ABM RESOURCES NL

ABN 58 009 127 020

COMBINED ANNUAL REPORT

For

EXPLORATION LICENCES 8696, 8697, 9442 and 9449

GR – 165/10

LAKE MACKAY PROJECT

From
21 August 2010 to 30 October 2011

Holder   ABM Resources NL
Operator  ABM Resources NL
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Date     November 2011
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Target Commodity Gold
Datum/Zone  GDA94/ MGA Zone 53
250,000 mapsheet Lake Mackay (SF52-11)
100,000 mapsheet Warburton,Nicker,Redvers,Carey

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FILE DESC
EL8696, EL8697, EL9442, EL9449_01_2011_A_DrillCollars.txt Drilling location data
EL8696, EL8697, EL9442, EL9449_02_2011_A_Lithology.txt Downhole geological data
EL8696, EL8697, EL9442, EL9449_03_2011_A_DHAssay.txt Downhole geochemical analysis, assay data
EL8696, EL8697, EL9442, EL9449_04_2011_A_Surv.txt Downhole Survey
EL8696, EL8697, EL9442, EL9449_12_2011_A_SSAssay.txt Surface Sampling type, location, description, assay results

ABM Logging Codes
Geological Legend
1.0 SUMMARY

The Lake Mackay Project is located approximately 460km WNW of Alice in the western Arunta region (Figure 1). The project comprises four granted Exploration Licences - EL 8696, 8697, 9442 and 9449 (Figure 2). In December 2009, ABM Resources NL (ABM) purchased EL 8696, 8697, 9442 and 9449 from Tanami Exploration (TENL). During the reporting period registration of all tenements in ABM’s name was completed. ABM explores the tenement for the potential of gold mineralisation. The tenements are currently subject to a Joint Venture Agreement with Deep Yellow Limited (DYL) which explores the tenements for uranium.

All exploration was completed by ABM as DYL was in negotiation with the Central Land Council (CLC) to come to an agreement to allow DYL to explore the tenements.

Exploration during the reporting year included surface sampling, geophysical surveying and drilling. A summary of exploration is listed in Table 1.

Table 1: Summary of Exploration

<table>
<thead>
<tr>
<th>Tenement</th>
<th>Rock Chip Sampling</th>
<th>Soil Sampling</th>
<th>Gravity Survey</th>
<th>RC Drilling</th>
</tr>
</thead>
<tbody>
<tr>
<td>EL 8696</td>
<td>2</td>
<td>1</td>
<td>26 &amp; 17 lines, 1km x 1km centres</td>
<td>4 holes for 1032m</td>
</tr>
<tr>
<td>EL 8697</td>
<td></td>
<td></td>
<td>12 lines, x stations, 1km x 1km centres</td>
<td>5 holes for 1284m</td>
</tr>
<tr>
<td>EL 9442</td>
<td></td>
<td></td>
<td>15 lines, 1km x 1km centres</td>
<td>2 holes for 443m</td>
</tr>
<tr>
<td>EL 9449</td>
<td>3</td>
<td></td>
<td>29 lines, x stations, 1km x 1km centres</td>
<td>6 holes for 1538m</td>
</tr>
<tr>
<td>Total</td>
<td>5</td>
<td>1</td>
<td>17 holes for 4297m</td>
<td></td>
</tr>
</tbody>
</table>

The best overall assay result of 0.037ppm Au came from a subsoil (B) Horizon sample (sample ID TPSL000001) which was collected 300m southwest of the Taupo prospect on EL 8696.

The gravity survey generated four targets which were prioritized and followed up with deep RC drilling.

At the Tekapo prospect area the drilling program encountered several high grade intersections which confirmed and extended the magnitude of previously encountered mineralisation in Tanami Gold NL holes. Geological information has prompted the need for a petrologic study which has been initiated.

At the Manapouri prospect area the drilling program intersected a number of key geological units and provided insight into the distribution and composition of igneous suites, sedimentary deposits, and metamorphic facies. Gold and multi-element results have prompted further work to uncover vectors for economic gold mineralisation.

The maximum assay value returned was 9.7 ppm from a 1m sample interval from a depth of 31m in hole TKRC100003 (Tekapo).
**PROJECT LOCALITY and PROSPECT LOCATIONS**

**ABM Resources NL**

**LAKE MACKAY PROJECT**

**PLAN No:** LMP LM 1 0 018

**DRAWN:** J.Rohde

**DATE:** Nov 2011

**ORIGINATOR:** J.Rohde

**PROJECT LOCALITY**

**PROSPECT LOCATIONS**
2.0 INTRODUCTION

The Lake Mackay project is centred approximately 460km WNW of Alice Springs (Figure 1). Access to the Project area is via the Tanami Road, then along the Central Mount Wedge-Newhaven-Nyripi Road. From Nyripi, access is via graded tracks cleared by previous explorers (Figure 2). The Nyripi community allow access within the project.

