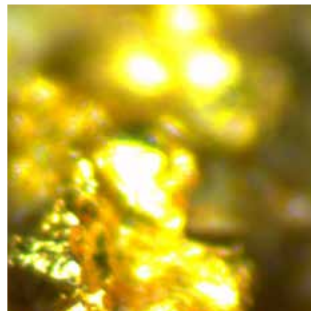
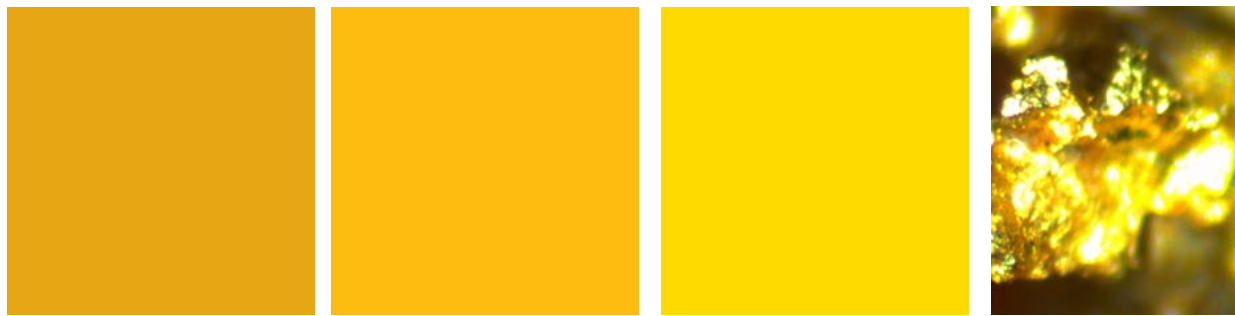




ABM RESOURCES NL
ANNUAL REPORT

2012





3.3 MILLION OUNCES
GROWTH & OPTIONALITY
THROUGH DISCOVERY



ABN 58 009 127 020 ACN 009 127 020

Directors

Dr Michael Etheridge (Chairman)
Mr Darren Holden (Managing Director)
Mr Imants Kins - *Change of role from Executive to Non-Executive Director on 9 September 2011*
Mr Graeme Sloan
Mr Andrew Ferguson - *Appointed 9 July 2012*

Secretary

Ms Jutta Zimmermann

Auditors

BDO Audit (WA) Pty Ltd
38 Station Street
SUBIACO WA 6008

Bankers

Commonwealth Bank of Australia
Head Office
150 St Georges Terrace
PERTH WA 6000

Share Registry

Security Transfer Registrars Pty Limited
770 Canning Highway
APPLECROSS WA 6153
Telephone: +61 8 9315 2333

Solicitors

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Level 4, Next Building
16 Milligan Street
PERTH WA 6000

Stock Exchange

Australian Securities Exchange Limited
ASX Code: ABU

Registered Office

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NEDLANDS WA 6009

Principle Office

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Telephone: +61 8 9423 9777
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Email: admin@abmresources.com.au

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CHAIRMAN'S REPORT



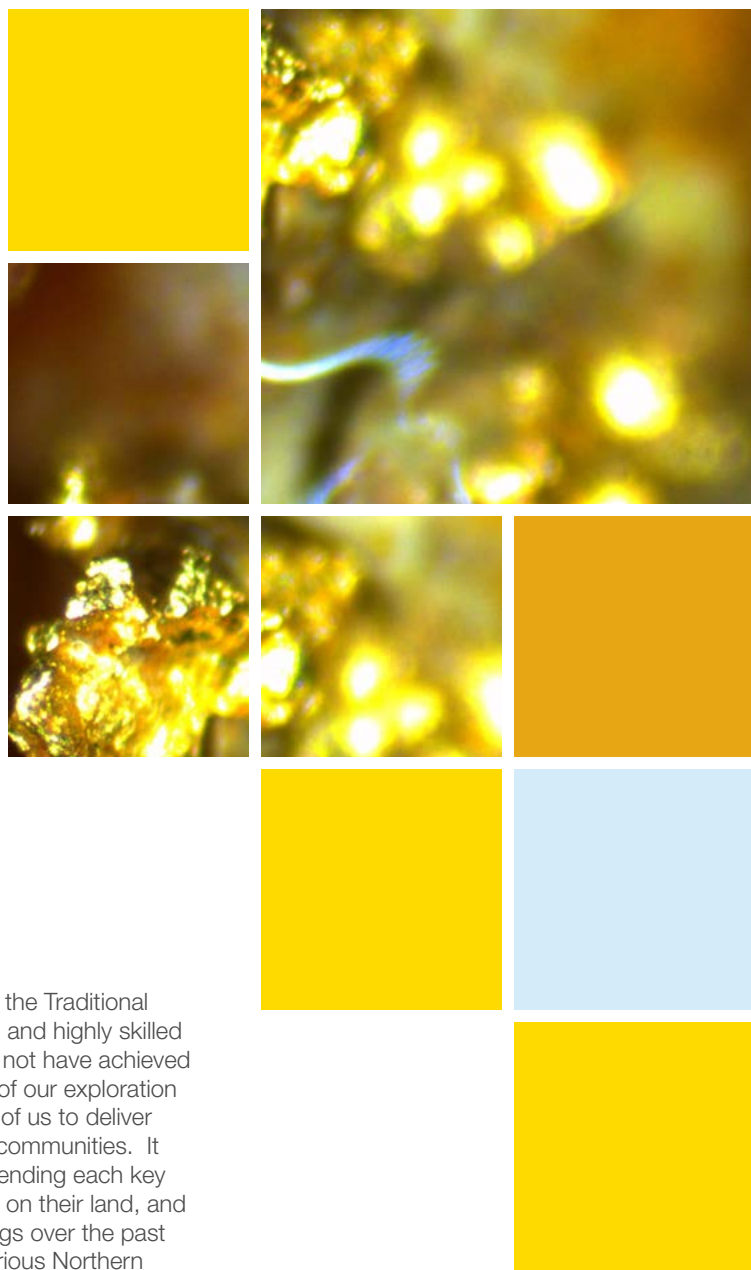
Dear Shareholder

I AM VERY PLEASED TO REPORT THAT YOUR COMPANY HAS ACHIEVED A SIGNIFICANT NUMBER OF KEY GOALS THIS PAST YEAR, AND REMAINS IN A STRONG FINANCIAL POSITION. DESPITE A VERY WEAK SECOND HALF FOR JUNIOR EXPLORATION SHARES, THE COMPANY'S STOCK IS, AT THE TIME OF WRITING, TRADING AROUND ITS OPENING PRICE IN JULY 2011.

The highlights of the year's exploration activities included the following.

- In April, the Company announced an increase in total resource to 3.3 Moz gold almost doubling the initial resource from last year.
- At the Buccaneer bulk-tonnage, porphyry gold project the global resource was increased to 2.67Moz at a gold grade of 0.65g/t, with a higher grade core of 1.57Moz at 1.1g/t gold.
- The initial resource at the high-grade Old Pirate project came in at 427koz gold at 7.95g/t gold. The key to establishing a resource at this "nuggety" gold system was the systematic surface stripping and sampling of veins along their strike length. This surface sampling program increased confidence in both the average grade of the veins and the geological model that underpinned the resource.
- Initial resources at Hyperion (in the vicinity of Tanami Gold's Groundrush project) were estimated at about 202koz gold at 2.1g/t gold.
- A preliminary scoping study of the open pit potential at Old Pirate, undertaken by independent consultants Entech Pty Ltd indicated that a simple, low cost gravity plant had the potential to deliver over \$200M net cash flow at low initial capital cost (~\$25M) over a two-year mine life. Since that study was completed, the Company has been undertaking an aggressive surface sampling and drilling program at Old Pirate and nearby vein systems (e.g. Golden Hind prospect). In addition, metallurgical test work is underway, with a view to both upgrading the scoping study and planning and permitting a trial mining (~10,000 tonnes) and processing project.
- Encouraging early exploration drill results at our Barrow Creek and Lake Mackay projects, as well as some of the targets within the Twin Bonanza camp.

On the corporate front, we welcomed the respected resource fund Craton Capital on to the register in July 2011 with an \$8M placement at 4.5c per share, enabling us to maintain the momentum of our active exploration program. In February this year we raised approximately \$15M via a placement to institutions and sophisticated investors at 5.5c per share. This raising was undertaken to provide the Company with the flexibility to ramp up exploration and pre-development studies at the Old Pirate project in particular, and to protect it against a prolonged bear market. The raising of funds and the exercise of options by Tanami Gold NL has enabled us to finish the year in a strong financial position (~\$23M in cash as at 30 June). In addition, Tanami Gold sold the bulk of their shareholding in ABM to the highly regarded, Hong Kong-based specialist resource fund, APAC Resources, which now holds 19.99% of the Company's stock. In July 2012, Andrew Ferguson, the CEO of APAC joined your board, and we look forward to his wise and expert counsel as we advance our projects towards development.



I do want to take this opportunity to particularly acknowledge the Traditional Owners of the land on which we operate, and their dedicated and highly skilled representatives at the Central Land Council (CLC). We could not have achieved what we have without their support and their timely approval of our exploration deeds and our work programs. Now the challenge is in front of us to deliver development projects and potential royalty cash flow to their communities. It has been our practice to have at least one board member attending each key meeting with the Traditional Owners and CLC representatives on their land, and your directors have now attended more than ten such meetings over the past two years. We have also enjoyed the active support of the various Northern Territory government representatives across the range of our activities, from the Minister for Primary Industry, Fisheries and Resources, Hon Konstantine Vatskalis to local and regional officers. At the time of writing, I note that the government has changed at the recent Northern Territory election and we look forward to working with the new Minister and Government.

In my report last year, I said that "the demands on the whole team - senior management, the technical and field staff and the administrative support - have only increased, and everybody has just stepped up." Now we have a significantly larger team, but the individual workloads remain substantial and their contributions outstanding. It has been a pleasure working with all of the people, and you can be assured that your Company is in very good hands.

It has been another exciting and successful year, and 2012-13 has started very well. We look forward to continuing to bring positive results from the Company's aggressive exploration campaign, and to creating value for our shareholders. In particular we look forward to advancing Old Pirate, with a goal of transitioning to production in the near future.

MIKE ETHERIDGE

MANAGING DIRECTOR'S REPORT - REVIEW OF OPERATIONS



Darren Holden

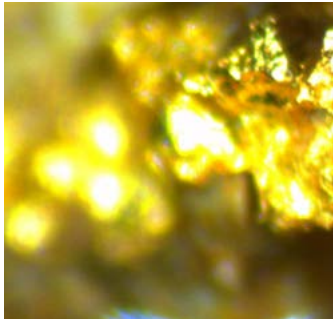
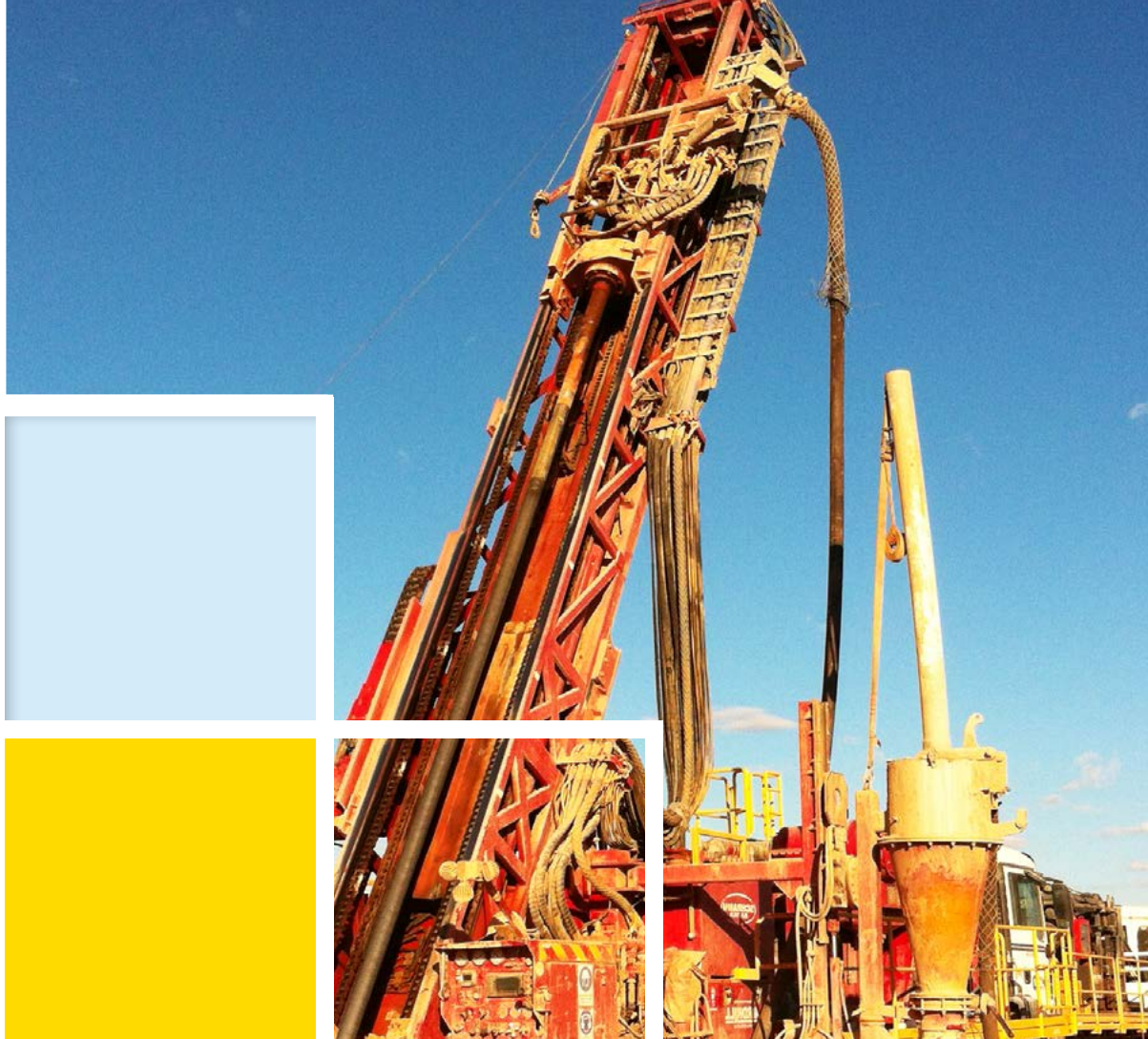
OVERVIEW

ABM ACHIEVED MANY MILESTONES DURING THE YEAR. WE WERE SUCCESSFUL IN:

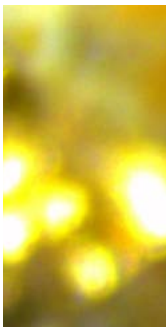
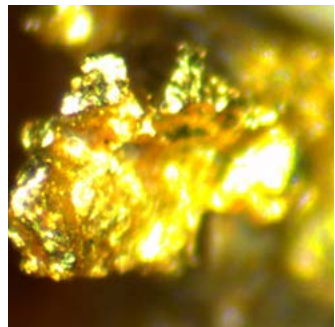
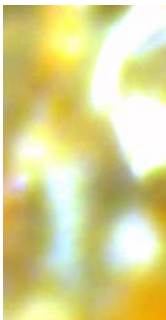
1 98% INCREASE OF GLOBAL RESOURCE ESTIMATE FROM 1.67 MILLION OUNCES TO 3.3 MILLION OUNCES (MOZ) OF GOLD INCLUDING MAIDEN RESOURCE ESTIMATES FOR THE OLD PIRATE AND HYPERION GOLD DEPOSITS.

2 COMPLETION OF THE FIRST SCOPING STUDY FOR OLD PIRATE SHOWING POTENTIAL FOR STRONG CASH FLOWS AND LOW COST GOLD MINING.

3 REGIONAL EXPLORATION INCLUDING DISCOVERIES AT THE KRODA GOLD PROJECT AND THE GOLDEN HIND PROSPECT.



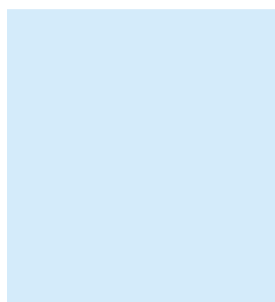
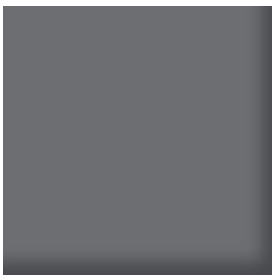
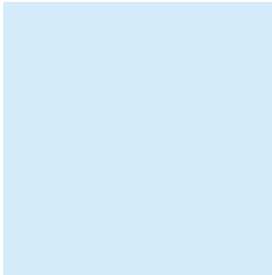
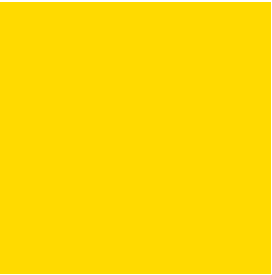
ABM RESOURCES IS AN EXPLORATION COMPANY DEVELOPING SEVERAL GOLD DISCOVERIES IN THE CENTRAL DESERT OF THE NORTHERN TERRITORY OF AUSTRALIA. THE COMPANY HAS A MULTI-TIERED APPROACH TO EXPLORATION AND DEVELOPMENT WITH A COMBINATION OF HIGH GRADE PRODUCTION SCENARIOS SUCH AS OLD PIRATE, LARGE SCALE DISCOVERIES SUCH AS BUCCANEER, AND REGIONAL EXPLORATION DISCOVERIES SUCH AS THE KRODA GOLD PROJECT.

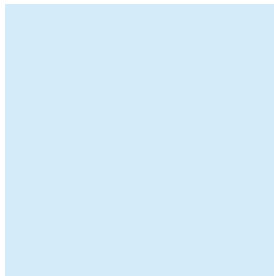


STRATEGIC OBJECTIVES

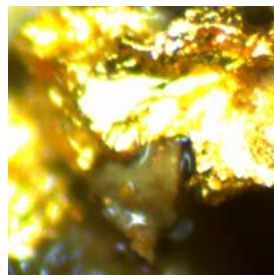
DURING THE YEAR, THE BOARD REVIEWED ITS STRATEGIC PLAN AND RISK MANAGEMENT PLAN, BOTH OF WHICH ARE SUBJECT TO CONTINUOUS ASSESSMENT. KEY STRATEGIC OBJECTIVES AND MILESTONES FOR THE 2012/2013 YEAR INCLUDE:

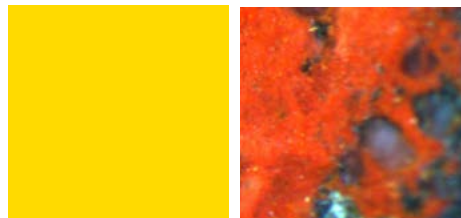
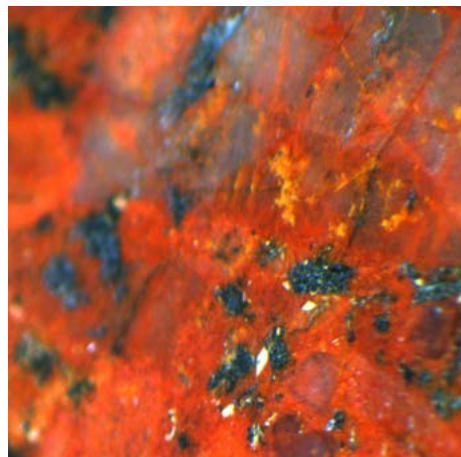
- **INTENSE EXPLORATION** IN THE TANAMI AND ARUNTA REGIONS OF THE CENTRAL DESERT OF THE NORTHERN TERRITORY.
- **ADVANCEMENT** OF THE LEADING PROJECT – TWIN BONANZA GOLD CAMP INCLUDING THE BUCCANEER PORPHYRY DEPOSIT AND THE OLD PIRATE HIGH GRADE GOLD DEPOSIT.
- **DIVESTMENT** OF NON-CORE ASSETS.
- **GROWING SHAREHOLDER VALUE** THROUGH DISCOVERY.
- **CONTINUE TO IDENTIFY** AND TEST MULTIPLE TARGETS FROM GRASS-ROOTS TO ADVANCED EXPLORATION PROJECTS.
- **MAINTAIN AND GROW** RELATIONSHIPS WITH THE REMOTE COMMUNITIES OF THE CENTRAL DESERT VIA THE CENTRAL LAND COUNCIL.
- **CONTINUOUS IMPROVEMENT** IN OH&S AND ENVIRONMENTAL MANAGEMENT WITH THE GOAL OF ZERO HARM TO PERSONNEL AND THE ENVIRONMENT.





A **BM RESOURCES**
HAS CONTINUED ITS
COMMITTED PLANS OF
EXPLORATION AND DISCOVERY
IN THE NORTHERN TERRITORY
OF AUSTRALIA.





THE COMPANY'S KEY SPECIFIC ACHIEVEMENTS IN 2011/2012 INCLUDE:

THE TWIN BONANZA GOLD CAMP:

- **427,400 OUNCES OF GOLD** WITH AN AVERAGE GRADE OF 7.95G/T GOLD (TOP CUT TO 300G/T) AT OLD PIRATE IN INFERRED AND INDICATED RESOURCE CATEGORIES.
- **UPDATED** INFERRED & INDICATED RESOURCE AT BUCCANEER WITH **2.67MOZ GOLD** WITH AN AVERAGE GRADE OF 0.65G/T GOLD (0.2G/T CUT-OFF) INCLUDING A HIGHER GRADE COMPONENT OF 1.57MOZ GOLD WITH AN AVERAGE GRADE OF 1.1G/T GOLD (0.6G/T CUT-OFF).
- **SUCCESSFUL SURFACE SAMPLING** PROGRAM AT OLD PIRATE WITH SYSTEMATIC LONGITUDINAL SAMPLING ENABLING A BETTER UNDERSTANDING OF THE COARSE GOLD EFFECT AND STATISTICAL PARAMETERS OF THE SYSTEM.
- **IDENTIFICATION OF HIGH GRADE GOLD** AT SURFACE AT THE GOLDEN HIND PROSPECT LOCATED 800 METRES SOUTH OF OLD PIRATE.
- **DISCOVERIES** AT PERIPHERAL AND EXTENSIONAL TARGETS AT BUCCANEER INCLUDING:
 - CARIBBEAN ZONE;
 - CYPRESS ZONE;
 - EMPRESS ZONE;
 - EASTERN CONTACT ZONE.

REGIONAL EXPLORATION PROJECTS:

- EXPLORATION AT THE HYPERION PROJECT RESULTING IN A MAIDEN RESOURCE OF 202,200 OUNCES OF GOLD WITH AN AVERAGE GRADE OF 2.11G/T GOLD (0.8G/T CUT OFF) INFERRED RESOURCE;
- EXPLORATION AT THE KRODA GOLD PROJECT NEAR BARROW CREEK RESULTING IN DISCOVERY AT KRODA 3 WITH 29 METRES AVERAGING 6.38G/T GOLD.;
- DRILLING AT VARIOUS TARGETS AT LAKE MACKAY COPPER-GOLD PROJECTS. COPPER AND GOLD MINERALISATION CONFIRMED AT TEKAPO PROSPECT WITH 18 METRES AVERAGING 3.05G/T GOLD AND 17 METRES AVERAGING 0.25% COPPER.

CRATON CAPITAL LLC BECAME A CORNERSTONE INVESTOR IN ABM VIA AN \$8M PLACEMENT.

PLACEMENT OF \$15.125M TO INSTITUTIONAL AND SOPHISTICATED INVESTORS AND TANAMI EXPLORATION NL OPTIONS EXERCISE FOR GROSS PROCEEDS TO ABM OF \$4.5M.

SUSTAINING AND EXPANDING A HIGHLY MOTIVATED AND FOCUSED EXPLORATION TEAM.

STRONG CASH POSITION WITH ~\$23M AND NO DEBT AT 30 JUNE 2012.



PROJECT PORTFOLIO

Project	Commodity	Location	Status
Central Desert	Gold and Gold-Copper	Northern Territory	Exploration focus
Erayinia	Zinc / Lead / Gold	Western Australia	Divestment project



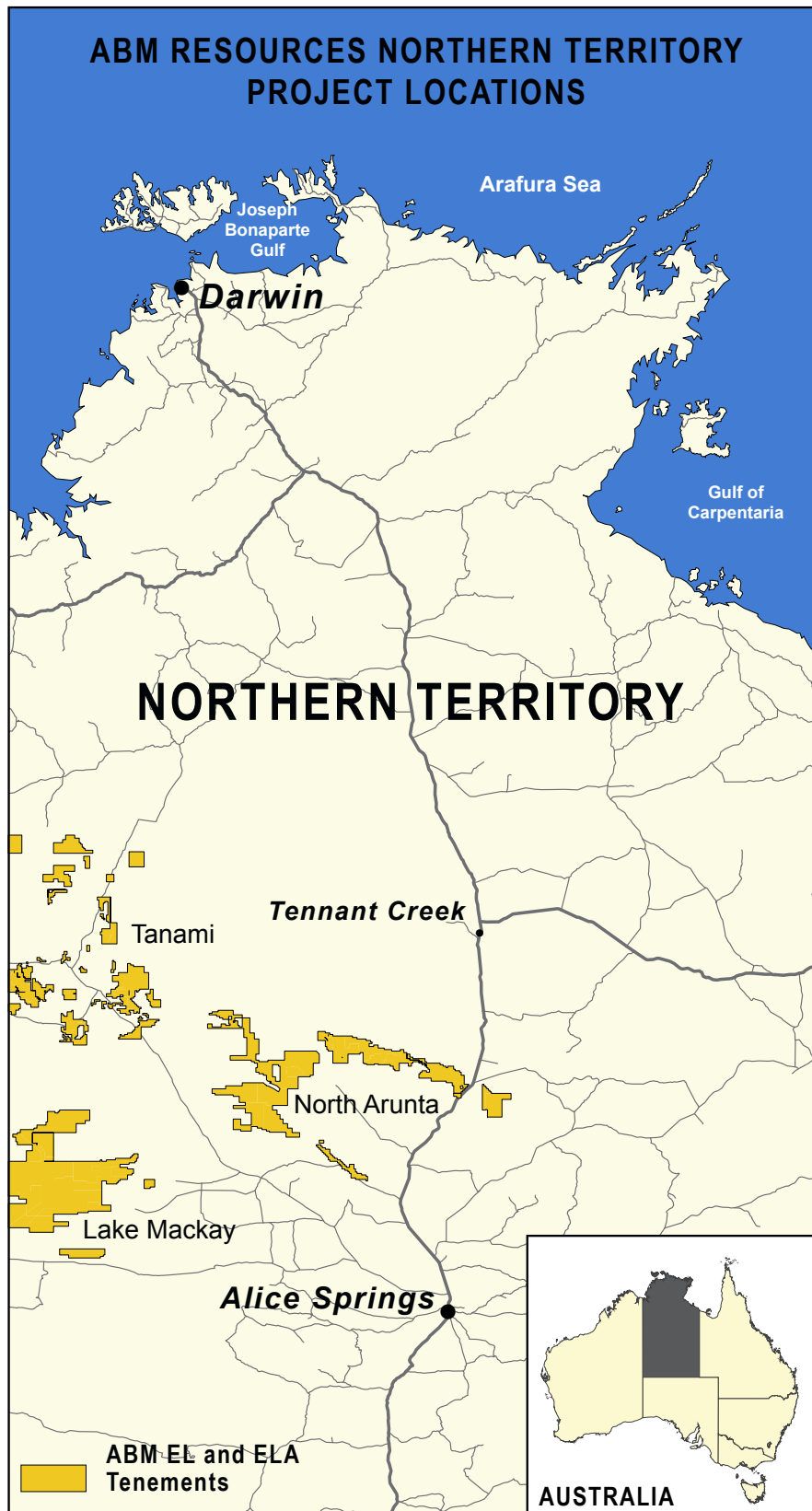


Figure 1. Project Locations.

AUSTRALIA

NORTHERN TERRITORY

BACKGROUND

ABM holds an exploration licence and license application portfolio covering more than 33,000km² containing a multitude of highly prospective exploration targets. This makes ABM one of the largest gold exploration license holders in Australia.

ABM is a mineral exploration company focused on gold and gold/copper discovery in the Tanami-Arunta regions of the Northern Territory, Australia.

Exploration up to the End of August 2012

ABM explored from April 2011 to November 2011 and re-commenced drilling following the wet-season at the beginning of May 2012. During 2011/2012 ABM nearly doubled its resource estimates and made several new discoveries.

