PARTIAL RELINQUISHMENT REPORT

FOR

EL 26825

BARROW CREEK PROJECT

From

27 January 2009 to 26 January 2015

Holder   ABM Resources NL
Operator   ABM Resources NL
Author   J Rohde
Date   January 2015
Email   joer@abmresources.com.au
Target Commodity   Gold
Datum/Zone   GDA94/ MGA Zone 53
250,000 mapsheet   Lander River (SF53-01), Mount Peake (SF53-05),
Barrow Creek (SF53-06)
100,000 mapsheet   Jarrah Jarrah 5556, Coical Hill 5555, Crawford 5655, Distribution:
o   NT DME - digital
o   Central Land Council – digital
o   ABM NL - Perth – digital

File:   jr87DME  Barrow Ck EL26825  PRR 2015
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<td>Partial Relinquishment Report</td>
</tr>
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<td>EL26825_2015_P_02_SurfaceGeochem.txt</td>
<td>Newmont Surface Sampling, type, location, assay results</td>
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ACKNOWLEDGEMENT AND WARRANTY

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1.0 ABSTRACT

The relinquished area of EL 26825 formed part of the ABM Resources NL (ABM) Barrow Creek project which currently comprises Exploration Licenses 8766, 23880, 23883, 23884, 23885, 23886, 26825, 28515, 28727, 28748, 29723, 29724, 29725 and 29896. The Barrow Creek project is centered approximately 320km NNW of Alice Springs in the North Arunta region and stretches for 236km west to northwest of the town of Barrow Creek (Figure 1). These tenements form the GR162/12 technical reporting group.

The tenement area was selected as it was included in Newmont’s Tanami Regional Framework study which highlighted the prospectivity of the area.

ABM explored the tenement for the potential of gold mineralisation.

Exploration included a wide spaced systematic surface sampling program (six samples by Newmont) a project wide reprocessing of comprehensive aeromagnetic data and its integration into a compilation of a basement geology map.

The best surface sample gold assay returned was 0.0259 ppm Au from soil sample TB2599.

In 2015 the review of data over EL 26825, in particular the magnetic data, did not show any immediate drill targets and did not indicate any significant features warranting follow up work. In addition, the geochemical data is poor. These results led to a 32% reduction of the tenement area.

2.0 INTRODUCTION

The Barrow Creek project is centred approximately 320km NNW of Alice Springs in the North Arunta region and stretches for 236km west to northwest of the town of Barrow Creek (Figure 1). Access to the majority of the project area from Barrow Creek is via the Stuart Highway to the north and then using the Ali Curung to Jarra Jarra track. In 2007 Newmont constructed an access track from the Jarra Jarra to the Waldron’s Hill prospect. In 2008 Newmont constructed a series of north-south access tracks off the Waldron’s Hill track to allow better access to the region.

The sandy desert plains that dominate much of the project area are cut by southerly trending drainage systems and punctuated by several south-east trending low ranges. The generally dry drainage systems are only periodically subject to seasonal flooding events.

This report covers exploration carried out on the relinquished area of EL 26825 during the period from the 27th January 2009 to 26th January 2015.

3.0 TENURE

SEL26825 replaced the tenure covered previously by EL23887 and part of SEL24032. SEL26825 was granted to Newmont Tanami Pty Ltd a wholly owned subsidiary of Newmont Asia Pacific on 27th January 2009.

In December 2009 ABM purchased the Barrow Creek Project tenements including SEL 26825 from Newmont.
In 2011 SEL 26825 changed to EL26825.

In January 2013, EL26825 came up for a renewal of term and, following the implementation of the Mineral Titles Act (MTA), the tenement had to be split as it was larger than 250 blocks. The newly separated eastern half became EL29896 with an expiry date of 26 January 2015.

ABM’s Barrow Creek Project currently comprises fourteen Exploration Licenses including - 8766, 23880, 23883, 23884, 23885, 23886, 26825, 28515, 28727, 28748, 29723, 29724, 29725 and 29896. The Barrow Creek Project tenements form the GR162/12 technical reporting group.