This report provides details of exploration during the ninth year of tenure carried out by ABM and DYL on the Lake Mackay tenements. There is a joint venture agreement in place with DYL to explore for uranium but due to the fact that DYL has not reached an agreement with the Central Land Council (CLC) to explore as such no on ground exploration was completed by DYL.

3.0 TENURE

The Lake Mackay project comprises four granted Exploration Licences. The registered holder was TENL, a wholly owned subsidiary of TGNL. In December 2009, ABM Resources NL (ABM) purchased the Lake Mackay Project tenements from TENL. ABM is the 100% holder of the tenements. On the 2nd of June 2010 applications of for the extension of terms were lodged for EL 8697, EL 9442 and EL 9449 after lodgement extensions were previously granted.

Tenement details are listed below in Table 2.

Table 2: Tenement Details

<table>
<thead>
<tr>
<th>Tenement Name</th>
<th>Tenement No</th>
<th>Blocks</th>
<th>Km²</th>
<th>Grant Date</th>
<th>Expiry</th>
</tr>
</thead>
<tbody>
<tr>
<td>Redvers</td>
<td>EL 8696</td>
<td>76</td>
<td>244</td>
<td>22 Aug 02</td>
<td>21 Aug 2012</td>
</tr>
<tr>
<td>Redvers North</td>
<td>EL 8697</td>
<td>28</td>
<td>90</td>
<td>22 Aug 02</td>
<td>21 Aug 2012</td>
</tr>
<tr>
<td>Superior</td>
<td>EL 9442</td>
<td>72</td>
<td>231</td>
<td>22 Aug 02</td>
<td>21 Aug 2012</td>
</tr>
<tr>
<td>Victoria</td>
<td>EL 9449</td>
<td>48</td>
<td>154</td>
<td>22 Aug 02</td>
<td>21 Aug 2012</td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
<td>224</td>
<td>719</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The Lake Mackay project tenements are currently subject to a Joint Venture Agreement with Deep Yellow Limited (DYL) which explores the tenements for uranium. DYL is currently in negotiation with the Central Land Council (CLC) to come to an agreement to allow DYL to explore the tenements.

A Deed for Exploration with the Central Land Council (CLC), acting under instructions from the Traditional Owners, was signed on the 18 June 2002. The agreement allows for active exploration programs to be conducted, and also subsequent mining operations, subject to conditions. Inaugural approval of access and proposed Work Programs was granted by the CLC on 15 September 2002 (Whittaker et al, 2004). An on-ground clearance for follow up drilling was conducted by the CLC and Traditional Owners in September 2006. CLC approval for Phase 1 of the Tekapo geophysical survey was received on 7 May 2008.
4.0 GEOLOGY

The Lake Mackay Project is situated on the 1:250,000 Lake Mackay (SF52-11) map sheet, an area comprising less than 1% exposed bedrock. TGNL carried out a 1:250,000 bedrock interpretation in 2003 (Rohde, 2004). Outcrop mapping by the Northern Territory Geological Survey (NTGS) and drilling by Newmont were combined with aeromagnetics, Landsat and gravity data to interpret the lithology and structure beneath covered areas. TGNL kept gradually updating the reinterpretation process of the regional geology. Plate 1 shows the latest (2007) version the regional geology.

4.1 Regional Geology

The Lake Mackay area is part of the Arunta region, a Proterozoic domain covering a large part of central Australia. The Arunta region is very complex due to the superposition of numerous depositional, magmatic, metamorphic and tectonic events. NTGS geological mapping of parts of the Arunta region has been combined with whole-rock elemental geochemistry and zircon U-Pb geochronology to assist with unravelling the lithostratigraphy and geological history of the area. The reviews of the regional implications of this work were presented by Scrimgeour (2003, 2004).

Of interest to gold explorers is whether the geology in the Tanami region, which hosts >10 million oz Au, continues south into the Arunta region. The case for lateral equivalence between the two regions was originally proposed based on gross lithological similarities (Blake et al., 1979), and such correlations have been strengthened based on geophysical continuity and the similarities of depositional and magmatic systems (Green et al., 2003). In general, the Lake Mackay area comprises rocks which are interpreted to correlate with the Au-hosting units in the Tanami region.