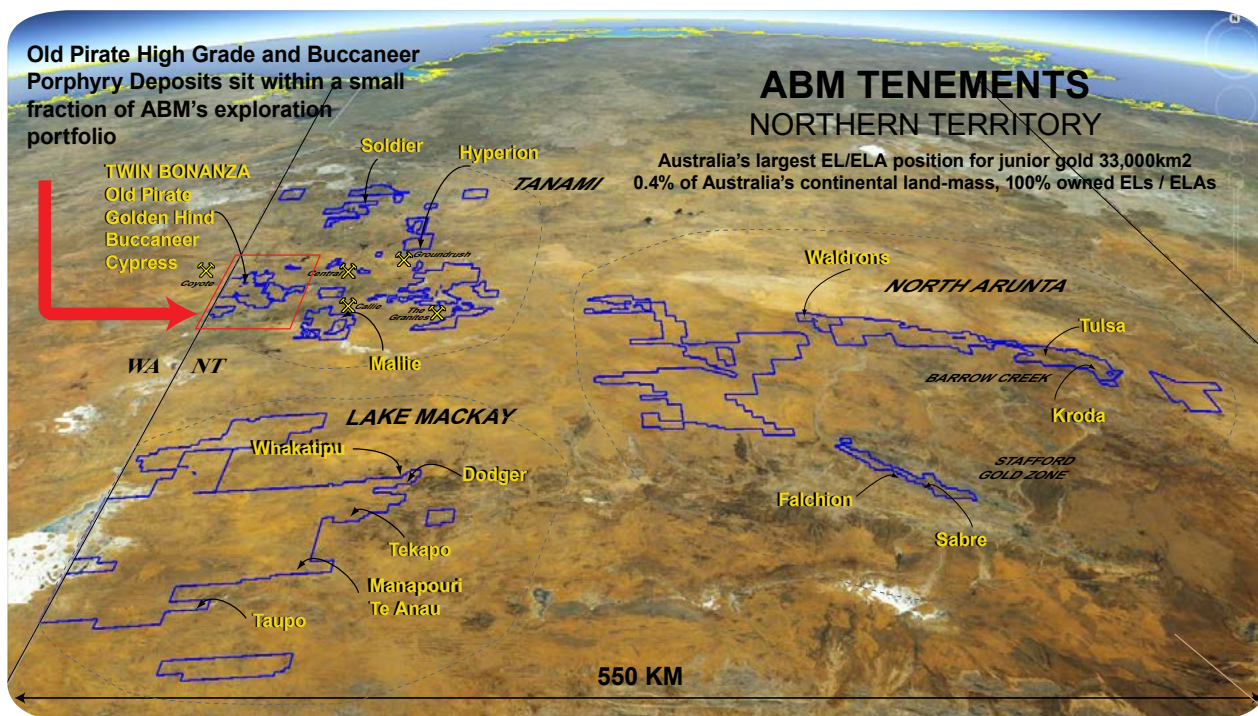


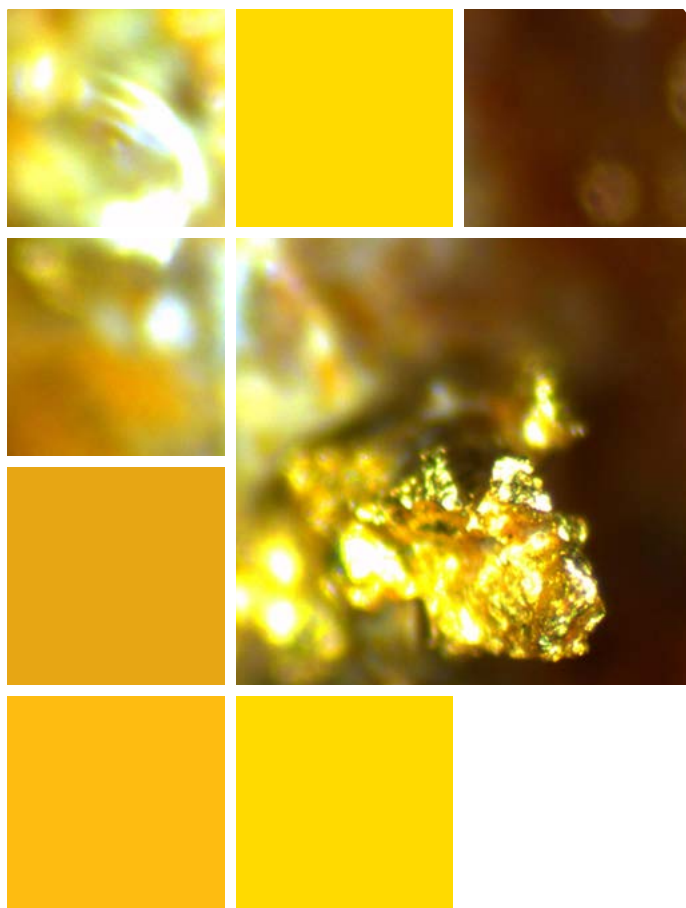
Figure 2. ABM Project Location Map (3D view North) Northern Territory.

EXPLORATION RESULTS TO DATE

TWIN BONANZA GOLD CAMP

THE TWIN BONANZA GOLD CAMP CONTAINS MORE THAN THIRTY TARGETS, INCLUDING THE BUCCANEER PORPHYRY GOLD DEPOSIT AND THE OLD PIRATE GOLD DEPOSIT.

Twin Bonanza is centred approximately 22 kilometres south of the Tanami Road and 14 kilometres east of the Western Australia – Northern Territory border. The Project spans the highly prospective “Trans Tanami Structure” – an inferred regional / tectonic geological feature which hosts numerous gold deposits including Newmont Asia Pacific’s multi-million ounce Callie Gold Mine.



TWIN BONANZA GOLD PROJECT	
OLD PIRATE HIGH GRADE PROJECT	BUCCANEER PORPHYRY GOLD DISCOVERY
<ul style="list-style-type: none"> • Gold distributed throughout a series of quartz veins up to several metres wide • 427,400 ounce resource at 7.95g/t (top-cut) • 565,000 ounce resource at 10.5g/t (uncut) • 3 to 5 km of quartz vein horizons yet to be tested • Scoping Study completed May 2012 reflecting a \$257m profit over 2 year operation 	<ul style="list-style-type: none"> • Gold porphyry ore body • 2.67 million ounce resource at 0.65g/t (0.2g/t cut-off) • 1.57 million ounce resource at 1.1g/t (0.6g/t cut-off) • Significant exploration potential at depth and along strike with higher grade zones • Re-optimisation of resource model focusing on higher grade in 2012

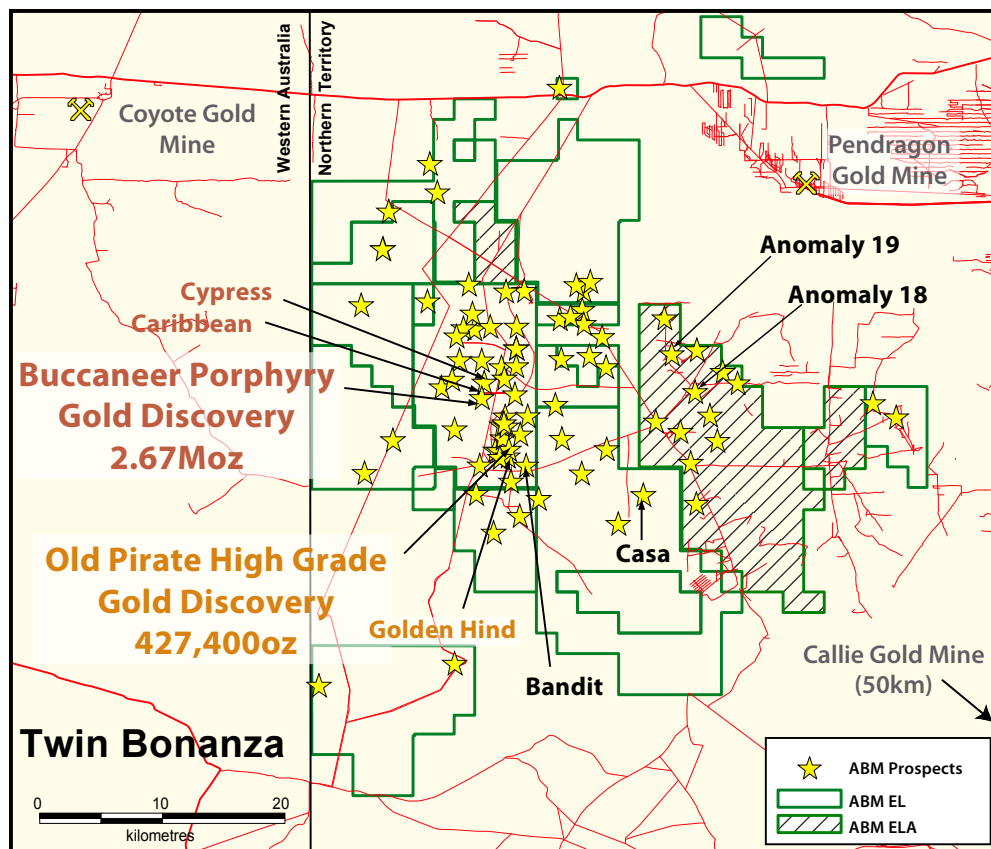


Figure 3. Twin Bonanza Gold Camp.

TWIN BONANZA GOLD CAMP – HIGH GRADE PROSPECTS

High Grade Prospects Introduction

High grade gold prospects at Twin Bonanza consist of narrow quartz veins containing coarse particulate gold. The quartz veins are hosted within paleo-proterozoic sedimentary sequences of sandstone and shale.

OLD PIRATE HIGH GRADE DEPOSIT

The Old Pirate High Grade Gold Prospect sits within a 4 kilometre long gold anomaly located approximately 2 kilometres from the Buccaneer Porphyry Gold Deposit and has become the Company's flagship project. Old Pirate consists of outcropping gold bearing quartz veins hosted by folded shale and sandstone, with the quartz veins preferentially developed in the thicker shale units. Multiple veins have been mapped covering an overall area of 700 metres by 300 metres and range from a few centimetres to several metres in width. Drill results indicate gold extends from surface to a depth of at least 200 metres. Gold is very coarse and can be extremely high grade in the veins, however, is unevenly distributed resulting in a statistical nugget effect. ABM's application of detailed structural mapping combined with systematic sampling has, in part, enabled the Company to understand the statistical parameters enabling a resource estimate to be completed. During the financial year ABM released surface trenching results from two field seasons, its JORC compliant maiden resource estimate, scoping study results and discoveries of new veins.

(a) The Old Pirate Resource

Table 1. Old Pirate Resource Estimation without utilising a top-cut

All Vein Models	Tonnes	Gold (g/t)	Ounces
Indicated	347,000	5.31	59,200
Inferred	1,327,000	11.86	505,800
Total	1,673,000	10.50	565,000

High Grade Vein Models Only	Tonnes	Gold (g/t)	Ounces
Indicated	132,000	7.74	32,800
Inferred	354,000	22.64	257,600
Total	486,000	18.60	290,400

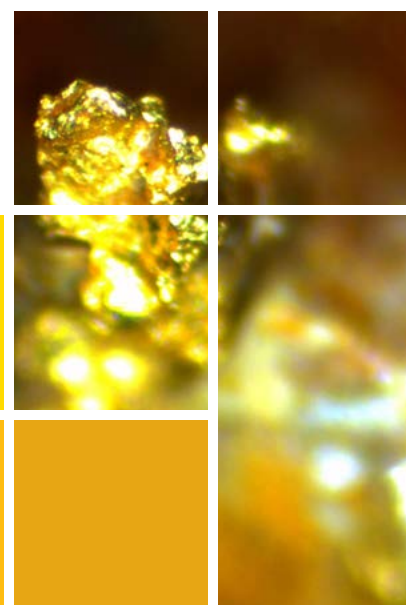
*Note - totals may vary due to rounding.

Table 2. Old Pirate Resource Estimation with utilising 300g/t top-cut

All Vein Models	Tonnes	Gold (g/t)	Ounces
Indicated	347,000	5.25	58,500
Inferred	1,327,000	8.65	368,900
Total	1,673,000	7.95	427,400

High Grade Vein Models Only	Tonnes	Gold (g/t)	Ounces
Indicated	132,000	7.62	32,200
Inferred	354,000	17.52	199,400
Total	486,000	14.84	231,600

*Note - totals may vary due to rounding.



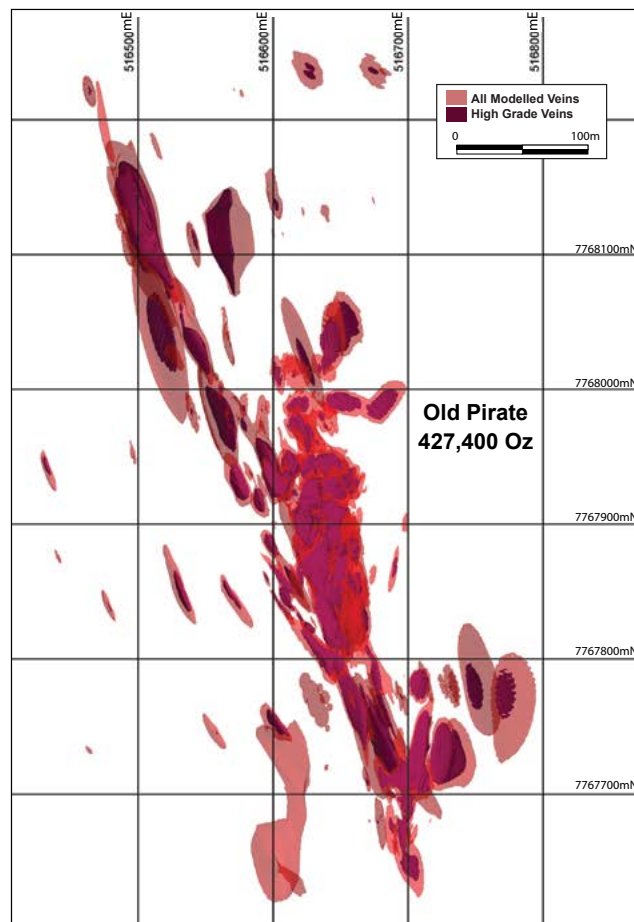


Figure 4. Plan view of the Old Pirate Grade / Vein Shell Model.

(b) The Old Pirate Scoping Study

Entech Pty Ltd, a well-known mining consulting group, compiled a scoping study based only on open pit Indicated and Inferred resource estimates to a depth of 100 metres. The Stage 1 Old Pirate open pit is modelled to contain 832,000t averaging 11.5g/t gold and is based on both Inferred and Indicated Resource Estimations. The presence of high grade coarse free gold at Old Pirate suggests the construction of a simple Gravity Processing Plant with savings on capital expenditure and processing compared to conventional cyanide leach processing.

On-site Gravity Processing Plant assumes a 350,000 to 450,000 tonnes per annum gravity processing plant is installed at Old Pirate and assumes a \$1,600 per ounce realised gold price:

- 261,000 ounces gold recovered (85% recovery) in Stage 1 open pit via gravity gold extraction methods. Stage 1 does not include cyanide leach, underground scenarios or integration of other gold bearing veins identified but not in the resource estimation.
- \$27.1M capital expenditure (gravity plant, camp and associated infrastructure) paid back in the first 5 months of production.
- \$257M Net Present Value (NPV) applying 0% discount rate (equivalent to cash flow over 2 years mine life).
- \$228M NPV (before tax) applying 9.8% discount rate.
- \$511 per ounce of gold total operating cost inclusive of mining, processing, royalties and administration (cash cost ~\$383 per ounce).

Open Pit Optimisation

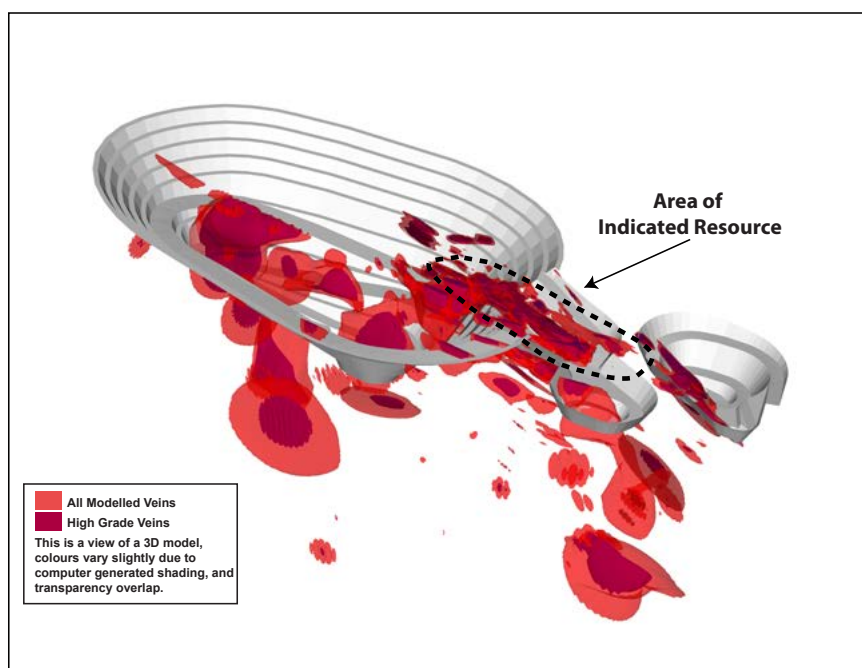


Figure 5. Oblique 3D view (view to NE) showing resource model and open pit design.

(c) The Old Pirate Surface Sampling Programs

The 2011 bulk-longitudinal surface sampling program was designed to map the distribution of gold within the veins and to improve estimation of average grade and the statistics of grade distribution within the veins. The program has returned:

Table 3. Statistics from 2011 Surface Sampling Program

Total number of samples (not including duplicates)	704 samples
Cumulative strike length projected / sampled	726 metres
Total surface area of quartz sampled	799.4 sq m
Average vein width	1.1 metres
Maximum individual value	697 g/t gold
Number of samples >100g/t gold	49 (7%) averaging 188.51 g/t gold
Number of samples >10g/t gold	204 (29%) averaging 73.12 g/t gold
Average of all assays	24.01 g/t gold

MANAGING DIRECTOR'S REPORT – REVIEW OF OPERATIONS

Additionally, first results of the 2012 field season surface sampling program uncovered a new high grade vein located to the east of the main Old Pirate Resource. This vein links through to the Old Pirate South area for a total strike length of 343m averaging 28.9g/t gold.

Table 4. Statistics from full length of the new East Side Vein

Total number of samples (including duplicates)	357 samples
Cumulative strike length projected / sampled	343 metres
Total surface area of quartz sampled	226.4 sq m
Average vein width	0.9 metres
Maximum individual value	1150 g/t gold
Number of samples >100g/t gold	33 (9%) averaging 196.2 g/t gold
Number of samples >10g/t gold	120 (34%) averaging 82.2 g/t gold
Average of all assays (including duplicates)	28.90 g/t gold

Table 5. Statistics from 2012 Phase 3 sampling on the Western Limb

Total number of samples (including duplicates)	310 samples
Cumulative strike length projected / sampled	126 metres
Total surface area of quartz sampled	24.1 sq m
Average vein width	0.19 metres
Maximum individual value	502 g/t gold
Number of samples >100g/t gold	40 (12.9%) averaging 184.15 g/t gold
Number of samples >10g/t gold	185 (59.7%) averaging 68.36 g/t gold
Average of all assays (including duplicates)	42.37 g/t gold



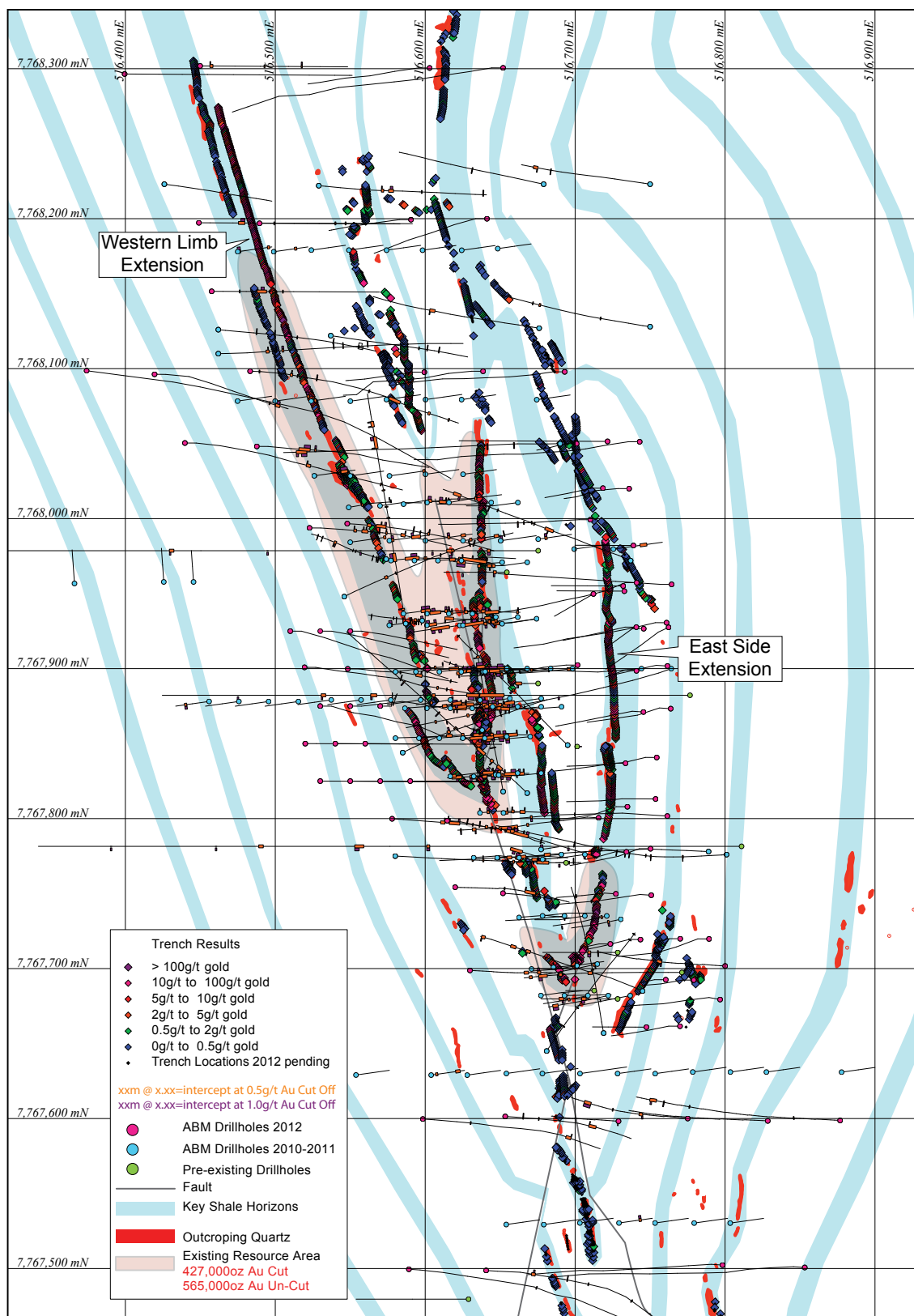


Figure 6. Map of the Old Pirate system.

MANAGING DIRECTOR'S REPORT – REVIEW OF OPERATIONS

(d) *Old Pirate Drilling Program*

During the year ABM received results for various extensions and infill areas at Old Pirate. These results included the very high grade gold intersected in OPRC100021 on the northern extensions of Old Pirate including:

- Hole OPRC100021 intersected:
 - 9 metres averaging 100.9g/t gold (1.0g/t cut-off) including:
 - 2 metres averaging 413.5g/t gold.
 - 5 metres averaging 13.34g/t gold (0.3g/t cut-off) including:
 - 3 metres averaging 21.85g/t gold (1.0g/t cut-off).

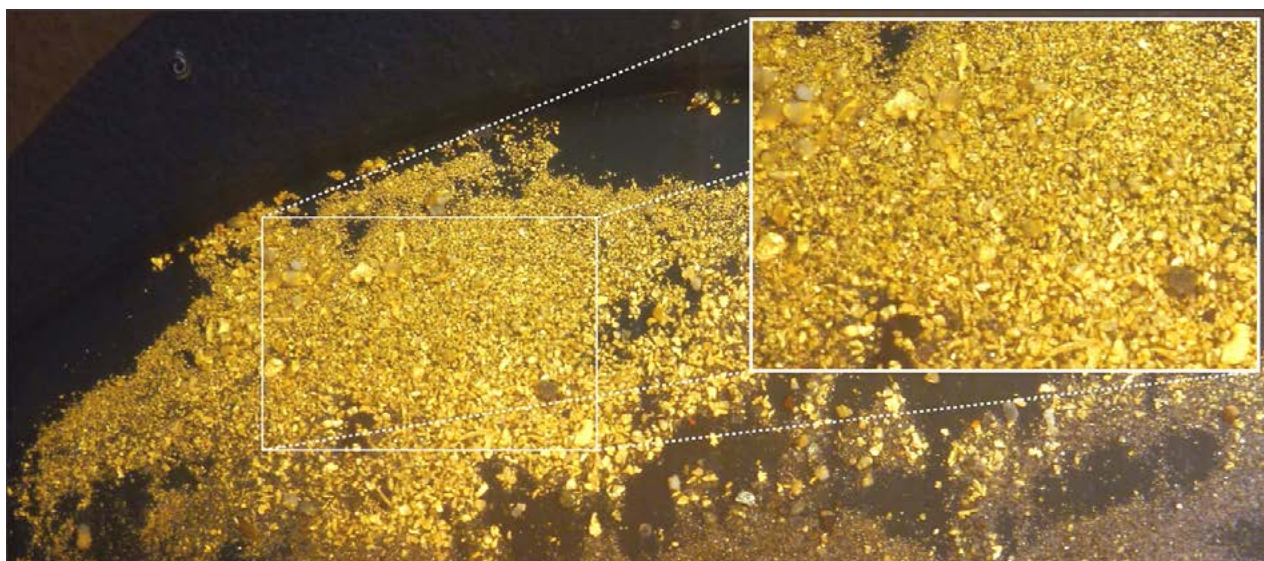


Figure 7. High grade gold panned from split RC drill sample from hole OPRC100021.

(e) *Visible gold at The Golden Hind Prospect at Old Pirate*

The Golden Hind Prospect consists of several outcropping veins ranging from 3 metres to 30cm in width. The veins have been mapped over a strike length of approximately 400 metres and continue under shallow cover to the northwest and southeast. To the southeast the vein is interpreted to wrap around an anticline (an arch shaped geological structure) and is structurally analogous to the main Old Pirate deposit. A section of 60 metres strike length contains abundant visible gold and in August 2012 the Company reported longitudinal trench sampling of 60 metres strike length averaging 103.23g/t gold.

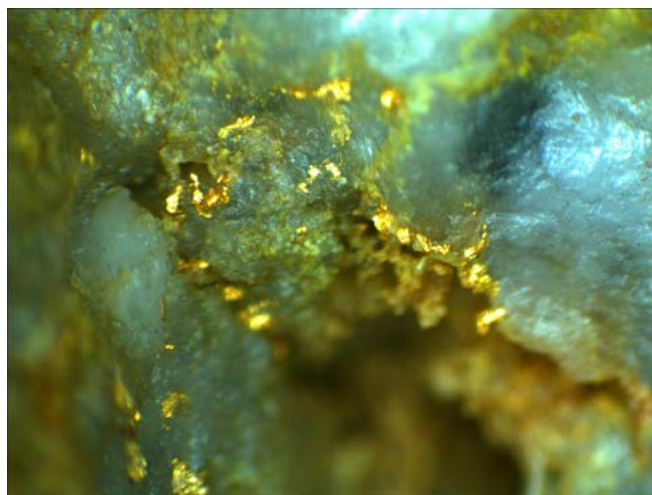


Figure 8. Coarse Visible Gold in Quartz from The Golden Hind Vein.
Field of view approximately 0.8cm.

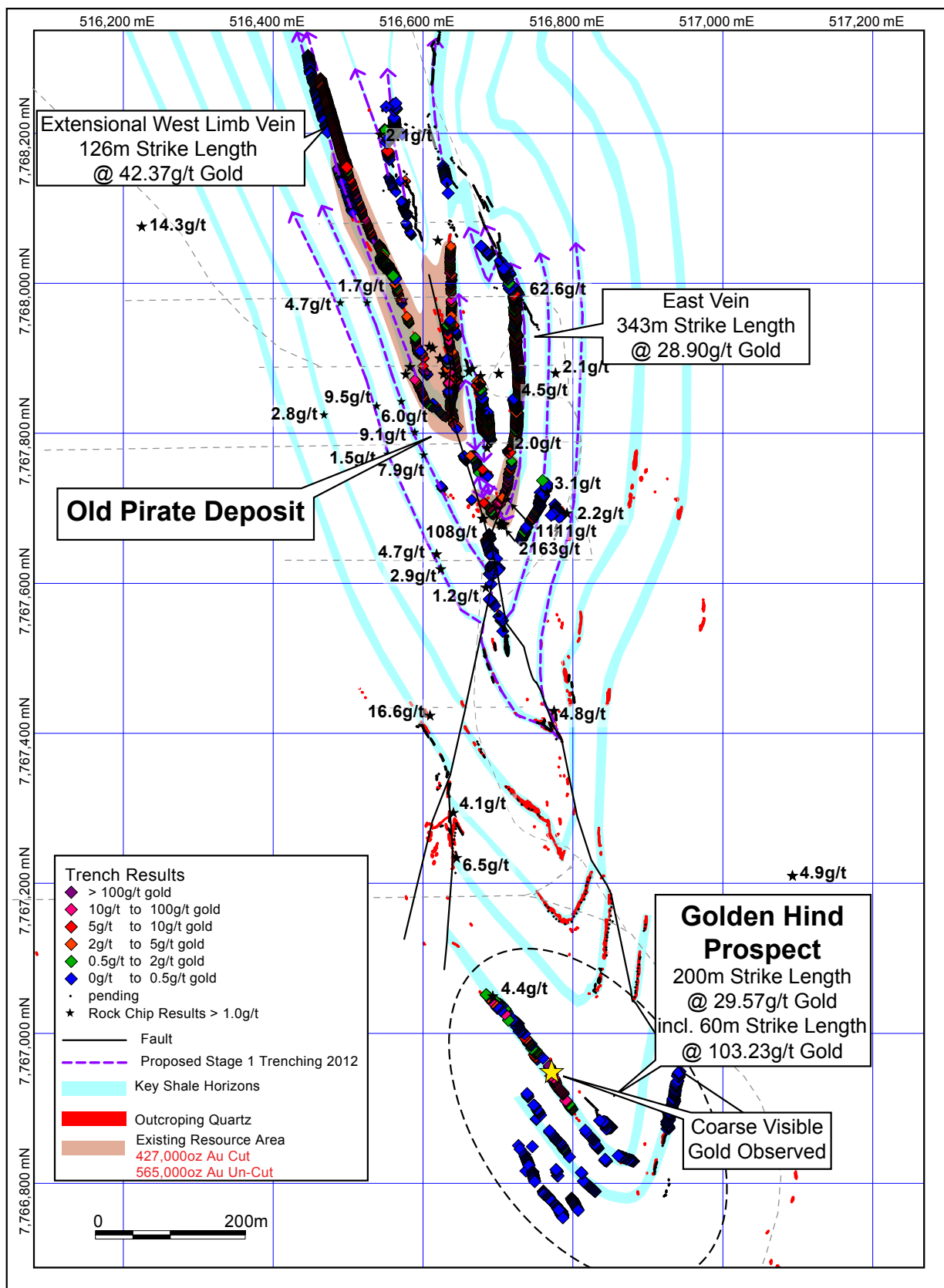


Figure 9. Location of Golden Hind Prospect relative to Old Pirate.

MANAGING DIRECTOR'S REPORT – REVIEW OF OPERATIONS

(f) *Memorandum of Understanding for Old Pirate*

On 20 January 2012 ABM and Tanami Gold NL announced a Memorandum of Understanding to collaborate in an investigation of processing high grade gold bearing quartz veins from ABM Resources' Old Pirate Prospect at Tanami Gold's Coyote Gold Mine located 45 km apart. The Memorandum of Understanding came to the end of its term in July 2012.

