PARTIAL RELINQUISHMENT REPORT

FOR

EL 29896

BARROW CREEK PROJECT

From

27 January 2009 to 26 January 2016

Distribution:

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DIGITAL APPENDICE

FILE DESCRIPTION

EL29896_2016_P_01.pdf Partial Relinquishment Report
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1.0 ABSTRACT

The relinquished area of EL 29896 formed part of the ABM Resources NL (ABM) Barrow Creek project which currently comprises Exploration Licenses 8766, 23880, 23883, 23884, 23885, 23886, 25031, 25033, 25034, 25035, 25041, 25042, 25044, 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 low level airborne geophysical aeromagnetic survey across the four Kroda and the Tulsa prospects in 2012 followed by a project wide reprocessing of comprehensive aeromagnetic data and its integration into the compilation of a basement geology map in 2014.

The 2016 Barrow Creek project data review concluded in a partial relinquishment of EL 29896.

At the end of the 8th year of term a voluntary partial relinquishment was lodged in respect of 83 blocks (63% reduction), effective from 1 February 2016.

The relinquished area of EL 29896 was surrendered due to:

- The absence of immediate ‘walk-up’ magnetic targets or significant magnetic features warranting follow up work.
- The relative high tenure cost per block and access restrictions due to a large exclusion zone.
- The surrendered areas are off the main mineralised trend and unlikely to improve with additional sampling.

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 EL29896 during the period from the 27th January 2009 to 26th January 2016.
3.0 TENURE

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 EL 29896 with an expiry date of 26 January 2015.

ABM’s Barrow Creek Project currently comprises twenty-one Exploration Licenses including – ELs 8766, 23880, 23883, 23884, 23885, 23886, 25031, 25033, 25034, 25035, 25041, 25042, 25044, 26825, 28515, 28727, 28748, 29723, 29724, 29725 and 29896.

EL 29896 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>Blocks Retained</th>
<th>Grant Date</th>
<th>Expiry</th>
</tr>
</thead>
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<tr>
<td>EL 29896</td>
<td>130</td>
<td>83</td>
<td>47</td>
<td>27-Jan-09</td>
<td>26-Jan-17</td>
</tr>
</tbody>
</table>

At the end of the 8th year of term a voluntary partial relinquishment was lodged in respect of 83 blocks, effective from 1 February 2016.

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

Table 2 List of Relinquished One Minute Graticular Blocks of EL 29896.

<table>
<thead>
<tr>
<th>BIM</th>
<th>Blocks</th>
<th>Block Identifier</th>
<th></th>
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<tbody>
<tr>
<td>SF53</td>
<td>887</td>
<td>R S X Y</td>
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<tr>
<td>SF53</td>
<td>959</td>
<td>D E K L Q R V W X Y</td>
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<td>SF53</td>
<td>960</td>
<td>F G L M N R S T</td>
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<td>SF53</td>
<td>1031</td>
<td>A B C D E F G H J K N O P U</td>
<td>14</td>
</tr>
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<td>SF53</td>
<td>1032</td>
<td>F G L M N O Q R S T U V W X Y</td>
<td>16</td>
</tr>
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<td>1104</td>
<td>All</td>
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</tr>
<tr>
<td>SF53</td>
<td>1105</td>
<td>A F G L M Q</td>
<td>6</td>
</tr>
<tr>
<td></td>
<td>TOTAL</td>
<td></td>
<td>83</td>
</tr>
</tbody>
</table>

4.0 GEOLOGY

(from Vandenberg 2014)

The detailed differential RTP regional imagery by Fathom Geophysics was used by consultant Dr Leon Vandenberg to compile a 1:100,000 scale basement geology interpretation (Plate 3).
The sandy desert plains that dominate much of this area are cut by northerly trending drainage systems and punctuated by several south-east trending low ranges. The drainage systems are only periodically subject to seasonal flooding events and are generally dry. The ranges typically comprise interleaved sedimentary and volcanic rocks of the Early Proterozoic Hatches Creek Group and/or Late Proterozoic to Devonian rocks of the Georgina Basin. The northern edge of the Barrow Creek project area is occupied by the Cambro-Ordovician sedimentary sequences of the Wiso Basin. The oldest rocks in the region, interpreted from integrated geological-geophysical data, are unexposed lithostratigraphic correlatives of the Palaeoproterozoic Dead Bullock Formation.

