PARTIAL RELINQUISHMENT REPORT

For
EXPLORATION LICENCES
EL 28083 "Stafford SE"

REYNOLDS RANGE PROJECT
GR 251

From
31 January 2011 to 31 January 2017

Holder          ABM Resources NL
Operators       ABM Resources NL,
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Date            February 2017
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Target Commodity Gold
Datum/Zone      GDA94/ MGA Zone 53
250,000 mapsheet Napperby (SF5309)
100,000 mapsheet Reynolds Range (5453)

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FILE              DESCRIPTION
EL28083_2017_P_01.pdf  Partial Relinquishment Report
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1.0 ABSTRACT

The relinquished blocks are part of ABM Resources NL (ABM) Reynolds Range Project which is located approximately 230 kilometres north-northwest of Alice Springs in the western Arunta region (Figure 1). The project comprises three granted Exploration Licences, EL 28083, EL 23888 (GR251) and EL 23655. ABM explores the project for the potential of gold mineralisation.

No on-ground exploration was completed on the surrendered area as all exploration activities focused on other areas of the project.

In 2012 Fugro Pty Ltd completed a project wide medium density airborne electromagnetic (AEM) survey. The survey data was processed and interpreted by Fathom Geophysics (Plate 1). No conductive targets were located on the relinquished blocs.

In 2014 ABM reached an agreement with Clancy Exploration Ltd (ASX: CLY) (“Clancy”) whereby Clancy would have had the option to acquire 100% of ABM’s interests in the North Arunta Regional Projects, which EL 28083 formed a part of.

Clancy asked Fathom Geophysics to compile and re-process of potential field datasets covering the North Arunta region and as such the relinquished blocks. At that time Clancy asked SRK Consulting to do a pre-acquisition assessment of the data, which did not note anything in particular on the relinquished area.

Target review and Clancy reprocessing indicated an ESE plunging antiform along retrograde shear zones proximal to the axial plane. Most Reynolds Range prospects are located on either limb. The southern part of EL28083 does not form part of this antiform and is less likely to host mineralisation. Coincident younger cover sequences hampering cost effective exploration and the presence of a larger unmineralised granite over parts of the blocks render these blocks less prospective. Historic soil, lag, and early RAB does not exceed background levels for gold, arsenic or copper.

2.0 INTRODUCTION

EL 28083 was explored as part of ABM Reynolds Range project. The project, comprising EL 23888, EL 28083 and EL23655, is located approximately 230 kilometres north-northwest of Alice Springs (Figure 1). The licence area lies within the Napperby, and Reynolds Range map sheets and is situated about 300 km southeast of the Granites mine.

Access to the Reynolds Range project area is via the Tanami Road, and then via unsealed tracks from Yuendumu. Various station tracks provide further access throughout the licence area.

This partial relinquishment report covers exploration carried out in the reporting period from the 31 January 2011 to 31 January 2017.

3.0 TENURE

EL 28083 was granted over an area of 37 blocks to ABM on 31 January 2011 for a period of six years.

On the 26 April 2012 EL 23888 was approved to be amalgamated together with EL 28083 for technical reporting and the group reporting ID GR 251 was allocated. .
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>Tenement Name</th>
<th>Current Blocks</th>
<th>Grant Date</th>
<th>Expiry Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>EL 28083</td>
<td>Stafford SE</td>
<td>37</td>
<td>31 Jan 11</td>
<td>31 Jan 2017</td>
</tr>
</tbody>
</table>

At the end of the 6th year of term a partial relinquishment was lodged in respect of 9 blocks, effective from 31 January 2017.

Relinquished blocks are listed in **Table 2** and are illustrated in **Figure 1**.

**Table 2** List of Relinquished One Minute Graticular Blocks of EL 28083.

<table>
<thead>
<tr>
<th>BIM</th>
<th>Blocks</th>
<th>Block Identifier</th>
</tr>
</thead>
<tbody>
<tr>
<td>SF53</td>
<td>1882</td>
<td>X, Y</td>
</tr>
<tr>
<td>SF53</td>
<td>1954</td>
<td>C, D, E</td>
</tr>
<tr>
<td>SF53</td>
<td>1955</td>
<td>F, G, H, J</td>
</tr>
<tr>
<td></td>
<td>TOTAL</td>
<td>9</td>
</tr>
</tbody>
</table>

An application for renewal in respect of the remaining 28 blocks has been lodged.

### 4.0 GEOLOGY AND MINERALISATION

The Reynolds Range Project covers Palaeoproterozoic metasediments and intrusives in the central Aileron Province of the Arunta region. The surface geology has been mapped and described by the Northern Territory Geological Survey (NTGS) in the 1:250,000 scale Napperby (SF53-09) sheet and in more detail by the Bureau of Mineral Resources on the special edition Reynolds Range Region 1:100,000 scale geological map.