Bulk Tonnage Prospects Introduction

Bulk tonnage gold deposits around the world are those generally with grades between 0.5 and 1.5 g/t gold with considerable tonnage and characterised with low-strip ratio. Porphyry / intrusive related gold systems around the world, such as Fort Knox in Alaska (Kinross Gold Corp) show that despite the low-grade these systems can deliver long mine life, low strip ratios and highly profitable gold mines producing typically hundreds of thousands of ounces of gold per annum.

BUCCANEER PORPHYRY GOLD DEPOSIT

The Buccaneer Porphyry Gold Deposit is a porphyry hosted / intrusive related gold system identified at the Twin Bonanza Gold Camp. The prospect consists of a 3 kilometre by 1.6 kilometre syeno-monzonite porphyry which is almost entirely anomalous in gold as indicated by shallow geochemical drilling samples.

(a) *The Buccaneer Resource Estimate*

In April 2012 ABM announced a 60% increase on previous resource estimates at the Buccaneer Porphyry Deposit. The Buccaneer Porphyry Gold Deposit is a bulk-tonnage intrusive-related gold deposit. An overall resource model was constructed in 3 domains (Buccaneer, Caribbean Zone and Cypress Zone). The Buccaneer Porphyry deposit remains open in several directions with the Eastern Contact Zone, Cypress Zone and the Caribbean Zone forming key targets for the 2012 field season.

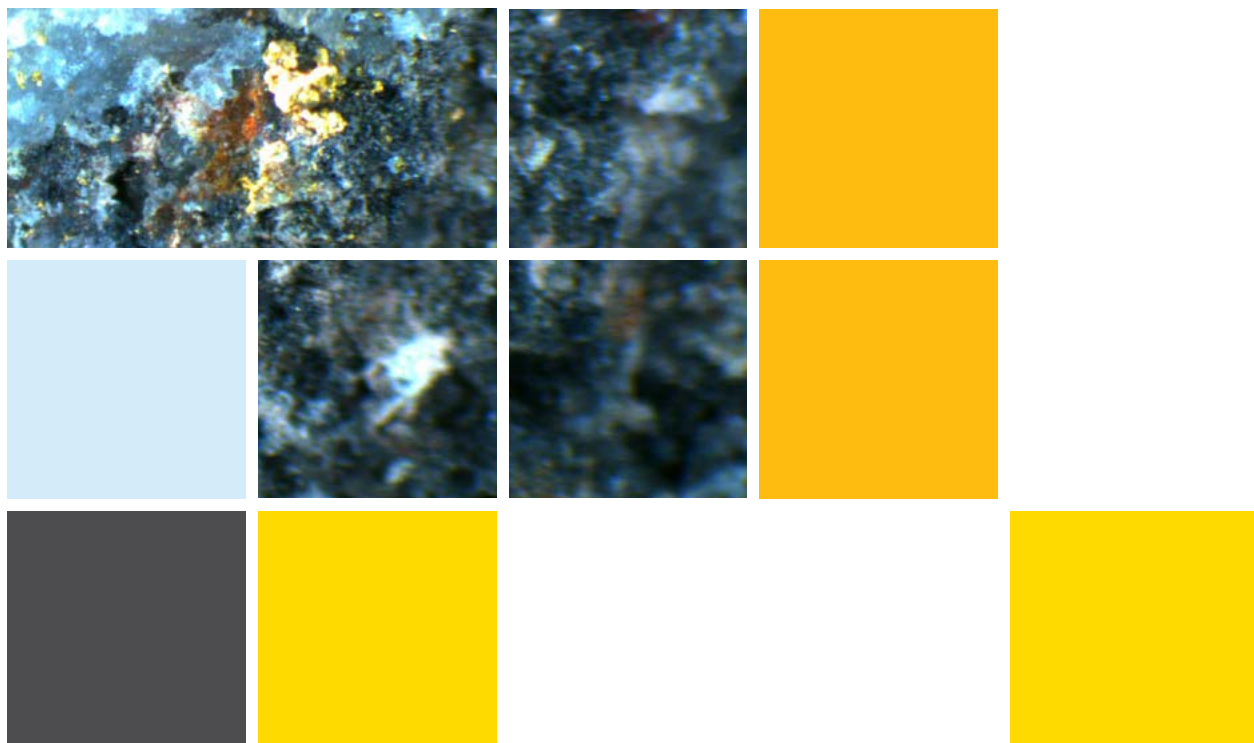


Table 6. Buccaneer Porphyry Gold Deposit Resource Update at varying cut-offs

0.2g/t cut off	Million Tonnes	Gold (g/t)	Million Ounces
Indicated	34.0	0.64	0.702
Inferred	93.9	0.65	1.970
Total	127.9	0.65	2.672

0.4g/t cut-off	Million Tonnes	Gold (g/t)	Million Ounces
Indicated	24.2	0.77	0.600
Inferred	64.1	0.80	1.657
Total	88.3	0.80	2.257

0.6g/t cut-off	Million Tonnes	Gold (g/t)	Million Ounces
Indicated	12.3	1.04	0.412
Inferred	31.8	1.13	1.154
Total	44.1	1.10	1.566

*Note -Totals may vary due to rounding.

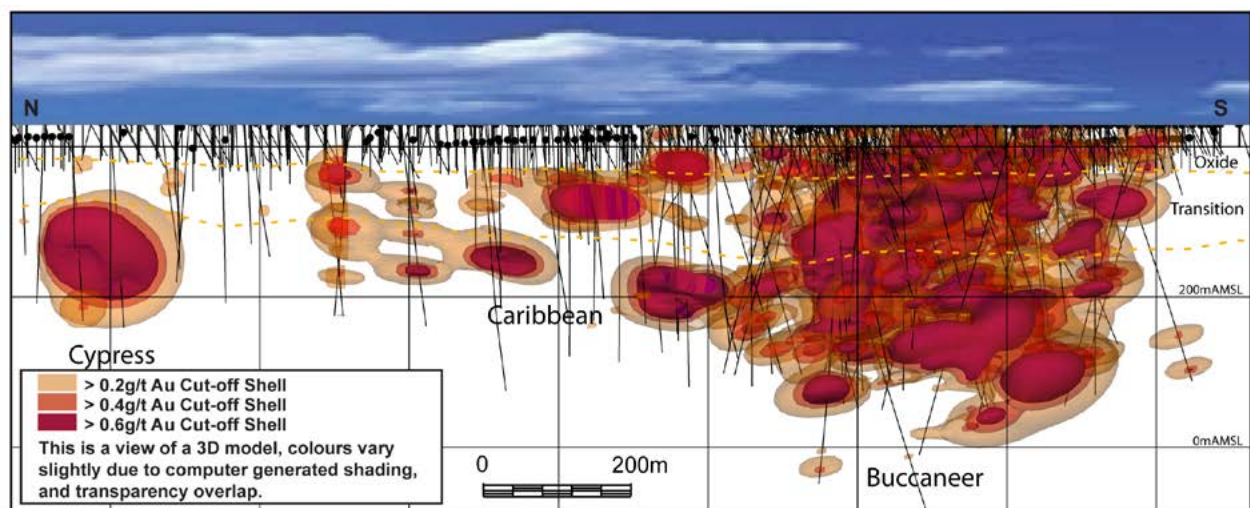


Figure 10. View east of the Buccaneer Porphyry Deposit resource model.

MANAGING DIRECTOR'S REPORT – REVIEW OF OPERATIONS

(b) *Drilling results from Buccaneer*

Drill results for the Buccaneer Porphyry Gold Deposit include:

- Hole BCRC100002 (a follow up on a 2010 diamond hole at the Western Zone) intersected:
 - 427 metres averaging 0.52g/t gold (0.2g/t cut-off) including:
 - 39 metres averaging 2.22g/t gold (0.5g/t cut-off)
 - 32 metres averaging 1.44g/t gold (0.5g/t cut-off)
 - 35 metres averaging 1.20g/t gold (0.5g/t cut-off).
- Hole BCRD100005 testing the south western extensions of the Buccaneer Porphyry intersected:
 - 203 metres averaging 1.07g/t gold (0.2g/t cut-off) including:
 - 41 metres averaging 3.54g/t gold (0.5g/t cut-off) including:
 - 6 metres averaging 19.84g/t gold (1.1g/t cut-off).
- Hole BCRD100004 testing the western zone extended Buccaneer with:
 - 174 metres averaging 0.97g/t gold (0.2g/t cut-off) including:
 - 32 metres averaging 1.19g/t gold (0.5g/t cut-off)
 - 31 metres averaging 3.37g/t gold (0.5g/t cut-off).
- High grade intercepts on the south east extensions of Buccaneer in BCRC100090 ending in mineralisation with:
 - 31 metres averaging 3.68g/t gold (0.5g/t cut-off) including:
 - 14 metres averaging 7.56g/t gold (1.1g/t cut-off).

(c) *Extensions of the Buccaneer Porphyry, Eastern Contact, Caribbean and Cypress Zones*

During the year ABM received results for the Caribbean and Cypress zone extensions and the Eastern Contact zone extension to the Buccaneer Porphyry Gold Deposit. New drill results include:

- Hole CYRC100004 intersected:
 - 26 metres averaging 5.53g/t gold (0.5g/t cut-off) including:
 - 7 metres averaging 20.13g/t gold (1.1g/t cut-off).
- Hole BCRC100074 testing the Cypress Zone discovery returned:
 - 87 metres averaging 1.13g/t gold (0.2g/t cut-off) including:
 - 29 metres averaging 2.45g/t gold (0.5g/t cut-off).

- Hole BCRC100054 at the Caribbean Zone discovery returned:
 - 47 metres averaging 1.67g/t gold (0.2g/t cut-off) including:
 - 36 metres averaging 2.06g/t gold (0.5g/t cut-off).
- Hole BCRC100062 testing the Caribbean Zone discovery returned:
 - 31 metres averaging 1.92g/t gold (0.2g/t cut-off) including:
 - 4 metres averaging 13.23g/t gold (1.1g/t cut-off).
- Hole BCRD100006 testing the Caribbean Zone discovery returned:
 - 22 metres averaging 3.95g/t gold (0.2g/t cut-off) including:
 - 12 metres averaging 5.98g/t gold (1.1g/t cut-off).
- Hole BCRC100058 testing south east extensions of Buccaneer returned:
 - 202 metres averaging 0.65g/t gold (0.2g/t cut-off) including:
 - 26 metres averaging 2.90g/t gold (0.5g/t cut-off).
- Hole BCRC100078 returned:
 - 62 metres averaging 1.23g/t gold (0.2g/t cut-off) including:
 - 54 metres averaging 1.39g/t gold (0.5g/t cut-off).



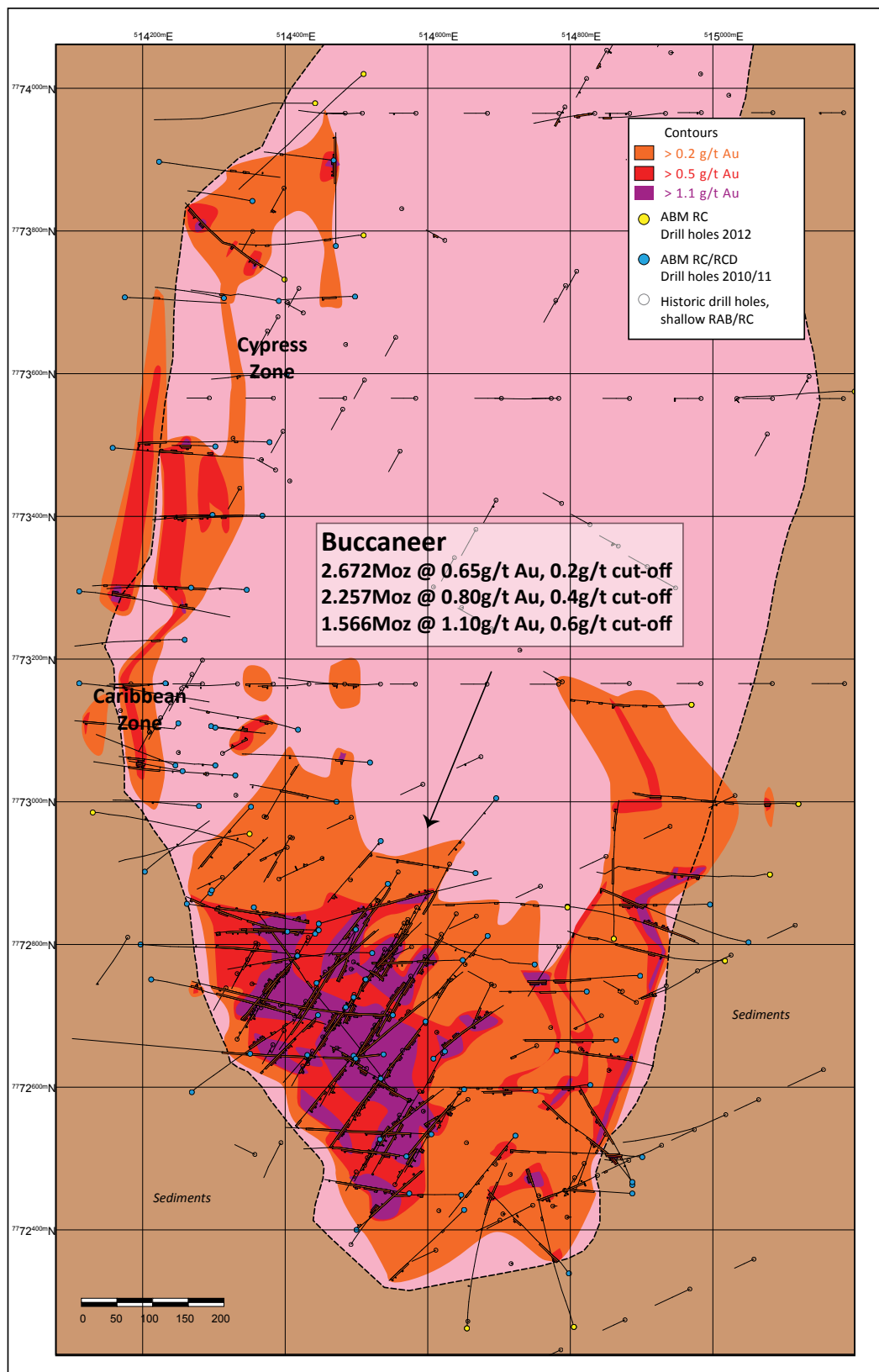


Figure 11. Buccaneer Extensions Plan View.

(d) *Geological Review of Buccaneer Porphyry and Structurally controlled high grade zones*

A review of the 2011 drill core at Buccaneer has revealed considerably more visible gold than previously noted. These occurrences were observed in several holes including BCRD100005, drilled in 2011. Multiple visible gold occurrences are observed throughout a zone previously reported in BCRD100005 with 41 metres averaging 3.54g/t gold. The gold sits within shallowly dipping quartz veins and breccia zones. The Company is commencing a review of these higher grade zones with a view to potentially re-optimising the existing resource estimation work.



Figure 12. Quartz veins in Buccaneer Porphyry hosting visible gold from BCRD100005 drilled in 2011.

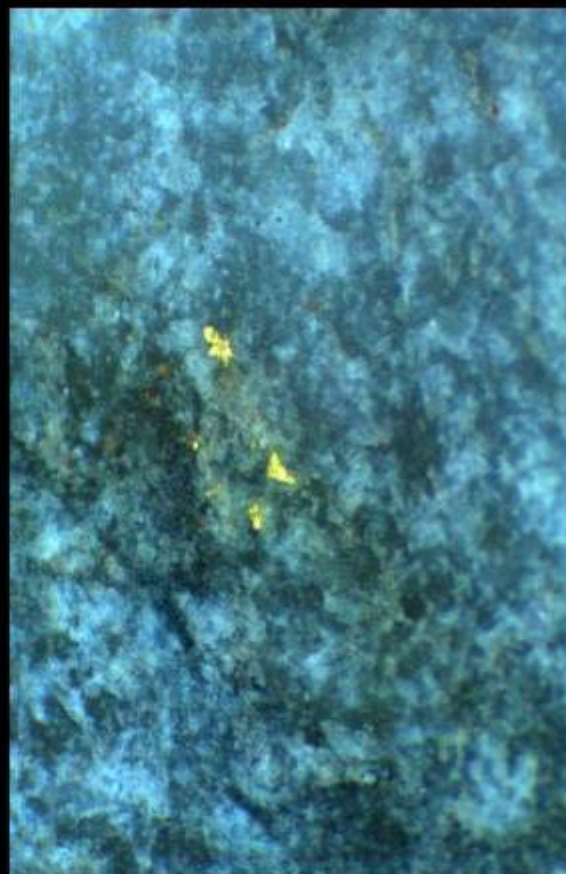


Figure 13. Visible gold from BCRD100005 with gold grains approximately 0.3mm across.

BANDIT

Gold intersected at the Bandit Prospect located 1.6 kilometres south-east of the Old Pirate Prospect with:

- 5 metres averaging 3.12g/t gold including:
 - 1 metre averaging 13.25g/t gold.

The Bandit Prospect is located approximately 1.6 kilometres to the east-southeast of the Old Pirate High Grade Gold Prospect. The region consists of a ridge of outcropping quartz veins hosted in sediments. Quartz veins have been mapped over a strike length of 2 kilometres. Sporadic rock chip sampling and shallow RAB drilling has highlighted anomalous but sub ore-grade gold within the quartz. This intersection is the first ore-grade gold intersection identified to date at Bandit and will be followed up in early 2012.

HYPERION GOLD PROJECT

The Hyperion Gold Project is located approximately 15 kilometres north-north east of the Groundrush Gold Deposit (Tanami Gold NL). The project consists of two mineralised zones namely Hyperion Central and Hyperion South. At Hyperion Central gold is hosted in quartz-carbonate veins associated with a granite dyke within a differentiated dolerite rock. At Hyperion South gold is hosted in quartz-carbonate veins within dolerite and sedimentary rocks.

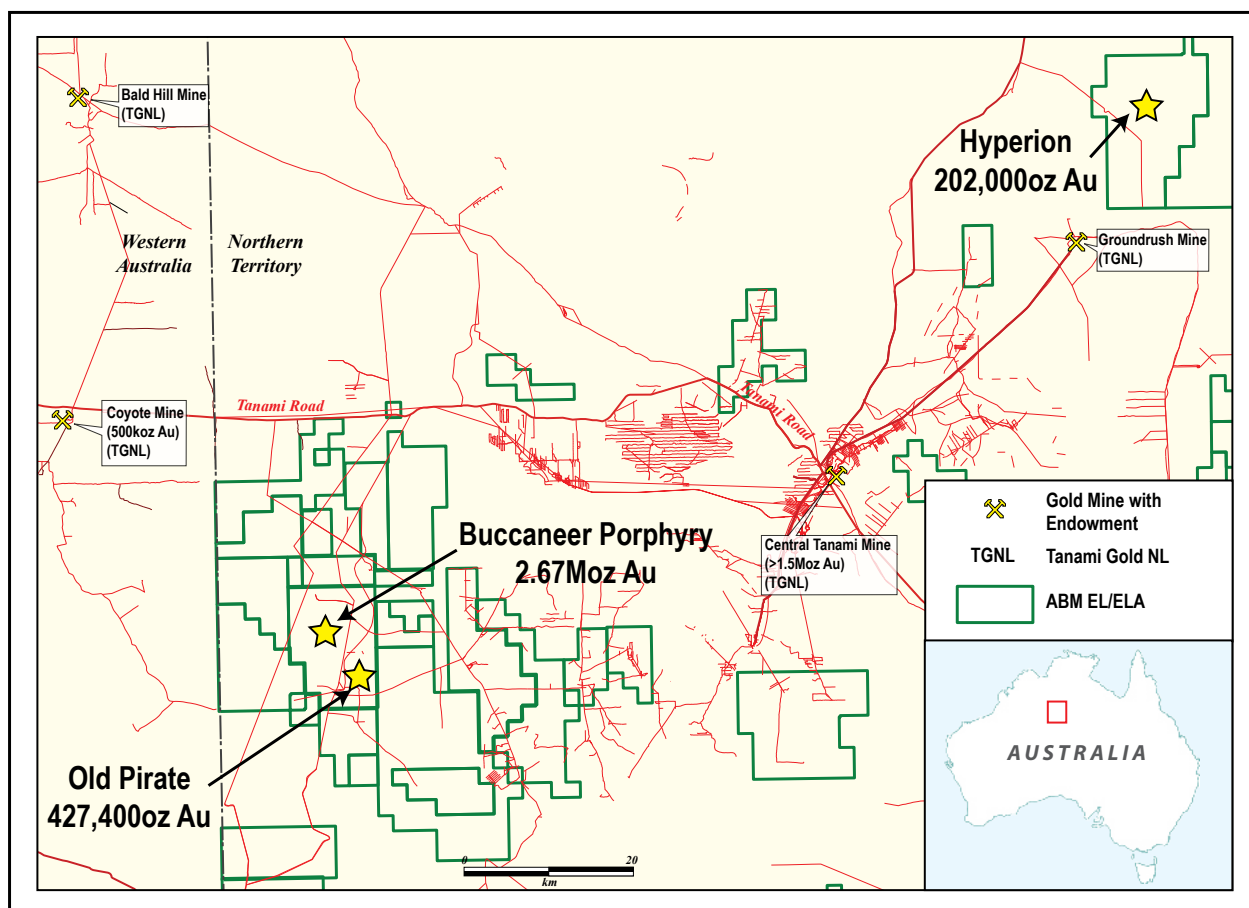


Figure 14. Location map of Hyperion Gold Project relative to the Twin Bonanza Project and the Groundrush Mine.

The Hyperion Central Prospect has confirmed mineralisation over a strike length of 600 metres within an anomaly more than 1 kilometre long. Mineralisation extends from surface to a depth of at least 250 metres below surface.

The Hyperion South Prospect has confirmed mineralisation over a strike length of 250 metres within an anomaly 800 metres long. Mineralisation extends from near surface to at least 200 metres depth.

(a) The Hyperion Resource

On 16 April 2012 ABM announced a maiden inferred resource for Hyperion. The resource is based on a total of 91 drill holes for 11,157 metres of drilling and includes historic drill data from previous explorers as well as ABM Resources' drilling data.

Table 7. Hyperion Gold Project Resource Estimation without top-cut

0.8g/t cut off	Tonnes	Gold (g/t)	Ounces
Hyperion Central	2,209,000	2.14	152,100
Hyperion South	768,000	2.71	66,800
Total	2,977,000	2.29	219,000

2g/t cut-off	Tonnes	Gold (g/t)	Ounces
Hyperion Central	875,000	3.36	94,400
Hyperion South	272,000	5.37	47,000
Total	1,147,000	3.83	141,400

*Note - totals may vary due to rounding.

Table 8. Hyperion Gold Project Resource Estimation with 50g/t top-cut

0.8g/t cut off	Tonnes	Gold (g/t)	Ounces
Hyperion Central	2,209,000	2.06	146,600
Hyperion South	768,000	2.25	55,500
Total	2,977,000	2.11	202,200

2g/t cut-off	Tonnes	Gold (g/t)	Ounces
Hyperion Central	875,000	3.17	89,100
Hyperion South	272,000	4.08	35,700
Total	1,147,000	3.38	124,800

*Note - totals may vary due to rounding.



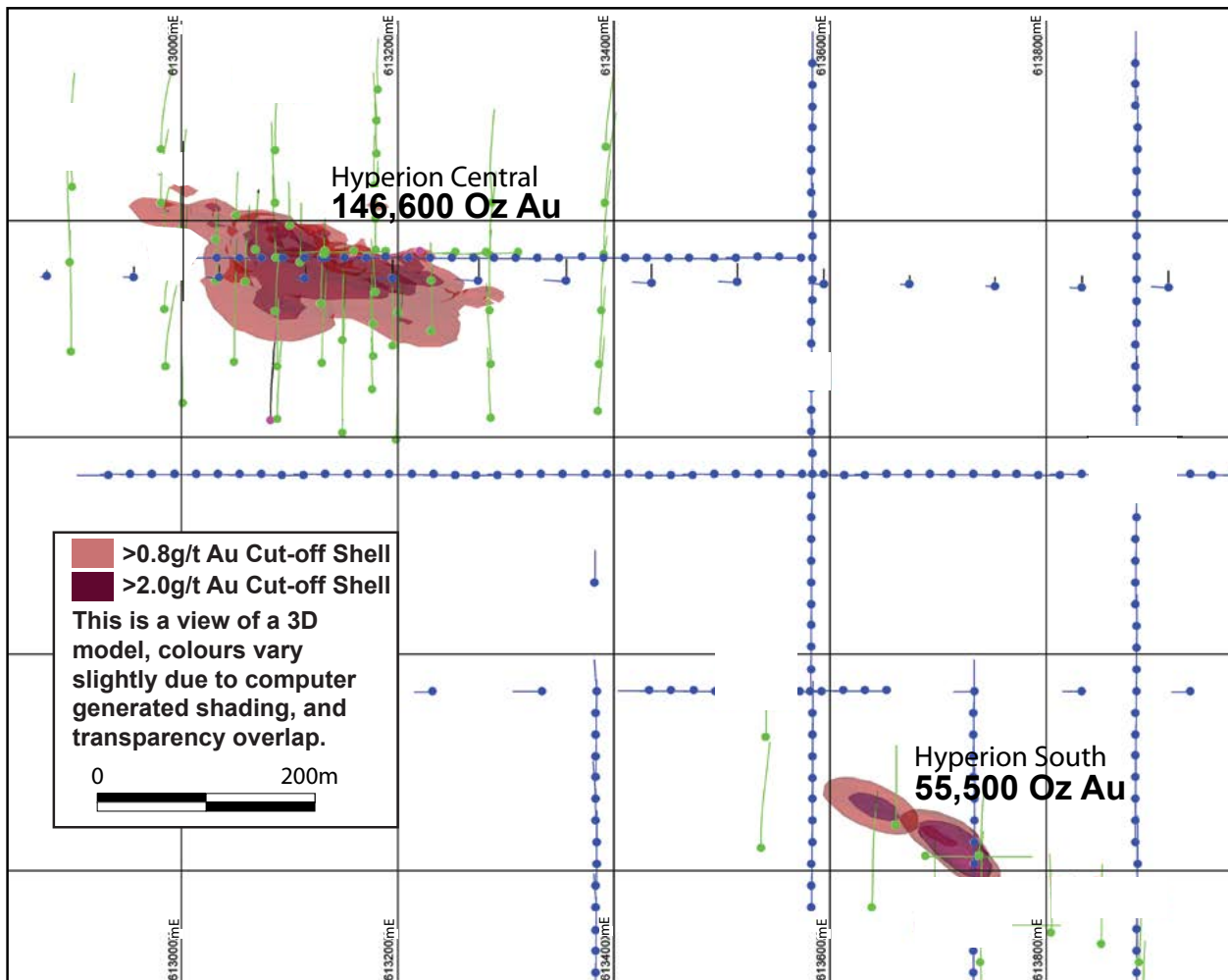


Figure 15. Hyperion Central and South grade shell models (green lines RC drilling, blue lines RAB and Vacuum Drilling).

(b) The Hyperion Drilling Program

ABM's 2011 drill program at Hyperion consisted of 20 reverse circulation (RC) drill holes for a total of 3,400 metres of drilling for extensional exploration and resource estimation purposes and results included:

- Reverse Circulation hole HYRC100014 at the Hyperion Central Prospect intersected:
 - 35 metres averaging 5.43g/t gold (0.5g/t cut-off) including:
 - 10 metres averaging 17.27g/t gold (1g/t cut-off).

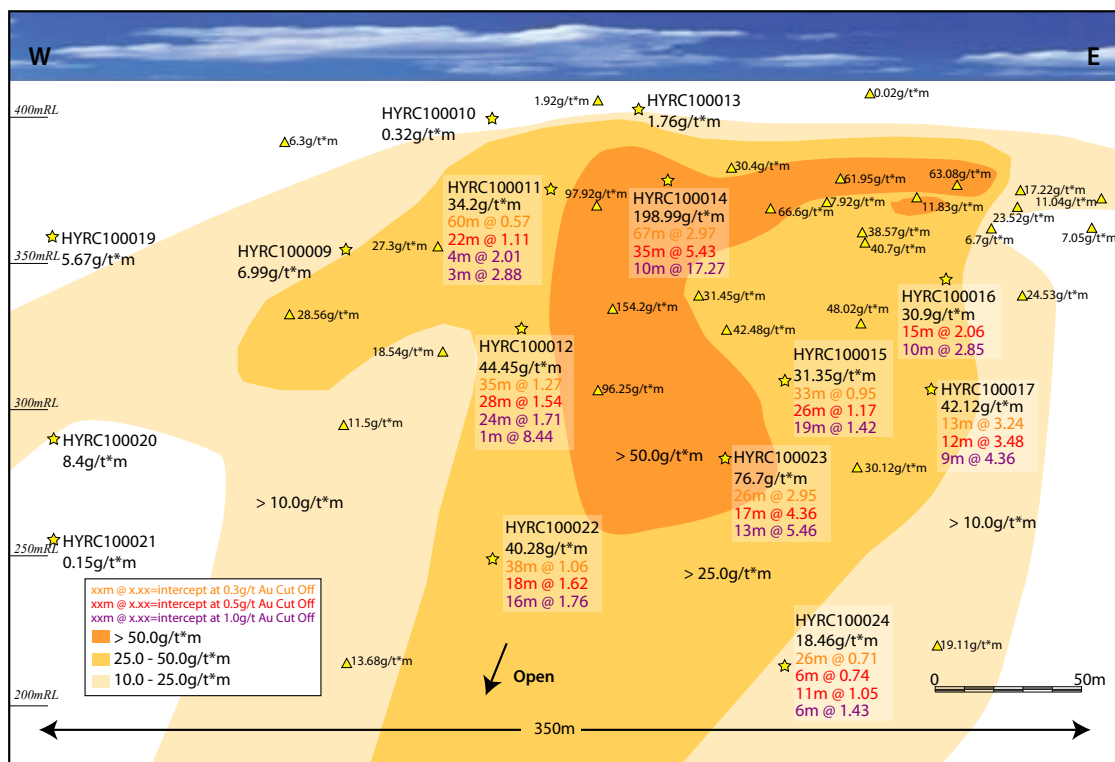


Figure 16. Long Section of the Hyperion Central Prospect showing centroids of mineralised intercepts with intercepts labelled with g/t gold multiplied by intercept length (g/t*m) and key intersections from the 2011 season also labelled.

