GROUP

ANNUAL REPORT

EXPLORATION LICENCES 9343, 9442, 9449, 10305, 10306, 24299, 24492, 24567, 24858, 24915, 24949, 25630, 25632, 25866, 27780, 27872, 27906, 28028, 29459, 29460 and 29483

LAKE MACKAY PROJECT

GR 165

From
1 November 2013 to 31 October 2014
(From 23 September 2013 for EL24915 and
30 August 2013 for EL27906)

Holder	ABM Resources NL,
Operator	Independence Group NL,
Author	J Rohde
Date	December 2014
Email	joer @abmresources.com.au
Target Commodity	Gold
Datum/Zone	GDA94/ MGA Zone 52
250,000 mapsheet	Highland Rocks (SF52-07), Lake Mackay (SF52-11), Mount Doreen (SF52-12), Mount Rennie (SF52-15)
100,000 mapsheet	Nardudi, Sandford Cliffs, Warburton, Nicker, Egerton, Redvers, Carey, Vaughan, Willie, Ehrenberg

Distribution:

- NT DME – digital
- Central Land Council - digital
- ABM Resource NL - Perth - digital
- Independence Group NL - Perth - digital

File: GR165_13_GA2014_14_AnnualReport

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ACKNOWLEDGEMENT AND WARRANTY

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1.0 ABSTRACT

ABM's Lake Mackay Project is located approximately 460km WNW of Alice Springs in the western Arunta region (Figure 1). During the reporting period the project grew with 1 new tenement granted to ABM and then added to the project. The project comprises currently 21 granted Exploration Licences 9343, 9442, 9449, 10305, 10306, 24299, 24492, 24567, 24858, 24915, 24949, 25630, 25632, 25866, 27780, 27872, 27906, 28028, 29459, 29460, and 29483. In December 2009, ABM Resources NL (ABM) purchased EL 8696, 8697, 9442 and 9449 from Tanami Exploration (TENL). During the reporting period EL24915 and 27906 were also amalgamated with the existing group reporting group GR 165.

Fourteen of the Lake Mackay Project tenements are currently subject to a Joint Venture Agreement with Deep Yellow Limited (DYL) whereby DYL holds the uranium rights.

On the 20th August 2013, ABM signed an exploration agreement with the Independence Group NL., Perth (IGO) for ABM's Lake Mackay Project. IGO is currently exploring the Lake Mackay Project for gold.

All on-ground exploration was conducted by Independence during the reporting period ending on 31st October 2014.

Deep Yellow (DYL) have an agreement with ABM whereby DYL have Uranium exploration rights over parts of the Lake Mackay Project. As DYL are continuing negotiations with the Central Land Council, no exploration was conducted by them in the reporting period.

Exploration during the reporting period consisted of systematic reconnaissance surface geochemical sampling, geological mapping and aircore drilling of targets generated from the soil sampling.

A total of 12,806 soil samples and 124 rock samples were collected from the project in this reporting period. 15 targets identified from the sampling were tested with aircore drilling consisting of 145 holes for a total of 12,290m.

All of the drill samples, 1243 soil samples and 76 rock samples were not available during the reporting period. The field mapping was conducted in October 2014, however, the data analysis and subsequent map compilation was undertaken after the reporting period and will be included in the next annual report.

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. The Nyripi community allow access within the project.

The Lake Mackay Regional Project area lies on the eastern side of the Great Sandy Desert, has little outcrop and comprises sandy cover including sand dunes. Beneath the shallow sand there are Arunta Region rocks consisting of Paleoproterozoic metamorphosed sandstone-siltstone

