 31 December 2016 and of its performance for the half-year ended on that date; and
- (b) there are reasonable grounds to believe that ABM Resources NL will be able to pay its debts as and when they become due and payable, subject to the matters in Note 1(a).

This declaration is made in accordance with a resolution of the Board of Directors.

Dated this 23<sup>rd</sup> day of February 2017

A handwritten signature in black ink, appearing to read 'M Briggs', with a stylized flourish at the end.

MATTHEW BRIGGS  
Managing Director



## INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of ABM Resources NL

### Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of ABM Resources NL, which comprises the consolidated statement of financial position as at 31 December 2016, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, notes comprising a statement of accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year's end or from time to time during the half-year.

#### Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2016 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of ABM Resources NL, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

#### Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of ABM Resources NL, would be in the same terms if given to the directors as at the time of this auditor's review report.

## Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of ABM Resources NL is not in accordance with the *Corporations Act 2001* including:

- (i) Giving a true and fair view of the consolidated entity's financial position as at 31 December 2016 and of its performance for the half-year ended on that date; and
- (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

**BDO Audit (WA) Pty Ltd**



**Wayne Basford**

**Director**

Perth, 23 February 2017