Widespread gold anomalism was identified within greenschist-facies metasediments along the eastern side of the Reynolds Range in the early 1990’s. Gold is hosted by sulphidic quartz veins and has been interpreted to broadly correlate with gold mineralisation in the Tanami region.

On a regional scale the area has a very complex geology with polydeformed Palaeoproterozoic Lander Group metasediments, which host gold mineralisation, intruded by numerous felsic and mafic intrusive phases and overlain by slightly younger siliciclastic metasediments, including the Reynolds Range Group. The area is also covered by very complex regolith, with scree shedding from substantial hills cut by large drainage systems.

Most of the gold mineralisation in the Reynolds Range Region appears to be concentrated along a relatively narrow corridor of greenschist facies Lander Rock Formation metaturbidites. Where there is good exposure in the central northeastern part of the belt, in the vicinity of Troutbeck-Bowness, folding
in the Lander beds has northwest-striking axes, plunge towards the southeast and verges towards the southwest with steep southwestern limbs and gently dipping northeastern limbs (English, 2006).

The highest grade gold mineralisation is at the Sabre and Falchion prospects. A sharp increase in metamorphic grade occurs towards the northeast where granulite facies is encountered and these rocks have been named the Mt Stafford Formation. High grade intercepts do occur in rocks of higher metamorphic grade, such as the Black Knight Prospect, but in this case it appears to be associated with retrograde greenschist facies metamorphism. Gold mineralisation occurs in a number of different geological settings and with a number of different metal associations.

The project area is interpreted to be underlain by three major north-west orientated lithological units. High magnetic / high metamorphic grade Lander Rock Beds (Aalh) along the north eastern tenement boundary is bordered to the south by low magnetic / low metamorphic grade Lander Rock Beds (Aall) which form the main lithological unit in the centre of the tenement. Minor low magnetic / moderate to high magnetic granitic units (Agn/Agm) as well as Dolerite units (P-OD) are located on the three tenements (Plate 2).

5.0  EXPLORATION COMPLETED

Project wide exploration in the first year of tenure consisted of regional desktop studies, including geophysical and geological interpretations. The study confirmed that a major Trans-Tanami structural corridor which runs through the area hosts the known gold mineralisation.

A review of the open file reports by Poseidon Gold, Normandy Exploration and Exodus Minerals was completed for the Reynolds Range area. Geochemical sampling data obtained from Newmont and from open file reports were transferred to the tenure holder at that time Tanami Gold NL database and validated.

Over all no on ground exploration was conducted on the relinquished area as all exploration activities took place in other parts of the project.

In 2012 Fugro Pty Ltd completed a project wide medium density airborne electromagnetic (AEM) survey of a total of 1,638 line km, with a 400m line spacing and a line direction of 042 degrees. The nominal terrain clearance was 100m. The survey data was processed and interpreted by Fathom Geophysics (Plate 1). No conductive targets were located on the relinquished blocs.

In the period 5 September 2013 to 4 September 2014 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 EL 28083 formed 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 Reynolds Range project including the relinquished blocks. This work was undertaken by Fathom Geophysics.

Public domain data and 7 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.

The program of compilation and re-processing rediscovered a previously overlooked helimagnetic survey, flown in 1996 by Normandy. It was recommended that the high-resolution dataset should be integrated into the regional and detailed magnetic grids for Reynolds Range Project.
In the period 5 September 2014 to 4 September 2015 exploration consisted of a pre-acquisition assessment. The pre-acquisition evaluation (SRK Consulting for Clancy) did not note anything in particular on the relinquished area.

As of 6 March 2015 the CLC restricted the access to the area south of the Assegai prospect (approximately 50% of the project area) including the relinquished blocks, except main access track for transit. The restriction was imposed pending review of previously issued approvals for access and consultation with the Traditional Aboriginal landholders.

6.0 RECOMMENDATION and CONCLUSIONS

The relinquished area of EL28083 was selected due to the following reasons:

- Key Reynolds Range project prospects are located on the limbs of an ESE plunging antiform along retrograde shear zones proximal to the axial plane. The southern part of EL28083 does not form part of this antiform and is less likely to host mineralisation.
- Younger cover sequences occur on the north-east and south-west. Specifically the south-western cover sequence is present within the south-west corner of EL28083. Due to the difficulty exploring underneath younger cover sequences, costs of exploration would prohibit systematic coverage of the area.
- A granite is interpreted in basement interpretation maps from the NTGS, and visible in gravity data. Larger granites with no significant early stage response are not considered prospective for gold or base metal mineralisation.
- Parts of the tenure are reasonable well tested with preliminary soil, lag, and some follow up RAB drilling. Assay results over the relinquished blocks do not exceed background levels for gold, arsenic and copper.
7.0 REFERENCES