The Lake Mackay area comprises strongly deformed and variably metamorphosed siliciclastic sediments which were deposited between 1840 and 1800Ma. These metasedimentary rocks have been assigned to the Lander Group, which is interpreted to be laterally equivalent with the Tanami Group. A regional lithostratigraphy has not been established in the Lander Group due to the lack of continuous outcrop and marker horizons, the high metamorphic grade of many areas and extensive deformation. In some areas, a local lithostratigraphy has been established (Donnellan and Johnstone, 2003), but it has not been possible to extend such local divisions with great confidence.

The Lake Mackay area is interpreted to be part of the lower Lander Group based on geochronological constraints and the presence of putative volcanic-dominated lithologies (linear highly magnetic units). Such constraints are not well established, but if correct the Lake Mackay area would most closely correlate with the lithostratigraphic units, which hosts The Granites and Dead Bullock Soak Au deposits in the Tanami Region.

4.2 Local Geology

The Lake Mackay area comprises two distinct tectonic elements; the Palaeoproterozoic Aileron Province and the Neoproterozoic-Palaeozoic Centralian Superbasin (Walter and Whittaker, 2003). The rocks of the Aileron Province form the basement to the Centralian Basin.

In the Aileron Province, the oldest units comprise a succession of interbedded sandstone, siltstone and mudstone which has been intensely deformed and metamorphosed. These metasediments are considered part of the Lander Group (Yuendumu Supergroup), which extends
over much of the northern Arunta region. The Lander Group is generally considered to be part of a very large depositional system with vast regions of probable turbiditic sediments. There are numerous folded and metamorphosed mafic units within the Aileron Province, but it is uncertain whether they are volcanic, and so part of the Lander Group, or later sills. Similar units are known in the Tanami Region. SHRIMP U-Pb dating of detrital zircon from several samples of the Lander Group in the greater Lake Mackay area have interpreted maximum deposition ages of <1860Ma.

In the Lake Mackay area, the Lander Group is metamorphosed from lower greenschist to granulite facies, with granulate and amphibolite facies metasediments confined to discrete domains in the northeast of the area. SHRIMP U-Pb analyses of zircon rims from these granulite-facies metapelites define a significant population at 1806 ± 7 Ma, which is interpreted to be the age of metamorphism. This correlates with the Stafford Event described from further east in the Aileron Province, suggesting that this is an important and widespread event.

In the northeast of the Lake Mackay area, there are siliciclastic-dominated metasediments of the Nicker beds and Reynolds Range Group. These successions postdate the Stafford Event and were probably metamorphosed and deformed during the Yambah Event at about 1780-1770Ma. Metamorphic grade varies in these units from greenschist to amphibolite facies. The Reynolds Range Group (1800-1780Ma) unconformably overlies the Lander Group, though most exposures comprise tectonic slivers preserved adjacent to faults. The Reynolds Range Group comprises a basal quartzite (Mount Thomas Quartzite) and an overlying siliciclastic-dominated succession with minor calc-silicates (Pine Hill Formation). Other units within the Reynolds Range Group are unknown in the Lake Mackay area. The Reynolds Range Group has a distinctive strong linear magnetic signature and tracing these features from known outcrop suggests the Reynolds Range Group may be more extensive under aeolian cover. The Nicker beds are only known from immediately north of the Ngalia Basin and are more quartz-rich than the Lander Group. An intercalated felsic volcanic has an interpreted magmatic age of 1772 ± 5 Ma (SHRIMP U-Pb zircon age).

There are numerous granite bodies in the Lake Mackay area that probably correlate with the 1820-1790Ma granites from the northern Aileron Province, the 1770-1760Ma Carrington Suite and the 1570Ma Southwark Suite. A biotite granite beneath the Vaughan Springs Quartzite in the southeast of the Lake Mackay area has a poorly constrained SHRIMP U-Pb zircon age of 1758 ± 21Ma and is considered to belong to the Carrington Suite. A weakly to moderately deformed garnet-bearing granite (Rapide Granite) in the northwest of the Lake Mackay area has an interpreted magmatic age of c.1600Ma, and so may be part of the Southwark Suite, but also contains significant c.1800Ma zircon possibly indicating an earlier magmatic phase. Megacrystic and porphyritic biotite granite with localised shearing on the eastern margin of Lake Mackay is interpreted on field characteristics to belong to the Southwark Suite. It has an interpreted SHRIMP U-Pb magmatic age of c.1520Ma, and so is the only known granite of this age in the Arunta region. This may indicate that the Southwark Suite was intruded over the 50 my period from 1570-1520Ma, or this granite could be part of a younger, discrete event. Although no 1820-1790Ma granite has been dated in the immediate area it is likely that granite of this age, which is widespread to the north of the Lake Mackay area, extend into the Lake Mackay area. In the southern part of the Lake Mackay area, there are scattered exposures of Vaughan Springs Quartzite, the basal unit of the Neoproterozoic to Palaeozoic Ngalia Basin, which is part of the Centralian Superbasin.
5.0 PREVIOUS EXPLORATION

5.1 Year 1 and 2

Exploration in the first year of tenure was carried out by Newmont and in the second year of tenure by Newmont and TENL. Newmont carried out RAB drilling and geochemical sampling in 2004, while TENL completed a data assessment and reconnaissance on the Taupo, Te-Anau, Manapouri and Redbull anomalies.