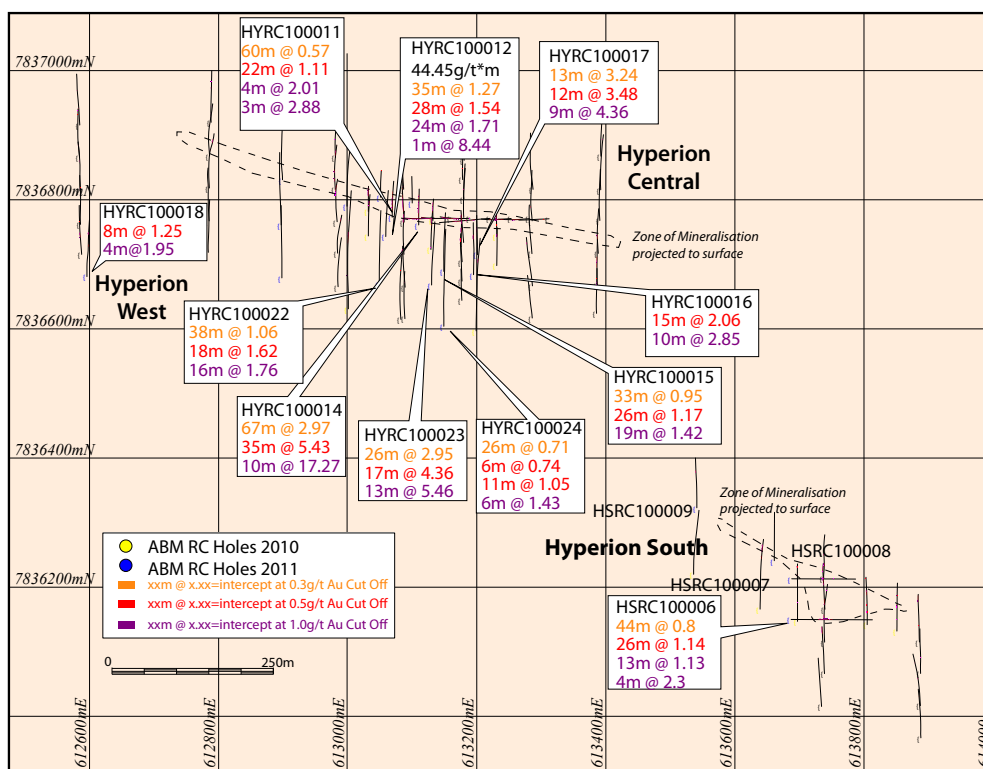


Figure 17. Map view of the Hyperion Central, South & West Prospects with latest significant intercepts labelled.

BARROW CREEK

KRODA GOLD PROJECT

The Kroda Gold Project is located 18 kilometres west of the Stuart Highway, 30 kilometres north of the town of Barrow Creek and 200 kilometres south of Tennant Creek. The project consists of 4 individual prospects (Kroda 1 to 4) with a combined anomalous gold strike length of 14 kilometres. The principal target commodity is gold, however, Kroda 2 in particular has anomalous copper associated with the gold. The Project is well serviced with infrastructure and is located on pastoral land close to the Stuart Highway, the Ghan Rail Line and the Northern Territory Gas Pipeline.

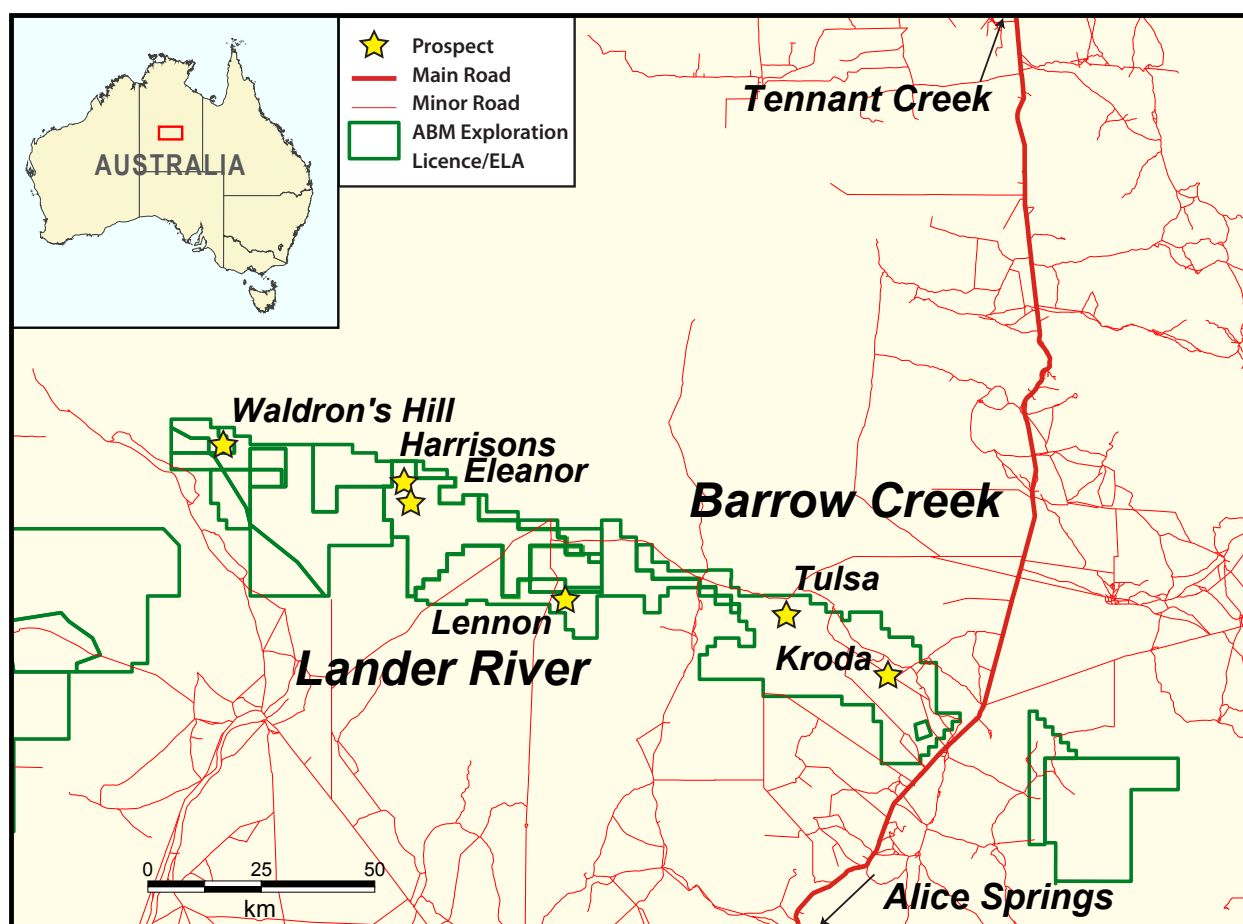


Figure 18. Location of the Barrow Creek / Lander Regional Project and the Kroda Gold Project.

Mineralisation at Kroda is hosted in inter-layered dolerite and schist and associated with quartz veins. Mineralised shoots are steeply plunging with Kroda 3 plunging approximately 50 to 70 degrees to the south east within an overall WNW-ESE striking structure.

ABM intends to follow up work in the area with a possible initial resource estimation at Kroda 3 and a search for other high grade mineralised shoots similar to Kroda 3 in order to form a camp of discoveries for a potential future mining operation. The Kroda Gold Project is located within the Company's Barrow Creek Regional Project area. The Barrow Creek Regional Project consists of a 160 kilometre long geophysical gravity trend with associated metamorphosed sedimentary rocks, dolerite intrusions and large granite intrusions. The region has several known mineral occurrences including gold, copper, nickel, zinc, tin and tantalum.

During the year ABM received assay results from Kroda including:

- KRRC100013 at Kroda 3 target with:
 - 57 metres averaging 3.83g/t gold (0.2g/t cut-off) including:
 - 29 metres averaging 6.38g/t gold (0.5g/t cut-off).
- KRRC100014 at Kroda 3 target with:
 - 10 metres averaging 4.97g/t gold (0.2g/t cut-off) including:
 - 6 metres averaging 8.09g/t gold (0.5g/t cut-off).
 - 91 metres averaging 1.44g/t gold (0.2g/t cut-off) including:
 - 33 metres averaging 3.22g/t gold (0.5g/t cut-off).

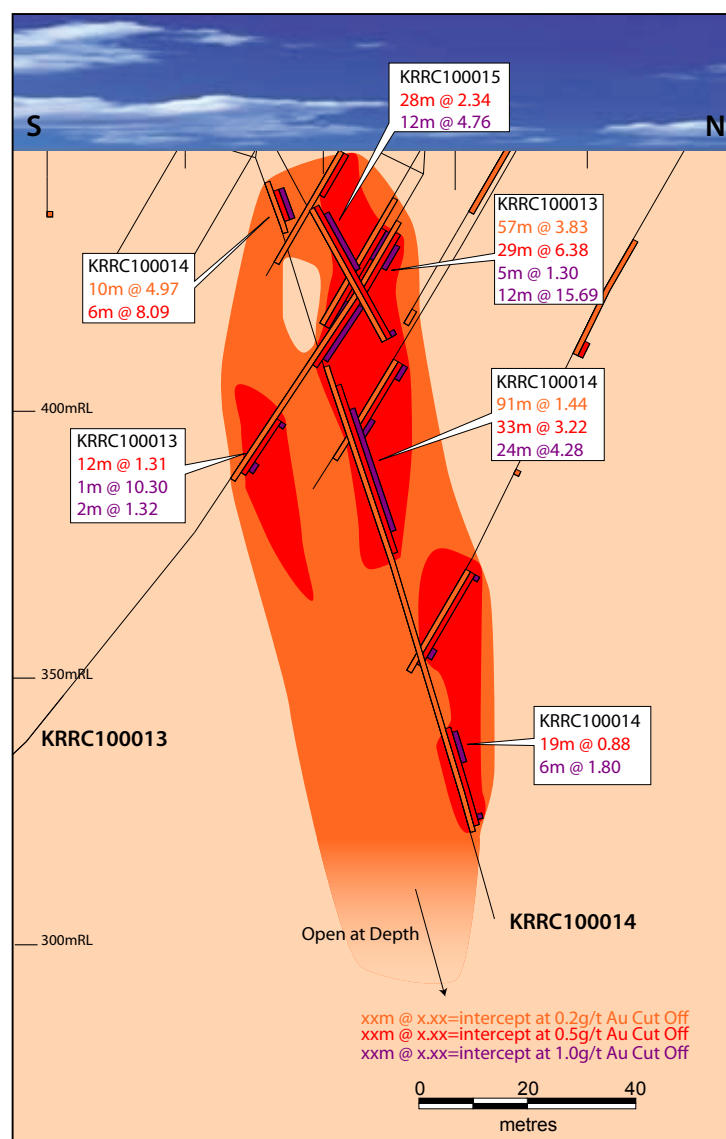


Figure 19. Kroda 3 cross-section (South-North) at 382625mE. Cross-section includes schematic contours of grade at 0.2g/t and 0.5g/t gold cut-off. Only ABM results labelled with intercepts. Refer to previous releases for historic results.

MANAGING DIRECTOR'S REPORT – REVIEW OF OPERATIONS

North Arunta Regional Project Area Geophysics

During the June Quarter ABM commenced an airborne electromagnetic survey over three regional target areas. The aim is to identify conductive clay rich alteration zones along regional structures as well as possible base metal sulphide bodies. The airborne electromagnetic survey covers the following areas:

- *The Kroda and Tulsa trends.* In 2011 ABM reported strong drill results from the Kroda Gold Project such as 57 metres averaging 3.83g/t gold including 29 metres averaging 6.38g/t gold. Kroda consists of a 14 kilometre combined strike length geochemistry anomaly. The Tulsa trend consists of a 10 kilometre strike length geochemistry anomaly as yet untested with drilling.
- *Reynolds Range / Stafford Gold Zone project area* which includes the Sabre Gold Prospect where drilling in 2010 returned 35 metres averaging 2.02g/t gold and the Reward Copper-Silver prospect where surface sampling returned rock-chips of 17.8% copper, 271g/t silver and 0.55g/t gold.
- *Bonita project area*, which includes a 6 kilometre diameter magnetic anomaly known as the Swampy Target at the intersection of tectonic scale geological structures.

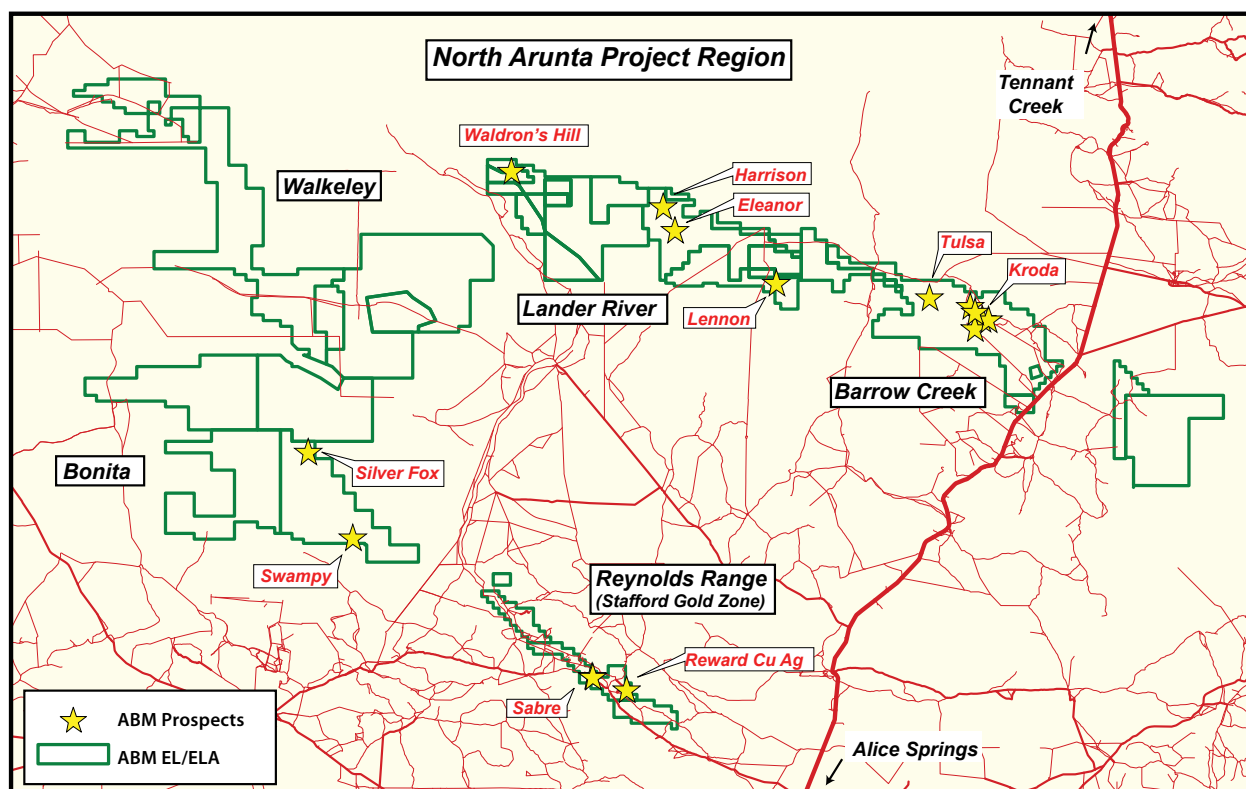


Figure 20. North Arunta Regional Project Area.

Other Regional Project Areas

Regional ionic leach geochemistry surveys have commenced and are aimed to generate new drill targets on the wider Twin Bonanza Gold Camp, Mallie / Tanami Downs project area, Bonita and Lake Mackay areas.

Lake Mackay Regional Projects

Traditional Owners, via the Central Land Council, and ABM reached a historic land access agreement for the Lake Mackay regional project which provides access to 3,500 square kilometres of prospective geology never before systematically explored. 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 sequences and iron formations of the Lander Group which are the 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.

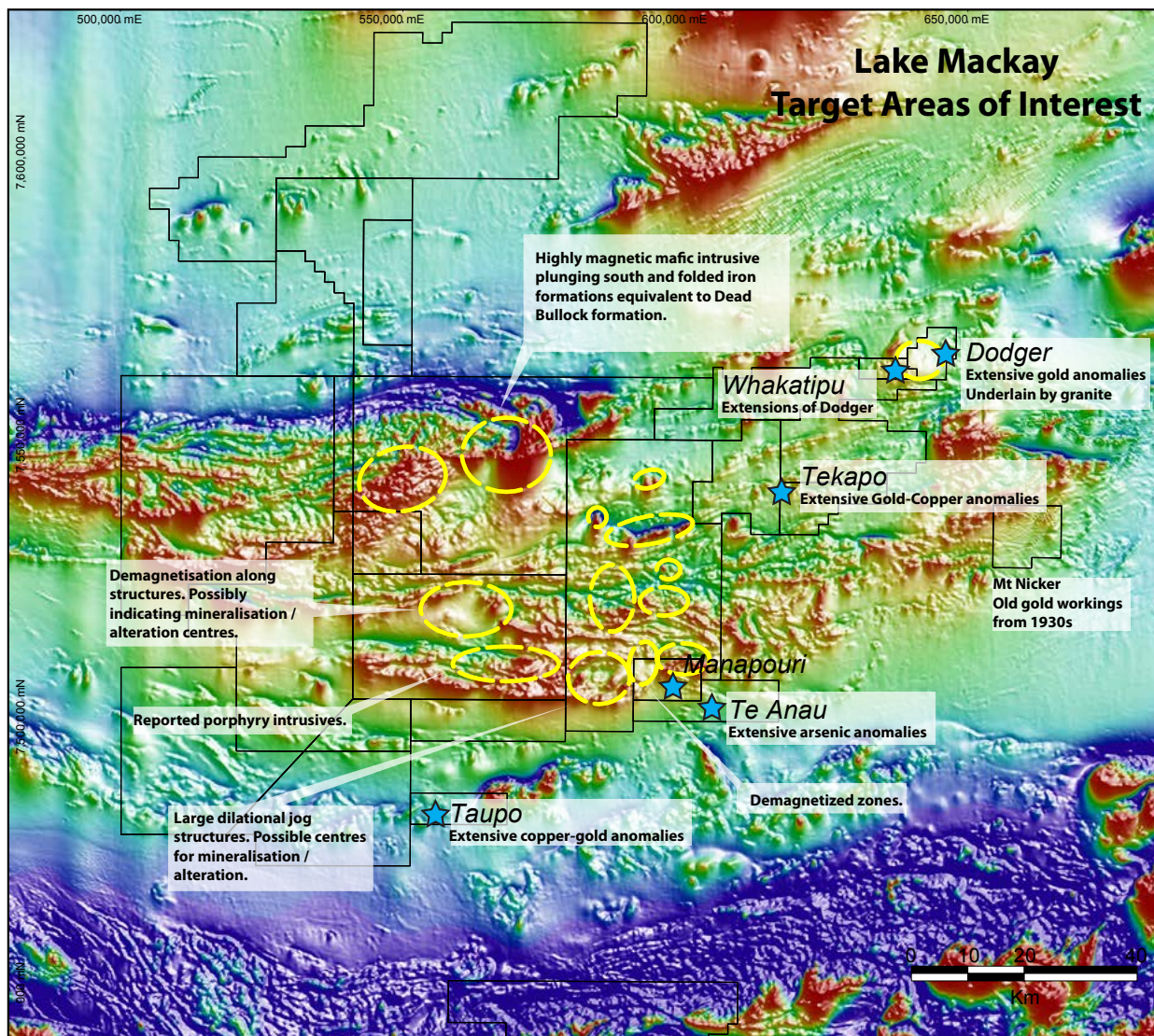


Figure 21. Lake Mackay Regional Project Area with several areas of interest. Image is underlain by regional aeromagnetic data.

Lake Mackay – Tekapo and Manapouri Prospects

During 2011 ABM conducted a scout reverse circulation drilling program on various projects at Lake Mackay. The drilling consisted of 16 holes averaging 267 metres depth for a total 4,279 metres of drilling. Drilling included testing several conceptual geophysical targets as well as near surface / oxide geochemical anomalies identified by previous explorers. Drilling results included:

- Tekapo Prospect confirmed gold and copper mineralisation including:
 - 26 metres averaging 2.22g/t gold (0.3g/t cut-off) from 28 metres down hole including:
 - 18 metres averaging 3.05g/t gold (1.0g/t gold cut-off).
 - 17 metres averaging 0.25% copper from 17 metres down hole.
- Manapouri Prospect – first evidence of gold present in system with:
 - 1 metre grading 5.61g/t gold from 234 metres.

PLANNED EXPLORATION ACTIVITIES 2012/2013

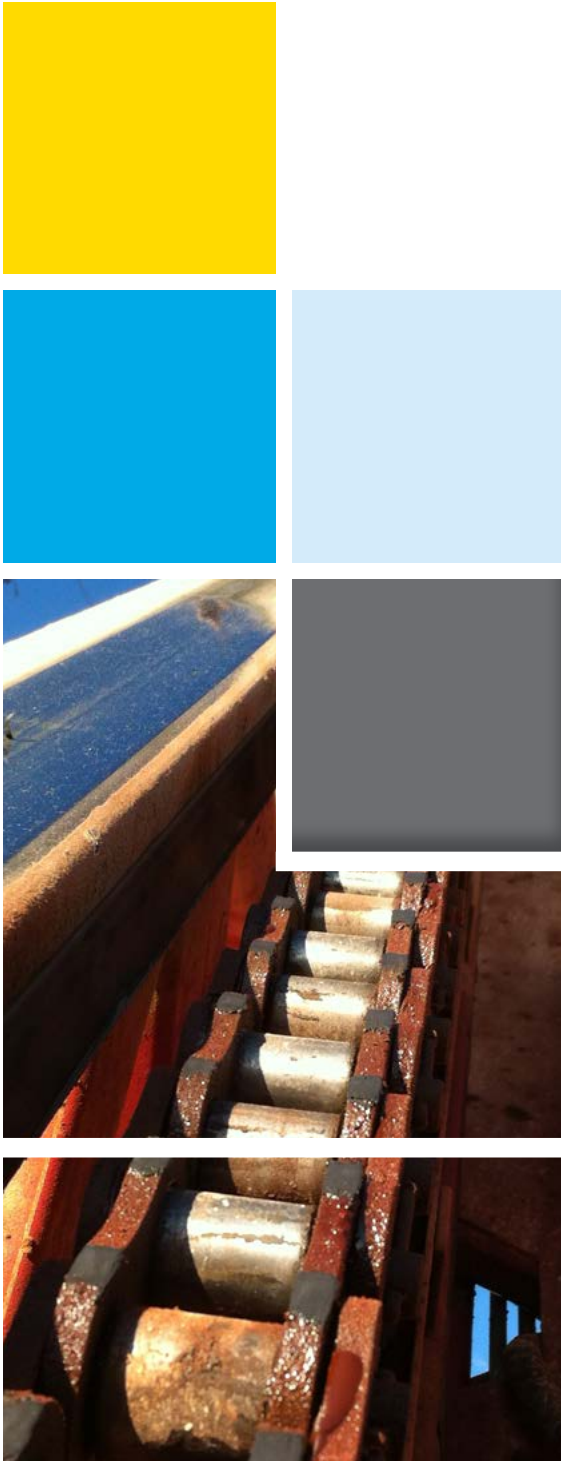
2012 PRIORITY DISCOVERY STAGE PROJECTS:

Twin Bonanza Gold Camp :

- CONTINUE EXTENSIONAL SURFACE SAMPLING PROGRAM AT OLD PIRATE AND EXTENSIONAL TARGETS SUCH AS THE GOLDEN HIND PROSPECT.
- CONTINUE EXTENSIONAL AND INFILL DRILLING AT OLD PIRATE.
- CONTINUE EXTENSIONAL DRILLING AT THE BUCCANEER PORPHYRY GOLD DEPOSIT.
- DRILL TEST OTHER PROSPECT AREAS INCLUDING THE CORSAIR PROSPECT, THE LANDLUBBER PROSPECT, THE BANDIT PROSPECT AND THE GOLDEN HIND PROSPECT.
- CONDUCT FURTHER DETAILED GRAVITY GOLD RECOVERY METALLURGICAL TESTS ON THE OLD PIRATE DEPOSIT.
- CONDUCT METALLURGICAL TESTING ON THE BUCCANEER PORPHYRY GOLD DEPOSIT.
- CONTINUE EXTENSIONAL SURFACE SOIL GEOCHEMISTRY PROGRAMS.
- CONTINUE MINE ECONOMIC STUDIES AT OLD PIRATE SUCH AS UPDATED SCOPING STUDIES AND FEASIBILITY STUDIES AS WELL AS POSSIBLE BULK SAMPLING / TEST WORK AND POSSIBLE DEVELOPMENT OF OLD PIRATE (SEE PLANNED DEVELOPMENT ACTIVITIES).

2012 OTHER PLANNED ACTIVITIES:

- COMPLETE REGIONAL AIRBORNE ELECTROMAGNETIC SURVEY AT THE EASTERN BARROW CREEK, REYNOLDS RANGE (STAFFORD GOLD ZONE) AND BONITA REGIONAL PROJECT AREAS.
- POSSIBLY DRILL TEST KRODA GOLD PROJECT / TULSA PROJECT.
- ANALYSIS OF HISTORIC DATA AND GEOPHYSICS FOR FURTHER DRILL TARGETING.
- APPLY REGIONAL GEOCHEMISTRY AND MAPPING PROGRAMS ACROSS SEVERAL PROJECT AREAS.



PLANNED DEVELOPMENT ACTIVITIES 2012/2013

2012 Priority Development of Gold Operations at Old Pirate (many of the bullet points below are subject to permitting and other uncertainties)

- FORM A QUALITY MINING MANAGEMENT TEAM.
- COMPLETE BIODIVERSITY, WATER MANAGEMENT, OTHER ENVIRONMENTAL STUDIES AND ENVIRONMENTAL IMPACT PLANS.
- DECIDE THE TIMING TO UNDERTAKE A BULK SAMPLE / PILOT PLANT TO RECONCILE GRADES AND UPGRADE RESOURCE MODEL AT OLD PIRATE.
- LOOK TO COMPLETE A MINING AGREEMENT WITH TRADITIONAL OWNERS.
- COMPLETE PERMITTING REGIME FOR MINERAL LEASE AT OLD PIRATE.
- IDENTIFY A SUITABLE SCALE PLANT, MACHINERY AND MINING CONTRACTORS TO FACILITATE MINING AND TREATMENT OF THE OLD PIRATE DEPOSIT.
- LOOK TO CONVERT OLD PIRATE AND SATELLITE DEPOSITS (SUCH AS THE GOLDEN HIND) INTO A HIGH GRADE AND PROFITABLE OPEN PIT MINING OPERATION.



MANAGING DIRECTOR'S REPORT – REVIEW OF OPERATIONS

ABM Asset Summary. Note – readers are referred back to previous announcements for full reporting of exploration results on a particular prospect or project.

Discovery Stage Projects – Several mineralised intercepts confirmed continuous over strike length with at least one sub-project pending drill to define extents or resource.

Sub-Project	Target Style	Infrastructure / Access	Extents	Best Intersections / Potential or Resource	2012 Proposed and Completed Activity	Refer ASX Announcement Date For Further Details
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Twin Bonanza Gold Camp Project

Old Pirate	High grade sedimentary hosted veins.	25km south of Tanami Road. All weather tracks. 60km from Coyote Mill.	Extendable over 8km of anomalies largely untested to the North and South of Central Old Pirate area.	Resource of 427,400 ounces of gold averaging 7.95g/t gold (top cut) or 565,000 ounces of gold averaging 10.65g/t gold (uncut). Multiple kilometres of prospective vein horizons yet to be tested.	Continued extensional and infill drilling. Further surface sampling and trenching of extensional veins. Further metallurgical test work. Updated resource estimations.	02/02/2010, 03/03/2010, 15/06/2010, 08/07/2010, 12/07/2010, 27/07/2010, 31/08/2010, 15/11/2010, 04/04/2011, 08/08/2011, 31/08/2011, 07/09/2011, 13/10/2011, 29/11/2011, 22/12/2011, 05/01/2012, 20/01/2012, 08/02/2012, 16/04/2012, 03/05/2012, 15/05/2012, 18/06/2012, 09/07/2012, 16/07/2012, 02/08/2012 & 05/08/2012
Golden Hind	High grade sedimentary hosted veins.	25km south of Tanami Road. All weather tracks. 60km from Coyote Mill. 800m south of Old Pirate.	High grade 60m strike length, variable width.	Surface strike length sampling 60 metres averaging 103.23g/t gold. Pending drill test.	Drill test.	28/06/2012, 05/08/2012 & 20/08/2012

Sub-Project	Target Style	Infrastructure / Access	Extents	Best Intersections / Potential or Resource	2012 Proposed and Completed Activity	Refer ASX Announcement Date For Further Details
Buccaneer including Caribbean, Cypress, Eastern Contact, Empress Zones.	Porphyry related gold.	22km south of Tanami Road. All weather tracks. 60km from Coyote Mill.	3km by 1.5km extents.	2.67Moz Inferred and Indicated Resource. Recent extensional results: 435m @ 0.69g/t gold incl 203m @ 1.07g/t gold incl 41m @ 3.54g/t gold. 174m @ 0.97g/t gold incl 32m @ 1.19g/t gold + 31m @ 3.37g/t gold incl 19m @ 5.08g/t gold.	Further extensional drilling focusing on higher grade zones including Caribbean and Cypress Zones. Re-optimisation of resource focusing on higher grade structural zones. Metallurgical test work.	01/02/2010 , 03/03/2010, 15/06/2010, 19/08/2010, 31/08/2010, 13/09/2010, 22/09/2010, 18/10/2010, 13/12/2010, 13/01/2011, 21/02/2011, 22/02/2011, 28/02/2011, 22/03/2011, 27/04/2011, 09/05/2011, 09/06/2011, 16/06/2011, 04/07/2011, 18/07/2011, 01/08/2011, 17/08/2011, 12/09/2011, 11/10/2011, 24/10/2011, 28/11/2011, 18/01/2012, 19/01/2012, 07/03/2012, 16/04/2012, 03/05/2012, 14/06/2012 & 01/08/2012
Twin Bonanza Gold Camp Companion Projects – Marauder, Casa Anomaly 19, Mavericks, Bandit, Corsair, Landlubber.	Various.	18 to 25km south of Tanami Road. 18 to 45km from Coyote Mill.	Combined anomalism over 80 sq km. Largely untested by drilling.	Total of 30 targets at the Twin Bonanza Gold Camp incl Old Pirate and Buccaneer. Anomaly 19: 52m @ 0.32g/t gold incl 18m @ 0.59g/t gold incl 6m @ 1.27 g/t gold. Bandit: 5m @ 3.12g/t gold incl 1m @ 13.25g/t gold.	Test multiple targets.	03/03/2010, 31/01/2011, 03/02/2011, 18/04/2011, 24/10/2011 & 28/11/2011

Northern Tanami Gold Project

Hyperion	High grade sedimentary hosted veins.	18km NNE of Groundrush Mine. All weather roads.	500m x 100m zone in overall 2km of anomalies. Open at depth.	202,000 ounce inferred resource.	Ongoing assessment.	09/03/2010 , 04/11/2010, 11/01/2011, 09/11/2011, 28/02/2012, 12/03/2012 & 16/04/2012
Hyperion Jasper Hill	High grade sedimentary hosted veins.	18km NNE of Groundrush Mine. All weather roads.	120m strike length open.	25m @ 1.05g/t Au incl. 16m @ 1.30g/t Au.	Reconnaissance 2012.	09/03/2010 & 04/11/2010
Hyperion Companion Projects – Hyp West; Grange, Brokenwood, Old Soldier	High grade sedimentary hosted veins.	18km NNE of Groundrush Mine. All weather roads.	Multiple targets >6 sq km of anomalism.	3m @ 8.53g/t Au, 3m @ 6.42g/t Au.	Reconnaissance 2012.	09/03/2010 & 11/01/2011

MANAGING DIRECTOR'S REPORT – REVIEW OF OPERATIONS

Sub-Project	Target Style	Infrastructure / Access	Extents	Best Intersections / Potential or Resource	2012 Proposed and Completed Activity	Refer ASX Announcement Date For Further Details
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Eastern Barrow Creek Gold Project

Kroda 3	High grade sedimentary hosted veins.	18km from Stuart Highway (near Barrow Creek).	540m by 300m anomalous zone defined by shallow drilling.	57m @ 3.83g/t gold incl 29m @ 6.83g/t gold incl 12m @ 15.69g/t gold. 91m @ 1.44g/t gold incl 33m @ 3.22g/t gold.	Airborne geophysics underway. Possible resource drilling.	16/03/2010, 17/03/2010, 20/06/2011, 27/09/2011 & 03/05/2012
Kroda Companion Projects 1, 2, 4	High grade sedimentary hosted veins.	18km from Stuart Highway (near Barrow Creek).	More than 14km of combined strike length of anomalism defined with shallow drilling / reconnaissance.	9m @ 2.39g/t Au, 6m @ 3.32g/t Au.	Airborne geophysics underway.	16/03/2010, 17/03/2010, 20/06/2011 & 03/05/2012
Tulsa Project	Shear zone hosted gold?	45km from Stuart Highway near Barrow Creek	10km of strike length of anomalous gold in soils	-	Airborne geophysics. geochemistry and possibly drilling.	