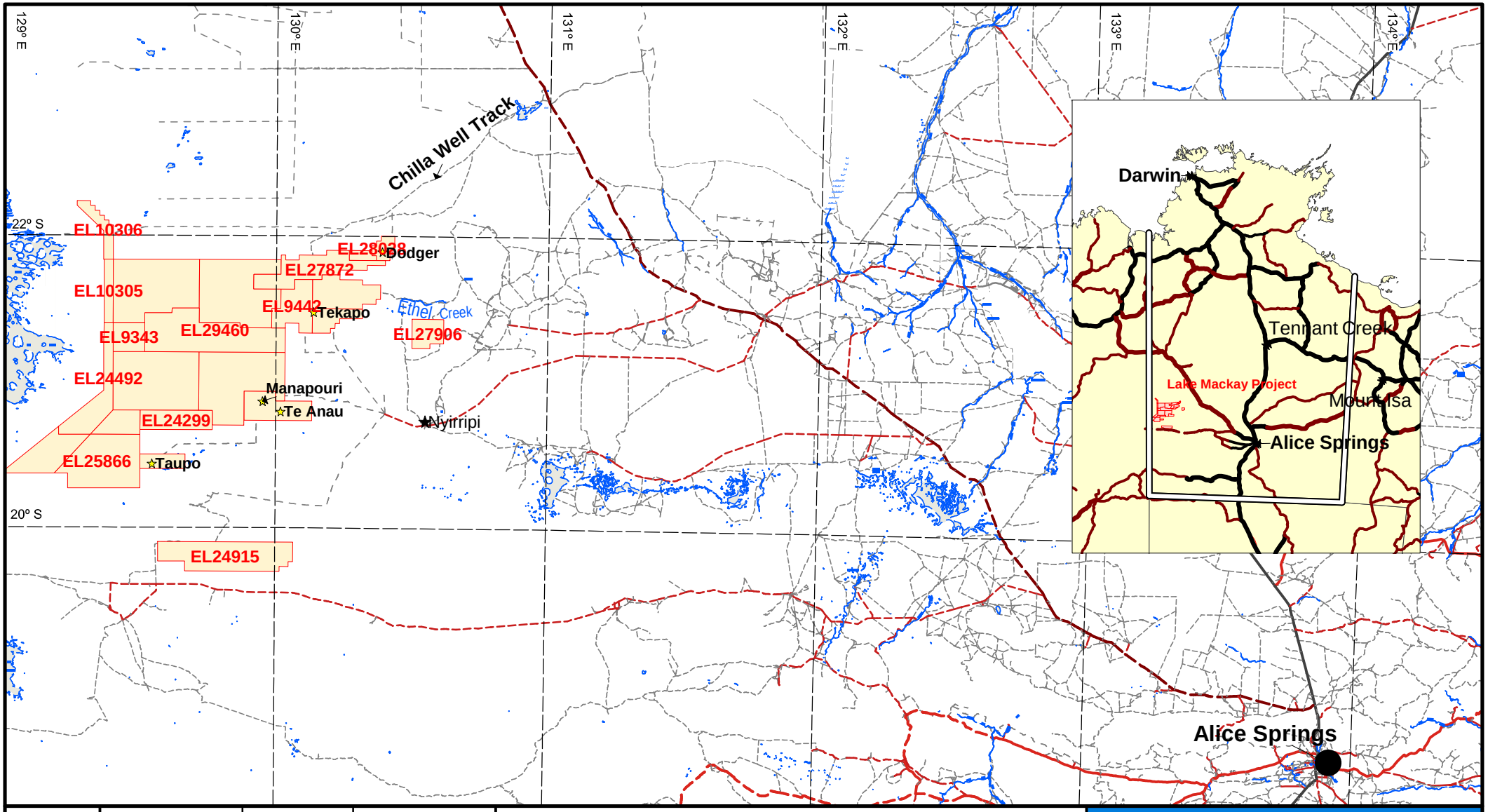

FIGURE 1	ORIGINATOR: J.Rohde	DATE: Sept. 2014	DRAWN: J. Rohde

LAKE MaCKAY PROJECT

ABM RESOURCES NL

1 : 2,000,000

0 40 80 120

(GDA94) kilometres

Tenement Location EL9343, 9442, 9449, 10305, 10306, 24299, 24492, 24567, 24858, 24949, 25630, 25632, 25866, 27780, 27872, 28028, 29459, 29460, 29483, 27906 and EL24915

PLAN No:

sequences and iron formations of the Lander Group which are considered to be the lateral equivalent to the Tanami Group rocks. The iron formations in particular are the indicative equivalent to the Dead Bullock Formation which is the principal host rock of the multi-million ounce Callie Gold Mine located in the Tanami Region to the north.

This report provides details of exploration during the reporting period carried out by IGO on the Lake Mackay project tenements. There is a joint venture agreement in place with DYL to explore for uranium. DYL has not reached an agreement with the Central Land Council (CLC) so no on ground exploration was completed by DYL.

In August 2013 ABM entered a joint venture agreement with Independence which allowed another quality explorer to substantially advance exploration of the tenement.

The joint venture agreement comprises 2 phases.

During Phase 1, the Option Phase, ABM retains 100% interest while Independence can earn the right to proceed to Phase 2 by:

- Spending $1.6M on exploration expenditure.
- After two years IGO can elect to withdraw or proceed to Phase 2.

During Phase 2 – Independence has the option to enter into a farm-in and joint venture agreement with ABM to earn a 70% interest in the project by:

- Making a $1M cash payment to ABM or subscribing for $1.5M ABM shares in placement with a six month escrow period.
- Spending $6M on exploration on the project over 4 years.

This report covers all exploration on the Lake Mackay project carried out during the reporting period to the 31st October 2014.