Newmont took the approach of quickly exploring the vast Lake Mackay area, which is extensively covered by aeolian sand. Initially, the public domain radiometric data were processed to highlight areas where sand cover was shallow and surface sampling could successfully test for basement mineralisation. The radiometrics showed that despite <5% outcrop, the sand cover was suitably thin over a third to half of the tenement area. Extensive surface sampling was then undertaken with 849 rockchip, 1163 soil, 3397 lag and 113 drill-derived stony lag samples taken. Numerous anomalies were identified from this surface sampling and the most significant ones were followed up with 228 vacuum and 235 RAB holes. The Taupo, Manapouri and Te Anau prospects were outlined (Figure 2).

The best surface sample results from the Lake Mackay tenements were all from the Taupo area. Taupo is located in the southwest corner of EL 8696 and was the highest ranked of Newmont's prospects. Fifteen surface samples returned Au values >100ppb from an area 2x1km, including a 1.2g/t Au rockchip. Follow up vacuum (97 holes) and RAB (174 holes) drilling over an area of 8x5km produced disappointing results with no gold values >0.5g/t.

Manapouri is situated in the south eastern portion of EL 8697 and was discovered on a 68ppb Au lag sample collected by Newmont (repeated at 74.1ppb Au). Five follow up RAB / vacuum holes across the anomaly produced no significant results. The chips are still present and reveal an extremely weathered laterite profile with amphibolite, metasedimentary schist and vein quartz basement.

Te Anau is a 15km long east-west-trending +60ppm arsenic anomaly in the northern central portion of EL 8696 (Figure 2). The anomaly may coincide with the western extension of the Waite Creek Fault or a related structure. Eight lines of vacuum (93 holes) and RAB (32 holes) produced no gold anomalies.

TENL undertook a review of the Lake Mackay tenements in 2004 and generated new drill targets. The discovery of Dodger by TENL in the northeast of the Lake Mackay area provided a new mineralisation style untested by Newmont.

5.2 Year 3

During the third year RAB drilling and two phases of surface sampling were undertaken in the Lake Mackay project area.

RAB drilling tested the projected southwest extension of the Dodger gold prospect on an adjacent tenement - EL 8434 'Nicker'. This program extended onto EL9449 'Victoria' with a total of 51 holes for 1,733 metres being drilled.
RAB results returned 11 samples with >10ppb Au and a maximum of 42ppb Au. A field duplicate of this sample returned 72ppb Au. Gold anomalism is associated with quartz veining in low-grade quartz-rich metasediments (Lander Group), which is consistent with the preferred gold model for the region. Most of the samples were from saprolite and may be depleted in gold. Anomalous copper was returned in samples both associated and not associated with gold anomalism. No significant lead anomalism (Dodger association) was detected. The anomalous area identified by the drilling has been named Whakatipu.

Two phases of surface sampling were completed during Year 3 comprising a total of 391 lag samples and 107 rockchip samples. The first program comprised follow-up sampling of 14 areas identified from Newmont’s results, but not subsequently retested. Areas were defined according to anomalous Au, As, Cu, Pb and Zn (top ten percentile). Very positive results were returned from the lag samples during this helicopter-based program including the identification of two new prospects – Tekapo and Ohau. Another 11 samples were also anomalous in either As, Bi, Cu, Pb or Zn and require further investigation. No significant rockchip results were returned.

The second phase of sampling included retesting of the Ohau and Tekapo anomalies and the Taupo area. The aim of this sampling was to constrain the host of mineralisation through bias sampling of lag (analysis of individual components), locate any outcrop around anomalies and increase the footprint size of the original anomaly by further sampling.

At Taupo, the results show that tourmaline-bearing quartz lag is very anomalous in Au, with a best assay returned of 0.3ppm Au. Relative to tourmaline-absent massive vein quartz, the tourmaline-bearing vein quartz is also elevated in Bi, Cu, Pb and Zn. The ferruginous gravel component, however, is even more enriched in As, Cu, Pb and Zn.

At Ohau, bias sampling was very unsuccessful (2 sites for 8 samples) with no discrimination of components possible. Two additional sites near Ohau have been shown to be anomalous.

