ABM RESOURCES NL
ABN 58 009 127 020

SEVENTH
ANNUAL REPORT
EL 23655 ‘LANDER’
REYNOLDS RANGE PROJECT
From 12 June 2009 to 11 June 2010

NIL WORK REPORT

Holder: Tanami Exploration NL
Operator: ABM Resources NL
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Date: July 2010
Email: joe@abmresources.com.au
Target Commodity: Gold, Uranium
Datum/Zone: GDA94/ MGA Zone 53
250,000 mapsheet: Mount Peake SF 5305 and Napperby (SF 5309),
100,000 mapsheet: Giles 5354, Mount Peake 5454, Reynolds Range 5453

Distribution:
- DRDPIFR - digital
- Central Land Council - digital
- ABM RESOURCES NL - Perth - digital
- Select Resources Pty Ltd
- Tanami Gold NL - Perth - digital
- Deep Yellow Ltd - Perth - digital

File: jr06dpifmAR2010_Raynolds Range
1.0 SUMMARY

Tanami Gold NL identified the potential for quartz-vein-hosted gold mineralisation in the Proterozoic basement rocks of the Reynolds Range area. Exploration Licence 23655 was granted to Select Resources Pty Ltd (Select) on 12 June 2003 and is being explored by Tanami Exploration NL (TENL) as part of its Reynolds Range Project under a Joint Venture Agreement with Select. TENL is a wholly owned subsidiary of Tanami Gold NL (TGNL), a publicly listed company. In 2008 TENL introduced a third party, Deep Yellow Limited (DYL), to the joint venture. DYL explored the tenement for the potential of uranium mineralisation. DYL withdrew from the joint venture during 2009. In December 2009, ABM Resources NL (ABM) purchased EL 23655. Transfer for the tenement has been lodged with Department of Resources and is awaiting registration.

EL 23655 lies in Central Australia centred approximately 245 kilometres north-northwest of Alice Springs (Figure 1). It is situated in the central part of the Aileron Province of the Arunta Region.

In the seventh year of tenure no exploration was conducted due to the DYLs withdrew, TGNL financial focus on the change from open pit to underground mine at the Coyote mine as well as the sale of EL 23655 to ABM. Therefore this report covers nothing conducted during the reporting period.

All previous exploration has been outlined in the preceding annual reports.

2.0 INTRODUCTION

EL 23655 is explored as part of TENL’s Reynolds Range project and DYL’s Reynolds Range uranium project. EL 23655 is located approximately 245 kilometres north-northwest of Alice Springs (Figure 1). The licence area lies within the Mount Peake and Napperby 1:250,000 map sheets and is situated about 200 km southeast of the Granites mine.

Access to the Reynolds Range project area is via the Stuart Highway, and then via an unsealed road between Aileron and Yuendumu. Various station tracks provide further access throughout the licence area. The Lander River truncates the tenement. Outcrop and subcrop is found over much of the eastern part of the Lander tenement providing good geological exposure. The geography of the area is dominated by the Yindjirbi, Yundurbulu, and Giles Ranges, whilst the western area of the Lander tenement is mostly covered by aeolian sands over flat plains.

This report covers that no exploration was carried out for the year ending 11 June 2009.

3.0 TENURE

EL 23655 was applied for and granted to Select, a private exploration and investment company, on 12 June 2003 for a period of six years (Figure 2). TENL entered into the Lander Project Farm-in and Joint Venture Agreement with Select on 17 December 2004 and is currently managing exploration within the licence area. In 2008, TENL introduced a third party, Deep Yellow Limited (DYL), which has the right to explore for uranium within EL 23655. DYL withdrew from the joint venture during 2009. In December 2009, ABM Resources NL (ABM) purchased EL 23655. Transfer for the tenement has been lodged with Department of Resources and is awaiting registration.

Tenement details are shown below in Table 1.
Table 1: 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>
<th>Covenant</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lander</td>
<td>EL 23655</td>
<td>43</td>
<td>137</td>
<td>12 Jun 03</td>
<td>11 Jun 11</td>
<td>$73,000</td>
</tr>
</tbody>
</table>

4.0 GEOLOGY

The tenements of the Reynolds Range project cover 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 Mount Peake (SF53-05) and Napperby (SF53-09) sheets. The tenement area comprises outcrop of palaeoproterozoic Arunta basement rocks, with the remaining areas covered by recent transported sediments.

The following description of regional and local geology has been taken from Messenger, 2004. Ahmad (2001) presented the 2nd generation 1:2,500,000 scale geological map of the NT with revised terminology and geological concepts. Under this new scheme the north Arunta forms part of the Central Australian Mobile Belt (CAMB) and the Lander Rock beds are classified as P4, i.e. correlatives of the Killi Killi Formation in the adjoining North Australian Craton (NAC). The correlation between the Lander Rock beds and Killi Killi Formation follows from Hendrickx et al. (2000). In effect, the major WNW-trending suture zone that separates the NAC and CAMB forms a deformation gradient of increasing metamorphic grade to the south from the greenschist facies NAC to the upper amphibolite-granulite facies central and southern CAMB. This suture zone with its prevalent WNW to NW-trending crustal-scale structures may prove to have substantial, as yet unrealised economic potential.