3.0 TENURE

In December 2009, ABM Resources NL (ABM) purchased four Lake Mackay Project tenements (EL 8696, 8697, 9442 and 9449) from TENL, a wholly owned subsidiary of TGNL.

During April, May and June 2012, seventeen new tenements, ELs 9343, 10305, 10306, 24299, 24492, 24567, 24858, 24949, 25630, 25632, 25866, 27780, 27872, 28028, 29459, 29460, and 29483 were granted In May 2012 EL 29483 was granted replacing EL8696 and EL8697. ABM is the 100% holder of all the tenements.

On the 11th September 2012 all new titles were approved to be amalgamated in the technical reporting group Lake Mackay GR165 and the group reporting ID was updated to from GR 165/10 to GR 165/12.
A number of the Lake Mackay project tenements (* in Table 1) are currently subject to a Joint Venture Agreement with Deep Yellow Limited (DYL) whereby DYL holds the uranium rights.

On 20 August 2013 ABM entered an exploration agreement with the Independence Group NL (IGO) in respect of all of ABM's Lake Mackay project tenements.

The agreement provides IGO with an option to acquire a 70% interest in the Lake Mackay tenements by expending $1.6m on its initial exploration program, followed by additional financial and exploration commitments over a 4 year period. IGO has two years to make a decision whether to withdraw or enter into a farm-in and joint venture agreement.

On 23 September 2013 EL 24915 was granted.

Exploration Licences 24915 and 27906 were approved for amalgamation into the Lake Mackay technical reporting group GR 165 on 14 August 2014.

On 30 August 2013 EL27906 was reduced from 39 Blocks to 20 Blocks at the end of the fourth year of term.

Applications for renewal are currently pending in respect of Exploration Licences 9442 and 9449.

Tenement details are listed below in Table 1 and shown in Figure 1.

Table 1 Tenement Details

Tenement No	Tenement Name	Blocks	Km²	Grant Date	Expiry
EL 9343*	Egerton	42	133.4	1/06/2012	31/05/2018
EL 9442*	Superior	72	228.88	22/08/2002	21/08/2014
EL 9449*	Victoria	48	152.57	22/08/2002	21/08/2014
EL 10305*	McEwin Hills	26	84	1/06/2012	31/05/2018
EL 10306*	Russet SW	41	100.36	1/06/2012	31/05/2018
EL 24299*	St Claire	64	202.9	1/06/2012	31/05/2018
EL 24492*	Egerton 2	109	279.08	1/06/2012	31/05/2018
EL 24567*	Egerton South	45	134.7	1/06/2012	31/05/2018
EL 24858*	Erie	85	270.3	1/06/2012	31/05/2018
EL 24949*	Huron	217	689.98	30/04/2012	29/04/2018
EL 25630	Caspian	217	689.92	30/04/2012	29/04/2018
EL 25632	Jordan	228	723.47	30/04/2012	29/04/2018
EL 25866*	Placid	172	532	1/06/2012	31/05/2018
EL 27780*	Placid 2	100	271.51	1/06/2012	31/05/2018
EL 27872	Sunburst	105	334.14	1/06/2012	31/05/2018
EL 27906	Strom	20	125.58	30/08/2010	29/08/2016
EL 28028*	Nicker	30	95.51	30/04/2012	29/04/2016
EL 29459	Sarah	217	688.38	30/04/2012	29/04/2018
EL 24915*	Dufaur	164	528.08	23/09/2013	22/09/2019
EL 29460	Rover	206	655.15	30/04/2012	29/04/2018
EL 29483	Flash	104	329.66	18/05/2012	17/05/2016
TOTAL		2128	6595.91		

*Agreement in place with Deep Yellow Ltd

The Lake Mackay Project tenements were granted subject to a number of Deeds for Exploration with the Central Land Council (CLC).

4.0 GEOLOGY

The Lake Mackay Project comprises less than 3% 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 2007 version of 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 granulite 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 siliclastic-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 granites of this age, which are 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 1, Plate 1).

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 1). 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 2. 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 2.