At Tekapo, Cu-Au mineralisation was shown to be associated with gossanous ironstone, interpreted to be after massive pyrite-pyrrhotite-arsenopyrite-chalcopyrite-silica rock. Nearby subcrop and the large size of fragments indicate the anomaly is in situ. Systematic sampling away from the main Tekapo anomaly failed to locate any more gossan-massive sulphide, but did uncover significant Cu-Au anomalies (229ppb Au, 140ppm Cu) over 500m away. Best rock chip results were 750ppb Au, 1213pm Cu in LMK112 and best lag results 693ppb Au, 1055ppm Cu in LML060.

5.3 Year 4

In the fourth year of tenure TENL carried out further rock chip and lag sampling at Taupo, Ohau, Manapouri and Tekapo, and RAB / Aircore drilling at Ohau, Taupo, Tekapo and Whakatipu. A summary of all exploration is listed below in Table 3. A total of 17 rock chip samples and 551 lag samples were taken as well as a total of 54 RAB holes completed for 2,149 metres and 160 Aircore holes for 10,018 metres. Best drill results are listed in Table 4.

Table 3: Year 4 - Summary of Exploration

<table>
<thead>
<tr>
<th>Tenement</th>
<th>Tenement No</th>
<th>Prospect</th>
<th>Rock Chip Sampling</th>
<th>Lag Sampling</th>
<th>RAB Drilling</th>
<th>Aircore Drilling</th>
</tr>
</thead>
<tbody>
<tr>
<td>Redvers</td>
<td>EL 8696</td>
<td>Taupo</td>
<td>12 samples</td>
<td>460 samples</td>
<td>10 holes,</td>
<td>123 holes,</td>
</tr>
</tbody>
</table>
A short program of follow-up rock chip and lag sampling at Tekapo increased the size and tenor of the original anomaly. Significant gold anomalism from lag sampling was encountered including:

- 3,126 ppb Au, 1621 ppm As and 747 ppm Cu (LML425)
- 1,382 ppb Au, 1208 ppm As and 460 ppm Cu (LML426)
- 761 ppb Au, 2627 ppm As and 3941 ppm Cu (LML118)

The gold mineralisation is associated with a gossanous ironstone that crops outs sporadically over a strike length of approximately 450m on a NNW-SSE strike.

A subsequent aircore drilling program at the Tekapo prospect targeted the gossanous ironstone. Drill assays returned several intersections peaking at 16 metres at 3.4 g/t Au from 29 metres in LMA133 (Table 4). Drilling also returned intersects of 3 metres at 1.8 g/t Au from 10 metres and 2 metres at 2.0 g/t Au from 22 metres in a drill hole locate 240m to the south. The drilling program at Tekapo also comprised wide-spaced step-out drilling which returned weak anomalism along strike of the Tekapo ironstone.

At Taupo a detailed surface geochemical sampling program was undertaken aimed at identifying the source of anomalism and extending/improving anomalism to produce drill targets. The results of the program did not identify any new areas of surface anomalism.

Subsequently a program of RAB / aircore drilling at Taupo was undertaken to test beneath regolith cover for possible extensions to mineralisation in two areas, returning numerous intercepts of weakly anomalous gold peaking at 3m @ 0.136 g/t Au from 76m (Table 4). Wide-spaced scout drilling was also undertaken where transported regolith cover precluded surface geochemical sampling as a first pass test.

The Ohau prospect is defined by a lag geochemistry gold-arsenic anomaly peaking at 102 ppb Au. In the fourth year of tenure a follow-up lag sampling program was undertaken, followed by an aircore drilling program. Drilling beneath the interpreted E-W strike of the peak surface lag anomaly returned a best intercept of 2m at 0.45 g/t Au from 32m (Table 4).

At Whakatipu an infill RAB drilling program was undertaken to test a semi-contiguous gold anomaly defined by wide-spaced scout drilling in the previous year. The drilling returned a best result of 8m@44 ppb Au from 32 m.

Table 4: Year 4 - Lake Mackay RAB and Aircore Drilling Results (>0.1 g/t Au)
5.4 Year 5

In the fifth year of tenure TENL carried out further Aircore and RAB drilling, lag sampling and rockchip sampling at the Tekapo prospect area to follow up the mineralisation discovered in Year 4. One metre re-samples were conducted over any anomalous gold composite intervals and assayed for gold, arsenic, cobalt, copper, iron, manganese, lead and zinc.

A summary of all exploration is listed below in Table 5.

