The Plunge, The Bulge, The Pinch and The Swell....

The Importance of flexibility and revision in the modelling of high-grade gold systems
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The information in this presentation that relate to Exploration Results & Mineral Resources (announced previously and before 1st December 2013) is based on information compiled by Mr Darren Holden who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Holden is a full time employee of ABM Resources NL and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 edition of the “Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves”. Mr Holden consents to the inclusion in the documents of the matters based on this information in the form and context in which it appears.

The information in this presentation that relate to Exploration Results and Mineral Resources (announced post 1st December 2013) is based on information compiled by Mr Darren Holden and Mr John Ingram who are both Members of The Australasian Institute of Mining and Metallurgy. Mr Holden and Mr Ingram are full time employees of ABM Resources NL and have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as a Competent Person as defined in the 2012 edition of the “Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves”. Mr Holden and Mr Ingram consent to the inclusion in the documents of the matters based on this information in the form and context in which it appears.

The information in this report that relates to mining parameters, mine designs and costs is based on information compiled by Mr Brad Valiukas who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Valiukas is employed by BV Mining Pty Ltd and provides technical and management services to ABM Resources NL. Mr Valiukas has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the ‘Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves’. Mr Valiukas consents to the inclusion in the report of the matters based on this information in the form and context in which it appears.

Refer to previous Company Press-Releases for full resource estimation details, drill hole details, and intercept calculations.
About ABM

- ABM has been exploring in the Central Desert for 5 years
- We are building our first mine – the Old Pirate High-Grade Gold Deposit
- We hold 40,000 square kilometres of exploration licenses and applications in the Central Desert
Discovery takes 20 years

Special thanks to all the geologists who have worked to understand this deposit

• Especially – Tony Schreck and the team from North Flinders in the 1990s who first discovered the gold at OP
• Previous explorers from Normandy and Newmont
• The very supportive team at the NTGS including Dorothy Close, Ian Scrimgeour
• And ABM’s exploration team over the past 5 years including Rodney Boucher, Lucy Brisbout, Patrick Smillie, Robin McQuinn, Luke Forti, Luke Meter, Kate Eiloart, Kelly Bell, Alwin Van Roij, Rebecca Thorby, Peter Aldridge, and Pascal Hill
Old Pirate – Base Geology

- Killi Killi Formation – a Tanami Group turbidite sequence
- In the “Trans Tanami” between the Tanami Fault and the Mongrel Fault
- Dolerite to diorite sills
- Overall south-plunging anticline structure
The Plunge, the Bulge, the Pinch & the Swell!

- **The Plunge**
  - The most obvious part of this system is the anticline
  - We are in a south plunging fold
  - But the plunge is enigmatic and not as simple as first appears

- **The Bulge**
  - Referring to the “bulge” in our first models and how we worked out the best way to sample and model

- **The Pinch and the Swell**
  - The role of shearing, anastomosing veins and boudinage
  - Building structurally controlled geological models
  - Managing uncertainty in a business plan
The Plunge

• NFM Discovery and Interpretation
  – Quartz vein dominated outcrop, a number of folded veins evident in hinge zone
The Plunge

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- **ABM first revision (2010)**
  - Back to a simple fold structure
  - Focused on veins
- **ABM second revision (2012)**
  - Double anticline
  - Limb-thrusts
  - Dominant influence of shales
The Plunge

In 2010

- All structural observations pointed to 50 to 60 degree plunge of the fold
  - Bedding vs cleavage intersection
  - Stereonet - plotting beds strikes / dips
  - Observed fold noses
- First program – vertical holes targeting saddle reefs
- But it is more complex than that
The Bulge

Too complex to model by hand?

• The first resource modelling used:
  – Leapfrog (3D contouring) software
  – Guided by a simple steep fold model

• This model produced too many flat lying structures

• Bulging and widening of the lodes compared to what we had seen previously

• Discontinuous wire-frames due to nugget effect (gaps in drilling assays not gaps in geology)

• However, this work did highlight a possible shallow plunge (20deg south) – shallower than previously thought
The Bulge – SOLVING THE NUGGET EFFECT

- The problem:
  - >80% of the gold is in <20% of the quartz
- A large scatter of duplicates:
  - How can we expect drilling to reliably call the grade in any given block?
  - 100% of the gold is in the quartz (generally)

Assay Original vs Field Duplicates
The Bulge – SOLVING THE NUGGET EFFECT

To solve this problem... do we think like this?

Or like this?

