

ASX ANNOUNCEMENT / MEDIA RELEASE

ASX:ABU

20 November 2013

## *Chairman's Address Annual General Meeting 2013*

Attached is a copy of the Chairman's Address to the Annual General Meeting of shareholders which is being held today at 2:15pm at BDO Audit (WA) Pty Ltd, 38 Station Street in Subiaco, Western Australia.

### **About ABM Resources**

ABM is an exploration Company 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 short-term production scenarios such as the Old Pirate High-Grade Gold Project (currently undergoing trial mining), large scale discoveries such as Buccaneer, and regional exploration discoveries such as the Kroda Gold Project. In addition, ABM is committed to regional exploration programs throughout its extensive holdings.

Signed



**Jutta Zimmermann**  
Company Secretary

## CHAIRMAN'S ADDRESS

### "2012-13 Year in Review

I am very pleased to report that your Company has achieved a number of significant milestones during this past year, as it makes the transition from exploration to Trial Mining and beyond.

- During the first half of the year, work focussed on the systematic surface sampling program and drilling at the Old Pirate high-grade gold project and its satellites. The discovery of the very high-grade deposit at Golden Hind was a highlight.
- Metallurgical test work on Old Pirate samples by two independent contractors demonstrated recoveries in excess of 90% using gravity methods alone. This gave the Company the confidence to push ahead with permitting and planning for mining and gravity processing of a 10,000 tonne bulk sample, as allowed under Northern Territory exploration licence conditions.
- In February, the Company announced a resource estimation upgrade for the Old Pirate Project and resource update focussing on the higher grade portions of the Buccaneer project. The resources form the basis for short, medium and longer term strategic considerations for development and mining at the Twin Bonanza Gold Camp.
- In March, the Company received all permits for the 10,000 tonne bulk sample and trial gravity processing. The board approved the budget of \$5M to \$6M for plant purchase and other site costs to enable the trial mining and processing to commence early in the FY 2014. Since year end, we have announced the commencement of mining from several parts of the Old Pirate system and the commissioning of the gravity processing plant. Following some delays in achieving nameplate production from the plant, a night shift was recently added, and production from the trial mining is expected to be completed during December 2013. The Company reported last week on progress at the half-way mark of the processing, and Darren will update you in his presentation.
- The Company considers that the trial mining and processing will provide what is effectively a feasibility study, while minimising capital cost and risk.
- During the year, the Company also laid out its plans to move as seamlessly as possible from trial mining (Stage 1), to an initial 150,000 tonne per annum production plan using essentially the same plant as in the trial with minor upgrades (Stage 2), to a potential 300,000 tonne per annum throughput with low capital cost expansion of the plant, mining fleet and site upgrade, all funded from cash flow. The Mineral Lease (ML) application based on this plan is advancing through the various steps and organisations required, and the Company is hopeful of receiving the ML and all relevant permits early in 2014.

- In order to provide a financial buffer, mainly against delays in licensing and permitting, the Company has announced since year-end that it has entered into an agreement with the ANZ Banking Group for the provision of up to \$10M in financing. The loan will only be triggered on successful completion of the trial mining and processing, and will be drawn down at the Company's discretion. Loan documents were finalised and signed last week.

In what has been a true *annus horribilis* for the global gold mining and exploration industry, your Company's share price tracked the ASX gold index downwards for the last three quarters of FY 2013, and continues to do so. Despite the very good progress that has been reported on the trial mining process, the Company's sound financial position and its prudent, risk-managed approach to development, the market remains bearish. The management and board are working very hard to raise the Company's profile with quality, long-term investors, and to seek out value-adding opportunities.

Despite the weakening in gold price and the adverse market conditions during the year, your Company has steadily advanced its Old Pirate high-grade gold project, while minimising financial and operational risk. The measured transition from exploration to trial mining has required everyone in the Company to be flexible, adaptive and innovative, while working to tight time and financial constraints. As I said last year, your Company is in very good hands and everyone is focused as we work towards becoming a profitable gold producer. FY 2014 promises to be a transformational year for the Company, and it has begun promisingly.