ABM RESOURCES NL

ABN 58 009 127 020

EIGHTH

ANNUAL REPORT

EL 10139

SW PARGEE

From 17 October 2009 to 16 October 2010

NIL WORK REPORT

Holder   ABM Resources NL
Operator  ABM Resources NL
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Date     November 2010
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Target Commodity Gold
Datum/ Zone GDA94/ MGA Zone 52
250,000 mapsheet Tanami (SE52-15) and The Granites (SF52-03),
100,000 mapsheet Pargee 4758, McFarelane 4757

Distribution:
-o DoR NT - digital
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-o ABM RESOURCES NL - Perth - digital

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1.0 SUMMARY

EL 10139 ‘SW Pargee’ is centred approximately 660 kilometres northwest of Alice Springs in the Tanami Region, Northern Territory (Figure 1 & 2).

In December 2009, ABM Resources NL (ABM) purchased EL 10139 from Tanami Exploration NL (TENL), a wholly owned subsidiary of Tanami Gold NL (TGNL). ABM explores the tenement for the potential of gold mineralisation.

All previous exploration has been outlined in the preceding annual reports which are listed in the bibliography.

No on-ground exploration was conducted during the eighth year of term due to the sale of EL 10139 from TGNL to ABM; therefore this report covers nothing conducted during the reporting period.

2.0 INTRODUCTION

EL 10139 is situated approximately 660 kilometres northwest of Alice Springs and 150 kilometres northwest of The Granites Gold Mine in the Tanami Region, Northern Territory at the border to Western Australia (Figure 1).

The tenement was explored together with TENL’s Western Tanami Project in Western Australia. Access from Halls Creek, 250 kilometres to the northwest, is provided via the unsealed Tanami Highway. Access from Alice Springs is northwest via the Tanami Highway for approximately 700km. The highway passes at the northern tenement boundary. The tenement is traversed by historic exploration tracks that come off the highway. The Balgo community is the nearest established town and is approximately 100km, by road to the west of the project.

The area is affected annually by high temperatures and seasonal rainfall associated with the northern monsoon, which generally extends from November to April. During this time access via road may be restricted due to wet conditions.

The project covers an area of gently undulating hills and aeolian sand plains, dominated by spinifex, acacia thickets and sparse stands of eucalypts. To the north of the project area, the plains are surrounded by high scarps (20m - >100m) of flat lying Proterozoic sandstones that support little but spinifex and sparse acacia scrub. Occasional springs and ephemeral waterholes occur close to these scarps (Purcell, 2004).

This report documents exploration on EL 10139 carried out by TENL & ABM in its eighth year of tenure. Previous exploration has been mainly carried out by TENL, including rock chip sampling and vacuum drilling.

3.0 TENURE

EL 10139 ‘SW Pargee’ was granted to Tanami Exploration NL (TENL), a wholly owned subsidiary of Tanami Gold NL (TGNL) on 17 October 2002 and formed part of the Tanami (NT) JV, a Joint Venture agreement between Tanami Gold NL (TGNL) and Barrick Gold of Australia Limited (BGAL) from 2002 to 30 June 2004.
EL 10139 ‘SW Pargee’ was granted over an area of 110 blocks. After three years of tenure a partial relinquishment was performed in 2005, with a second partial relinquishment completed in 2007. In December 2009, ABM Resources NL (ABM) purchased EL 10139 from TENL.

EL 10139 ‘SW Pargee’ tenement details are listed in Table 1 and illustrated in Figure 2.

<table>
<thead>
<tr>
<th>Tenement Name &amp; Number</th>
<th>Grant Date</th>
<th>Expiry Date</th>
<th>Blocks Granted</th>
<th>Blocks Relinquished 2005</th>
<th>Blocks Relinquished 2007</th>
<th>Blocks Retained Since 2007</th>
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<td>17 Oct 2002</td>
<td>16 Oct 2010</td>
<td>110</td>
<td>55</td>
<td>28</td>
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4.0 GEOLOGY

4.1 Regional Geology

EL 10139 lies on 1:250,000 geological map sheets Tanami (SE52-15) and The Granites (SF52-03). The regional and local geology is discussed in detail in Purcell, 2004, as repeated below.