Georges Matheron – the father of geostatistics

Old time miners – the fathers of mine structural geology
The Bulge


Diamond drilling is an effective measure of geological continuity, however, grade distribution can only be reliably obtained from underground development.
The Bulge


Abstract — Coarse gold-bearing veins are characterized by high grades that are localized and erratic. Effective sampling of coarse gold-bearing veins is difficult because of the low concentration and erratic nature of the gold particles. Diamond drilling is an effective measure of geological continuity, however, grade distribution can only be reliably obtained from underground development (including close-spaced sampling, bulk sampling, and trial mining). Comparison between surface and underground drilling, underground linear/panel and bulk sampling indicate that drilling and linear/panel samples generally understate bulk sample grades. Bulk samples are likely to be the closest estimators of true grade. It is unlikely that anything above an Inferred Resource category can be estimated from surface drilling alone, and at best the grade will only be a global estimate. Underground development, in-fill drilling and bulk sampling/trial mining will be required to delineate Indicated...
The Bulge


Abstract — Coarse gold-bearing veins are characterized by high grades that are localized and erratic. Effective sampling of coarse gold-bearing veins is difficult because of the low concentration and erratic nature of the gold particles. Diamond drilling is an effective measure of geological continuity; however, panel samples generally underestimate bulk sample grades. Bulk samples are likely to be the closest estimators of true grade. It is unlikely that anything above an Inferred Resource category can be estimated from surface drilling alone, and at best the grade will only be a global estimate. Underground development, in-fill drilling and bulk sampling/trial mining will be required to delineate Indicated and Measured Resources. Closely spaced development and bulk sampling is likely to be the only way to determine Reserves. The resource estimation process must driven by a clear geological model that should attempt to understand both geological and grade continuity. Traditionally, grade interpolation has been undertaken using classical methods, though more recently, computer-based block modelling techniques have been used with some success. Three case histories are presented, documenting the problems of estimating resources in coarse gold-bearing veins and the practical ways in which they were approached. © 2001 Canadian Institute of Mining, Metallurgy and Petroleum. All rights reserved.
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The Bulge

• To how do we collect more and more data without mining or very intensive drilling?
The Pinch & Swell – longitudinal sampling

Vein ~ 0.4 – 1m wide

Vein ~ 1.5m wide

Area of rubble = quartz vein

1m length marks

Sample Bags of collected samples

East Side Vein ~ 2m wide averaging >20g/t
Example of 10 bonanza grade zones (undiluted grades from continuous strike length sampling)

The Pinch & Swell – longitudinal sampling
The Pinch & The Swell

- Systematic longitudinal sampling gave us a lot of knowledge
  - Ore body is nuggetty but overall is high-grade (80/20 rule)
  - Grades vary along strike – narrow neck boudins often the highest grades!
  - Still a mismatch between drilling and surface work

- But we are in a remote area with no real available infrastructure
  - The resource is small for a full size plant?
  - Metallurgical work indicated high-gravity recoveries but was it really?
  - Some of our structure didn’t make sense and we needed to do more work
    - Drill intersections were wider at the Western Limb and Golden Hind than they were in surface quartz
    - We had some structures that did not match the fold model
    - And what about the non-quartz geology
The Pinch & The Swell

Donald Rumsfeld, (fmr) US Secretary of State sums up risk management.

“There are known knowns; there are things we know that we know.”

High-grade vein system with visible gold at surface.
Geology is well understood on a project scale.
Drilling concurs within the geological model resulting in resource model.
Gravity gold recoveries are high.

“There are known unknowns; that is to say, there are things that we know we don't know.”

Modelled, sampled and tested versus actual?
(this is the case for all pre-development projects)

“But there are also unknown unknowns – there are things we do not know we don't know.”

Ore bodies have a tendency to reveal their secrets slowly. A staged approach gives greatest flexibility to modify processes. Minimise capital expenditure until each ‘known unknown’ is answered, and as many unknown unknowns are revealed.
The Pinch and the Swell

- So in 2013 we had to go and dig more
The Pinch and the Swell

Western Limb

- Marker shale is narrower than expected
The Pinch and the Swell

Western Limb

- Mineralised veining in footwall explaining wider drill intersections
The Pinch and the Swell

Central Anticline?
- Wasn’t that meant to be an anticline nose?
- Confirmation of late axial planar shear
The Pinch and the Swell

Old Pirate South

- Wasn’t that mean’t to be a shear?
- Folded veins plunge 20 deg!!! Not 50 to 60 deg
  - Not all veins are parallel to bedding prior to foldings!
The Pinch and the Swell

Golden Hind

- Gold in veins AND in shears
- The veins anastomosed through the shear
The Pinch and the Swell

- Head-grade of 15.2g/t gold
- 3500+ ounces from 8000 tonnes at 85% gravity recovery through trial mining process
The Pinch and the Swell

Our latest geology map

- Has many aspects of the previous but matches the mineralisation much better
- Predominantly steep structures
- Pinching and swelling of veins
- Some shallow plunging mineralised zones
- Diorite to dolerite sills within the turbidite sequence
The Pinch and Swell

- 2014 model shapes
- No more leapfrog modelling
- All structures modelled individually
The Pinch and the Swell