Table 2: Year 4 - Summary of Exploration

Tenement	Tenement No	Prospect	Rock Chip Sampling	Lag Sampling	RAB Drilling	Aircore Drilling
Redvers	EL 8696	Taupo, Ohau	12 samples	460 samples	10 holes, 447 m	123 holes, 7,251m
Redvers North	EL 8697	Manipouri	-	86 samples	-	-
Superior	EL 9442	Tekapo	1 sample	1 samples	14 holes, 593 m	17 holes, 1,247 m
Victoria	EL 9449	Tekapo, Whakatipu	4 samples	4 samples	30 holes, 1,109 m	20 holes, 1,520 m
TOTAL			17 samples	551 samples	54 holes, 2,149 m	160 holes, 10,018 m

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:

- 3,126ppb Au, 1621ppm As and 747ppm Cu (LML425)
- 1,382ppb Au, 1208ppm As and 460ppm Cu (LML426)
- 761ppb Au, 2627ppm As and 3941ppm 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 3.4g/t Au from 29 metres in LMA133 (Table 3). Drilling also returned intercepts of 3metres at 1.8g/t Au from 10 metres and 2 metres at 2.0g/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 3). 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 102ppb Au. In the fourth year of tenure a follow-up lag sampling program was undertaken, followed by a an aircore drilling program. Drilling beneath the interpreted E-W strike of the peak surface lag anomaly returned a best intercept of 2m at 0.45g/t Au from 32m (Table 3).

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@44ppb Au from 32 m.

Table 3: Year 4 - Lake Mackay RAB and Aircore Drilling Results (>0.1g/t Au)

Hole_ID	Prospect	From	To	Width	Au ppm	Intercept
LMA0046	Taupo	76	79	3	0.136	3m at 0.136 g/t
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

5.4 Year 5

In the fifth year of tenure TENL carried out further Aircore and RAB drilling, lag sampling and rock chip 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 4.

Table 4: Year 5 - Summary of Exploration

Tenement	Tenement No	Rock Chip Sampling	Lag Sampling	RAB Drilling	Aircore Drilling
Redvers	EL 8696	-	-	-	-
Redvers North	EL 8697	-	-	-	-
Superior	EL 9442	14 samples	98 samples	-	10 holes, 941 m
Victoria	EL 9449	-	-	1 hole, 14 m	22 holes, 1,952 m
TOTAL		14 samples	98 samples	1 hole, 14 m	32 holes, 2,893 m

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 5.

Table 5 Tekapo Prospect Aircore Drilling (1m re - sample results)

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

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 6.

Table 6 Year 6 - Summary of Exploration

Teneme nt	Tenement No	Geological Review	Geophysics	Petrology
Redvers	EL 8696	Review of nature of mineralisation	-	-
Redvers North	EL 8697		-	-
Superior	EL 9442		Ground Magnetics & Gravity Survey	
Victoria	EL 9449		Ground Magnetics & Gravity Survey	7 Thin Sections
TOTAL			53 line km, 31 lines	7

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 on set 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.

5.8 Year 9

Exploration from 21 Aug 2010 to 30 Oct 2011 included surface sampling, geophysical surveying and drilling. A summary of exploration is listed in Table 7.

Table 7 Summary of Exploration 2011

Tenement	Rock Chip Sampling	Soil Sampling	Gravity Survey	RC Drilling
EL 8696	2	1	26 & 17lines, 1km x 1km centres	4 holes for 1032m
EL 8697			12 lines,1km x 1km centres	5 holes for 1284m
EL 9442			15 lines, ,1km x 1km centres	2 holes for 443m
EL 9449	3		29 lines, x stations,1km x 1km centres	6 holes for 1538m
Total	5	1		17 holes for 4297m

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).

5.9 Year 10

In 2012 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.

Due to the large increase of new group tenure area, exploration in 2012 focused on the common first year of tenure standard activities to determine the exploration fundamentals for the following years. Exploration included office based studies and desktop reviews of the following:

Strategies on logistics.
The engagement of the traditional owners.
Petrographic descriptions of twelve of RC drill-chips.
The regional geology.
Collated Imagery versus GeoEYE imagery.
Applicable regional exploration methods and tests of their effectiveness.
Mineral systems and the economic mineral potential of the region.

The desktop studies concluded:

To help to overcome the fairly limited access to the new tenure area it would best to
assemble a special module,
use conveyor belt sections as well as rubber or plastic gridded devices for the crossing of sand dunes,
built up a network of service providers,
engage traditional owners and offer employment for them
use collated instead of GeoEYE imagery for orientation purposes

The interpretation of the geophysical imagery and the geology of the tenure area revealed the evidence of very large divergent and dilatant structures throughout. Correlative magnetic depletion and discordant gravity anomalies are abundant.

5.10 Year 11

In 2013 IGO initiated exploration on the project with an orientation sampling program undertaken to select the most appropriate soil sampling technique. This identified -50um BLEG sampling which was initially analysed for Ag, As, Au, Cu, Ni, Zn.

Systematic reconnaissance soil sampling over the areas approved for sampling by the CLC was completed for a total of 3436 samples. 2 rock samples were also collected. LMR00002 was collected from the Tekapo Gossan and returned 0.6g/t Au, 0.7g/tAg, 0.11% As and 0.37% Cu. A summary of exploration is listed in Table 8.