The project area lies within the Granites - Tanami Block, a 250km x 100km NW trending, Palaeoproterozoic window comprising various packages of multiply deformed sediments and volcanics. It is bound to the south by the Arunta Province, to the northeast by the Tennant Creek Inlier and Wiso Basin, to the northwest by the Hall’s Creek Mobile Zone and to the southwest by the Canning Basin.

Basement is rarely exposed and is composed of Archaean granites and gneisses. Basement rocks have SHRIMP U-Pb zircon dates of 2504 ± 4Ma and 2514 ± 3Ma. The basement was subjected to the Barramundi Orogeny (1882 ± 14Ma), prior to the deposition of the overlying sediments.

Post-Barramundi rifting led to deposition of mafic volcanics, volcaniclastics and subordinate clastics and calc-silicates of the McFarlane Peak Group. This was succeeded by the deposition of the Tanami Group in a passive margin environment. These rocks include carbonaceous siltstone, minor banded ironstone and calc-silicates of the Dead Bullock Formation, which is conformably overlain by several thousand metres of turbiditic sandstones of the Killi-Killi Formation.

The sedimentary pile was later intruded by doleritic sills, prior to and during the subsequent deformation of the Tanami Orogenic Event. The Tanami Orogenic Event occurred between 1830-1845Ma and was a period of regional deformation and metamorphism across the Tanami Inlier. The Pargee Sandstone, a thick molasse of interbedded conglomerate, sands and minor silts, was deposited unconformably on the Tanami Group in a sub-basin created during the Tanami Orogenic Event.

Local intracontinental rifting (1825 to 1815Ma) led to subaqueous, subaerial sedimentation and felsic to mafic volcanism. The rifting formed what now is known as the Mount Charles Formation, Mount Winnecke Group and the Nanny Goat Volcanics.
Three overlapping periods of I-type granitic plutonism occurred at this time producing the Winnecke Suite (1830-1820Ma), the Inningarra-Coomarie Suites (1820-1810Ma) and the Granites-Frederick Suites (1810-1790Ma). The Palaeoproterozoic basement was then exhumed, eroded and covered by the Neoproterozoic Birrindudu Group sediments comprising the Gardiner Sandstone, Talbot Well Formation and Coomarie Sandstone.

The region has been cut by large west-northwest trending faults. These structures manifest themselves as large prominent quartz ridges or as drainages. Recent field mapping indicates that these structures were long lived with various episodes and orientations of movement.

Gold mineralisation in the Tanami is extensive. The endowment of the region exceeds 13Moz of gold with the Callie system being the largest single deposit, which contains more than 6Moz of gold. Mineralisation in the Tanami region is diverse, ranging from epithermal styles at the Tanami group of mines, to the deeper lode gold deposit at Groundrush. Locally some deposits favour certain lithologies, however it is clear that gold mineralisation is lithologically indiscriminate and occurs in almost all rock types across the Tanami region.

4.2 Local Geology

The bulk of EL 10139 ‘SW Pargee’ comprises deformed and metamorphosed sediments of the Killi-Killi Formation. Lithologies include shales, siltstones, greywackes, carbonaceous sediments and doleritic sills. Massive granitic stocks intrude the sediments. The southeast portion of the tenement is interpreted to comprise undifferentiated Palaeoproterozoic sediments and segments of Archaean basement, in part overlain by Killi-Killi Formation. Adjacent to the north of the tenement are thick sequences of flat lying Gardiner Sandstone of the Birrindudu Group. The sandstone forms elevated plateaus, which unconformably overlie Tanami Complex rocks, and rise from 20 - 100m above the surrounding topography.