- Our overall resource at Old Pirate is 1.7Mt @ 11.7g/t for 640,000 ounces

<table>
<thead>
<tr>
<th>Drill data average assays at 1g/t cut-off (1m assay)</th>
<th>Number of data from previous drilling (pre-2014)</th>
<th>Number of data 2014 grade control drilling</th>
<th>Results from previous drilling (pre-2014)</th>
<th>Results from 2014 grade control drilling</th>
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<tbody>
<tr>
<td>Drill data average assays at 2g/t cut-off (1m assay)</td>
<td>823</td>
<td>368</td>
<td>6.4g/t</td>
<td>6.6g/t</td>
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<td>Drill data average assays top 40m 1g/t cut-off (1m assay)</td>
<td>422</td>
<td>208</td>
<td>11.1g/t</td>
<td>10.7g/t</td>
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<tr>
<td>Drill data average assays top 40m 2g/t cut-off (1m assay)</td>
<td>359</td>
<td>236</td>
<td>6.0g/t</td>
<td>8.3g/t</td>
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<td>Drill data average assays top 40m 2g/t cut-off (1m assay)</td>
<td>195</td>
<td>150</td>
<td>9.9g/t</td>
<td>12.3g/t</td>
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<td>Average significant intercepts 1g/t cut-off (gram metre)</td>
<td>315</td>
<td>235</td>
<td>11.7g/t*m</td>
<td>11.4g/t*m</td>
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<tr>
<td>Average significant intercepts 1g/t cut-off top 40m (gram metre)</td>
<td>87</td>
<td>203</td>
<td>11.6g/t*m</td>
<td>11.7g/t*m</td>
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<tr>
<td>Average significant intercepts 0.5g/t cut-off top 40m (gram metre)</td>
<td>55</td>
<td>135</td>
<td>18.3g/t*m</td>
<td>19.3g/t*m</td>
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<td>Grade control surface sampling data from trial mining (sampled to geological boundaries / normalised to 1m) for Central, Western Limb, OP South</td>
<td>713</td>
<td></td>
<td></td>
<td>15.2g/t</td>
</tr>
</tbody>
</table>
The Next Steps...

And then a plant became available

- **240Ktpa CIL Plant** located 77km haulage distance on existing roads
  - $2M per annum lease for up to 2 years with option to purchase for $3M
- **Fast-tracks** ABM’s next stage open pit development
- **Reduces** capital expenditure requirements
- **Reduces** construction / commissioning risk
- **Delivers higher** metallurgical recoveries (97 to 99%)
- **Reduces** environmental footprint at Old Pirate
- **Increases** upside and optionality
- **Provides scalability** and expansion capability for further discoveries and extensions
  - >60 prospects within a 90km radius
The Next Steps...

So what is next for ABM first year production guidance

- 5 initial starter pits averaging 35m depth
- 150,000 tonnes to be mined processed
- 11g/t to 13g/t gold estimated head-grade
- 50,000 to 60,000 ounces of gold to be produced
- $690 to $790 per ounce operating costs
- $5M capital costs

- Development underway now
- Production in Q2 2015
- Team in place
- New head-office in Alice Springs
Twin Bonanza – A camp of discoveries

>80 square kilometres of gold anomalism and 30+ targets

Drill program commencing shortly focusing on high-grade near mine targets

Twin Bonanza – more than 80 km² of anomalism
Twin Bonanza – A camp of discoveries

New untested zones

VAMPIRE Prospect – untested outcropping high-grade gold in veins

- Vampire is 14km NNE of Old Pirate
- High grade veins
- Visible Gold at surface
- Aiming to trench and drill test 2015

Note 1: Refer announcement dated 18/07/2014
Regional Projects – Independence Group alliance

- **Lake MacKay** >10000 sq. km project
- **New gold anomalies**
- **New Ni-Cu-Co & manganese targets** (note 1):
  - 7x5km nickel in soil anomaly
  - Sulphur saturated mafic intrusions
  - High grade nickel, cobalt and manganese samples
  - Further 3500 square kilometres of further applications covering belt of mafic intrusions
  - Targeting:
    - Magmatic Ni-Cu-Co sulphides (Voisey Bay analogues)
    - High grade Ni-Co laterites
    - Manganese

Note 1: Refer announcement 30/01/2015

**Exploration upside without cost**
Summary – Building a Gold Business

- Highest grade open pit development gold project in Australia
- **Staged** development to manage risk is our solution to nugget effect and pinch and swell
- **Extensional** exploration
- **Pipeline of future projects** – Buccaneer, Hyperion, other targets
- **Consolidated land position** in the final frontier for gold in Australia
- **Blue-sky upside** – Lake MacKay (IGO funded) & ABM’s regional portfolio

Optionality, Growth and Vision
QUESTIONS?