Table 8 Summary of Exploration 2013

Tenement No	Soil Sample	Rock chip Sample	Total
EL 9343*			
EL 9442*	183		183
EL 9449*	150	1	151
EL 10305*			
EL 10306*			
EL 24299*			
EL 24492*			
EL 24567*			
EL 24858*	51		51
EL 24949*	349		349
EL 25630	713		713
EL 25632	288		288
EL 25866*	70		70
EL 27780*			
EL 27872	254	1	255
EL 28028*	40		40
EL 29459	836		836
EL 29460	119		119
EL 29483	383		383
Total	3436	2	3438

The sampling was part of the reconnaissance sampling program that was completed in this present reporting period and it will be reported with the new results in the following section.

6.0 EXPLORATION COMPLETED

In this reporting period all on ground exploration was conducted by Independence (IGO) and consisted of systematic reconnaissance surface geochemical sampling, infill sampling, surface mapping and aircore drilling.

A total of 12807 soil samples, 133 rock samples, 3403 drill samples from 145 aircore drillholes for 12290m were collected in the reporting period. In addition to this, the field component of geological mapping was undertaken over four areas of the project. A summary of exploration is listed in Table 9.

Table 9 Summary of Exploration 2014

Tenement	Soil Samples	Rock Samples	Drilling		
			Drillholes	Metres	Samples
EL9343	210	1			
EL9442	856	5	12	974	271
EL9449	1230	16	20	1485	420
EL10305	118				
EL10306	143				
EL24299	306				
EL24492	451				
EL24567	193				
EL24858	245				
EL24915	812	6			
EL24949	103				
EL25630	502	4	5	606	163
EL25632	880	4			
EL25866	737	2			
EL27780	689	1	22	3012	796
EL27872	318	2			
EL27906	887	21			
EL28028	298	28	10	116	49
EL29459	1205	14	19	1421	400
EL29460	731		9	1004	272
EL29483	1893	20	48	3672	1032
Total	**12807**	**124**	**145**	**12290**	**3403**

All of the digital data associated with the work completed during the reporting period is available in Appendix 1.

6.1 Surface Sampling

A staged approach was taken to the soil sampling to provide an appropriate density of sampling over such a large project area. Initally reconnaissance sampling was conducted over areas of the project that had not been adequately sampled by previous programs. For the first assessment of the project the focus was primarily on identifying Au soil anomalies and then determining if these could be repeated with infill soil sampling and then confirmed with drilling to identify a bedrock response below soil anomalies.

The samples were collected from a depth of 0 to 20cm after scraping the surface to remove any organic matter. Samples were screened on site to -0.4mm for an approximate 3.0kg of fine material. The samples were then submitted to Genalysis in Alice Springs for additional screening to -50µm. Samples were then dispatched to Perth for BLEG analysis.

Sampling was conducted by teams of two people, using All Terrain Vehicles (ATV), from mobile camps that were established at several locations through out the project area along temporary access tracks.

During the reporting period the analytical technique was modified. In 2013 a Bulk Leak Extractable Gold (BLEG) analysis was conducted on 20g of -50µm material. This proved to be suitable for Au and Ag but was not effective for As, Cu, Ni or Zn. From that stage the samples were analysed for BLEG for Au and Ag, and an additional Aqua Regia analysis of 0.5g of -50µm material was conducted for As, Bi, Ca, Cu, Fe, Ni, Pb and Zn.

The BLEG technique was further refined by Genalysis and the sample size was subsequently reduced to a 10g aliquot of -50µm material for the 2014 sampling program.

All assay data for this and the previous reporting period are included in the digital appendices because the data from both periods was utilized to select areas for infill sampling and subsequent drilling.

6.1.1 Reconnaissance Soil Sampling

The reconnaissance sampling continued on with 800m x 800m sample spacing over all areas of the project that were covered by the Sacred Site Clearance Certificates and had not been effectively sampled by previous explorers. This involved the collection of 5815 soil samples during this reporting period.The location of the reconnaissance samples are displayed in Appendix 2. Sheets 1 to 8.

6.1.1.1 Reconnaissance Soil Sampling results

The reconnaissance sample results will include the results from the previous reporting period because this data was only partially available last year and the data was interpreted together when selecting targets for infill sampling. The Au results received from the reconnaissance soil sampling of the project at the end of the reporting period are displayed in Appendix 2. Sheet 9.

The areas with elevated Au responses from this were selected for infill soil sampling. A detailed review will be undertaken once all of the remaining sample results are available from the sampling. Additional resconnaissance samples may be selected for infill sampling if the drilling confirms that the soil sampling has been able to identify bedrock mineralisation.