Aeromagnetic interpretation suggests numerous structures traverse the tenement, dominated by WNW trending trans-Tanami style fault zones and later smaller-scale brittle faults. The package has been multiply deformed giving rise to a well-developed fold interference pattern. Evidence suggests that thrusting has occurred within the package, giving rise to stratigraphic thickening and repetition.

Outcrop is limited to the southwest portion of the tenement. Subcrop is more common though limited to slight topographic rises. Deflationary lag is well developed around these areas. Elsewhere, stratigraphy is commonly overlain by a transported horizon of variable thickness with localised palaeochannel development. A veneer of aeolian sand from 1-3m thick covers the majority of the tenement.

5.0 PREVIOUS EXPLORATION

Barrick Gold (BGAL) carried out a detailed investigation into previous exploration activity, which is detailed in Purcell, 2004, and summarised below:

- Early explorers Davidson and Talbot passed through the area in 1901 and 1909 respectively, where they recorded the presence of gold at a number of locations, including The Granites, Tanami and Larranganni Bluff (Kookaburra/Sandpiper mineralised system).
• Exploration work for a variety of minerals and deposit styles, including Au, Cu-Au, base metals and U was conducted since the early 1970’s by several exploration companies, including PNC, WMC, CRA, Otter Gold, Acacia Resources, Normandy NFM and Pechiny (Longmire, et al., 1998; Large, C., Sinclair, J., 1999; Wedekind, M. R., 1997; Wedekind, M. R., 1996; Valsardieu, et al., 1974; Norris, M. S., 1991; Palmer, D. C., 1990 and Kendall, B., 1998).

Work conducted in the first year by Barrick included compilation and interpretation of data, geological field mapping, rock chip sampling and limited vacuum drilling (102 holes). These programmes were designed to test areas of sparse historical exploration, previously identified low-level Au-As anomalism and interpreted litho-structural targets. No significant mineralisation or anomalism was identified.

During the second year work by TENL consisted of an assessment of BGAL’s work and further exploration potential in conjunction with TENL’s Western Tanami Project, which includes the Coyote, Kookaburra and Sandpiper deposits.

During the third year a detailed review of past exploration was completed together with an interpretation of geochemistry. BGAL exploration results showed only sporadic low-level gold-arsenic anomalism. A lag and rock chip sampling programme was planned covering the ‘gaps’ in previous sampling. A total of 25 rock chip samples and 55 lag samples were collected within the tenement area. Best value was 7 ppb Au in PGK0022.

During the fourth year a total of 8 lag samples were taken as part of the lag program testing the trend of the Nero prospect within the Coyote triangle in Western Australia. No significant results were received. An additional 10 rock chip samples were taken as follow-up work in the area. Results were pending at that time but are now included in this report.

Work carried out during the fifth year was limited to office based studies and assessment following the results of the previous years lag sampling program.

Exploration during the sixth year of tenure included a reconnaissance trip and surface sampling. A total of 5 rock chip samples were taken. No significant results were received. The best gold assay value returned was 4 ppb from rock chip sample PGK 0041 taken of a 5m wide, 320 trending zone of metasediments with vein quartz. A re-interpretation of geological and aeromagnetic data was undertaken to assist targeting. Several drill targets were identified in areas which are undrilled, or in which drilling has been limited to shallow ineffective methods. A drilling program was designed and a work program was submitted to the CLC, which advised that a new on-ground anthropological / cultural clearance would be required. The CLC advised that it was unlikely that this could take place in 2008 due to other existing commitments. The planned drilling program was subsequently deferred.

During the seventh year of tenure TENL focused all their financial commitments on the change from open pit to underground at its Coyote mine site and therefore did not carry out any on ground exploration.

6.0 EXPLORATION COMPLETED - YEAR 8

Due to the change in ownership ABM reviewed and evaluated the exploration potential of the area but no on-ground exploration was conducted during the eighth year of term; therefore this report covers nothing conducted during the reporting period.
7.0 BIBLIOGRAPHY