Stafford Gold Zone

Sabre	High grade sedimentary hosted veins.	200km NW of Alice Springs, 70km from Tanami Road via tracks from Yuendumu.	600m by 240m drilled zone.	35m @ 2.02g/t Au incl 17m @ 3.93g/t Au incl 2m @ 18.15g/t Au.	Airborne geophysics.	18/01/2010, 24/05/2010, 15/06/2010, 07/07/2010 & 03/05/2012
Stafford Gold Zone Companion Projects – Falchion Yataghan, Yataghan South, Assegai, Claymore	High grade sediment hosted veins.	200km NW of Alice Springs, 70km from Tanami Road via tracks from Yuendumu.	20 kilometres of anomalous strike length of the Stafford Gold Zone. Companion projects widely spaced / shallow drilling.	Up to 2m @ 4.1g/t Au in shallow drilling.	Airborne geophysics.	18/01/2010, 07/07/2010 & 03/05/2012
Reward Polymetallic Companion Project	Breccia hosted Cu-Ag-Pb-Au.	200km NW of Alice Springs, 70km from Tanami Road via tracks from Yuendumu.	250m x 100m outcrop of rock chips.	Rock-chips returned up to 20.3% copper and 271g/t silver.	Airborne geophysics.	18/01/2010, 13/05/2010 & 03/05/2012

Emergent Projects – Large Scale Anomalies in New Districts

Sub-Project	Target Style	Infrastructure / Access	Extents	Best Intersections / Potential or Resource	2011/2012 Proposed and Completed Activity	Refer ASX Announcement Date For Further Details
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Lake Mackay Projects

Tekapo	Iron Oxide-Copper-Gold (Tennant Creek / Ernest Henry Style).	400km east of Alice Springs, 60km from Nyirripi.	1.2km by 600m geochem anomaly Cu-Au-Ag-Bi-Mo-Sb.	16m @ 3.4g/t Au and 4m @ 2.67% Cu. No drilling in bedrock (surface regolith zone). 18m @ 3.05g/t gold and 17m @ 0.25% copper.	Reconnaissance 2012.	07/01/2010, 24/08/2011 & 24/11/2011
Dodger	Shear hosted gold + intrusion related base metals.	400km east of Alice Springs, 68km from Nyirripi.	Regolith (RAB) anomaly 2.5km long.	4m @ 3.56g/t Au. Untested in fresh rock. Several parallel systems. Major underlying intrusion as the potential source.	Reconnaissance 2012.	07/01/2010
Taupo	Iron Oxide-Copper-Gold (Tennant Creek / Ernest Henry Style).	400km east of Alice Springs, 99km from Nyirripi.	Regolith (RAB) anomaly 8km by 1km Cu-Au-Pb-Zn-Bi.	No test of fresh rock. All regolith drilling in depleted horizon.	Reconnaissance 2012.	07/01/2010
Lake Mackay Companion Projects – Wakatipu, Manapouri, Te Anau	IOCG, shear hosted gold, intrusive related gold.	400km east of Alice Springs.	Regolith (RAB & Vacuum) anomalies over variable extents.	Large low level anomalies. Manapouri: 1m @ 5.61g/t gold.	Reconnaissance 2012.	07/01/2010, 24/08/2011 & 24/11/2011

Tanami / Arunta Region Emergent Regional Projects

Northern Tanami- Soldier / Birrindudu	Sedimentary hosted veins.	~80km north of Tanami / Groundrush Mines.	Extensive geochemistry and magnetic anomalies over 8 sqkm.	No test of fresh rock.	Reconnaissance and possible drill test 2012.	23/11/2009
North Arunta	Porphyry related gold and sedimentary hosted vein deposits.	70km north of Yuendumu.	Unprospected ELAs spanning the prolific Trans-Tanami Geological Structure.	No work to date. Regional structural targets.	-	23/11/2009
Bonita	Unknown.	70km north of Yuendumu.	6km magnetic anomaly.	-	Airborne geophysics and geochemistry.	03/05/2012
Lake Mackay	Iron Oxide-Copper-Gold, High Grade Vein.	450km east of Alice Springs, 100km from Nyirripi.	Unprospected ELAs spanning major structures.	No work to date. Regional structural targets. Remote Australia.	Reconnaissance and target selection program planned.	23/11/2009

MANAGING DIRECTOR'S REPORT – REVIEW OF OPERATIONS

Competent Persons Statement

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Darren Holden who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Holden is a full time employee of ABM Resources NL and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves". Mr Holden consents to the inclusion in the documents of the matters based on this information in the form and context in which it appears.

DIVESTMENT PROJECTS

ABM has returned its Mozambique Project to the local partners. The Company remains in discussions with several parties for the divestment of the Erayinia Project in Western Australia.

CORPORATE DEVELOPMENTS

Directors

Imants Kins stepped down from his role as Executive Director and became a Non-Executive Director in September 2011.

Managing Director Darren Holden purchased 714,285 shares in ABM on market for a total value of \$30,000, bringing his and his related parties total holding to 20,880,952 shares.

ABM's Chairman Mike Etheridge purchased 1 Million shares on market during the June Quarter.

Substantial Shareholders

During the year ABM welcomed Craton Capital LLC and APAC Resources Limited (APAC) as substantial shareholders. Tanami Exploration NL ceased being a substantial shareholder after the sale of a large proportion of their ABM shares to APAC.

Share Placements / Movements

An un-brokered private placement of 177,777,778 shares with Craton Capital LLC at a price of \$0.045 per share raised gross-proceeds of \$8M.

Following shareholder approval of a selective share buy-back at the AGM held on 30 November 2011 ABM cancelled 1,574,000 shares.

During the March Quarter ABM arranged for the placement of \$15.125M at a price of \$0.055 per share to institutional and sophisticated investors and Tanami Exploration NL exercised options for gross proceeds to ABM of \$4.5M.

S&P/ASX 300 Index

ABM was added to the S&P/ASX 300 Index during the March Quarter.

OUTLOOK 2012/2013

ABM Resources is committed to continuing its programs of exploration and discovery in the Central Desert with focus at the Twin Bonanza Gold Camp. The Company aims to upgrade resources at Buccaneer and bring several of the other discoveries (Empress, Caribbean, Old Pirate) into resource category. The Company continues to mitigate technical risk by drilling multiple targets from extensional prospects around existing discoveries to regional grass roots prospects; and mitigate corporate risk by maintaining a strong balance sheet with fully funded discovery programs.

SUMMARY OF MINING TENEMENTS AND AREAS OF INTEREST

SUMMARY OF MINING TENEMENTS AS AT 30 JUNE 2012

Area of Interest	Tenement	Group's Interest	Tenement Status
NORTHERN TERRITORY			
TANAMI			
Birindudu	EL5889	100	granted
	EL23523	100	application
	EL27705	100	granted
	EL28326	100	granted
	EL28560	100	application
	EL28566	100	granted
Supplejack	EL26623	100	application
	EL27566	100	granted
	EL27570	100	application
	EL27812	100	granted
	EL27979	100	granted
	EL27980	100	application
	EL9250	100	granted
Matrix	EL26609	100	granted
	EL28333	100	application
Cervantes	EL26619	100	application
	EL27125	100	application
	EL27126	100	granted
Bonanza	EL25194	100	granted
	EL25844	100	granted
	EL26610	100	granted
	EL26616	100	granted
	EL27124	100	granted
	EL27127	100	granted
	EL27339	100	application
	EL27378	100	granted
	EL27813	100	granted
	EL28322	100	granted
	EL28323	100	application
	EL28324	100	granted
	EL28325	100	granted
	EL28327	100	granted
	EL28328	100	granted
	EL28394	100	application
	EL22850	100	granted
	EL23208	100	granted
	EL23659	100	granted
	EL24436	100	granted
	EL24344	100	granted
	EL26608	100	granted
	EL24437	100	granted
North Tanami	EL29181	100	application
	EL29182	100	application

SUMMARY OF MINING TENEMENTS AND AREAS OF INTEREST

SUMMARY OF MINING TENEMENTS AS AT 30 JUNE 2012

Area of Interest	Tenement	Group's Interest	Tenement Status
NORTHERN TERRITORY			
South Tanami	EL25191	100	granted
	EL25192	100	granted
	EL28785	100	application
Euro	EL25845	100	application
	EL26590	100	application
	EL26591	100	application
	EL26592	100	application
	EL26593	100	application
	EL26613	100	application
	EL26615	100	application
	EL26618	100	application
	EL26620	100	application
	EL26621	100	application
	EL26622	100	application
	EL26673	100	application
	EL27604	100	application
LAKE MACKAY			
Taupo	EL8696	100	granted
	EL28682	100	application
Tarawera	EL10306	100	granted
	EL10305	100	granted
	EL24473	100	application
	EL24492	100	granted
	EL27780	100	granted
	EL23898	100	application
	EL27894	100	application
	EL8695	100	application
	EL9343	100	granted
	EL25866	100	granted
	EL24299	100	granted
	EL24567	100	granted
	EL24915	100	application
	EL24949	100	granted
	EL25630	100	granted
	EL25632	100	granted
	EL29459	100	application
	EL29460	100	granted
	EL27872	100	granted
	EL29315	100	application
	EL29314	100	application
	EL29316	100	application
	EL29369	100	application
Tekapo	EL9442	100	granted
	EL9449	100	granted
	EL24858	100	granted

SUMMARY OF MINING TENEMENTS AND AREAS OF INTEREST

SUMMARY OF MINING TENEMENTS AS AT 30 JUNE 2012

Area of Interest	Tenement	Group's Interest	Tenement Status
NORTHERN TERRITORY			
Te Anau	EL8697	100	granted
Dodger	EL28028	100	granted
Terry's Find	EL27906	100	granted
McEwin Hills	EL29483	100	granted
NORTH ARUNTA			
Walkeley Project	EL22554	100	application
	EL22555	100	application
	EL26903	100	application
Bonita	EL23926	100	granted
	EL29367	100	granted
	EL23927	100	granted
	EL29368	100	granted
Reynolds Range	EL28083	100	granted
	EL23655	60	granted
	EL23888	100	granted
Barrow Creek	EL23880	100	granted
	EL23883	100	granted
	EL23884	100	granted
	EL23885	100	granted
	EL23886	100	granted
	EL8766	100	granted
	EL25030	100	application
	EL25031	100	application
	EL25033	100	application
	EL25034	100	application
	EL25035	100	application
	EL25036	100	application
	EL25041	100	application
	EL25042	100	application
	EL25044	100	application
	EL26825	100	granted
	EL28515	100	granted
	EL28748	100	granted
	EL28727	100	granted
WESTERN AUSTRALIA			
Dalgaranga	M59/106	100	
Erayinia	E28/1228	70	Hawthorn Resources Ltd – 30%
	E28/1611	70	Hawthorn Resources Ltd – 30%
	E28/1612	70	Hawthorn Resources Ltd – 30%

DIRECTORS' REPORT

The Directors of ABM Resources NL present their report on the consolidated entity (Group), consisting of ABM Resources NL and the entities it controlled at the end of, and during, the financial year ended 30 June 2012.

Directors

Dr Michael Etheridge	Non-Executive Chairman	
Mr Darren Holden	Managing Director	
Mr Imants Kins	Non-Executive Director	Role changed to Non-Executive from 9 September 2011
Mr Graeme Sloan	Non-Executive Director	
Mr Andrew Ferguson	Non-Executive Director	Appointed 9 July 2012

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Principal Activities

The principal activities of the Group during the financial year were:

- Exploration at the Northern Territory gold prospects;
- Resource estimate update at the Buccaneer Porphyry Gold Deposit;
- Maiden resource estimate at the Old Pirate High Grade Gold Deposit and the Hyperion Gold Deposit;
- Scoping Study at the Old Pirate High Grade Gold Deposit;
- Capital Raising activities; and
- Divestment of non-core assets.

Operating Results

The consolidated loss for the Group after providing for income tax amounted to \$11,836,321 (2011: loss of \$9,726,208).

Dividends

There were no dividends paid or declared during the year.

Financial Position

The net assets of the Group have increased by \$12,630,855 from 30 June 2011 to \$41,791,628 in 2012. The increase is largely due to an increase in contributed equity.

Significant Changes in the State of Affairs

The following significant changes in the state of affairs of the Group occurred during the financial year:

- Board changes;
- Implementation of accelerated exploration strategy on the Northern Territory tenement portfolio; and
- Increased the size of the exploration team.

Matters Subsequent to the End of the Financial Year

The Group released numerous announcements regarding exploration results from the Buccaneer and Old Pirate projects, some of which have been referred to in the Managing Director's review of operations.

On 9 July 2012, Mr Andrew Ferguson joined the Board of the ABM as a Non-Executive Director.

On 8 August 2012, ABM received "The Best Emerging Company" Award at Diggers & Dealers Forum 2012.

DIRECTORS' REPORT

Likely Development

- Continue exploration at the Twin Bonanza Gold Camp and the Northern Territory Regional Targets;
- Further economic studies, progressing of environmental studies and permitting for development of the Old Pirate High Grade Gold Deposit; and
- Define and test various regional exploration targets.

Environmental Regulation

The Group's operations are subject to significant environmental regulation under the laws of the Commonwealth, Western Australia and the Northern Territory. The Group monitors its compliance with environmental regulations on an ongoing basis. The Directors are not aware of any significant breaches during the period covered by this report.

The Directors have considered compliance with the *National Greenhouse and Energy Reporting Act 2007* which requires entities to report annual greenhouse gas emissions and energy use. For the first measurement period 1 July 2011 to 30 June 2012 the Directors have assessed that there are no current reporting requirements, but the Group may be required to do so in the future.

INFORMATION ON DIRECTORS

Dr M Etheridge

PhD, FTSE, FAIG, FAICD

Status: Independent

Position: Non-Executive Chairman

Qualifications and Experience:

Dr Mike Etheridge is a geologist with over 40 years experience in exploration, mining, consulting and research. Until 2004 he was Chairman of the consulting firm SRK Consulting (Australia), having co-founded its predecessor, Etheridge Henley Williams in 1990. Dr Etheridge is an Adjunct Professor at Macquarie University, where he led an industry collaborative research project into improving the management of risk and value in mineral exploration. He has been a Non-Executive Director of Lihir Gold Ltd (ASX, POMSoX, NASDAQ, TSX), Consolidated Minerals Ltd (ASX, AIM), Ariana Resources Ltd (AIM), Ballarat Goldfields NL (ASX) and Geoinformatics Exploration Inc (TSX-V), among others. He also chaired the boards of the Predictive Mineral Discovery Cooperative Research Centre and AuScope Ltd, two major government and industry-funded research bodies. He is currently a Director of the Deep Exploration Technologies CRC, Chairman of ASX-listed Clancy Exploration Ltd and Chairman of unlisted Zeus Uranium Ltd. Dr Etheridge is chairman of the Group's Remuneration and Nomination Committee, a member of the Audit Committee and chairman of the Safety, Technical and Sustainability Committee.



DIRECTORS' REPORT



Mr D Holden

BSc Hons, MAusIMM

Status: Not independent

Position: Managing Director

Qualifications and Experience:

Mr Holden is a geologist with 17 years experience in mining and exploration. He is a graduate of the University of Otago (NZ) and The University of Western Australia and is a Member of the Australasian Institute of Mining and Metallurgy. Mr Holden has previously held the role of Senior Consultant at Fractal Geoscience and was involved in geophysical and geological modelling and targeting on a wide range of deposit styles. Mr Holden also held the roles of Vice President and Chief Operating Officer of Geoinformatics Exploration Inc for the period from 2001 to 2009. Under Mr Holden's exploration tutelage Geoinformatics successfully delineated several new discoveries including a multimillion ounce gold-copper project in Alaska and other base and precious metal discoveries in British Columbia, Nevada and Mexico. Mr Holden returned to Perth in November 2009 to take up the position of Managing Director at ABM Resources NL. Mr Holden is a member of the Group's Safety, Technical and Sustainability Committee.



Mr I Kins

BEC MA

Status: Not independent

Position: Non-Executive Director

Qualifications and Experience:

Mr Kins is an Economist with over 25 years experience specialising in the resource sector. He has a Bachelor of Economics from the University of WA and a Master of Arts (Futures studies) degree from the Curtin University of Technology. Mr Kins has worked in the State Government (including industrial and resource development) and then mainly the private sector in regards to the resource sector. Since 1987 he has mainly worked as a consultant to the resource sector undertaking projects with exploration and mining companies, investors and brokers. He was appointed the Managing Director of the Company in October 2005, Executive Chairman in April 2007 and part time Executive Director in November 2009. As from 9 September 2011 he became a Non-Executive Director of the Company. Mr Kins brings extensive resource sector based strategic planning, macroeconomic and corporate governance experience to the Board. He is currently Executive Chairman of Rico Resources Ltd (ASX: RRI) and Director of Ochre Management Limited. Mr Kins is a member of the Group's Remuneration and Nomination Committee and a member of the Audit Committee.

DIRECTORS' REPORT



Mr G Sloan

BAppSc, MAusIMM

Status: Independent

Position: Non-Executive Director

Qualifications and Experience:

Graeme Sloan is a Mining Engineer with extensive corporate and operational experience both within Australia and overseas. He is currently Managing Director of Herencia Resources PLC and Non-Executive Director of Orion Gold NL. Mr Sloan has held senior roles with several ASX listed companies including Tanami Gold NL and has been responsible for the successful development, implementation and commissioning of various projects over a range of different commodity types. Mr Sloan is a member of the Group's Remuneration and Nomination Committee, Chairman of the Audit Committee and a member of the Safety, Technical and Sustainability Committee.



Mr A Ferguson

BSc Hons

Status: Not independent

Position: Non-Executive Director

Qualifications and Experience:

Mr Ferguson is an Executive Director and the Chief Executive Officer of APAC Resources Limited, which is a natural resources investment company listed on Hong Kong Stock Exchange. Mr Ferguson holds a Bachelor of Science Degree in Natural Resource Development and was a mining engineer in Western Australia in the mid 90's. In 2003, Mr Ferguson co-founded New City Investment Managers in England. He has a proven track record in fund management and was the former co-fund manager of City Natural Resources High Yield Trust, which was awarded best UK Investment Trust in 2006. He has also worked for CQS LLP (CQS) in Hong Kong as the Chief Investment Officer for New City Investment Managers CQS and a Senior Portfolio Manager for CQS. Mr Ferguson was appointed Non-Executive Director of ABM Resources NL on 9 July 2012.

DIRECTORS' REPORT

Ms J Zimmermann

Position: Company Secretary

Qualifications and Experience:

Ms Jutta Zimmermann is an accountant (Australian AQF diploma level) with over twenty five years of experience (Germany and Australia) in accounting, taxation and, in recent years, management. She has a diploma in information technology (Australian bachelor degree level) from the Furtwangen Polytechnic and holds the position of Chief Financial Officer with the Company. Ms Zimmermann was appointed Company Secretary on 17 April 2007, holds a Certificate in Governance Practice and Administration, is a member of Chartered Secretaries Australia and is Director of two of ABM's subsidiaries.

Directors' Interest

As at the date of this report, the direct and indirect interests of the Directors in the Group were:

	Fully Paid Ordinary Shares	Options
Dr M Etheridge	13,000,000	-
Mr D Holden	20,880,952	-
Mr I Kins	21,966,398	-
Mr G Sloan	-	-
Mr A Ferguson	-	-

Meetings of Directors

During the financial year, 11 meetings of Directors were held. Attendances by each Director during the year were as follows:

	Number Eligible to Attend	Board Meetings Attended
Dr M Etheridge	11	11
Mr D Holden	11	11
Mr I Kins	11	11
Mr G Sloan	11	11

Due to the current size and composition of the economic entity's Board, the full Board dealt with all Board related matters, other than remuneration, until May 2012. In May 2012 the Board established an Audit Committee, which did not hold any meetings in the 2012 financial year. The Board also has a Safety, Technical and Sustainability Committee which did not meet in the 2012 financial year.

Meetings of Remuneration and Nomination Committee

In May 2012 the function of Nomination Committee was added to the Remuneration Committee. During the financial year, two meetings of the Remuneration and Nomination Committee were held. Attendances by each committee member during the year were as follows:

DIRECTORS' REPORT

	Number Eligible to Attend	Committee Meetings Attended
Dr M Etheridge	2	2
Mr I Kins	2	2
Mr G Sloan	2	2

REMUNERATION REPORT (AUDITED)

This Remuneration Report outlines Director and Group's key management personnel remuneration arrangements in accordance with the requirements of the *Corporations Act 2001* and its Regulations. For the purposes of this report, key management personnel of the Group are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company and the Group, directly or indirectly, including any Director (whether executive or otherwise) of the Group.

Remuneration Principles

Remuneration levels are set with the objective of attracting and retaining appropriately qualified and experienced staff. Remuneration packages are structured to recognise, encourage and reward improved performance and business growth, balanced between short-term and long-term goals. Benchmarking is undertaken on a regular basis to ensure remuneration packages are competitively positioned in the market.

Remuneration and Nomination Committee

The full charter of the Remuneration and Nomination Committee is available on the Company's website. The objective of the Remuneration and Nomination Committee is to review the Company's remuneration and nomination policies and strategies and to take appropriate action by making reports and recommendations to the Board as it deems advisable. The Committee consists of three appropriately qualified and experienced Non-Executive Directors, the majority being independent. The Committee is chaired by an independent Non-Executive Director. The Committee will meet at least once a year but as often as it is required to discharge its responsibilities. The Committee will be:

- reviewing and approving the executive remuneration policy to enable the Company to attract and retain executives and Directors who will create value for shareholders;
- ensuring that the executive remuneration policy demonstrates a clear relationship between key executive performance and remuneration;
- recommending to the Board the remuneration of Executive Directors, including remuneration by gender, and annually reviewing executive packages by reference to criteria set out in Clause 6 of the Remuneration and Nomination Committee Charter;
- reviewing the Company's superannuation arrangements;
- setting the terms and conditions for the appointment of the Chief Executive Officer/Managing Director, and undertaking a review (at least annually) of the Chief Executive Officer/Managing Director's performance;
- fairly and responsibly rewarding executives having regard to the objectives and performance of the Group, the performance of the executive and the prevailing remuneration expectations in the market;
- reviewing the Company's recruitment, retention and termination policies and procedures for senior management;
- reviewing and approving the remuneration of the Managing Director, and as appropriate other senior executives;
- reviewing and approving any equity based plans and other incentive schemes;
- maintaining a Board that has an appropriate mix of skills and experience to be an effective decision-making body; and
- ensuring that the Board is comprised of Directors who contribute to the successful management of the Company and discharge their duties having regard to the law and the highest standards of corporate governance.

DIRECTORS' REPORT

Non-Executive Director Remuneration

Non-Executive Directors' fees are set with regard to market rates for comparable companies for time, commitment, responsibilities, accountability and the maximum aggregate amount of fees that can be paid to Non-Executive Directors. The fees are not linked to the performance of the Group. However, to align Non-Executive Directors' interests with shareholder interests, the Non-Executive Directors are encouraged to hold shares in the Group purchased by that Non-Executive Director on-market. Some Non-Executive Directors were granted a loan from the Group to cover the acquisition cost of the shares issued during the 2009/2010 financial year.

The Constitution and the ASX Listing Rules specify that the aggregate remuneration of Non-Executive Directors shall be determined from time to time by the members at a General Meeting. The current limit of \$300,000 was approved by shareholders at the Annual General Meeting of the Company held on 30 November 2010.

Key Management Personnel Remuneration Including the Managing Director

The key management personnel remuneration framework has three components and the combination of these comprise the key management personnel's total remuneration:

- Base Salary and Benefits
- Short-Term Incentives at the Boards discretion
- Long-Term Incentives at the Boards discretion

Base Salary and Benefits

Executive Directors, key management personnel and employees are offered a fixed base salary and benefits. Base salary and benefits are reviewed every year to ensure the employee's remuneration is competitive with the market. Employment contracts do not guarantee increases in base salary and benefits.

The Executive Directors, key management personnel and employees receive the superannuation guarantee contribution required by the government, which is currently 9%, and do not receive any other retirement benefits. Other benefits include salary continuance, life, total and permanent disability insurance and other fringe benefits.

Short-Term Incentives

The objective of short-term incentives is to align the interests of Executive Directors, key management personnel and employees with those of the shareholders through the payment of short-term incentives linked to pre-agreed targets. The targets include, where appropriate growth in shareholder value, exploration success, staff retention, compliance and formulating company strategies. Short-term incentives are designed to incentivise and reward individual contribution to achieving overall performance. Discretionary cash bonuses totalling \$95,000 have been granted to Executive Directors and key management personnel during the year.

Long-Term Incentives

All long-term and equity incentives must be linked to predetermined performance and/or continuity criteria. Long-term incentives are designed to align Executive Directors, key management personnel and employee's interest with the Company's longer term objectives of growth in market capitalisation, earnings per share, exploration success and strategic success. On recommendation of the Remuneration and Nomination Committee, the Board may exercise its discretion in relation to approving incentives, including equity participation. The policy is designed to attract the highest calibre of key management personnel and reward them for performance. Key management personnel are also entitled to participate in employee share arrangements.

Performance Evaluation

As part of each Executive Director and key management personnel's remuneration package there may be a performance-based component, consisting of cash bonuses and/or incentives, including equity participation, linked to the achievement of key performance indicators (KPIs) and taking into account experience, qualifications and length of service. The intention of this program is to facilitate goal congruence between Directors/key management personnel with that of the business and shareholders. The KPIs are set at the beginning of the employment and are reviewed annually and adjusted where appropriate. The measures are specifically tailored, to the areas each Director/key management personnel is involved in and has a level of control over.

DIRECTORS' REPORT

The KPIs target areas, the Remuneration and Nomination Committee believes, hold greater potential for Group expansion and profit, covering financial and non-financial as well as short and long-term goals. Such incentives may be offered where Executive Directors and key management personnel do not otherwise have a substantial shareholding in the Group.

Performance in relation to the KPIs is assessed annually, with bonuses and incentives being awarded depending on the number and deemed difficulty of the KPIs achieved. Following the assessment, the KPIs are reviewed by the Remuneration and Nomination Committee in light of the desired and actual outcomes, and their efficiency is assessed in relation to the Group's goals and shareholder wealth, before the KPIs are set for the following year.

For Non-Executive Directors the KPI's are related to their performance on the Board in regards to their specific field of expertise, continuity of employment and their performance in relation to the Board Charter and Committee Charters.

Executive Directors' incentives are based on continuity of employment and performance criteria such as determining whether value has been or will be added for shareholders of the Company, including share price movement, project acquisitions, project development, capital raising to fund operations, broker support, retention of key staff and corporate governance. The weighting of each KPI is dependent on the circumstances of each year and is on recommendation of the Remuneration and Nomination Committee at the full discretion of the Board.

Key management personnel incentives are based on continuity of employment and performance criteria based on the field of expertise of the key management personnel, including the promotion of the interests of the Company, securing of projects on reasonable terms, project development, timely completion of tasks and reporting requirements.

No performance based incentives were delivered in form of shares issued to Directors and key management personnel during the financial year. Continuity based incentives were delivered in form of shares issued to Directors/key management personnel at market price in the financial year 2010/2011 with the consecutive grant of a loan for the full amount. The continuity conditions are to be fulfilled over a period of three years, with each year a proportion becoming available for release from escrow, subject to loan repayment. None of the Directors has repaid the loan for shares where continuity conditions were fulfilled during the 2011/2012 financial year.

Details of shares and loans granted to Directors/key management personnel can be found on page 56.