6.1.2 Infill Soil Sampling

Infill soil sampling was undertaken over areas that had an elevated Au response in the reconnaissance sampling. A total of 6992 infill soil samples were collected in the reporting period. This was done in several phases. Generallly, 400m spaced grid sampling would be undertaken. If anomalous results were confirmed, the sample density would be increased to a 200m grid, then a 100m grid. In some instances sampling was reduced down to 25m spaced grids. The location of the soil samples are displayed in Appendix 3. Sheets 10-41.

6.1.2.1 Infill Soil Sampling Results

The infill sampling aided in the upgrading of some of the original reconnaissance soil sample results. This allowed the selection of 14 targets for drill testing and 3 areas from within EL27906 to be identified for rock chip sampling due to the abundance of outcrop in these areas.The Au results are displayed in Appendix 3. Sheets 42-47..

6.1.3 Rock Chip Sampling

Rock chip sampling was undertaken by the soil sampling crews whilst sampling and also by geologists during the ground truthing of soil anomalies and mapping. 115 rock chip samples were collected during the reporting period. The location of the rock samples are displayed in Appendix 4. Sheets 48-55.

6.1.3.1 Rock Chip Sampling Results

At the time of reporting, results were available for 57 rock samples from this reporting period.14 of these were anomalous in precious and/or base metals and aided in the validation of the soil sampling. The anomalous samples are displayed in Table 10. Of particular interest were LMRC00049 from EL27906 and LMRC00052 from the Taupo Prospect on EL29483.

Table 10 Anomalous rock chip samples 2014

Sample	Easting	Northing	Tenement	Ag ppm	As ppm	Au ppb	Bi ppm	Cu ppm	Fe pct	Pb ppm	Zn ppm
LMRC00023	657321	7532475	EL27906	<0.5	36	45	10	8	1.19	76	4
LMRC00025	657242	7532460	EL27906	<0.5	9	15	2	<1	0.78	3	1
LMRC00026	657241	7532459	EL27906	<0.5	468	31	<2	3	1.5	6	12
LMRC00030	657124	7531932	EL27906	<0.5	73	16	3	1	0.81	17	4
LMRC00031	657135	7531924	EL27906	<0.5	77	20	3	21	1.91	6	12
LMRC00033	658873	7531184	EL27906	1	462	2	2	19	0.83	726	92
LMRC00036	658830	7531141	EL27906	<0.5	266	2	3	22	1.59	55	21
LMRC00037	658860	7531198	EL27906	41.5	226	20	30	332	13.48	16812	1100
LMRC00038	658846	7531148	EL27906	0.6	211	3	3	14	0.93	792	61
LMRC00039	622293	7535594	EL9449	<0.5	1853	1	<2	144	21.62	144	161
LMRC00044	616557	7536854	EL9442	<0.5	7	<1	<2	545	34	77	102
LMRC00048	658837	7531214	EL27906	15.3	1838	47	<2	66	5.17	13844	575
LMRC00049	658874	7531183	EL27906	116.1	10571	36	19	962	31.26	3897	2855
LMRC00052	555805	7480370	EL29483	<0.5	<5	1290	182	37	0.82	124	8

6.2 Drilling

Aircore drilling was undertaken to attempt to identify bedrock Au mineralization in areas with little or no outcrop defined by the soil sampling program. This was done over 14 targets , including the Tekapo Prospect, that were defined by the infill soil sampling, and 1 additional target that was identified from recently conducted reconnaissance soil sampling in EL27780, this target was called Windermere. The location of the targets selected for drilling is displayed in Appendix 5, Sheet 56 and the aircore collar locations are shown in Appendix 5, sheets 57-63.

All of the drillholes were vertical and the spacing of the collars at each target was determined by the shape and orientation of the soil anomaly that was being tested. Drilling was done to blade

refusal at all prospects except Windermere, where the rock was deeply weathered and the holes were abandoned in excess of 140m so that the drill rig could efficiently complete the program without the risk of losing equipment down the hole. A summary of the geology of each target area is shown in Table 11.