EL 26825 tenement details are listed in Table 1 and are illustrated in Figure 1.

Table 1: Tenement Details

<table>
<thead>
<tr>
<th>Tenement No</th>
<th>Blocks</th>
<th>Blocks Relinquished</th>
<th>Grant Date</th>
<th>Expiry</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>EL 26825</td>
<td>250</td>
<td>81</td>
<td>27 Jan 2009</td>
<td>26 Jan 2017</td>
<td></td>
</tr>
</tbody>
</table>

At the end of the 6th year of term a partial relinquishment was lodged in respect of 81 blocks, effective from 27 January 2015.

Relinquished blocks are listed in Table 2 and are illustrated in Plate 1.

Table 2 List of Relinquished One Minute Graticular Blocks of EL 26825.

<table>
<thead>
<tr>
<th>BIM</th>
<th>Blocks</th>
<th>Block Identifier</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>SF53</td>
<td>736</td>
<td>K, P</td>
<td>2</td>
</tr>
<tr>
<td>SF53</td>
<td>737</td>
<td>F, G, L, M</td>
<td>4</td>
</tr>
<tr>
<td>SF53</td>
<td>808</td>
<td>K, P, U, Z</td>
<td>4</td>
</tr>
<tr>
<td>SF53</td>
<td>809</td>
<td>F, L, Q, R, S, T, V, W, X, Y, Z</td>
<td>11</td>
</tr>
<tr>
<td>SF53</td>
<td>882</td>
<td>A, B, F, G</td>
<td>4</td>
</tr>
<tr>
<td>SF53</td>
<td>957</td>
<td>L, Q, R, V, W, X, Y</td>
<td>7</td>
</tr>
<tr>
<td>SF53</td>
<td>1029</td>
<td>A, B, C, D, E, F, G, H, J, K</td>
<td>10</td>
</tr>
<tr>
<td>SF53</td>
<td>1030</td>
<td>F, G, H, J, K</td>
<td>5</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>81</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

4.0 GEOLOGY

(from Pring, Eisenlohr, 2009)

The oldest exposed basement in Central Australia comprises metamorphic and igneous rocks of the Arunta Inlier (Haines et al., 1991). Rocks of the Arunta Inlier are interpreted as being at least partly correlative with sedimentary and volcanic sequences of the adjacent Tennant Creek and Granites - Tanami Inliers.
The Arunta Inlier (Early-Middle Proterozoic) is characterised by metamorphosed sedimentary and igneous rocks of low to medium pressure facies. Deformation and regional metamorphism to upper greenschist facies took place between 1810-1750 Ma (Black, 1981). Shaw and Stewart (1975) established three broad stratigraphic subdivisions based on facies assemblages and lithological correlations. From oldest to youngest, these subdivisions are named Division 1, 2 and 3. Using this model defined by Shaw and Stewart (1975), the orthogneiss east of Osborne Range, the calc-silicate rocks west of Crawford Range and the Bullion Schist would be included in Division 2, and the Ledan Schist in Division 3 of the Arunta Inlier.

Unconformably overlying these rocks are the Hatches Creek Group sediments and volcanics. Blake et al. (1987) formally subdivided the Group into the Ooradidgee, Wauchope and Hanlon Subgroups, comprising a total of 20 Formations and two Members. The Hatches Creek Group is a folded sequence of shallow-water sediments with interbedded volcanic units which reach thicknesses of at least 10,000 metres.

The sediments include ridge-forming quartzites, felspathic, lithic and minor conglomeratic arenites and friable arenite, siltstone, shale and carbonate. The Ooradidgee Subgroup consists mainly of fluvial sediments and sub-aerial volcanics which partly interfinger. The Wauchope Subgroup is characterised by large volumes of volcanics and sediments probably both marine and fluviatile in origin. The Hanlon Subgroup may be entirely marine and lacks volcanics (Blake et al., 1987).