Company Performance

The following table shows the gross revenue, losses and dividends for the last five years for the listed entity, as well as the share price at the end of the respective financial years. The Company has continued to move forward during the last year with gold and gold-copper exploration success at the Tanami Projects in the Northern Territory of Australia. The Board is satisfied that the previously described remuneration policy has been an important component of this development.

	2008	2009 (restated)	2010	2011	2012
	\$	\$	\$	\$	\$
Revenue	192,185	66,515	113,204	514,214	1,024,726
Net loss	4,494,539	4,594,720	30,124,103	9,726,208	11,836,321
Share price at year-end	0.042	0.019	0.019	0.037	0.038
Dividend paid	-	-	-	-	-

DIRECTORS' REPORT

Key Management Personnel

The following persons were key management personnel of the ABM Resources NL Group during the financial year:

Key Management Person	Position	Commencement of Position
Dr M Etheridge	Non-Executive Chairman	23 November 2009
Mr D Holden	Managing Director	23 November 2009
Mr I Kins	Non-Executive Director	Role changed to Non-Executive from 9 September 2011
Mr G Sloan	Non-Executive Director	30 November 2010
Ms J Zimmermann	CFO / Company Secretary	1 June 2005

Details of Remuneration

Details of compensation for key management personnel and Directors of the ABM Resources NL Group are set out below:

2012	Short-Term Employee Benefits			Post-Employment Benefits	Share-based Payments			Proportion of Remuneration that is at Risk	% of Value of Remuneration that Consists of Options
	Salary, Fees and Commission \$	Cash Bonus \$	Other \$	Superannuation \$	Shares \$	Put Options ¹⁾ \$	Total \$		
Directors									
Dr M Etheridge	73,395	-	-	6,605	-	20,084	100,084	20.1%	20.1%
Mr D Holden	275,229	75,000	-	24,771	-	47,016	422,016	28.9%	11.1%
Mr I Kins	43,379	-	-	3,904	-	10,444	57,727	18.1%	18.1%
Mr G Sloan	36,697	-	-	3,303	-	-	40,000	0.0%	0.0%
Total Directors	428,700	75,000	-	38,583	-	77,544	619,827		
Other Key Management Personnel									
Ms J Zimmermann	183,486	20,000	-	16,514	-	25,105	245,105	18.4%	10.2%
Total Other	183,486	20,000	-	16,514	-	25,105	245,105		
Total	612,186	95,000	-	55,097	-	102,649	864,932		

¹⁾ The value of the embedded put options within the Directors and other key management personnel loans in accordance with Company's Employee Loan Scheme.

DIRECTORS' REPORT

2011	Short-Term Employee Benefits			Post-Employment Benefits	Share-based Payments		Total	Proportion of Remuneration that is at Risk	% of Value of Remuneration that Consists of Options
	Salary, Fees and Commission \$	Cash Bonus \$	Other \$	Super-annuation \$	Shares \$	Put Options ²⁾ \$			
Directors									
Dr M Etheridge	73,395	-	-	6,605	-	48,202	128,202	37.6%	37.6%
Mr D Holden	275,229	-	-	24,771	-	176,944	476,944	37.1%	37.1%
Mr I Kins	71,560	-	-	6,440	-	25,065	103,065	24.3%	24.3%
Dr N Archibald ¹⁾	20,000	-	-	-	-	-	20,000	0.0%	0.0%
Mr G Sloan	21,415	-	-	1,927	-	-	23,342	0.0%	0.0%
Total Directors	461,599	-	-	39,743	-	250,211	751,553		
Other Key Management Personnel									
Ms J Zimmermann	181,369	10,000	-	16,323	-	60,253	267,945	26.2%	22.5%
Total Other	181,369	10,000	-	16,323	-	60,253	267,945		
Total	642,968	10,000	-	56,066	-	310,464	1,019,498		

¹⁾ Retired 31 December 2010.

²⁾ The value of the embedded put options within the Directors and other key management personnel loans in accordance with Company's Employee Loan Scheme.

Share-based Compensation

Put Options

The balance of the embedded put options within the Directors and other key management personnel loans for the financial year ended 30 June 2012 (2011: \$388,534) are as follows:

Name	Total Value of Embedded Put Options at Inception
Dr M Etheridge	77,123
Mr D Holden	277,552
Mr I Kins	40,105
Ms J Zimmermann	96,404
	491,184

The detail of loans to Directors and other key management personnel are set out in Note 26(c). Loans to Directors relate to an at arm's length transaction whereby the Directors purchased shares at market price and were granted a loan as per the Employee Loan Scheme which forms part of the Company's Employee Share Plan. The shares belong to the Directors, however have been put in a holding lock until such time as the later of fulfilment of continuity of employment conditions or loan repayment has occurred. The loan has to be repaid within 5 years from the issue date. None of the Directors has repaid the loan for shares where continuity conditions were fulfilled during the 2011/2012 financial year.

DIRECTORS' REPORT

Cash Bonuses

Following a performance review by the Remuneration and Nomination Committee, the Committee recommended to the Board a cash bonus to D Holden totalling \$75,000 and to J Zimmermann totalling \$20,000. The Board, at its discretion, approved the recommended bonuses which vested 100% during the financial year ended 30 June 2012.

Options and Shares Issued as Part of Remuneration

No options and shares were issued to Directors and key management personnel as part of their remuneration during the financial year ended 30 June 2012.

Employment Contracts of Directors and Other Key Management Personnel

Remuneration and other terms of engagement for Non-Executive Directors are formalised in service agreements. The agreement summarises the Board policies and terms, including compensation relevant to the office of Director.

The employment contracts stipulate a range of one to six month resignation notification periods. The Company may terminate an employment contract without cause by providing a range of one- to six-month written notice or making payment in lieu of notice, based on the individual's annual salary component. No redundancy payments are offered to specified key management personnel. In the instance of serious misconduct the Company can terminate employment at any time.

Other major provisions of the agreements relating to remuneration are set out below:

Dr M Etheridge, Non-Executive Chairman

- Term of agreement – ongoing subject to re-election by shareholders;
- Remuneration – \$80,000 p.a. (including superannuation) commenced 23 November 2009.

Mr D Holden, Managing Director

- Term of agreement – 3 years contract commencing 23 November 2009 with a further three year option, which was exercised;
- Base salary, inclusive of superannuation, from 1 July 2010 of \$300,000 per year;
- Payment of a termination benefit on early termination by the Company, other than for gross misconduct, equal to 12 month salary;
- Notice period varies between no notice if mutually agreed and three month notice by either party without reason.

Mr I Kins, Non-Executive Director

- Term of agreement – ongoing subject to re-election by shareholders;
- Remuneration (including superannuation) – for the period 1 July 2011 to 9 September 2011 of \$78,000 p.a. and from 9 September 2011 of \$40,000 p.a.

Mr G Sloan, Non-Executive Director

- Term of agreement – ongoing subject to re-election by shareholders;
- Remuneration - \$40,000 p.a. (including superannuation) commencing 30 November 2010.

Ms J Zimmermann, CFO / Company Secretary

- Term of agreement – ongoing commencing 1 June 2005;
- Base salary, inclusive of superannuation, from 4 December 2010 of \$200,000;
- No termination benefits applicable;
- Employment can be terminated with a 3 month notice period by either party.

End of Audited Remuneration Report.

DIRECTORS' REPORT

Insurance of Officers

During the financial year, ABM Resources NL expensed a premium of \$33,136 to insure the Directors, the secretary and other officers of the Company and its Australian-based controlled entities.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of entities in the Group, and any other payments arising from liabilities incurred by the officers in connection with such proceedings. This does not include such liabilities that arise from conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else or to cause detriment to the Company. It is not possible to apportion the premium between amounts relating to the insurance against legal costs and those relating to other liabilities.

Loans to Directors and Key Management Personnel

Information on loans to Directors and key management personnel, including values, interest rates and repayment terms are set out in Note 26(c) to the financial statements.

Unlisted Options

Unlisted options of ABM Resources NL at the date of this report are as follows:

Grant Date	Expire Date	Exercise Price	No. of Options
14 December 2009	15 December 2012	0.050	20,000,000
15 January 2010	15 January 2014	0.010	10,000,000
15 January 2010 ¹⁾	15 January 2015	0.015	166,500,000
18 October 2010	18 October 2015	0.015	83,500,000
			280,000,000

¹⁾ On exercise of these options a further 166,500,000 options will be issued (\$0.015 @ 5 years from issue date).

Non-Audit Services

During the financial year, the following fees were paid or payable to the auditor of the Group, its related practices and non-related audit firms:

	Consolidated	
	2012	2011
	\$	\$
Audit related services		
Amounts paid or payable to BDO		
Audit and review of financial statement	43,744	61,115
Total remuneration for audit services	43,744	61,115
Taxation services		
Amounts paid or payable to BDO		
Tax compliance services	21,405	21,947
Total remuneration for non-audit services	21,405	21,947

DIRECTORS' REPORT

The Company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Company and/or the Group are important.

The Directors are satisfied that the provision of non-audit services, during the year, by the auditor (or by another person or firm on behalf of the auditor), is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*.

The Directors are satisfied that the provision of non-audit services by the auditor, as set out above, did not compromise the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- all non-audit services have been reviewed by the Board of Directors to ensure they do not impact the impartiality and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 *Code of Ethics for Professional Accountants*.

Proceeding on Behalf of the Company

No person has applied to the Court under Section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under Section 237 of the *Corporations Act 2001*.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under Section 307C of the *Corporations Act 2001* is set out on page 67.

This report is made in accordance with a resolution of Directors.



MIKE ETHERIDGE

Non-Executive Chairman



DARREN HOLDEN

Managing Director

Dated this 4th day of September 2012
Perth, Western Australia

CORPORATE GOVERNANCE STATEMENT

The Directors of ABM Resources NL ("ABM Resources" or the "Company") believe that effective corporate governance improves company performance, enhances corporate social responsibility and benefits all stakeholders. Governance practices are not a static set of principles, and the Company assesses its governance practices on an ongoing basis. Changes and improvements are made in a substance over form manner, which appropriately reflects the changing circumstances of the Company as it grows and evolves. Accordingly, the Board has established a number of practices and policies to ensure that these intentions are met and that all shareholders are fully informed about the affairs of the Company.

ASX Corporate Governance Principles and Recommendations

The Company has adopted the Australian Securities Exchange (ASX) Corporate Governance Council Corporate Governance Principles and Recommendations with 2010 Amendments 2nd edition as released by the ASX Corporate Governance Council ("ASX Principles"). ABM Resources' corporate governance practices are outlined in this corporate governance statement.

Where the Company has not followed a recommendation, reasons for non-compliance have been identified. All these practices, unless otherwise stated, were in place for the entire year. This disclosure is in accordance with ASX listing rule 4.10.3.

	ASX P&R ¹⁾	If not, why not ²⁾		ASX P&R ¹⁾	If not, why not ²⁾
Recommendation 1.1	✓		Recommendation 4.2	✓	
Recommendation 1.2	✓		Recommendation 4.3	✓	
Recommendation 1.3 ³⁾	✓		Recommendation 4.4 ³⁾	✓	
Recommendation 2.1		✓	Recommendation 5.1	✓	
Recommendation 2.2	✓		Recommendation 5.2 ³⁾	✓	
Recommendation 2.3	✓		Recommendation 6.1	✓	
Recommendation 2.4	✓		Recommendation 6.2 ³⁾	✓	
Recommendation 2.5	✓		Recommendation 7.1	✓	
Recommendation 2.6 ³⁾	✓		Recommendation 7.2	✓	
Recommendation 3.1	✓		Recommendation 7.3	✓	
Recommendation 3.2	✓		Recommendation 7.4 ³⁾	✓	
Recommendation 3.3	✓		Recommendation 8.1	✓	
Recommendation 3.4	✓		Recommendation 8.2	✓	
Recommendation 3.5 ³⁾	✓		Recommendation 8.3	✓	
Recommendation 4.1	✓		Recommendation 8.4 ³⁾	✓	

¹⁾ Indicates where the Company has followed the ASX Principles and Recommendations.

²⁾ Indicates where the Company has provided "if not, why not" disclosure.

³⁾ Information based recommendations 1.3, 2.6, 3.5, 4.4, 5.2, 6.2, 7.4 and 8.4 are not adopted or reported against using the "if not, why not" disclosure - information is either provided or it is not.

PRINCIPLE 1: LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

Functions of the Board and Senior Executives

The Board operates in accordance with broad principles set out in its Charter. The full Board Charter, Committee Charters and Policies are available in the Corporate Governance section on the Company's website www.abmresources.com.au.

CORPORATE GOVERNANCE STATEMENT

The Board Charter sets out the Board's delegation of responsibility to allow the Managing Director and the executive management team to carry out the day-to-day operations and administration of the Company. The Board Charter supports all delegation of responsibilities by formally defining the specific functions reserved for the Board and its Committees, and those matters delegated to management. The Managing Director is accountable to the Board for the authority that is delegated by the Board.

All Directors and key executives reporting to the Managing Director of the Company have been given formal letters of appointment outlining key terms and conditions of their appointment.

Process for Evaluating Performance of Senior Executives

All senior executives are subject to a formal annual performance evaluation which is undertaken by the Managing Director. The Managing Director meets with each senior executive on an annual basis to review performance, including a review of key performance indicators and performance and accountability benchmarks. The annual review for the reporting period ending 30 June 2012 is anticipated to be completed in September 2012.

The Managing Director is subject to a formal annual performance evaluation which is undertaken by the Remuneration and Nomination Committee, which includes a review of key performance indicators and performance and accountability benchmarks. The annual review for the reporting period ending 30 June 2012 is anticipated to be completed in September 2012 and the annual review for the previous reporting period took place in the first quarter of the 2011-2012 reporting period.

PRINCIPLE 2: STRUCTURE THE BOARD TO ADD VALUE

The ABM Board comprised on 30 June 2012 of four Directors and appointed an additional Director in July 2012:

Dr Michael Etheridge	Non-Executive Chairman	Independent
Mr Darren Holden	Managing Director	Not independent
Mr Imants Kins	Non-Executive Director	Not independent
Mr Graeme Sloan	Non-Executive Director	Independent
Mr Andrew Ferguson (appointed 9 July 2012)	Non-Executive Director	Not independent

Independence of Board

The structure of the Board does not comply with ASX Recommendation 2.1 as a majority of the Directors are not independent. In determining the independence of Directors the Board has regard to the independence criteria as set out in the ASX Principles. The Board has considered each case separately and has concluded that the relationships are not material and do not interfere with the relevant Director's exercise of unfettered and independent judgment or their ability to act in the best interests of security holders. Where a conflict of interest occurs, the relevant Director will be excluded from voting.

Mr Kins was previously an Executive Director of the Company and is therefore not considered to be independent. Mr Ferguson is an officer of APAC Resources Limited (a substantial shareholder of ABM) and is therefore not considered to be independent. Mr Holden is Managing Director of ABM and is therefore not considered to be independent. Dr Etheridge and Mr Sloan are independent.

Details of Board members, their experience, expertise, qualifications, term in office and independence status are set-out at the commencement of the Directors' Report.

Independence and Non-Executive Role of Chairman

The Chairman is responsible for leading the Board, ensuring Directors are properly briefed in all matters relevant to their role and responsibilities, facilitating Board discussions and managing the Board's relationship with the Company's senior executives. The independent Chair of the Board is Dr Etheridge who is a Non-Executive Director.



CORPORATE GOVERNANCE STATEMENT

Nomination and Appointment

The Company has a Remuneration and Nomination Committee. The function of Nomination Committee was added to the Remuneration Committee in May 2012. The Chair of the Committee is Dr Mike Etheridge. Mr Sloan and Mr Kins are Non-Executive committee members. Each committee member is excluded from matters of personal interest.

The terms and conditions of the appointment and retirement of Directors are set out in a letter of appointment which covers remuneration, expectations, terms, the procedures for dealing with conflicts of interest and the availability of independent professional advice.

Board Committees

ABM has three Board Committees:

- Remuneration and Nomination Committee,
- Audit Committee and
- Safety, Technical and Sustainability Committee.

All Board committees have a formal charter which sets out their respective roles and responsibilities and these are disclosed in the Corporate Governance Section on the Company's website.

Performance Evaluation

The Remuneration and Nomination Committee is responsible for an annual performance review of the Board and compares the performance of the Board with the requirements of its Charter and critically reviews the mix of the Board. The Remuneration and Nomination Committee Charter and the Policy for the disclosure of Performance Evaluation of the Board, its Committees and its individual Directors can be found in the Corporate Governance section of the Company's website. The next internal review will take place in September/October 2012. Accordingly during the reporting period an evaluation of the Board, its committees and individual Non-Executive Directors did not take place.

The procedure in relation to the nomination and appointment of Directors is contained within the Remuneration and Nomination Committee Charter.

Independent Advice

The Board, Committees and individual Directors may seek independent external professional advice as considered necessary at the expense of the Company, subject to prior consultation with the Chairman or the Managing Director. All Directors have access to the Company Secretary.

PRINCIPLE 3: PROMOTE ETHICAL AND RESPONSIBLE DECISION MAKING

Code of Conduct

The Board has adopted a formal Corporate Code of Conduct. A copy of the code is made available to all employees of the Company and can be found in the Corporate Governance section on the Company's website.

The Corporate Code of Conduct provides a framework for decisions and actions in relation to ethical conduct in employment. It underpins the Company's commitment to integrity and fair dealing in its business affairs and to a duty of care to all employees, clients and stakeholders. The document sets out the principles covering appropriate conduct in a variety of contexts and outlines the minimum standard of behaviour expected from management and employees.

ABM encourages the reporting of matters that may cause financial and non-financial loss to the Company or damage to the Company's reputation. All employees are required to immediately report circumstances that may involve a breach of the Code of Conduct. The Audit Committee is responsible to oversee procedures for whistleblower protection.

The Company has a Securities Trading Policy that establishes a procedure for dealings by Directors, senior executives, employees, and their related parties in the Company's securities, and in securities of other entities with whom the Company may have business dealings. A copy of Securities Trading Policy is available in the Corporate Governance section of the Company's website.

CORPORATE GOVERNANCE STATEMENT

Diversity

The Company and all its related bodies are committed to workplace diversity and have adopted a Diversity Policy which is available in the Corporate Governance section on the Company's website.

The Company recognises the benefits arising from employee and Board diversity, including a broader pool of high quality employees, improving employee retention, accessing different perspectives and ideas and benefiting from all available talent. Diversity includes, but is not limited to, gender, age, ethnicity and cultural background.

The Chairman monitors the scope and currency of this policy. The Company is responsible for implementing, monitoring and reporting on the Measurable Objectives. Measurable Objectives as set by the Board will be included in the annual key performance indicators for the Managing Director and senior executives. In addition, the Board will review progress against the Objectives as a key performance indicator in its annual performance assessment.

The following table shows the representation of women in the Company at 30 June 2012.

	Female	Female %
The Whole Organisation ¹⁾	13	43%
Permanent Technical Staff (excludes Senior Executives)	5	50%
Permanent Administration Staff (excludes Senior Executives)	3	75%
Senior Executives	1	50%
Board Members	-	0%

¹⁾ Excludes Non-Executive Directors and includes seasonal staff

PRINCIPLE 4: SAFEGUARD INTEGRITY IN FINANCIAL REPORTING

Audit Committee

The Board established a formal Audit Committee in May 2012. The role of the Audit Committee is to assist the Board in monitoring and reviewing any matters of significance affecting financial reporting, financial risk and compliance.

The primary purpose of the Committee is to assist the Board in fulfilling its statutory and fiduciary responsibilities relating to:

- the quality and integrity of the Company's financial statements, accounting policies and financial reporting, disclosure and business ethics practices and policies;
- compliance with all applicable laws, regulations and company policy;
- the effectiveness and adequacy of internal control processes;
- the performance of the Company's external auditors and their appointment and removal;
- the independence of the external auditor and the rotation of the lead engagement partner; and
- the identification and management of business risks.

Structure of Audit Committee

The Audit Committee consists of Mr Sloan (independent Chair), Dr Etheridge (independent Non-Executive member) and Mr Kins (Non-Executive member).

The composition of the Audit Committee will be assessed on an ongoing basis in light of the Company's overall Board structure and strategic direction.



CORPORATE GOVERNANCE STATEMENT

Audit Committee Charter

The Board has adopted a formal Audit Committee Charter. The Charter sets out the roles and responsibilities of the Audit Committee and contains information on the procedures for the selection, appointment and rotation of the external auditor. A full copy of the Audit Committee Charter is available in the Corporate Governance section of the Company's website.

PRINCIPLE 5: MAKE TIMELY AND BALANCED DISCLOSURE

ABM's Continuous Disclosure Policy focuses on continuous disclosure compliance and improving access to information for investors. This Policy is available in the Corporate Governance section on the Company's website.

The Board has ultimate authority and responsibility for market disclosure. This responsibility is delegated to the Managing Director, Company Secretary and the Audit Committee. Approval is sought from the Chairman on all significant matter and the Chairman seeks Board approval as required.

PRINCIPLE 6: RESPECT THE RIGHTS OF SHAREHOLDERS

ABM's Shareholder Communications Strategy and Fair Dealings with Stakeholder Policies are available in the Corporate Governance section on the Company's website.

Shareholders queries should be referred to the Managing Director or Company Secretary in the first instance. The Company endeavours to provide shareholders with important information on the Company in a timely and efficient manner.

In addition to direct mailing and emailing of information to shareholders, the Company posts up to date information on the Company's activities together with copies of all information released to the ASX on its website.

Shareholder meetings are an important forum for investors to meet with the board and senior management and discuss matters concerning the Company. The Company's external auditor attends all annual general meetings of the Company and is available to answer shareholder questions regarding the conduct of the audit and the preparation and content of the auditor's report.

PRINCIPLE 7: RECOGNISE AND MANAGE RISK

Risk Management

The Board determines the Company's risk profile and is responsible for overseeing and approving risk management strategy and policies, internal compliance and internal control. ABM's Risk Management Policy is available in the Corporate Governance section of the Company's website.

The Board has delegated to the Audit Committee and to the Safety and Technical Committee responsibility for implementing the risk management system where appropriate.

The Safety, Technical and Risk Committee will submit particular matters to the Board for its approval or review. Among other things it will:

- oversee the Company's risk management systems, practices and procedures to ensure effective risk identification and management and compliance with internal guidelines and external requirements;
- assist management to determine the key risks to the businesses and prioritise work to manage those risks; and
- review reports by management on the efficiency and effectiveness of risk management and associated internal compliance and control procedures.

The Company's process of risk management and internal compliance and control includes:

- identifying and measuring risks that might impact upon the achievement of the Company's goals and objectives, and monitoring the environment for emerging factors and trends that affect these risks;
- formulating risk management strategies to manage identified risks, and designing and implementing appropriate risk management policies and internal controls; and

CORPORATE GOVERNANCE STATEMENT

- monitoring the performance of, and improving the effectiveness of, risk management systems and internal compliance and controls, including regular assessment of the effectiveness of risk management and internal compliance and control.

To this end, comprehensive practises are in place that are directed towards achieving the following objectives:

- compliance with applicable laws and regulations;
- preparation of reliable published financial information; and
- implementation of risk transfer strategies where appropriate e.g. insurance.

The Board will review assessments of the effectiveness of risk management and internal compliance and control on an annual basis.

Delegation to Management

The responsibility for undertaking and assessing risk management and internal control effectiveness is delegated to management. Management is required to assess risk management and associated internal compliance and control procedures and report back at least bi-annually to the Audit Committee and the Safety and Technical Committee.

Management Declaration

The Managing Director and the CFO have provided a declaration to the Board in accordance with Section 295A of the *Corporations Act 2001* and have assured the Board that such declaration is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial risk.

PRINCIPLE 8: REMUNERATE FAIRLY AND RESPONSIBLY

Remuneration and Nomination Committee.

The Board has a formal Remuneration and Nomination Committee (Nomination Committee function added in May 2012). A full copy of the charter is available in the Corporate Governance section of the Company's website.

Structure of Remuneration and Nomination Committee:

The Remuneration and Nomination Committee consists of Dr Etheridge (independent Non-Executive Chair), Mr Sloan (independent Non-Executive member) and Mr Kins (Non-Executive member).

Distinction of Non-Executive Directors' Remuneration from Remuneration of Executive Directors and Senior Executives.

Fees for Non-Executive Directors are not linked to the performance of the economic entity. However, to align Non-Executive Directors' interests with shareholder interests, the Non-Executive Directors are encouraged to hold shares in the economic entity purchased by that Non-Executive Director on-market.

Generally, Non-Executive Directors should not:

- receive options or cash bonuses from the Company. However, the Board has the discretion to determine in the appropriate circumstances, where shareholder approval is obtained, that Non-Executive Directors may be granted incentive shares and/or options; and
- be provided with retirement benefits other than superannuation. However, the Board has the discretion to determine in the appropriate circumstances, where shareholder approval is obtained, that Non-Executive Directors may be granted retirement benefits.

Executive Directors and senior executives remuneration is subject to an annual performance evaluation. This evaluation is based on specific criteria, including the business performance of the Company and its subsidiaries, whether strategic objectives are being achieved and the development of management and personnel. The Remuneration and Nomination Committee must ensure that remuneration policies fairly and responsibly reward executives having regard to the objectives and performance of the Company, the performance of the executive, length of service and experience of the executive, and prevailing remuneration expectations in the market.

AUDITOR'S INDEPENDENCE DECLARATION



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38 Station Street
Subiaco, WA 6008
PO Box 700 West Perth WA 6872
Australia

4 September 2012

The Directors
ABM Resources NL
Level 1, 141 Broadway
NEDLANDS WA 6009

Dear Sirs,

DECLARATION OF INDEPENDENCE BY WAYNE BASFORD TO THE DIRECTORS OF ABM RESOURCES NL

As lead auditor of ABM Resources NL for the year ended 30 June 2012, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- any applicable code of professional conduct in relation to the audit.

This declaration is in respect of ABM Resources NL and the entities it controlled during the period.

A handwritten signature in black ink, appearing to read 'Wayne Basford', with a long horizontal flourish extending to the right.

WAYNE BASFORD
Director

BDO Audit (WA) Pty Ltd
Perth, Western Australia

BDO Audit (WA) Pty Ltd ABN 79 112 284 787 is a member of a national association of independent entities which are all members of BDO (Australia) Ltd ABN 77 050 110 275, an Australian company limited by guarantee. BDO Audit (WA) Pty Ltd and BDO (Australia) Ltd are members of BDO International Ltd, a UK company limited by guarantee, and form part of the international BDO network of independent member firms. Liability limited by a scheme approved under Professional Standards Legislation (other than for the acts or omissions of financial services licensees) in each State or Territory other than Tasmania.



ANNUAL FINANCIAL REPORT

The financial statements of ABM Resources NL for the year ended 30 June 2012 were authorised for issue in accordance with a resolution of the Directors on 4 September 2012 and cover the consolidated entity consisting of ABM Resources NL and its subsidiaries as required by the *Corporations Act 2001*. Separate financial statements for ABM Resources NL as an individual entity are no longer presented as a consequence of a change to the *Corporations Act 2001*. However, limited financial information for ABM Resources NL as an individual entity is included in Note 30.

The financial statements are presented in Australian currency.

ABM Resources NL is a company limited by shares, incorporated and domiciled in Australia whose shares are publicly traded on the Australian Securities Exchange.

The address of the registered office and principal place of business is:

ABM Resources NL
Level 1, 141 Broadway
NEDLANDS WA 6009

A description of the nature of the Group's operations and its principal activities is included in the review of operations and activities on pages 6 to 44 and in the Directors' Report on pages 48 to 60, both of which are not part of this financial statement.