Table 5: Year 5 - Summary of Exploration

<table>
<thead>
<tr>
<th>Tenement</th>
<th>Tenement No</th>
<th>Rock Chip Sampling</th>
<th>Lag Sampling</th>
<th>RAB Drilling</th>
<th>Aircore Drilling</th>
</tr>
</thead>
<tbody>
<tr>
<td>Redvers</td>
<td>EL 8696</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Redvers North</td>
<td>EL 8697</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Superior</td>
<td>EL 9442</td>
<td>14 samples</td>
<td>98 samples</td>
<td>-</td>
<td>10 holes, 941 m</td>
</tr>
<tr>
<td>Victoria</td>
<td>EL 9449</td>
<td>-</td>
<td>-</td>
<td>1 hole, 14 m</td>
<td>22 holes, 1,952 m</td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
<td>14 samples</td>
<td>98 samples</td>
<td>1 hole, 14 m</td>
<td>32 holes, 2,893 m</td>
</tr>
</tbody>
</table>

Encouraging copper assays were returned, including wide zones of highly elevated copper (+1000ppm) with a best intercept of 4m at 2.6% Cu from 49m (peaking at 1m at 5.1% Cu from 50m) in TKA0022, where strong malachite/chrysocolla was observed. Coincident gold mineralisation in this zone was subdued with a best assay of 1m at 0.28g/tAu from 47m.

The above drilling was supplemented by a geochemical sampling program that included a step-out systematic lag sampling on 400 x 100m spacing and rockchip sampling. A total of 98 lag samples and 14 rock chip samples were taken. The peak assay of 32.6g/t Au was from rock chip sample LMK142.

Approximately 2.5km north along strike of Tekapo another zone of gossanous ironstone was identified in weathered metasediments. The outcrop was rock chip and lag sampled, and drilled with one RAB hole for negative results. Later interpretation identified the outcrop lacks quartz veining and breccia and the outcrop probably represents ferruginous lateritic duricrust.

Overall mineralisation was observed in eight holes with a best intercept of 3m @7.27 g/t Au in TKA007. A summary of the best gold mineralisation encountered is listed below in Table 6.

| LMA0087 | Ohau      | 56 | 60 | 4 | 0.18 | 4m at 0.18g/t Au |
| LMA0088 | Ohau      | 32 | 36 | 4 | 0.048 | 4m at 0.048g/t Au |
| LMA0089 | Ohau      | 32 | 34 | 2 | 0.45 | 2m at 0.45g/t Au |
| LMA0124 | Tekapo    | 10 | 13 | 3 | 1.79 | 3m at 1.79g/t |
| LMA0124 | Tekapo    | 22 | 24 | 2 | 2.01 | 2m at 2.01g/t |
| LMA0125 | Tekapo    | 23 | 24 | 1 | 0.46 | 1m at 0.46g/t |
| LMA0131 | Tekapo    | 24 | 28 | 4 | 0.34 | 4m at 0.34g/t |
| LMA0132 | Tekapo    | 40 | 42 | 2 | 0.14 | 2m at 0.14g/t |
| LMA0133 | Tekapo    | 29 | 45 | 16 | 3.42 | 16m at 3.42g/t |
### Table 6  Tekapo Prospect Aircore Drilling (1m re - sample results)

<table>
<thead>
<tr>
<th>Hole Id</th>
<th>From</th>
<th>To</th>
<th>Width</th>
<th>Grade</th>
<th>Intercept</th>
</tr>
</thead>
<tbody>
<tr>
<td>TKA0001</td>
<td>32.00</td>
<td>33.00</td>
<td>1.00</td>
<td>0.74</td>
<td>1m @ 0.74 g/t</td>
</tr>
<tr>
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<td>39.00</td>
<td>41.00</td>
<td>2.00</td>
<td>0.91</td>
<td>2m @ 0.91 g/t</td>
</tr>
<tr>
<td>TKA0001</td>
<td>52.00</td>
<td>53.00</td>
<td>1.00</td>
<td>0.51</td>
<td>1m @ 0.51 g/t</td>
</tr>
<tr>
<td>TKA0002</td>
<td>46.00</td>
<td>47.00</td>
<td>1.00</td>
<td>0.74</td>
<td>1m @ 0.74 g/t</td>
</tr>
<tr>
<td>TKA0007</td>
<td>14.00</td>
<td>17.00</td>
<td>3.00</td>
<td>7.27</td>
<td>3m @ 7.27 g/t</td>
</tr>
</tbody>
</table>

### 5.5 Year 6

Exploration during the year included a review, a petrographical investigation as well as a combined ground magnetic and gravity survey. The exploration activities are listed below in Table 7.