The Dead Bullock Formation is host to significant gold mineralisation to the northwest in the Tanami and underlies the poorly exposed Palaeoproterozoic Lander Rock Formation (and stratigraphic equivalents) and mafic intrusive rocks of the Aileron Province, Northern Arunta. In the Barrow Creek-Lander River region the Lander Rock Formation and mafic intrusives have proven gold and base-metal prospectivity and have been the focus of recent exploration. The region is also punctuated by several large Palaeoproterozoic felsic intrusive bodies. A suite of felsic intrusive rocks related to the Bean Tree Granite in the southern portion of the exploration area provides further opportunities for the discovery of commodities such as those in the Barrow Creek Sn-Ta-W Pegmatite Field.

Correlatives of the Dead Bullock Formation (-Ptd?) possibly occur along northern sections from Harrison through to the area north of Tulsa, adjacent to the southern edge of the Wiso Basin and several shear zone bounded granite domains. If correlation of lithostratigraphy from the Tanami to Barrow Creek is valid, then overlying Dead Bullock Formation are the metasedimentary rocks of the Lander Rock Formation. The Lander Rock Formation (-Plr) is considered a stratigraphic equivalent of the turbiditic Killi Killi Formation in the Tanami Region.

Within Barrow Creek project area, metasedimentary rocks of the Lander Rock Formation exhibit Low Pressure – Medium-to High-Temperature metamorphic grade (LP-HT) and comprise biotite-muscovite-andalusite-bearing metapelitic schist, metapsammitic and psammo-pelitic schist.

Approximately twenty kilometres southeast of Waldron’s Hill (EL23883) in the Lander River project area, partially outcropping fine-grained moderately foliated amphibolite (-Pld>a) is host to coarse-grained linear mafic bodies (-Pld1) that are generally less than 400 m thick. The cross-cutting coarse-grained mafic bodies may correlate to mineralised mafic material in granite and metasedimentary gneiss at the Waldron’s Hill Prospect (EL23883), as well as conformable mafic bodies of typically amphibolite-facies grade recognised throughout the Lander Rock Formation. These mafic bodies (-Pld1) occur as sills, pods or boundin bodies of coarse-grained gabbro, medium-to fine-grained dolerite and localised amphibolite. Mafic bodies in Lander Rock Formation are probable correlatives of dolerite, gabbro and minor monzodioritic sills in the Davenport Province to the northeast.

Granitoids are widespread throughout the northern part of the Aileron Province and extend from Barrow Creek into the Tanami Region to the northwest. These granitoids (-Pg, -Pg>1m, -Pg1, -Pg2, -Pg3, -Pg4, -Pga, -Pgb, -Pgg, -Pgw) intrude Lander Rock Formation and mafic bodies. A variety of textures, grain sizes and compositions are found in the study area. Granitoids are typically equigranular to porphyritic biotite-granite, biotite-muscovite granite, medium-to coarse grained quartz-feldspar-muscovite-tourmaline ± garnet leucogranite with metasedimentary enclaves, biotite-granodiorite and monzogranite. Many granitoids display gneissic to locally mylonitic fabric (-Plg). In adjacent Lander Rock Formation local tourmalisation, pseudomorphic replacement of andalusite by quartz-muscovite and growth of minute garnet porphyroblasts (<2mm diameter) are interpreted to be associated with contact metamorphism during intrusion. Similarly, local hornfels and calc-silicate rock (-Plc) in areas such as the Ringing Rocks Ta-Sn Prospect may be attributed to contact metamorphism. Pegmatite dykes and sills are common in Lander Rock Formation and in particular the Barrow Creek Sn-Ta-W Pegmatite Field.
The metasedimentary rocks of the Lander Rock Formation, together with mafic and granitic rocks, are overlain by open-folded sedimentary and volcanic rock sequences of the Hatches Creek Group.

In Barrow Creek the Hatches Creek Group (Ph) comprise lowermost Gwynne Sandstone (Phx), interdigitating Tinfish Sandstone (Php) and Strzeleckie Volcanics (Phq), and the Illoquarra Sandstone (Phw). These rocks are interpreted to represent shallow-marine and fluviatile sandstone with predominantly subaerial felsic volcanic rocks.