The majority of the project area is interpreted to be underlain by three major north-west orientated lithologies units. High magnetic / high metamorphic grade Lander Rock Beds (Palh) along the north east is bordered to the south by low magnetic / low metamorphic grade Lander Rock Beds (Pall) in the centre of the tenement. Low magnetic / moderate to high magnetic granitic units (Pgn/Pgm) are located in the south west of EL 23655 (Plate 1).

5.0 PREVIOUS EXPLORATION

Select completed a literature review, data compilation of previous exploration of the licence area and preliminary negotiations with the Central Land Council and Aboriginal Owners in the first year of tenure. A detailed discussion of exploration prior to EL 23655 is found in Messenger, 2004. Several prospects were defined, which are shown on Plate 1.

In the second year of tenure TENL completed a regional desktop study of the Reynolds Range project comprising regional bedrock geological interpretation of geophysical data. The study identified that a major Trans-Tanami structural corridor runs through the region and is prospective for hosting palaeoproterozoic gold mineralisation in Lander Group metasediments.

As a result of the literature review it was determined that initial reconnaissance geochemical Prospecting had been completed over much of the tenement resulting in the identification of several prospects with significant gold mineralisation. As several prospects requiring immediate follow-up drilling were identified, no further preliminary reconnaissance work was thought necessary. Select then
decided to seek a joint venture partner to conduct drilling programs at key prospects as well as regional exploration over the remainder of the licence area.

In the third year of tenure exploration on EL 23655 included (Rohde, 2006):

- geological and regolith mapping and interpretation
- rock chip sampling (20 samples)
- vegetation sampling (14 samples)
- lag sampling (183 samples)
- RAB drilling (139 holes, 5,128 metres)
- Aircore drilling (22 holes, 1,005 metres)
- SLRC drilling (41 holes, 2,307 metres).

Significant rock chip results were returned from calcrite at Troutbeck (RRK032) with 71 ppb Au. A value of 2,233 ppb Au from Bowness was a repeat rock chip confirming previous gold mineralisation known from this outcrop.

Results of vegetation sampling highlighted detectable concentrations of various metals, including Au. Lag sampling at the Red Hackle Dam anomaly returned a best result of 194 ppb Au.

During 2005 a program of Aircore and Slimline RC drilling was completed. At the area of the Troutbeck prospect widespread moderate anomalism was encountered at Troutbeck 1 & 2, with weak anomalism at Troutbeck 3. Best results were at Troutbeck 2 with 4m @ 2.86g/t Au in a massive psammite (RRN054; 24-28m) and 4m @ 1.59g/t Au in psammite and psammopelite (RRN053; 12-16 m).

In 2006 further drilling, including Aircore, RAB and Slimline RC was completed on EL 23655 to test the Red Hackle strike extension; untested Lander beds to the west of Red Hackle and strike extensions of Bowness and Troutbeck.

Exploration in the fourth year of tenure included:

- lag sampling (14 samples)
- RAB drilling (1 hole, 35 metres)
- Aircore drilling (9 holes, (180 metres)
- SLRC drilling (5 holes, 352 metres)
- Drill re-sampling (274 samples)

No significant results were returned from the drill programs, with only low tenor of gold anomalism intersected. Thin section descriptions of the Black Knight drill samples confirmed that the mineralisation is associated with retrograde greenschist facies metamorphism and the re-samples confirmed but did not improve upon the low grade assays of drilling undertaken by a previous explorer. No elevated gold results were returned from the lag sampling.

No field work took place during the fifth year of tenure ending 11 June 2008.

In the sixth year of tenure DYL completed all exploration including reconnaissance field trips, an Airborne Electromagnetic (AEM) survey, a Night Time Thermal Infrared (NTIR) data interpretation and an aircore drill programme. A summary of exploration is listed in Table 2.
Table 2  Exploration Summary for the year ending 11 June 2009

<table>
<thead>
<tr>
<th>Exploration Activity</th>
<th>Details</th>
<th>Number of Samples</th>
<th>Number of Assays</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reconnaissance Trips</td>
<td>3</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Airborne Electromagnetic Survey</td>
<td>335 line km, 1.5 km line spacing</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Infrared Data Interpretation</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Aircore Drilling</td>
<td>39 holes, 887 metres</td>
<td>72</td>
<td>144</td>
</tr>
</tbody>
</table>

The field trips, the AEM survey and the NTIR data interpretation resulted in the identification of paleo-channels, which where subsequently drill tested in parts, where access was allowed. Drilling intersected oxidised and clay-prone colluvium without finding any sandy or calcreted paleodrainage. Therefore the uranium prospectivity of this tenement is considered downgraded and unattractive for further sediment-hosted exploration.

No significant results were returned from the drill program. The best uranium assay result was 9ppm U and the best uranium oxide assay result returned was 11ppm U₃O₈ from a five metre interval in hole RRAC 220.

6.0 BIBLIOGRAPHY


Gee, G., 2009. AEM results, Explanatory notes on drill depth & sample intervals for the aircore programme EL 23655, email from G. Gee (DYL) to J. Rohde (TENL).