Through the use of the internet, we have ensured that our corporate reporting is timely and complete. All press releases, financial reports and other information are available on our website: www.abmresources.com.au



ANNUAL FINANCIAL REPORT

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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2012

		Consolidated	
	Notes	2012 \$	2011 \$
Revenue from continuing activities	4	1,024,726	514,214
Other income	5	218,870	191,067
Reversal of impairment provision of ABM Resources Mozambique Limitada	20(a)	502,084	-
Employee and Directors benefits expenses	6	(3,182,025)	(2,958,737)
Lease expenses		(61,649)	(57,384)
Depreciation expenses	15	(282,519)	(199,009)
Write-down of property, plant and equipment		(43,887)	(21,497)
Consultancy expenses		(396,619)	(145,823)
Exploration and evaluation expenses		(9,364,028)	(6,569,676)
Legal fees		(73,191)	(20,661)
Other expenses	6	(742,831)	(808,988)
Loss before income tax expense		(12,401,069)	(10,076,494)
Income tax (expense)/benefit	7(a)	564,748	350,286
Loss for the year		(11,836,321)	(9,726,208)
Loss attributable to members of ABM Resources NL		(11,836,321)	(9,726,208)
Other comprehensive income			
Foreign currency translation differences	20(a)	-	294,673
Net change in fair value of available-for-sale financial assets	20(a)	(133,750)	177,500
Total other comprehensive income for the year		(133,750)	472,173
Total comprehensive income for the year		(11,970,071)	(9,254,035)
Total comprehensive income for the year attributable to members of ABM Resources NL		(11,970,071)	(9,254,035)
Basic loss per share attributable to the ordinary equity holders of the Company			
Basic loss per share (cents per share)	8	(0.41)	(0.41)
Diluted earnings per share	8	n/a	n/a

The above Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2012

		Consolidated	
	Notes	2012 \$	2011 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	10	23,035,004	8,745,931
Trade and other receivables	11	1,193,123	579,892
Other current assets	12	422,299	92,889
TOTAL CURRENT ASSETS		24,650,426	9,418,712
NON-CURRENT ASSETS			
Trade and other receivables	11	805,352	2,524,808
Other financial assets	13	53,750	187,500
Intangible assets	14	-	-
Property, plant and equipment	15	1,251,341	775,944
Exploration, evaluation and development expenditure	16	17,985,795	17,985,795
TOTAL NON CURRENT ASSETS		20,096,238	21,474,047
TOTAL ASSETS		44,746,664	30,892,759
LIABILITIES			
CURRENT LIABILITIES			
Trade and other liabilities	17	2,396,587	1,276,273
Provisions	18	35,159	29,927
TOTAL CURRENT LIABILITIES		2,431,746	1,306,200
NON-CURRENT LIABILITIES			
Provisions	18	523,290	425,786
TOTAL NON-CURRENT LIABILITIES		523,290	425,786
TOTAL LIABILITIES		2,955,036	1,731,986
NET ASSETS		41,791,628	29,160,773
EQUITY			
Contributed equity	19	130,637,999	105,754,877
Reserves	20	9,070,832	22,411,122
Accumulated losses		(97,917,203)	(99,005,226)
TOTAL EQUITY		41,791,628	29,160,773

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2012

		Consolidated	
	Notes	2012 \$	2011 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		(1,849,443)	(1,792,066)
Interest received		720,535	396,203
Payments for environmental bonds		-	(156,825)
Payments for exploration, evaluation and development		(10,281,078)	(7,090,598)
Other receipts		12,500	18,638
Net cash inflow/(outflow) from operating activities	23	(11,397,486)	(8,624,648)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		6,665	6,946
Purchase of property, plant and equipment		(800,460)	(395,810)
Proceeds from sale of exploration interest		-	40,000
Payments for asset acquisition of Northern Territory projects		-	(9,546)
Net cash inflow/(outflow) from investing activities		(793,795)	(358,410)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		27,385,000	14,018,698
Proceeds from employee share scheme		8,482	18,888
Share issue costs		(913,128)	(170,939)
Payment for unmarketable parcels of shares		-	(32,525)
Net cash inflow/(outflow) from financing activities		26,480,354	13,834,122
Net increase/(decrease) in cash and cash equivalents		14,289,073	4,851,064
Net foreign exchange differences		-	2,485
Cash and cash equivalents at beginning of year		8,745,931	3,892,382
Cash and cash equivalents at end of year	10	23,035,004	8,745,931

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2012

	Notes	Contributed Equity \$	Available- for-Sale Financial Asset Reserve \$	Share- based Payment Reserve \$	Employee Options Reserve \$	Foreign Currency Translation Reserve \$	Retained Earnings \$	Total \$
Balance at 30 June 2010		93,231,894	-	21,010,045	133,133	207,411	(89,279,018)	25,303,465
Comprehensive income for the year								
Loss for the year		-	-	-	-	-	(9,726,208)	(9,726,208)
Other comprehensive income								
Movement in available-for-sale financial assets	20(a)	-	177,500	-	-	-	-	177,500
Foreign currency translation differences	20(a)	-	-	-	-	294,673	-	294,673
Total comprehensive income for the year		-	177,500	-	-	294,673	(9,726,208)	(9,254,035)
Transaction with owners in their capacity as owners:								
Shares issued	19(a)	12,991,894	-	-	-	-	-	12,991,894
Transaction costs	19(a)	(468,911)	-	-	-	-	-	(468,911)
Movement in employee options reserve	20(a)	-	-	-	602,902	-	-	602,902
Reversal of employee options reserve	20(a)	-	-	-	(14,542)	-	-	(14,542)
Total transactions with owners		12,522,983	-	-	588,360	-	-	13,111,343
Balance at 30 June 2011		105,754,877	177,500	21,010,045	721,493	502,084	(99,005,226)	29,160,773
Comprehensive income for the year								
Loss for the year		-	-	-	-	-	(11,836,321)	(11,836,321)
Other comprehensive income								
Movement in available-for-sale financial assets	20(a)	-	(133,750)	-	-	-	-	(133,750)
Total comprehensive income for the year		-	(133,750)	-	-	-	(11,836,321)	(11,970,071)
Transaction with owners in their capacity as owners:								
Shares issued	19(a)	27,625,000	-	-	-	-	-	27,625,000
Transaction costs	19(a)	(993,128)	-	-	-	-	-	(993,128)
Employee shares buy-back	19(a)	(37,776)	-	-	-	-	-	(37,776)
Derecognition of treasury shares	19(a)	(1,710,974)	-	-	-	-	-	(1,710,974)
Realisation of foreign currency translation reserve	20(a)	-	-	-	-	(502,084)	-	(502,084)
Transfer of reserve on options exercised	20(a)	-	-	(12,924,344)	-	-	12,924,344	-
Movement in employee options reserve	20(a)	-	-	-	219,888	-	-	219,888
Total transactions with owners		24,883,122	-	(12,924,344)	219,888	(502,084)	12,924,344	24,600,926
Balance at 30 June 2012		130,637,999	43,750	8,085,701	941,381	-	(97,917,203)	41,791,628

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

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NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Australian Accounting Interpretations and the *Corporations Act 2001*. The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Compliance with IFRS

The financial statement of ABM Resources NL also complies with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

Historical cost convention

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets.

Critical accounting estimates

The preparation of financial statements in conformity with International Financial Reporting Standards as adopted in Australia requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the economic entity's accounting policies. See Note 2 for further details.

Financial statement presentation

In accordance to the *Corporations Act 2001*, there are no separate financial statements for ABM Resources NL as an individual entity presented. However, limited financial information for ABM Resources NL as an individual entity's is included in Note 30.

(b) Principles of Consolidation

Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of all controlled entities of ABM Resources NL ("Company" or "Parent Entity") as at 30 June 2012 and the results of all controlled entities for the year then ended. ABM Resources NL and its controlled entities together are referred to in this financial statement as the Group.

Subsidiaries are all those entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The acquisition method of accounting is used to account for the acquisition of subsidiaries by the Group (see Note 1(h)).

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES cont'd

(c) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (the Board of Directors makes the strategic decisions).

The Group has adopted AASB 8 *Operating Segments* that requires a 'management approach', under which segment information is presented on the same basis as that used for internal reporting purposes.

(d) Foreign Currency Translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Australian dollars which is the Parent Entity's functional and presentation currency.

(ii) Transaction and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the closing rate at the statement of financial position date. Non-monetary items, measured at historical cost, continue to be carried at the exchange rate at the date of the transaction. Non-monetary items, measured at fair value, are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in the profit or loss.

Exchange differences arising on the translation of non-monetary items are recognised directly in other comprehensive income.

(iii) Group companies

The results and financial position of all the Group entities (none of which has a currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- Income and expenses for each statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
- All resulting exchange differences are recognised as a separate component of equity.

On consolidation, exchange differences arising from the translation on any net investment in foreign entities are taken to other comprehensive income. When a foreign operation is sold a proportionate share of such exchange differences is recognised in the profit or loss, as part of the gain or loss on sale where applicable.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entities and translated at the closing rate.

(e) Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

All revenue is stated net of the amount of goods and services tax (GST).

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES cont'd

(f) Income Tax

The income tax expense or benefit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are not brought to account unless realisation of the asset is probable. Deferred tax assets in relation to tax losses are not brought to account unless it is probable that the benefit will be utilised.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the Parent Entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit and loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Tax consolidation legislation

ABM Resources NL and its wholly-owned Australian controlled entities have implemented the tax consolidation legislation.

The Parent Entity, ABM Resources NL, and the controlled entities in the tax consolidated group account for their own current and deferred tax amounts. These tax amounts are measured as if each entity in the tax consolidated group continues to be a stand-alone taxpayer in its own right.

In addition to its own current and deferred tax amounts, ABM Resources NL also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from controlled entities in the tax consolidated group.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts receivable from or payable to other entities in the Group.

Any difference between the amounts assumed and amounts receivable or payable under the tax funding agreement are recognised as a contribution to (or distribution from) wholly-owned tax consolidated entities.

(g) Leases

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged on a straight line basis.

(h) Business Combination

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity investments or other assets are acquired. The considerations transferred for the acquisition of a subsidiary comprises the fair value of the assets transferred, the liabilities incurred and the equity interest issued by the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES cont'd

Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that currently are exercisable. The acquisition date is the date on which control is transferred to the acquirer. Judgement is applied in determining the acquisition date and determining whether control is transferred from one party to another.

The Group measures goodwill as the excess of fair value of the consideration transferred, liabilities incurred by the Group to the previous owners of the acquiree, and equity interests issued by the Group over the fair value of net identifiable assets acquired. Consideration transferred also includes the fair value of any contingent consideration and share-based payments awards of the acquiree that are replaced mandatorily in the business combination.

Transaction costs that the Group incurs in connection with a business combination, such as legal fees, due diligence fees, stamp duty and other professional fees are expensed as incurred.

A contingent liability of the acquiree is assumed in a business combination only if such a liability represents an obligation and arises from a past event, and its fair value can be measured reliably.

(i) Cash and Cash Equivalents

For cash flow statement presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of six months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(j) Financial Assets

Recognition

Financial instruments are initially measured at fair value on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and other pricing models.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are measured at cost.

Available-for-sale financial assets

Available-for-sale financial assets include any financial assets not included in the above categories. Available-for-sale financial assets are recognised at fair value. Unrealised gains and losses arising from changes in fair value are taken directly to other comprehensive income. On derecognition, any unrealised profits or losses on the instrument sold included in equity is recycled back to the statement of comprehensive income as part of the profit or loss on sale.

Impairment

At each reporting date, the Group assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged or significant decline in the value of the instrument is considered to determine whether any impairment has arisen. Impairment losses are recognised in the profit or loss. Reversals of impairment losses are recognised in the statement of comprehensive income, with the exception of available-for-sale financial assets, which are recognised directly in other comprehensive income.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES cont'd

(k) Property, Plant and Equipment

Freehold land is carried at cost. All other property, plant and equipment are stated at historical cost less depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repair and maintenance expenses are charged to the income statement during the reporting period in which they are incurred.

The capitalisation threshold for fixed assets is set in accordance with the threshold of income tax legislation. Items with a purchase price and associated costs of acquisition above the capitalisation threshold value are to be capitalised and entered into an asset register. Items with a purchase price and associated costs of acquisition below the capitalisation threshold value are to be expensed as acquired, other than where they form part of a group of similar items which are material in total.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives, as follows:

<u>Class of Fixed Asset</u>	<u>Depreciation Rate</u>
Leasehold improvements	33.3%
Plant and equipment	10% - 40%

(l) Exploration, Evaluation and Development Expenditure

The Group, when acquiring exploration and evaluation assets will carry those projects at acquisition value in the statement of financial position, less any subsequent impairment.

All exploration and evaluation expenditure within an area of interest will be expensed until the Directors conclude that the technical feasibility and commercial viability of extracting a mineral resource are demonstrable and that future economic benefits are probable. In making this determination, the Directors consider the extent of exploration, the proximity to existing mine or development properties as well as the degree of confidence in the mineral resource.

Where the Directors conclude that the technical feasibility and commercial viability of extracting a mineral resource are demonstrable and that future economic benefits are probable, further expenditure is capitalised as part of property, plant and equipment.

No amortisation is charged during the exploration and evaluation phase. Amortisation is charged upon commencement of commercial production. Exploration and evaluation assets are tested for impairment annually or when there is an indication of impairment, until commercially viable mineral resources are established. Upon establishment of commercially viable mineral resources, exploration and evaluation assets are tested for impairment when there is an indicator of impairment. Subsequently the assets are stated at cost less impairment provision.

(m) Trade and Other Payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. Trade and other payables are recognised initially at fair value and subsequently at amortised cost.

(n) Borrowing Costs

Borrowing costs incurred for the construction of any qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES cont'd

(o) Provisions

Provisions for legal claims and make good obligations are recognised when the Group has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability.

(p) Employee Benefits

Provision is made for the Parent Entity's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits from wages and salaries, annual leave and long service leave have been measured at their nominal amounts plus related on-costs.

Contributions are made by the Group to employee nominated eligible superannuation funds and are charged as expenses when incurred.

The fair value of employee shares granted by ABM Resources NL under its employee share plan is recognised as an expense with a corresponding increase in equity. The fair value is measured at grant date and recognised over the period during which the employee becomes unconditionally entitled to the shares. The fair value at grant date is determined by the market value of the shares at issue date.

(q) Contributed Equity

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a business are not included in the cost of the acquisition as part of the purchase consideration.

If the entity reacquires its own equity instruments, for example as the result of a share buy-back, those instruments are deducted from equity and the associated shares are cancelled. No gain or loss is recognised in the profit or loss and the consideration paid including any directly attributable incremental costs (net of income taxes) is recognised directly in equity.

(r) Earnings/(Loss) per Share

Basic earnings/(loss) per share is calculated by dividing the profit attributable to equity holders of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

(s) Goods and Service Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from or payable to the taxation authority is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities, which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES cont'd

(t) New Accounting Standards and Interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2012 reporting periods and have not yet been applied in the financial report. The Group's assessment of the impact of these new standards and interpretations is set out below.

Reference	Title	Nature of Change	Application Date of Standard	Impact on the Group Financial Statements	Application Date for the Group
AASB 9 (issued December 2009 and amended December 2010)	Financial Instruments	<p>Amends the requirements for classification and measurement of financial assets. The available-for-sale and held-to-maturity categories of financial assets in AASB 139 have been eliminated.</p> <p>AASB 9 requires that gains or losses on financial liabilities measured at fair value are recognised in profit or loss, except that the effects of changes in the liability's credit risk are recognised in other comprehensive income.</p>	Periods beginning on or after 1 January 2015	Adoption of AASB 9 is only mandatory for the year ending 30 June 2016. The Group has not yet made an assessment of the impact of these amendments.	1 July 2015
AASB 10 (issued August 2011)	Consolidated Financial Statements	<p>Introduces a single 'control model' for all entities, including special purpose entities (SPEs), whereby all of the following conditions must be present:</p> <ul style="list-style-type: none"> • Power over investee (whether or not power used in practice). • Exposure, or rights, to variable returns from investee. • Ability to use power over investee to affect the Group's returns from investee. • Introduces the concept of 'defacto' control for entities with less than 50% ownership interest in an entity, but which have a large shareholding compared to other shareholders. This could result in more instances of control and more entities being consolidated. 	Annual reporting periods commencing on or after 1 January 2013	<p>When this standard is first adopted for the year ended 30 June 2014, there will be no impact on transactions and balances recognised in the financial statements because the Group does not have any special purpose entities.</p> <p>The 'entity' does not have 'defacto' control of any entities with less than 50% ownership interest in an entity.</p>	1 July 2013

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES cont'd

Reference	Title	Nature of Change	Application Date of Standard	Impact on the Group Financial Statements	Application Date for the Group
AASB 11 (issued August 2011)	Joint Arrangements	Joint arrangements will be classified as either 'joint operations' (where parties with joint control have rights to assets and obligations for liabilities) or 'joint ventures' (where parties with joint control have rights to the net assets of the arrangement).	Annual reporting periods commencing on or after 1 January 2013	When this standard is first adopted for the year ended 30 June 2014, there will be no impact on transactions and balances recognised in the financial statements because the Group has not entered into any joint arrangements.	1 July 2013
AASB 12 (issued August 2011)	Disclosure of Interests in Other Entities	Combines existing disclosures from AASB 127 <i>Consolidated and Separate Financial Statements</i> , AASB 128 <i>Investments in Associates</i> and AASB 131 <i>Interests in Joint Ventures</i> . Introduces new disclosure requirements for interests in associates and joint arrangements, as well as new requirements for unconsolidated structured entities.	Annual reporting periods commencing on or after 1 January 2013	As this is a disclosure standard only, there will be no impact on amounts recognised in the financial statements. However, additional disclosures will be required for interests in associates and joint arrangements, as well as for unconsolidated structured entities.	1 July 2013
AASB 13 (issued September 2011)	Fair Value Measurement	<p>AASB 13 establishes a single framework for measuring fair value of financial and non-financial items recognised at fair value in the statement of financial position or disclosed in the notes in the financial statements.</p> <p>Additional disclosures required for items measured at fair value in the statement of financial position, as well as items merely disclosed at fair value in the notes to the financial statements.</p> <p>Extensive additional disclosure requirements for items measured at fair value that are 'level 3' valuations in the fair value hierarchy that are not financial instruments.</p>	Annual reporting periods commencing on or after 1 January 2013	When this standard is adopted for the first time for the year ended 30 June 2014, additional disclosures will be required about fair values.	1 July 2013

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES cont'd

Reference	Title	Nature of Change	Application Date of Standard	Impact on the Group Financial Statements	Application Date for the Group
AASB 119 (reissued September 2011)	Employee Benefits	Employee benefits expected to be settled (as opposed to due to be settled under current standard) wholly within 12 months after the end of the reporting period are short-term benefits, and therefore not discounted when calculating leave liabilities. Annual leave not expected to be used wholly within 12 months of end of reporting period will in future be discounted when calculating leave liability.	Annual periods commencing on or after 1 January 2013	When this standard is first adopted for 30 June 2014 year end, annual leave liabilities will be recalculated on 1 July 2012 as long-term benefits because they are not expected to be settled wholly within 12 months after the end of the reporting period. This will result in a reduction of the annual leave liabilities recognised on 1 July 2012, and a corresponding increase in retained earnings at that date.	1 July 2013
AASB 2010-8 (issued December 2010)	Amendments to Australian Accounting Standards – Deferred Tax: Recovery of Underlying Assets (AASB 112)	For investment property measured using the fair value model, deferred tax assets and liabilities will be calculated on the basis of a rebuttable presumption that the carrying amount of the investment property will be recovered through sale.	Periods commencing on or after 1 January 2012	The Group does not have any investment property measured using the fair value model. There will therefore be no impact on the financial statements when these amendments are first adopted.	1 July 2012
AASB 2011-4 (issued July 2011)	Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements	Amendments to remove individual key management personnel (KMP) disclosure requirements from AASB 124 to eliminate duplicated information required under the <i>Corporation Act 2001</i> .	Annual periods commencing on or after 1 July 2013	When this standard is first adopted for the year ended 30 June 2014 the Group will show reduced disclosures under Key Management Personnel note to the financial statements.	1 July 2013

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES cont'd

Reference	Title	Nature of Change	Application Date of Standard	Impact on the Group Financial Statements	Application Date for the Group
AASB 2011-9 (issued September 2011)	Amendments to Australian Accounting Standards - Presentation of Items of Other Comprehensive Income	<p>Amendments to align the presentation of items of other comprehensive income (OCI) with US GAAP.</p> <p>Various name changes of statements in AASB 101 as follows:</p> <ul style="list-style-type: none"> 1 statement of comprehensive income – to be referred to as 'statement of profit or loss and other comprehensive income' 2 statements – to be referred to as 'statement of profit or loss' and 'statement of comprehensive income'. OCI items must be grouped together into two sections: those that could subsequently be reclassified into profit or loss and those that cannot. 	Annual periods commencing on or after 1 July 2012	When this standard is first adopted for the year ended 30 June 2013, there will be no impact on amounts recognised for transactions and balances for 30 June 2013 (and comparatives).	1 July 2012
Interpretation 20 (issued November 2011)	Stripping Costs in the Production Phase of a Surface Mine	Clarifies that costs of removing mine waste materials (overburden) to gain access to mineral ore deposits during the production phase of a mine must be capitalised as inventories under AASB 102 <i>Inventories</i> if the benefits from stripping activity is realised in the form of inventory produced. Otherwise, if stripping activity provides improved access to the ore, stripping costs must be capitalised as a non-current, stripping activity asset if certain recognition criteria are met.	Annual periods commencing on or after 1 January 2013	The Group does not operate a surface mine. There will therefore be no impact on the financial statements when this interpretation is first adopted.	1 July 2013
AASB 2012-5 (issued June 2012)	Annual Improvements to Australian Accounting Standards 2009-2011 Cycle	Non-urgent but necessary changes to IFRSs (IAS1, IAS 16 & IAS 32).	Periods commencing on or after 1 January 2013	When this standard is first adopted for the year ended 30 June 2013, there will be no material impact.	1 July 2013

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES cont'd

Reference	Title	Nature of Change	Application Date of Standard	Impact on the Group Financial Statements	Application Date for the Group
IFRS (issued December 2011)	Mandatory Effective Date of IFRS 9 and Transition Disclosures	Entities are no longer required to restate comparatives on first time adoption. Instead, additional disclosures on the effects of transition are required.	Annual reporting periods commencing on or after 1 January 2015	As comparatives are no longer required to be restated, there will be no impact on amounts recognised in the financial statements. However, additional disclosures will be required on transition, including the quantitative effects of reclassifying financial assets on transition.	1 July 2015

NOTE 2: ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

(a) Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Income taxes

The Group is subject to income taxes in Australia and jurisdictions where it has foreign operations.

Significant judgement is required in determining the worldwide provision for income taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Group estimates its tax liabilities based on the Group's understanding of the tax law. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

Given the Group is in exploration stage which resulted in losses for the financial year and the comparative year, should the actual final outcome (on the judgement areas) differ by 10% from management's estimates, the Group's income tax liability would not be affected. The Group does not recognise deferred tax assets relating to carried forward tax losses unless realisation is probable. However, the Group may utilise the unused tax losses in the future, subject to the satisfaction to meet certain tests (continuity of ownership test or same business test), at the time the losses are recouped.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

NOTE 2: ACCOUNTING ESTIMATES AND JUDGEMENTS cont'd

Rehabilitation obligation

The Group estimates the future rehabilitation costs of the exploration locations taking into consideration facts and circumstances available at statement of financial position date. The estimate is based on the expenditure required to undertake the rehabilitation and is closely aligned with the bonds required by the government agencies taking into account amounts already expensed. Rehabilitation obligations of the Group have a carrying value as at 30 June 2012 of \$433,216 (2011: \$383,796).

Exploration and evaluation

All exploration and evaluation expenditure within an area of interest will be expensed until the Directors conclude that the technical feasibility and commercial viability of extracting a mineral resource are demonstrable and that future economic benefits are probable. In making this determination, the Directors consider the extent of exploration, the proximity to existing mine or development properties as well as the degree of confidence in the mineral resource. Where the Directors conclude that the technical feasibility and commercial viability of extracting a mineral resource are demonstrable and that future economic benefits are probable, further expenditure is capitalised as part of property, plant and equipment.

The carrying amount of the Group's exploration and evaluation assets as at 30 June 2012 is \$17,985,795 (2011: \$17,985,795).

(b) Critical judgements in applying the Group's accounting policies

Impairment of Goodwill

Goodwill in relation to the acquisition of Tanami Tenements was impaired given the cash flows in relation to the assets at this point in time are undeterminable (see Note 14).

NOTE 3: SEGMENT INFORMATION

The full Board of Directors, who are the chief operating decision makers, have identified two reportable segments from a geographical perspective with the mineral exploration segments being, the Northern Territory and Other segments.

The Western Australia and Africa exploration segments do not meet the quantitative thresholds required by AASB 8 for reportable segments. Information about these operating segments has been combined and disclosed as the Other segment. The Western Australia and Africa exploration segments qualify to be aggregated as both have insignificant exploration activities and are subject to divestment.

Management assesses the performance of the operating segments based on a measure of exploration and evaluation expenditure for each geographical area. The measure excludes items such as the effects of share based payments expenses, interest income and corporate expenses as these activities are centralised.

	Northern Territory \$	Other \$	Total \$
30 June 2012			
Segment revenue	-	-	-
Segment other income	764,919	-	764,919
Segment loss			
Total segment loss	(11,143,071)	(313,976)	(11,457,047)
Inter-segment loss	-	-	-
Net segment loss	(11,143,071)	(313,976)	(11,457,047)
Segment assets	20,516,772	114,218	20,630,990

NOTE 3: SEGMENT INFORMATION cont'd

	Northern Territory \$	Other \$	Total \$
30 June 2011			
Segment revenue	-	-	-
Segment other income	458,769	75,000	533,769
Segment loss			
Total segment loss	(7,370,343)	(799,651)	(8,169,994)
Inter-segment loss	-	-	-
Net segment loss	(7,370,343)	(799,651)	(8,169,994)
Segment assets	19,672,843	122,394	19,795,237

Reconciliation of segment result to Group net profit/(loss) before tax is provided as follows:

	Consolidated	
	2012 \$	2011 \$
Net segment loss	(11,457,047)	(8,169,994)
Corporate items:		
Interest revenue	1,024,726	514,214
Other revenue	18,699	7,584
Realisation of foreign currency translation reserve	502,084	-
Employee and Directors' benefits expense	(1,374,185)	(1,532,105)
Other expenses	(550,598)	(545,907)
Net loss before tax from continuing operations	(11,836,321)	(9,726,208)

Segment assets reconcile to total assets as follows:

	Consolidated	
	2012 \$	2011 \$
Segment assets	20,630,990	19,795,237
Cash and cash equivalents	23,035,004	8,745,931
Trade and other receivables	875,780	273,743
Other current assets	60,107	72,202
Trade and other receivables – non-current	71,556	1,791,012
Other financial assets	53,750	187,500
Property, plant and equipment	19,477	27,134
Total assets per statement of financial position	44,746,664	30,892,759

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

NOTE 3: SEGMENT INFORMATION cont'd

Segment revenue reconciles to total revenue from continuing operations as follows:

	Consolidated	
	2012	2011
	\$	\$
Segment revenue	-	-
Interest received	1,024,726	514,214
Total revenue from continuing operations (Note 4)	1,024,726	514,214

NOTE 4: REVENUE

	Consolidated	
	2012	2011
	\$	\$
Interest received	1,024,726	514,214
	1,024,726	514,214

NOTE 5: OTHER INCOME

	Consolidated	
	2012	2011
	\$	\$
Fuel tax credits	130,994	90,483
Sale of exploration interests	-	40,000
Write-back rehabilitation provision	-	35,000
Other income	81,677	18,638
Gain from sale of property, plant and equipment	6,199	6,946
	218,870	191,067

NOTE 6: EXPENSES

	Consolidated	
	2012	2011
	\$	\$
Employee and Directors benefits expense:		
Salary, wages and Directors' fees	2,432,615	1,989,565
Superannuation	216,370	170,499
Employee put option valuation	219,888	588,360
Other employee benefits	313,152	210,313
	3,182,025	2,958,737

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

NOTE 6: EXPENSES cont'd

	Consolidated	
	2012	2011
	\$	\$
Other expenses:		
Bank charges	19,493	19,208
Doubtful debt expenses	182	2,214
Staff expenses	104,604	43,721
Foreign exchange loss	-	299,828
Other expenses	618,552	444,017
	<u>742,831</u>	<u>808,988</u>

NOTE 7: INCOME TAX EXPENSE

	Consolidated	
	2012	2011
	\$	\$
a) Income tax expense/(benefit)		
Current tax	-	-
Deferred tax	-	-
R&D uplift refund	(564,748)	(350,286)
	<u>(564,748)</u>	<u>(350,286)</u>
b) Reconciliation of income tax expense to prima facie tax payable		
Profit/(loss) from continuing operations before income tax expense	(12,401,069)	(10,076,494)
Tax at the Australian tax rate of 30% (2011: 30%)	(3,720,321)	(3,022,948)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Forex reserve on disinvestment in ABM Resources Mozambique Limitada	(150,625)	-
Share-based payments	65,966	-
Other permanent differences	32,563	8,935
	<u>(3,772,417)</u>	<u>(3,014,013)</u>
Deferred tax assets not brought to account	3,772,417	3,014,013
R&D uplift refund	(564,748)	(350,286)
Income tax expense/(benefit)	<u>(564,748)</u>	<u>(350,286)</u>
The applicable weighted average effective tax rates	0%	0%

The Group made an election that the Australian companies will form a tax-consolidated group from 1 July 2003. As a consequence, transactions between the member entities will be ignored.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

NOTE 7: INCOME TAX EXPENSE cont'd

	Consolidated	
	2012	2011
	\$	\$
c) Deferred tax liability		
Exploration and evaluation expenditure – Australia	5,395,739	5,395,739
Temporary difference – Australia	16,128	53,250
	5,411,867	5,448,989
Difference in overseas tax rates	-	-
Off-set of deferred tax assets	(5,411,867)	(5,448,989)
Net deferred tax liability recognised	-	-
d) Unrecognised deferred tax assets arising on timing		
Tax losses – Australia	27,937,888	23,469,738
Tax losses – Mozambique	-	845,710
Temporary differences – Australia	366,346	322,556
Expenses taken into equity	566,689	492,713
	28,870,923	25,130,717
Difference in overseas tax rate	-	-
Off-set of deferred tax liabilities	(5,411,867)	(5,448,989)
Net deferred tax assets not brought to account	23,459,056	19,681,728

No deferred tax assets have been recognised as it is not probable that future tax profits will be available to offset these balances.

NOTE 8: LOSS PER SHARE

	Consolidated	
	2012	2011
	\$	\$
a) Basic loss per share		
Basic loss per share attributable to the ordinary equity holders of the Company	(0.41)	(0.41)
b) Reconciliation of loss used in calculated loss per share		
Loss attributable to owners of ABM Resources NL used to calculate basic loss per share:		
Loss from continuing operations	(11,836,321)	(9,726,208)
	(11,836,321)	(9,726,208)
c) Weighted average number of shares used as denominator		
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	2,875,751,344	2,346,239,191

The Group does not have potential ordinary shares and therefore a diluted EPS is not presented.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

NOTE 9: AUDITORS' REMUNERATION

	Consolidated	
	2012	2011
	\$	\$
(a) Audit services		
BDO	43,744	61,115
Total remuneration of audit services	43,744	61,115
(b) Non-audit services		
BDO		
Tax compliance services	21,405	21,947
Total remuneration of non-audit services	21,405	21,947

NOTE 10: CASH AND CASH EQUIVALENTS

	Consolidated	
	2012	2011
	\$	\$
Cash at bank and in hand	1,001,272	720,248
Short-term bank deposits	22,033,732	8,025,683
	23,035,004	8,745,931

The effective interest rate on short-term bank deposits ranged between 1.00% and 5.97% with a weighted average of 5.73%, these deposits have an average maturity of 45 days. The effective interest rate for cash at bank ranged between 0% and 5.00%.

NOTE 11: TRADE AND OTHER RECEIVABLES

	Consolidated	
	2012	2011
	\$	\$
a) Current		
Other receivables (Note 11(i))	1,193,123	589,880
Provision for impaired other receivables (Note 11(ii))	-	(9,988)
	1,193,123	579,892
b) Non-Current		
Bonds term deposit	805,352	805,352
Loans to employees and Directors (Note 11(iv))	-	1,719,456
	805,352	2,524,808

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

NOTE 11: TRADE AND OTHER RECEIVABLES cont'd

(i) Other receivables

These amounts generally arise from transactions outside the usual operating activities of the Group. As at 30 June 2012 the balance of nil (2011: \$9,988) was impaired and a provision for nil (2011: \$9,988) was accounted for. The other classes within other receivables do not contain impaired assets and are not past due.

Movements in provision for impairment of other receivables are as follows:

	Consolidated	
	2012	2011
	\$	\$
Opening balance	9,988	7,774
Provision for impairment recognised during the year	-	2,214
Receivables written-off during the year as uncollectible	(9,988)	-
Closing balance	-	9,988

(ii) Foreign exchange and interest rate risk

Information about the Group's exposure to foreign currency risk and interest rate risk in relation to other receivables is provided in Note 21(a).