Table 11 Geology summary of targets drilled in 2014

Prospect	Holes	Geology summary	Alteration
Albacutya	8	Thin sand cover over coarse, Quartz-Feldspar-Mica, granitic gneiss	Si
Cairn Curran	7	15-20m of transported cover composed of laterites, clay and hardpan. High metamorphic grade, Quartz-Biotite gneisses (Lander Rock Beds)	
Dartmouth	14	50+m Sandstone (Murraba Basin?) unconformably on K-spar, Quartz, Biotite granitoid (Carrington Granitic Suite)	
Eildon	8	3m sand cover over Muscovite Quartz schists (Nicker Beds?) and BiotiteQquartz schists (LRB)	Chl, minor Fe
King	8	10-15m clay, laterite and hardpan cover sequence. High metamorphic grade, Quartz, Biotite gneisses (LRB)	
Manapouri South	10	1-5m of sand and hardpan transported cover. High metamorphic grade Quartz Mica gneiss (LRB) with Quartz Muscovite +/- Tourmaline veins	Si
Mokoan	9	1-4m of sand. K-spar, Quartz, Biotite granitoid (CGS) with Quartz Muscovite veins	
Reeve	4	1-5m transported cover. High metamorphic grade, Biotite-Quartz gneisses (LRB)	
Rocklands	10	K-spar, Quartz, Biotite granitoid (CGS) with Quartz Muscovite veins	
Taupo South	9	1-4m of sand and calcrete cover sequence. Quartz-Feldspar-Mica schists with felsic and granitic intrusives	minor Fe
Taupo West	9	1-4m of sand and calcrete cover sequence. Quartz-Feldspar-Mica schists with felsic and granitic intrusives	
Tekapo	6	1-2m of sand cover. Lower metamorphic grade Quartz Mica schists (LRB)	Fe
Victoria	9	5-10m transported sand and hardpan. Lower metamorphic grade Quartz Mica schists (LRB)	Fe, Py
Waranga	12	1-5m of transported cover. High metamorphic grade, Quartz Mica gneiss (LRB) with Quartz Muscovite +/- Tourmaline veins	
Windermere	22	30-40m transported clay sequence. Deeply weathered, lower metamorphic grade, Quartz-Mica schists with minor granitic intrusives. Hematite alteration and abundant quartz veining throughout	Chl, Fe

None of the assay results from the drilling were available during the reporting period.

6.3 Geological Mapping

Geological mapping of 4 prospect areas with known outcrop was initiated by Dr Leon Vandenburg in October 2014. This targeted the Dodger, Tekapo, Manapouri and Taupo Prospect areas

(Figure 1). The field component of this work was completed during the reporting period, however, none of the data was available during the reporting period. The satellite image interpretation, map compilation and reporting is being conducted in the next reporting period and the mapping will be reported once it is completed.

6.4 2014 Digital Data – Surface Sampling

In order to clarify a discrepency in the partial datasets that had been delivered in 2013 and the 2014 data sets that contain all (2013 and 2014) surface sampling details for the project, the following tables are provided as a summary of the attached surface sample data appendicies.

Table 12 recapitulates the total number of surface sampling for both 2013 and 2014.

Table 12 Surface sampling summary totals for 2013 and 2014

	Rock	Soil Sampling			Total Samples
		Recon Soil	Infill Soil	Total Soil	
2013 Report Period	2	3526	0	3526	3528
2014 Report Period	124	5814	6992	12806	12930
		9342	6992		
Total	126			16332	16458

Tables 13 and 14 represent the break down of data contained in the 2014 datafile by reporting year, tenement, sample type (rock v soil) and soil sampling phase (Recon v Infill).

Table 13 List of Surface Sampling per Tenement for 2013

Tenement ID	Rock	Soil Recon	Soil Infill	Total
EL 9343*				
EL 9442*		243		243
EL 9449*	1	150		151
EL 10305*				
EL 10306*				
EL 24299*				
EL 24492*				
EL 24567*				
EL 24858*		51		51
EL 24949*		349		349
EL 25630		713		713
EL 25632		288		288
EL 25866*		70		70
EL 27780*				
* EL 27872	1	254		255
EL 28028		40		40
EL 29459		836		836
EL 29460		119		119
EL 29483		413		413
Total	**2**	**3526**	**0**	**3528**

Table 14 List of Surface Sampling per Tenement for 2014

Tenement ID	Rock	Soil Recon	Soil Infill	Total
EL 9343*	1	210	744	955
EL 9442*	5	112	1230	1347
EL 9449*	16			16
EL 10305*		118		118
EL 10306*		143		143
EL 24299*		306		306
EL 24492*		451		451
EL 24567*		193		193
EL 24858*		170	75	245
EL 24949*			103	103
EL 25630	4	294	208	506
EL 25632	4	724	156	884
EL 25866*	2	721	16	739
EL 27780*	1	392	297	690
EL 27872	2	246	72	320
EL 27906	21	167	720	908
EL 28028*	28	45	253	326
EL 29459	14	206	999	1219
EL 24915*	6	811		817
EL 29460		505	226	731
EL 29483	20		1893	1913
Total	124	5814	6992	12930

7.0 RECOMMENDATION and CONCLUSIONS

The 2014 exploration program successfully completed the reconnaissance sampling of the entire Lake Mackay project area that had not been previously sampled. The anomalous results were able to be replicated, and subsequently upgraded with additional infill sampling. 15 targets were selected from this for drilling.