Deformation and regional metamorphism took place between 1810-1750 Ma (Black, 1981). Folding was about NW trending axes while metamorphism to upper greenschist facies took place. Later intrusion of both the Arunta basement and the Hatches Creek Group by granitoids of the Barrow Creek Granitic Complex took place around 1660 Ma (Blake et al., 1987). Contact metamorphism and metasomatism are often observed.

Sedimentation associated with the Georgina Basin commenced during the Late Proterozoic with the Amesbury Quartzite and was terminated during the Early Devonian after deposition of the Dulcie Sandstone. The Georgina Basin sequence was mildly affected by the Carboniferous Alice Springs Orogeny.

A long erosional period followed with subsequent deep weathering during the Tertiary produced silcrete and ferricrete horizons. A veneer of Quaternary sands and soils overlays much of the area, except where recent and active alluvial sedimentation is present.

5.0 EXPLORATION COMPLETED

In 2009 a total of six surface samples were collected as part of Newmont’s geochemical reconnaissance program. The best surface sample gold assay returned was 0.0259 ppm Au from soil sample TB2599.

During 2010 due to the change of ownership neither Newmont nor ABM conducted any field exploration on the tenement during the reporting period.

In 2011 and 2012 no on ground exploration was undertaken, as exploration activities were focused on other parts of the project.

In 2013 no on ground exploration was undertaken, as exploration activities were focused on other parts of the project.
In November 2013, as part of ABM’s divestment policy, ABM reached an agreement with Clancy Exploration Ltd (ASX: CLY) (“Clancy”) whereby Clancy will have the option to acquire 100% of ABM’s interests in the North Arunta Regional Projects, which the GR-162-12 tenements and as such the relinquished area form a part of.

In 2014 Clancy commenced a substantial program of compilation and re-processing of potential field datasets covering an Area of Influence (AOI) in the Tanami – North Arunta region, which includes the Barrow Creek project. This work was undertaken by Fathom Geophysics.

Public domain data and closed file ABM surveys of Total Magnetic Intensity (TMI) data was processed using the differential Reduced to the Pole method to produce a selection of images for a later stage interpretation (Plate 2).

The detailed differential Reduced to the Pole regional imagery by Fathom Geophysics was used by consultant Dr Leon Vandenberg to compile a 1:100,000 scale basement geology interpretation (Plate 3).

<table>
<thead>
<tr>
<th>Activity</th>
<th>Details</th>
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<tr>
<td>Surface sampling</td>
<td>3 soils, 3 Lag samples, Newmont (2009)</td>
</tr>
<tr>
<td>Reprocessing of Aeromagnetic data</td>
<td>by Fathom Geophysics for Clancy (2014)</td>
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<tr>
<td>Compilation of a basement geology map</td>
<td>1:100,000, Dr Leon Vandenberg for Clancy (2014)</td>
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6.0 RECOMMENDATION and CONCLUSIONS

The 2014 Barrow Creek project data review concluded in a partial relinquishment of EL 26825.

The relinquished area of EL 26825 was surrendered due to:

- The absence of immediate ‘walk-up’ magnetic targets or significant magnetic features warranting follow up work.
- The lacking of geochemical results and the unlikelihood of being upgraded by additional sampling.
7.0 REFERENCES


Vandenberg, L.C., 2012. Tectonic Targets & Settings of Barrow Creek within the North Australian Craton Progress Report for the Period 30/9/2012 – 19/11/2012. Reconnaissance mapping of the Kroda – Emma area (EL26825, 29896), Barrow Creek for ABM Resources NL. Unpublished report by ABM Resources NL

Date: 3/03/2015
Relinquished Area of EL 26825 2015
Basement Geology Interpretation
by L. C. Vandenberg
for Clancy Exploration Ltd, 2014
Author: Vandenberg
Office: Nedlands
Drawing: J.Rohde
Scale: 1:63,360
Projection: Longitude / Latitude (NAD 83)
Paper size AO Landscape

PLATE 3