### Table 7  Year 6 - Summary of Exploration

<table>
<thead>
<tr>
<th>Tenement</th>
<th>Tenement No</th>
<th>Geological Review</th>
<th>Geophysics</th>
<th>Petrology</th>
</tr>
</thead>
<tbody>
<tr>
<td>Redvers</td>
<td>EL 8696</td>
<td>Review of nature of mineralisation</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Redvers</td>
<td>EL 8697</td>
<td></td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>North</td>
<td></td>
<td></td>
<td>Ground Magnetics &amp; Gravity Survey</td>
<td></td>
</tr>
<tr>
<td>Superior</td>
<td>EL 9442</td>
<td></td>
<td>Ground Magnetics &amp; Gravity Survey</td>
<td>7 Thin Sections</td>
</tr>
<tr>
<td>Victoria</td>
<td>EL 9449</td>
<td></td>
<td>53 line km, 31 lines</td>
<td></td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
<td></td>
<td>53 line km, 31 lines</td>
<td>7</td>
</tr>
</tbody>
</table>

The review concluded that the exploration in the lake Mackay project area should be mindful of IOCG deposit models, and the possibility of encountering either disseminated or massive sulphides. The interpretation of the geophysical images indicates the following.

- In the vicinity of the Tekapo gossan are some NW-SE structures in the magnetic response, which undergo a NS offset. There are localised magnetic lows near the north and south ends of the mapped Tekapo gossan exposure.
- The residual Bouguer Gravity image shows a localised anomaly of approximately 0.20 mGal at 617100E/7537800N, immediately east of the Tekapo gossan. The NW-SE trends apparent in the magnetics are weakly duplicated in the gravity, but a couple of NE-SW trends are more obvious across the Tekapo prospect area.
- With the exception of the above anomalies there are no other strong magnetic or gravity responses at depth, which are directly associated with the Tekapo gossan area.

The petrological investigation identified the following.

- In four thin sections a sillimanite gneiss and in one an altered granite was observed.
- One section revealed massive pyrite with scattered blebs of fine gold.
- In one section two differing chips exposed anhedral quartz and opaques as well as quartz aggregates with Fe-oxide veinlets, fine visible gold and minor muscovite.
- In one section two differing chips exposed anhedral quartz and opaques as well as quartz aggregates with Fe-oxide veinlets, fine visible gold and minor muscovite.
5.6 Year 7

No on ground was conducted due to TENL’s focus on the change from open pit to underground mining at its flagship Coyote gold mine and the onset of the global financial crises in late 2008.

5.7 Year 8

Only ABM undertook exploration including a fieldtrip and the reprocessing of geophysical data due to the sale of EL 8696, 8697, 9442 and 9449 from TENL to ABM. In 2010 ABM commissioned Fathom Geophysics Pty Ltd to reprocess aeromagnetic data covering all their Northern Territory tenements. The reprocessing included the Lake Mackay Project area. Three different methods of processing were applied, the Tanami Structure Detection, the Tanami Remanent Magnetization Analysis and the Tanami Radial Symmetry Processing.

6.0 EXPLORATION COMPLETED

6.1 Geophysical Survey

ABM undertook an infill airborne gravity survey with a 1km line spacing covering of EL8676, 8697, EL9442, EL9449 in collaboration with the NTGS. Resource Potentials Pty Ltd., Perth, processed the new publicly available gravity data for ABM and combined it with compiled existing data to create drill targets.

From the results of the compilation three gravity anomalies, interpreted as being associated with amphibolite and one combined gravity and magnetic anomaly derived. In addition the regional structural interpretation was better understood due to a greater resolution obtained from the gravity survey. A number of the gravity highs were notably discordant with the regional structural interpretation and warranted drill testing. The result of the survey as an image with the four targets can be seen in Figure 3 and 4.

6.2 Surface Sampling

A total of five rock chip and one soil samples were taken on two tenements during this field season. All sample locations are shown on Plate 1,2 and 3A and all data including the assay results is included in the digital appendices.

The best overall assay result of 0.037ppm Au came from a subsoil (B) Horizon sample (sample ID TPSL000001) which was collected 300m southwest of the Taupo prospect on EL 8696. All the samples were also assayed for a wide range of elements but only anomalous assay values were returned.

6.3 Drilling

17 RC holes for 4297m were completed in August and September 2011 in the area of three prospects Tekapo, Manapouri and Te Anau.
GRAVITY / MAGNETIC ANOMALY
TESTED WITH TKRC100008

GRAVITY ANOMALY
TESTED WITH TKRC100004

ABM Resources NL
Date: 18/11/2011
Author: LF
Office: Perth

TEKAPO PROSPECT Gravity - Coincident Magnetic Anomalism - Drill Targets
Figure 3

Projection: WGS 84 Zone 52 (GDA 94)
All holes were sampled in one meter sample intervals using a static cyclone mounted splitter. All samples were processed by ALS Chemex in Alice Springs and were fire assayed by ALS Chemex in Perth using a 30g charge. Standards and blanks were inserted into the sample stream to monitor laboratory performance.