The results of the drilling program that will become available in the coming months will be crucial for determining the future direction of the exploration on the project. If the drilling confirms bedrock mineralisation, a continuation of the current program will be able to occur, with improved knowledge able to refine the selection of additional drill targets, and a second phase of drilling undertaken on anomalous targets.

If the drilling fails to identify bedrock mineralisation below the soil anomalies, then the potential for success by carrying on with the same exploration philosophy would be very low.

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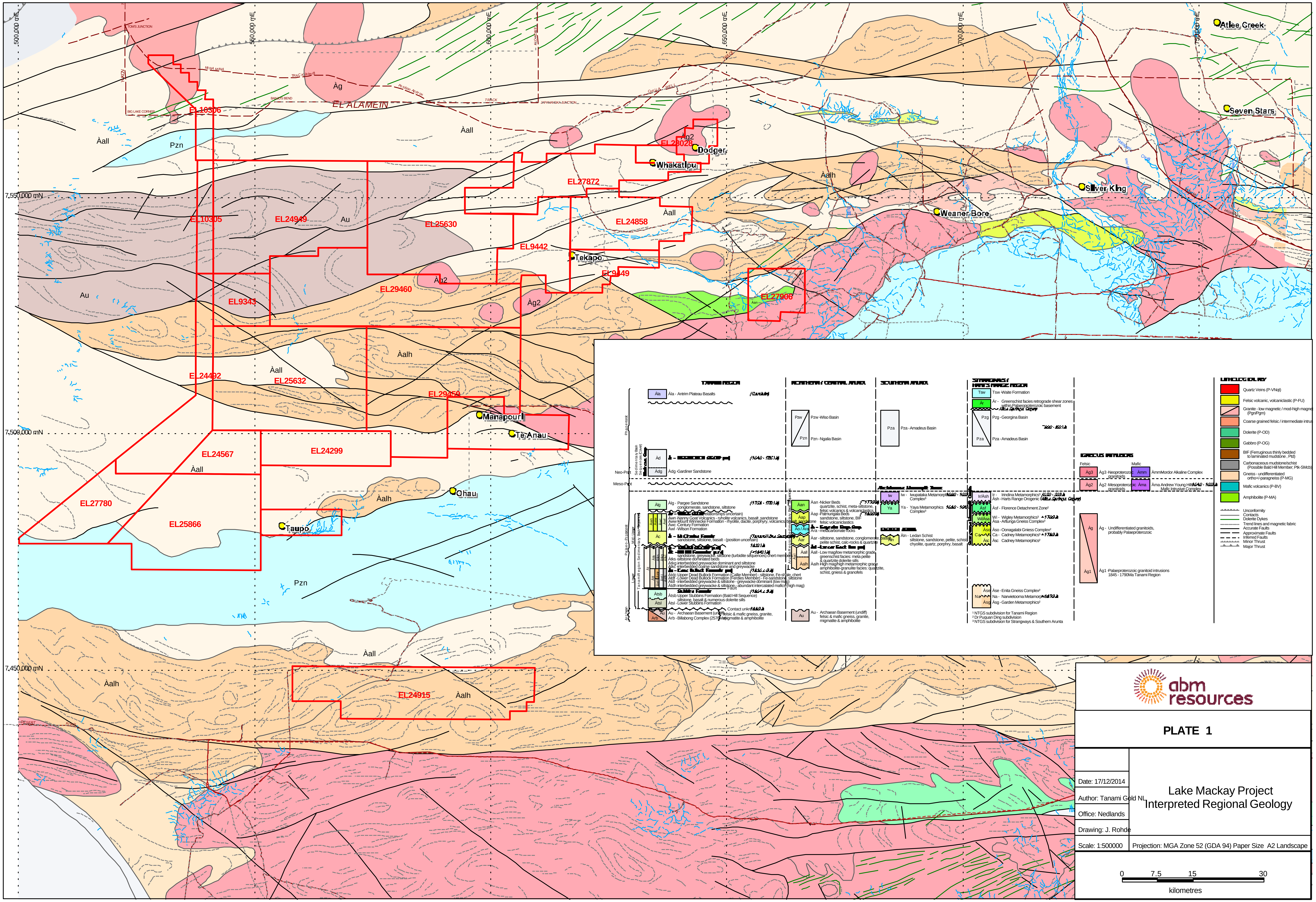

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PLATE 1

Lake Mackay Project
Interpreted Regional Geology

Date: 17/12/2014
Author: Tanami Gold NL
Office: Nedlands
Drawing: J. Rohde
Scale: 1:500000
Projection: MGA Zone 52 (GDA 94) Paper Size A2 Landscape