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ASX ANNOUNCEMENT / MEDIA RELEASE

SETTLEMENT OF CONTINGENT LIABILITY

ABM Resources NL (ASX: ABU) was involved in a dispute in relation to the holding of the Broads Dam tenement M16/88. The tenement was forfeited in 2003, as a result of the late filing of a Form 5 by the then management of Tantalum Australia in October 2003, and the late payment in December 2003 of the subsequent late lodgement fine. This matter has been reported on in previous announcements, annual and interim reports. In 2004, Tantalum Australia applied for restoration of the tenements and Hayes Mining objected as it had pegged two prospecting licences over the tenements. In October 2005 a new Managing Director was appointed and the Company changed its name to ABM in 2006.

The matter was the subject of a Warden's Court hearing. The Warden handed down a decision in July 2006, recommending to the Minister that ABU's application for reinstatement of the tenement be refused. ABU presented a submission to the Minister, to not accept the Wardens recommendation and grant the reinstatement. The Minister for Resources issued his decision in December 2007 against the Company and refused the reinstatement of ML16/88. ABU has reviewed its options and progressed negotiations with the parties involved resulting in a settlement of the contingent liability.

L'Hayyim Deed of Release

In 1998, the Company (under its former name Australasian Gold Mines NL) granted Kinross Gold Australia Pty Ltd (ACN 081 510 965) (**Kinross**) an option in relation to mining lease ML 16/88 (**Option**). Kinross subsequently assigned its rights to the Option to Australian Strategic and Precious Metals Investments Pty Ltd (**ASPMI**) which in turn assigned its rights to L'Hayyim Pty Ltd (**L'Hayyim**).

L'Hayyim and ABM have entered into a deed of release agreeing to terminate the Option and release each other from any and all liability arising in relation to the Option.

In consideration of L'Hayyim entering into the deed of release, the Company has agreed that it will, as soon as practicable after the deed is executed:

- issue L'Hayyim with 2,788,104 fully paid, ordinary shares at a deemed issue price of \$0.0538 per share; and
- pay L'Hayyim the sum of AUD\$100,000.

Shareholder approval for the issue of these shares to L'Hayyim is not required as it is within the Company's capacity to issue up to 15% of its issued capital.

Yours faithfully



Jutta Zimmermann
Company Secretary

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