PARTIAL RELINQUISHMENT
REPORT

FOR

EL 28515

BARROW CREEK PROJECT

From
3rd October 2011 to 23rd January 2015

Holder   ABM Resources NL
Operator   ABM Resources NL
Author   J Rohde
Date   January 2015
Email   jrohde@abmresources.com.au
Target Commodity   Gold
Datum/Zone   GDA94/ MGA Zone 53
250,000 mapsheet   Barrow Creek (SF53-06)
100,000 mapsheet   Crawford 5655

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ο   Central Land Council – digital
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ABM Resources NL   ABN 58 009 127 020
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1.0 ABSTRACT

The relinquished area of **EL 28515** 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 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 project wide reprocessing of comprehensive aeromagnetic data and its integration into a compilation of a basement geology map.

In 2015 the review of data over EL 28515, 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 30% 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 28515 during the period from the 3rd October 2011 to 23rd January 2015.

3.0 TENURE

**EL 28515** was granted to ABM on 3rd October 2011.

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

**EL 28515** tenement details are listed in **Table 1** and are illustrated in **Figure 1**.
FIGURE 1

PROJECT & TENEMENT LOCATION
EL 28515

Barrow Creek Project

ORIGINATOR: J.Rohde
DATE: Jan 2015
DRAWN: J.Rohde

Alice Springs
Darwin
Tennant Creek
Table 1: Tenement Details

<table>
<thead>
<tr>
<th>Tenement No</th>
<th>Blocks Relinquished</th>
<th>Grant Date</th>
<th>Expiry</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>EL 28515</td>
<td>13</td>
<td>3 Oct 2011</td>
<td>02-Oct-17</td>
<td></td>
</tr>
</tbody>
</table>

Exploration Licence 28515 was the subject of a Loss of Blocks Notice for non-compliance with expenditure covenants in two consecutive years.

ABM was required to relinquish 4 blocks of the original 13 blocks.

As such ABM lodged a partial relinquishment of 4 blocks effective from 23 January 2015.

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

Table 2 List of One Minute Graticular Blocks Relinquished from EL 28515.

<table>
<thead>
<tr>
<th>BIM</th>
<th>Blocks</th>
<th>Block Identifier</th>
</tr>
</thead>
<tbody>
<tr>
<td>SF53</td>
<td>1176</td>
<td>A</td>
</tr>
<tr>
<td>SF53</td>
<td>1176</td>
<td>B</td>
</tr>
<tr>
<td>SF53</td>
<td>1176</td>
<td>F</td>
</tr>
<tr>
<td>SF53</td>
<td>1176</td>
<td>G</td>
</tr>
<tr>
<td></td>
<td>TOTAL</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 fluvial 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 2011, 2012 and 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 3: Exploration Summary for the in 2015 Relinquished Area

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

The 2014 Barrow Creek project data review concluded in a partial relinquishment of EL 28515.

The relinquished area of EL 28515 was surrendered due to:
- The absence of immediate ‘walk-up’ magnetic targets or significant magnetic features warranting follow up work.
- The lack of geochemical results and the unlikelihood of prospectivity being upgraded by sampling or other low cost surface work.
7.0 REFERENCES


Relinquished Area of EL 28515

Prospect "D"

Date: 23/02/2015
Scale: 1:63360

Author: J. Rohde
Office: Nedlands
Drawing: J. Rohde
Projection: MGA Zone 53 (GDA 94) Paper Size A2 Landscape

PLATE 1