Unconformably overlying the Hatches Creek Group and older stratigraphy are the unmetamorphosed, undivided Neoproterozoic to Devonian sedimentary rocks of the contiguous Southern Georgina and Wiso basins. The interconnected Georgina and Wiso basins (and Daly Basin) collectively formed part of the vast middle-Cambrian Centralian Superbasin that extended across northern, central and southern Australia. Flat lying-to gently undulating sedimentary rock sequences of the Georgina Basin are restricted to the east and southeast portions of the Barrow Creek project area. The Wiso Basin is restricted to the northern margin of the Barrow Creek project area.

Throughout the Barrow Creek project area there are numerous W- WNW-to NW trending thick milky white quartz blows and hydrothermal quartz-breccia zones. These structures are most likely associated with numerous W- WNW-to NW trending faults interpreted from geophysical data. Similarly, the on-ground positions of interpreted faults are often coincident with elongate low mounds of milky quartz lag and areas of scattered quartz lag, float metasedimentary and mafic rock.

First (1) and Second (2) Order structures are large, fundamental crustal-scale structures that appear to have effected considerable deformation and possibly influenced tectono-sedimentation. The fault controlling and defining the southern margin of the Wiso Basin might be considered a First Order structure. In general the large faults and fault-networks across the Barrow Creek project area were assigned Second Order status. Third Order structures (3) are mid-scale structures, many appear to merge or splay from Second Order structures and may be associated with mineralised domains. Fourth Order structures (4) are small scale structures, many of which may have acted in concert with higher order structures, most of which effecting minor apparent displacements (particularly within large granite bodies).

The age of the structures is uncertain however many appear to define a semi-continuous network from the Barrow Creek Region through to the Tanami, parallel to and coincident with the Willowra Gravity Ridge. Results of the 2005 Tanami Seismic Survey indicate many of the faults with comparable scale and along-strike position are fundamental crustal-scale features (associated with a buried Palaeoproterozoic-age continental suture zone) with a probable multi-phase history from the Palaeoproterozoic through to the ~300Ma Alice Springs Orogeny involving extensional basin-formation, reactivation (inversion?) and modification.

5.0 EXPLORATION COMPLETED

In 2009 no on ground exploration was undertaken, as exploration activities were focused on other parts of the project.

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 no on ground exploration was undertaken, as exploration activities were focused on other parts of the project.
In 2012 Fugro Airborne Surveys Pty Ltd was contracted by ABM to conduct a low level airborne geophysical aeromagnetic survey across the four Kroda and the Tulsa prospects on EL 26825 (Plate 2A). The aim was to identify conductive clay rich alteration zones and resistive quartz breccias along regional structures as well as possible base metal sulphide bodies.

A high density airborne electromagnetic (AEM) survey of a total of approximately 1,519 line kilometres, with a 200m line spacing and a line direction of 34 degrees was completed. The nominal terrain clearance was 100m. The outline of the survey flight area (313.4km²) is shown on Plate 2A.

Fathom Geophysics Pty Ltd., Perth, processed and interpreted the data for ABM in view of exploration target aspects.

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 3: Exploration Summary for the Area Relinquished in 2015

<table>
<thead>
<tr>
<th>Activity</th>
<th>Details</th>
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<tbody>
<tr>
<td>Geophysical Aeromagnetic Survey</td>
<td>313.4km² high density airborne electromagnetic survey (2012) for ABM</td>
</tr>
<tr>
<td>Reprocessing of Aeromagnetic</td>
<td>by Fathom Geophysics for Clancy (2014)</td>
</tr>
<tr>
<td>data</td>
<td></td>
</tr>
<tr>
<td>Compilation of a basement</td>
<td>1:100,000, Dr Leon Vandenberg for Clancy (2014)</td>
</tr>
<tr>
<td>geology map</td>
<td></td>
</tr>
</tbody>
</table>
6.0 RECOMMENDATION and CONCLUSIONS

The 2016 Barrow Creek project data review concluded in a partial relinquishment of EL 29896.

The relinquished area of EL 29896 was surrendered due to:

- The absence of immediate ‘walk-up’ magnetic targets or significant magnetic features warranting follow up work.
- The relative high tenure cost per block and access restrictions due to a large exclusion zone.
- The surrendered areas are off the main mineralised trend and unlikely to improve with additional sampling.
7.0 REFERENCES


Rohde, J., 2013. Combined Annual Report for Exploration Licences 8766, 23880, 23883, 23884, 23885, 23886, 26825, 28515, 28727, 28748, 29723, 29724, 29725 and 28896, GR162/12, Barrow Creek Project, from 10 September 2013 to 09 September 2014. Unpublished report by ABM Resources NL.


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.