Drill hole locations are shown on Plate 1, 2, 3, 3A and all drill and assay data is included in the digital appendices.

At Tekapo eight holes were drilled (Plate 2). TKRC100004 and TKRC100008 targeted two geophysical anomalies north west and west of the prospect (Figure 3) while TKRC100002 to TKRC100007 targeted the possible extension along strike and at depth of a northwest striking mineralisation trend which was encountered in previous drilling. In addition these holes were planned to test an IP anomaly that was historically noted.

After completion of drill holes TKRC100002 to TKRC100007, it was TKRC100003 that provided the best results and correlated well with historic drill hole LMA0133 with a peak assay of 9.69ppm from 31m to 32m. TKRC100001 was drilled for camp purposes, although sampled due to the notable amount of quartz encountered, displayed anomalous gold values. TKRC100002,4,5,6 and 7 provided much insight into the distribution of gold in the area. A one to three meter iron stone (gossan) is evident at the surface and at variable depths in the vicinity of TKRC100003. TKRC100002, 3, 5, 6, 7 intersected a 2 to 8m calcic pegmatite within the biotite schist and chloritised dolerite.

TKRC100004 and TKRC100008 were testing magnetic and gravity anomalies, historically interpreted as being associated with amphibolite. TKRC100004 displayed minor biotite schist, and dolerite. TKRC100008 displayed large amounts of muscovite and biotite from the surface to depth where an undistinguishable meta-amphibolite was intersected. At Tekapo many assay results displayed low level gold anomalism.

At Te Anau four holes were drilled (Plate 3, Figure 4). TARC100001 and TARC100002 targeted the possible extension along strike and at depth of an 8km east - west striking As and Au anomalism mineralisation trend which was encountered in previous drilling. TARC100003 and TARC100004 targeted a structural location and a gravity anomaly at two untested locations 4km west of the prospect.

Although this drilling was primarily reconnaissance, it has provided much more insight knowledge into the distribution of igneous complexes, and metamorphism in the area. The biotite schist, granitic gneiss, chlorite schist and quartz diorite lithologies encountered in the drilling were showing many felsic to mafic stringers. Even so assay results returned disappointing gold values below 0.01ppm the area still remains geological interesting in the light of the now better understood geological contacts and structure.

At Manapouri five holes were drilled (Plate 3, Figure 4). ABM aimed to explore newly generated gravity, magnetic, and geological targets along with one of the largest dilatant structures in the region. MARC100001 was drilled to test an igneous contact and a favorable structure as conduit for fluid flow. The predominantly drilled quartz diorite returned no gold assay result above 0.1ppm.

MARC100002 was to test the internal structure of the Carrington igneous complex and the potential to host economic gold mineralisation. This hole was drilled through quartz diorite until a
very large structure was intersected with biblical amounts of ground water. No gold assay results above 0.1ppm were returned.

MARC100003 was to confirm the hypothesis that magnetic and gravity anomalies associated with inliers or rafts of mafic to porphyritic intrusions are accompanying Au-Cu mineralisation. MARC100003 was difficult to drill due to the presents of ground water as well as felsic fractured rock with porphyritic and dolerite stringers. One 1m interval of 5.66ppm gold at 234m has given ABM a vector for follow up drilling.

MARC100004 and 5 targeted a possible extension along strike and at depth of a previously drilled Newmont drill traverse near the Manapouri prospect. These drill holes were also drilled to determine the litho-stratigraphy of the area and to help to develop a stratigraphic framework. These drill holes displayed no gold result above 0.1ppm and comprised biotite schist, with intermediate intersects of dolerite.

The maximum overall assay value returned was 9.7 ppm from a 1m sample interval from a depth of 31m in hole TKRC100003 (Tekapo).
7.0 BIBLIOGRAPHY


Mackee G, June 2008, Subject Tekapo, Comments on ground mag and gravity data received from Euro/Daishsat, Email form principal geophysicist Graeme Mackee, Geo Discovery Group Pty. Ltd, to Tim Smith, Exploration Manager TENL.


North, EL 9442 Superior, EL 9449 Victoria. Newmont Exploration Ltd. Annual Report to the NTDME.

PLATE 3

Drill Hole Location Plan
EL 8696 & EL 8697

Legend
● RC Drill Holes

Date: 27/10/2011
Author: J. Rohde
Office: Perth
Drawing: J. Rohde
Scale: 1:75000
Projection: Longitude / Latitude (NAD 83)