(iii) Fair value and credit risk

Due to the short-term nature of these receivables, their carrying amount is assumed to approximate their fair value. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of receivables mentioned above. Refer to Note 21(b) for more information on the risk management policy of the Group.

(iv) Loans to employees and Directors

Under the terms of the Company's Employee Share Plan, the Company invited eligible employees and Directors during 2009/2010 to acquire shares at an issue price determined by the Board. The price was set at 2.4 cents per share, which was an at arm's length transaction and equivalent to the share price of the capital raising that took place during the same period of time. The shares were issued for a cash consideration and the issue price was advanced by the Company by way of a loan subject to the terms of the Employee Loan Scheme which forms part of the Company's Employee Share Plan (details are contained in the Explanatory Statement to Resolution 4 of the Notice of General Meeting dated 24 March 2010). The rights to the shares lay with the holder from allotment. Escrow conditions have been placed on the transfer of the shares and the employee cannot transfer the shares unless pre-determined continuity conditions are fulfilled and the loan relating to the shares has been repaid.

Director and employee loans as reported at 30 June 2011 have been derecognised during the period to take into account the treasury share nature of the underlying securities. The total number of treasury shares as at 30 June 2012 was 71,290,600. An amount of \$8,482 in relation to the Directors and employees share loans has been repaid during the period. The remaining balances have not been repaid.

NOTE 12: OTHER CURRENT ASSETS

	Consolidated	
	2012	2011
	\$	\$
Prepayments	422,299	92,889
	422,299	92,889

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

NOTE 13: OTHER FINANCIAL ASSETS

	Consolidated	
	2012	2011
	\$	\$
Available-for-sale financial assets:		
Securities listed on the Australian Securities Exchange	53,750	187,500
	<u>53,750</u>	<u>187,500</u>

Price risk may arise from the Company's investments classified as available-for-sale. Information about the Group's exposure to price risk in relation to available-for-sale investments is provided in Note 21(a).

NOTE 14: INTANGIBLES

	Consolidated	
	2012	2011
	\$	\$
Goodwill		
Cost	14,463,720	14,463,720
Impairment	(14,463,720)	(14,463,720)
Net book amount	<u>-</u>	<u>-</u>

NOTE 15: PROPERTY, PLANT AND EQUIPMENT

	Consolidated	
	2012	2011
	\$	\$
LAND AND BUILDINGS		
Freehold land and buildings		
At cost	-	620
Total land and buildings	<u>-</u>	<u>620</u>
PLANT AND EQUIPMENT		
Plant and equipment		
At cost	1,941,851	1,203,923
Accumulated depreciation	(690,510)	(428,599)
Total plant and equipment	<u>1,251,341</u>	<u>775,324</u>
Leasehold improvements		
At cost	42,043	42,043
Accumulated depreciation	(42,043)	(42,043)
Total leasehold improvements	<u>-</u>	<u>-</u>
Total Plant and Equipment	<u>1,251,341</u>	<u>775,324</u>
TOTAL PROPERTY, PLANT AND EQUIPMENT	<u>1,251,341</u>	<u>775,944</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

NOTE 15: PROPERTY, PLANT AND EQUIPMENT cont'd

Movements in Carrying Amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Freehold Land \$	Leasehold Improvements \$	Plant and Equipment \$	Total \$
2011				
Carrying amount at the beginning of financial year	5,430	4,765	553,827	564,022
Additions	-	-	436,265	436,265
Disposals	(4,440)	-	(19,049)	(23,489)
Foreign exchange movements	(370)	-	(1,475)	(1,845)
Depreciation expense	-	(4,765)	(194,244)	(199,009)
Carrying amount at the end of financial year	620	-	775,324	775,944
2012				
Carrying amount at the beginning of financial year	620	-	775,324	775,944
Additions	-	-	802,423	802,423
Disposals	(620)	-	(43,887)	(44,507)
Depreciation expense	-	-	(282,519)	(282,519)
Carrying amount at the end of financial year	-	-	1,251,341	1,251,341

NOTE 16: EXPLORATION, EVALUATION AND DEVELOPMENT EXPENDITURE

	Consolidated	
	2012 \$	2011 \$
Carrying amount at the beginning of financial year	17,985,795	17,976,249
Acquisition of Northern Territory tenements:		
- Tenement acquisition cost	-	9,546
Carrying amount at the end of financial year	17,985,795	17,985,795

NOTE 17: TRADE AND OTHER PAYABLES

	Consolidated	
	2012 \$	2011 \$
CURRENT LIABILITIES (Unsecured)		
Trade payables	1,903,993	601,986
Sundry payables and accrued expenses	204,031	474,232
Employee entitlements annual leave	288,563	200,055
	2,396,587	1,276,273

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

NOTE 17: TRADE AND OTHER PAYABLES cont'd

The balances of current liabilities other than employee entitlements annual leave are expected to be settled within the next 12 months. Based on past experience, the Group does not expect all employees to take the full amount of accrued annual leave within the next 12 months. Half of the accrued annual leave balance is expected to be settled within a year.

Information about the Group's exposure to liquidity risk can be found in Note 21(c).

NOTE 18: PROVISIONS

	Consolidated	
	2012	2011
	\$	\$
CURRENT		
Employee benefits – Long Service Leave	35,159	29,927
	<u>35,159</u>	<u>29,927</u>
NON-CURRENT		
Exploration restoration	433,216	383,796
Employee benefits – Long Service Leave	90,074	41,990
	<u>523,290</u>	<u>425,786</u>

	Mine Restoration	Employee Benefits-Long Service Leave	Total
	\$	\$	\$
Opening balance at 1 July 2011	383,796	71,917	455,713
Additional provisions	49,420	46,362	95,782
Amounts used	-	-	-
Unused amounts reversed/paid out	-	-	-
Increase in the discounted amount arising due to time and effect of any change in the discount rate	-	6,954	6,954
Closing balance at 30 June 2012	<u>433,216</u>	<u>125,233</u>	<u>558,449</u>

Provision for Employee Entitlements

A provision has been recognised for employee entitlements relating to long service leave. The measurement and recognition criteria relating to employee benefits have been included in Note 1 to this report.

Provision for Mine Restoration

A provision has been recognised for the cost to be incurred for the restoration of various mine sites based on the estimated cost. The estimated cost is determined to be the equivalent to the bonds provided to the relevant government departments reduced by restoration work completed. It is anticipated that the remaining restoration work on the various sites in Western Australia will be completed within the next year. Restoration work in the Northern Territory is completed on an ongoing basis on completion of exploration work on each prospect.

NOTE 19: CONTRIBUTED EQUITY**(a) Ordinary Shares**

Details	Date	Number of Shares	Issue Price \$	Value \$
Opening balance	1 July 2010	2,047,608,050		93,231,894
Share placement	13 October 2010	307,141,207	0.035	10,749,942
Options exercised	18 October 2010	5,000,000	0.010	50,000
Options exercised	18 October 2010	83,500,000	0.015	1,252,500
Options exercised	20 October 2010	1,633,333	0.020	32,667
Options exercised	7 February 2011	12,900,000	0.020	258,000
Options exercised	10 February 2011	5,170,763	0.020	103,415
Options exercised	10 February 2011	17,500,000	0.020	350,000
Options exercised	25 February 2011	9,018,500	0.020	180,370
Options exercised	27 May 2011	500,000	0.030	15,000
Transaction costs relating to share issues				(468,911)
Closing balance	30 June 2011	2,489,971,853		105,754,877
Share placement	22 July 2011	177,777,778	0.045	8,000,000
Employee shares buy-back	30 November 2011	(1,574,000)	0.024	(37,776)
Share placement	6 February 2012	275,000,000	0.055	15,125,000
Options exercised	16 February 2012	300,000,000	0.015	4,500,000
Derecognition of treasury shares ¹⁾				(1,710,974)
Transaction costs relating to share issues				(993,128)
Closing balance	30 June 2012	3,241,175,631		130,637,999

¹⁾ Director and employee loans as reported at 30 June 2011 have been derecognised during the period to take into account the treasury share nature of the underlying securities. The total number of treasury shares as at 30 June 2012 was 71,290,600. An amount of \$8,482 in relation to the Directors and employees share loans has been repaid during the period. The remaining balances have not been repaid.

(b) Options

Information relating to details of options issued, exercised and lapsed during the financial year and options outstanding at the end of the financial year, is set out in Note 22.

(c) Capital Risk Management

The Group's objectives, when managing capital, are to safeguard the ability to continue as a going concern. Consistent with other exploration companies this is achieved through capital raisings and strong broker support. The Group's capital structure consists of equity comprising issued capital, reserves and accumulated losses. Operating cash flows are used to maintain and monitor the Group's operating, investing and financing activities. The Company has raised gross proceeds from capital raisings and option exercise of \$27,625,000 during the financial year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

NOTE 20: RESERVES

(a) Reserves

	Consolidated	
	2012	2011
	\$	\$
Available-for-sale financial asset reserve	43,750	177,500
Share-based payment reserve	8,085,701	21,010,045
Employee options reserve	941,381	721,493
Foreign currency translation reserve	-	502,084
	<u>9,070,832</u>	<u>22,411,122</u>

Movements

	Consolidated	
	2012	2011
	\$	\$
Available-for-sale financial asset reserve		
Balance 1 July	177,500	-
Revaluation of available-for-sale financial assets	(133,750)	177,500
Balance 30 June	<u>43,750</u>	<u>177,500</u>
Share-based payment reserve		
Balance 1 July	21,010,045	21,010,045
Transfer of reserve on options exercised	(12,924,344)	-
Balance 30 June	<u>8,085,701</u>	<u>21,010,045</u>
Employee options reserve		
Balance 1 July	721,493	133,133
Employee put option expenses	219,888	602,902
Reversal of employee put option reserve	-	(14,542)
Balance 30 June	<u>941,381</u>	<u>721,493</u>
Foreign currency translation reserve		
Balance 1 July	502,084	207,411
Currency translation differences arising during the year	-	294,673
Realisation of foreign currency translation reserve	(502,084)	-
Balance 30 June	<u>-</u>	<u>502,084</u>

NOTE 20: RESERVES cont'd

(b) Nature and purpose of reserves

(i) Available-for-sale financial asset reserve

The available-for-sale financial asset reserve records revaluations of available-for-sale financial investments.

(ii) Share-based payment reserve

The share-based payment reserve is used to recognise the fair value of options issued as consideration for services provided to the Company by Ochre Holdings Pty Ltd and Blackwood Capital Limited.

(iii) Employee options reserve

The employee options reserve is used to recognise the value of embedded put options within employee and Director loans in accordance with the Company's Employee Loan Scheme. Detailed terms and conditions of employee and Director loans are set out in Note 11(iv).

(iv) Foreign currency translation reserve

The foreign currency translation reserve is used to record exchange differences on translation of foreign controlled subsidiaries. The amounts were reclassified to profit or loss when the investment was disposed of.

NOTE 21: FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: market risk (including currency risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework and is currently formalising the framework. Risk management is addressed and discussed at each Board meeting.

(a) Market Risk

(i) Foreign exchange risk

The Group is exposed to minimal currency risks that are denominated in a currency other than the respective functional currencies of Group entities. Transactions are primarily denominated in Australian dollar (AUD) and US dollar (USD).

(ii) Price risk

The Group is exposed to securities price risk. This arises from investments held by the Group and classified in the statement of financial position as available-for-sale. A mitigating risk policy has to date not been formalised.

The fair value of available-for-sale securities is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Group is the current bid price. Due to limited holding in securities, the price risk is deemed insignificant.

(iii) Interest rate risk

Interest rate risk for the Group is considered to be minimal. The Group had no interest attracting debts at 30 June 2012 and assets are managed with a mixture of short term and at call investments. All trade and other receivables are non-interest bearing.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

NOTE 21: FINANCIAL RISK MANAGEMENT cont'd

The Group's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on classes of financial assets and financial liabilities, is as follows:

2012	Weighted Average Effective Interest Rate %	Floating Interest Rate \$	Fixed Interest Rate Maturing			Non Interest Bearing \$	Total \$
			< 1 year \$	1 - 5 year \$	> 5 years \$		
Financial Assets:							
Cash	5.63%	23,035,004	-	-	-	-	23,035,004
Receivables		-	-	-	-	1,193,123	1,193,123
Total financial assets		23,035,004	-	-	-	1,193,123	24,228,127
Financial Liabilities:							
Payables		-	-	-	-	2,396,587	2,396,587
Total financial liabilities		-	-	-	-	2,396,587	2,396,587

2011	Weighted Average Effective Interest Rate %	Floating Interest Rate \$	Fixed Interest Rate Maturing			Non Interest Bearing \$	Total \$
			< 1 year \$	1 - 5 year \$	> 5 years \$		
Financial Assets:							
Cash	5.66%	8,745,931	-	-	-	-	8,745,931
Receivables		-	-	-	-	2,299,348	2,299,348
Total financial assets		8,745,931	-	-	-	2,299,348	11,045,279
Financial Liabilities:							
Payables	-	-	-	-	-	1,276,273	1,276,273
Total financial liabilities		-	-	-	-	1,276,273	1,276,273

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

NOTE 21: FINANCIAL RISK MANAGEMENT cont'd

The Group's exposure to interest rate risk relates primarily to the Group's cash and cash equivalents as detailed in the above table. A sensitivity analysis has been determined based on the exposure to interest rates at reporting date with the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period. A 100 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the possible change in interest rates.

Based on the financial instruments held at 30 June 2012, should the interest rate weaken/strengthen by 100 basis points against the effective interest rate with all other variables held constant, post-tax loss for the year would have been \$1,066,335 higher/\$1,527,035 lower (2011: \$407,560 higher/\$582,479 lower).

(b) Credit Risk

Credit risk is managed on a Group basis. Credit risk is a risk of financial loss if the Group's counterparties are failing to discharge their obligation in respect to the Group's financial instruments held in those counterparties. Credit risk mainly arises from cash, cash equivalents, deposits with banks and receivables. The Group deposits its fund only with prudent banks with the minimum rating of "A", and the management believes they are fully recoverable from the banks when due. There are no receivables past due but not impaired.

Loans to employees and Directors relate to an at arm's length transaction whereby the employees and Directors purchased shares at market price and were granted a loan as per the Employee Loan Scheme which forms part of the Company's Employee Share Plan. The shares belong to the employees and Directors, however have been put in a holding lock until such time as the later of fulfilment of continuity conditions or loan repayment has occurred. The loan has to be repaid within 5 years from the issue date.

Credit risk further arises in relation to financial guarantees given to certain parties (see Note 27 for details). Such guarantees are only provided in exceptional circumstances and are subject to Board approval.

The maximum exposure to credit risk at the reporting date is the carrying amount of the financial assets as summarised on the table below.

	Consolidated	
	2012	2011
	\$	\$
Cash at bank	23,035,004	8,745,931
Bonds term deposit	805,352	805,352
Receivables	1,193,123	2,299,348
Bank guarantees	71,556	71,556

(c) Liquidity Risk

The Group and Parent Entity have prudent liquidity risk management which includes maintaining sufficient funds to meet operational and exploration expenditure when they are due for payment, and the availability of funding through an adequate amount of a committed fund sources. The Group and Parent Entity manage liquidity risk by continuously monitoring forecasts and actual cash flows.

The Directors of the Group and Parent Entity place high importance on capital raising strategies and investor relations. Strategies pursued include road shows, company presentation to fund managers and sophisticated investors and pursual of strategic partnerships.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

NOTE 21: FINANCIAL RISK MANAGEMENT cont'd

Maturities of financial liabilities

The tables below analyse the Group's and the Parent Entity's financial liabilities into relevant maturity based on the remaining period at balance date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

30 June 2012	< 6 months \$	6 - 12 months \$	1 - 2 years \$	2 - 5 years \$	> 5 years \$	Total Contractual Cash Flows \$	Carrying Amount \$
Non-derivatives							
Non-interest bearing	2,396,587	-	-	71,556	-	2,468,143	2,396,587
Interest bearing	-	-	-	-	-	-	-
Total non-derivatives	2,396,587	-	-	71,556	-	2,468,143	2,396,587
Derivatives	-	-	-	-	-	-	-

30 June 2011	< 6 months \$	6 - 12 months \$	1 - 2 years \$	2 - 5 years \$	> 5 years \$	Total Contractual Cash Flows \$	Carrying Amount \$
Non-derivatives							
Non-interest bearing	1,276,273	-	-	71,556	-	1,347,829	1,276,273
Interest bearing	-	-	-	-	-	-	-
Total non-derivatives	1,276,273	-	-	71,556	-	1,347,829	1,276,273
Derivatives	-	-	-	-	-	-	-

(d) Fair Value Estimation

The fair value of financial instruments traded in active markets is based on quoted market prices at balance date. The quoted market price used for financial assets held by the Group and Parent Entity is the current bid price. This therefore values financial assets as a Tier 1 investment.

The carrying value less impairment of trade receivables and payables are assumed to approximate their fair values due to their short-term nature. The carrying value of non-current receivables is assumed to be approximately their fair value.

The fair value of financial assets and available-for sale financial assets is determined by reference to their actual value at reporting date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

NOTE 22: SHARE-BASED PAYMENTS

Employees and Directors put options	No vesting conditions
Number of put options/shares	74,005,000
Number of shares vested	1,140,400
Fair value at grant date	\$0.0145
Exercise price	\$0.024
Approval date	23 Mar 10
Expiry date	23 Mar 15
Spot share price	\$0.024
Expected price volatility of shares	100%
Expected dividend yield	0%
Risk free interest rate	5.41%

The fair value of the put options within employee and Director loans was valued on approval date according to the Binomial valuation model.

Under the terms of the Company's Employee Share Plan, the Company invited eligible employees and Directors to acquire shares at an issue price determined by the Board. The price was set at 2.4 cents per share, which is an at arm's length transaction and equivalent to the share price of the capital raising that took place during the same period of time. The shares were issued for a cash consideration and the issue price was advanced by the Company by way of a loan subject to the terms of the Employee Loan Scheme which forms part of the Company's Employee Share Plan (details are contained in the Explanatory Statement to Resolution 4 of the Notice of General Meeting dated 24 March 2010). The rights to the shares lay with the holder from allotment. Escrow conditions have been placed on the transfer of the shares and the employee cannot transfer the shares unless pre-determined continuity conditions are fulfilled and the loan relating to the shares has been repaid.

Expenses arising from share-based payment transactions

Total expenses arising from share-based payment transactions recognised during the year were as follows:

	Consolidated	
	2012	2011
	\$	\$
Put options (employee and Director benefits expenses):		
Valuation of embedded put options within employee and Director loans (Note 11(iv))	219,888	602,902
	219,888	602,902
Total share-based payment expenses	219,888	602,902

Vested Options

On 16 February 2012, 300,000,000 options were exercised at an exercise price of \$0.015 converting to ordinary shares.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

NOTE 23: CASH FLOW INFORMATION

	Consolidated	
	2012	2011
	\$	\$
Reconciliation of Cash Flow from Operations with Loss after Income Tax		
Loss after income tax	(11,836,321)	(9,726,208)
Non cash investing and financing activities		
Depreciation	282,519	199,009
Write-down of property, plant and equipment	43,887	21,497
Write-back of rehabilitation provision	-	(35,000)
Realisation of forex reserve	(502,084)	-
Shares issued to employees and value of put options	219,888	602,902
Gain on disposal of property, plant and equipment	(6,198)	(6,946)
Sale of exploration interest	-	(40,000)
Reversal of share-based payment reserves	-	(14,542)
Doubtful debt expenses	182	2,214
Interest income	(304,191)	(118,011)
Environmental bonds	-	(156,825)
Foreign exchange (gain)/loss	(11)	299,828
Changes in assets and liabilities		
(Increase)/decrease in trade and other receivables	(516,408)	(259,845)
(Increase)/decrease in trade and other payables and accruals	1,007,164	241,661
(Decrease)/increase in employee entitlements	164,667	77,322
(Increase)/decrease in provisions	49,420	288,296
Cash flow from operations	(11,397,486)	(8,624,648)

NOTE 24: NON-CASH INVESTING AND FINANCING ACTIVITIES

Non-cash investing and financing activities amount during the financial year ending 30 June 2012 was nil (2011: nil).

NOTE 25: RELATED PARTY TRANSACTIONS

Transactions between related parties occur on normal commercial terms and conditions and are no more favourable than those available to other parties unless otherwise stated. During the year loan transactions occurred between the Parent Entity and its wholly owned subsidiaries. The details of transactions with related parties of key management personnel are set out in Note 26.

NOTE 26: KEY MANAGEMENT PERSONNEL DISCLOSURES**(a) Key management personnel compensation**

	Consolidated	
	2012	2011
	\$	\$
Short-term employee benefits	707,186	652,968
Post-employment benefits	55,097	56,066
Long-term benefits	-	-
Termination benefits	-	-
Valuation of put options	102,649	310,464
	<u>864,932</u>	<u>1,019,498</u>

(b) Share-based payments

The total amount of \$102,649 has been recognised as share-based payments remuneration during the financial year ending 30 June 2012 (2011: \$310,464), including \$102,649 (2011: \$310,464) representing the value of embedded put options within Directors and other key management personnel loans in accordance with the Company's Employee Loan Scheme. The information regarding detailed terms and conditions of employee and Director loans is set out in Note 11(iv).

(c) Equity instruments

No shares were issued on exercise of remuneration options.

Details of shares held directly, indirectly or beneficially by key management personnel and their related parties are as follows:

2012	Balance at 1 July 2011	Granted as Compensation	Options Exercised	Other Changes	Balance at 30 June 2012	Balance Held Nominally
Dr M Etheridge ¹⁾	12,000,000	-	-	1,000,000	13,000,000	6,000,000
Mr D Holden ²⁾	20,166,667	-	-	714,285	20,880,952	-
Mr I Kins	21,966,398	-	-	-	21,966,398	21,966,398
Mr G Sloan	-	-	-	-	-	-
Ms J Zimmermann	15,001,654	-	-	-	15,001,654	-
	<u>69,134,719</u>	<u>-</u>	<u>-</u>	<u>1,714,285</u>	<u>70,849,004</u>	<u>27,966,398</u>

¹⁾ Includes 6,000,000 ordinary shares held by Tectonex GeoConsultants Pty Ltd on behalf of the Etheridge Superannuation Fund, a company of which Dr M Etheridge is a Director.

²⁾ 20,166,667 ordinary shares held by the Sinclair Family Trust as a nominee of Mr D Holden.

NOTE 26: KEY MANAGEMENT PERSONNEL DISCLOSURES cont'd

2011	Balance at 1 July 2011	Granted as Compensation	Options Exercised	Other Changes	Balance at 30 June 2012	Balance Held Nominally
Dr M Etheridge ¹⁾	9,000,000	-	-	3,000,000	12,000,000	6,000,000
Mr D Holden ²⁾	20,166,667	-	-	-	20,166,667	20,166,667
Mr I Kins	21,966,398	-	-	-	21,966,398	-
Dr N Archibald ³⁾	17,833,333	-	88,500,000	(80,000,000)	26,333,333	26,333,333
Mr G Sloan	-	-	-	-	-	-
Ms J Zimmermann	15,001,654	-	-	-	15,001,654	-
	83,968,052	-	88,500,000	(77,000,000)	95,468,052	52,500,000

¹⁾ Includes 6,000,000 ordinary shares held by Tectonex GeoConsultants Pty Ltd on behalf of the Etheridge Superannuation Fund, a company of which Dr M Etheridge is a Director.

²⁾ 20,166,667 ordinary shares held by the Sinclair Family Trust as a nominee of Mr D Holden.

³⁾ 26,333,333 ordinary shares held by Geocrust Pty Ltd on behalf of Dr N Archibald's superannuation fund, a company of which Dr N Archibald is a Director. Retired 31 December 2010.

(c) Loans to Directors and other key management personnel

Details of loans provided to Directors and other key management personnel of the Group, including their related parties, are set out below.

Name	Balance at 1 July 2011 \$	Loan balance- Interest paid and payable ¹⁾ \$	Loan balance- Interest not charged \$	Write-down and allowance for doubtful debt \$	Balance at 30 June 2012 \$
Dr M Etheridge	144,000	-	-	-	144,000
Mr D Holden	480,000	-	-	-	480,000
Mr I Kins	74,880	-	-	-	74,880
Ms J Zimmermann	180,000	-	-	-	180,000
	878,880	-	-	-	878,880

Name	Balance at 1 July 2010 \$	Loan balance- Interest paid and payable ¹⁾ \$	Loan balance- Interest not charged \$	Write-down and allowance for doubtful debt \$	Balance at 30 June 2011 \$
Dr M Etheridge	144,000	-	-	-	144,000
Mr D Holden	480,000	-	-	-	480,000
Mr I Kins	74,880	-	-	-	74,880
Ms J Zimmermann	180,000	-	-	-	180,000
	878,880	-	-	-	878,880

¹⁾ Interest on the loan shall vary from time to time during the term and is deemed to be equivalent to dividends paid in respect of any shares issued to Employee Share Plan participants.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

NOTE 26: KEY MANAGEMENT PERSONNEL DISCLOSURES cont'd

The value of embedded put options within Director and other key management personnel loans is set out in Note 26(b). Detailed terms and conditions of employee and Director loans are set out in Note 11(iv) and Note 22.

No loans to Directors and other key management personnel of the Group were provided in 2012.

(d) Other transactions with Directors and other key management personnel

No options were issued to a related party of Directors during the year. The following options were issued to a related party of Directors in 2011:

2011	No. Options Granted ¹⁾	No. Options Vested	Fair Value per Option Grant Date	Exercise Price	Amounts Paid or Payable	Expire Date	Date Exercisable
Directors							
Dr N Archibald	83,500,000	83,500,000	-	\$0.015	-	15/10/2015	-
	<u>83,500,000</u>	<u>83,500,000</u>					

¹⁾ Piggy-back options issued as part of 265,000,000 options issued to Ochre Holdings Pty Ltd as consideration for services provided to the Company by Ochre Holdings Pty Ltd pursuant to a services and subscription agreement dated 10 June 2009. These securities are held by Geocrust Pty Ltd on behalf the Director's superannuation fund.

Ms M. Kins, daughter of Mr I Kins, was paid \$11,360 as remuneration for services rendered to the Group during the year.

The terms and conditions of the transactions with Directors, other key management personnel and their related parties and entities were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions with non-Director related parties and entities on an arm's length basis.

NOTE 27: CONTINGENCIES

(a) Environmental

The Group provides for all known environmental liabilities. While the Directors believe that, based upon current information, its current provisions for the environmental rehabilitation are adequate, there can be no assurance that material new provisions will not be required as a result of new information or regulatory requirements with respect to known sites or identification of new remedial obligations at other sites. Bank guarantees totalling \$733,796 (2011: \$733,796) have been provided. Term deposits of the same amount secure these guarantees.

(b) Bank guarantee

Estimates of the potential financial effect of contingent liabilities that may become payable.

	Consolidated	
	2012	2011
	\$	\$
The Parent Entity has provided a bank guarantee to third party in relation to the Business Card facility. A term deposit of the same amount secures this guarantee.	50,000	50,000
The Parent Entity has provided a bank guarantee to the lessor of the Nedlands premises. A term deposit of the same amount secures this guarantee.	21,556	21,556

NOTE 28: COMMITMENTS

Operating lease commitments

Non-cancellable operating leases contracted for but not capitalised in the financial statements.

	Consolidated	
	2012	2011
	\$	\$
Payable – minimum exploration expenditure		
Not later than 12 months	84,896	59,325
Between 12 months and 5 years	7,414	4,960
Greater than 5 years	-	-
	<u>92,310</u>	<u>64,285</u>

The property lease for ABM's premises is a non-cancellable lease with a three-year term to 31 July 2012, with rent payable monthly in advance. ABM has re-negotiated the contract and the option exists to renew the lease at the end of each year for an additional term of 1 year for three consecutive periods. The first option has been exercised.

Contingent rental provisions within the lease agreement require the minimum lease payments shall be increased by 4% per annum which is accounted for on a straight line basis. The lease allows for subletting of all leased areas.

NOTE 29: SUBSEQUENT EVENTS

The Group released numerous announcements regarding exploration results from the Buccaneer and Old Pirate projects, some of which have been referred to in the Managing Director's review of operation.

On 9 July 2012, Mr Andrew Ferguson joined the Board of the ABM as a Non-Executive Director.

On 8 August 2012, ABM received "The Best Emerging Company" Award at Diggers & Dealers Forum 2012.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

NOTE 30: PARENT ENTITY INFORMATION

The following information relates to the parent entity ABM Resources NL. The information presented has been prepared using accounting policies that are consistent with those presented in Note 1.

	Consolidated	
	2012	2011
	\$	\$
Current assets	31,472,176	16,229,360
Non-current assets	13,193,488	14,571,928
Total assets	44,665,664	30,801,288
Current liabilities	2,431,746	1,295,729
Non-current liabilities	442,290	344,786
Total liabilities	2,874,036	1,640,515
Net assets	41,791,628	29,160,773
Contributed equity	130,637,999	105,754,877
Reserves	9,070,832	21,909,038
Retained earnings	(97,917,203)	(98,503,142)
Total equity	41,791,628	29,160,773
Profit/(loss) for the year	(12,338,405)	(9,431,535)
Other comprehensive income/(loss) for the year	(133,750)	177,500
Total comprehensive income/(loss)	(12,472,155)	(9,254,035)

Contingent Liabilities

As detailed in Note 27, ABM Resources NL has a contingent liability in respect of bank guarantees, environmental rehabilitation and Director and employee loans.

Commitments

As detailed in Note 28, ABM Resources NL has operating lease commitments at the end of financial year.

NOTE 31: SUBSIDIARIES

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in Note 1(b):

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

NOTE 31: SUBSIDIARIES cont'd

			Equity Holding		Investment	
			2012	2011	2012	2011
			%	%	\$	\$
Parent entity						
ABM Resources NL	Australia	Ordinary	-	-	-	-
Controlled entities						
ABM Resources Operations Pty Ltd	Australia	Ordinary	100	100	-	-
Rare Resources NL	Australia	Ordinary	100	100	-	-
Australian Tenement Holdings Pty Ltd	Australia	Ordinary	100	100	-	-
ABM Resources Mozambique Limitada	Mozambique	Ordinary	-	67.33	-	631
					-	631

NOTE 32: COMPANY DETAILS

The registered office of the Group and principal place of business is:

ABM Resources NL
Level 1, 141 Broadway
NEDLANDS WA 6009

DIRECTORS' DECLARATION

The Directors of the Group declare that:

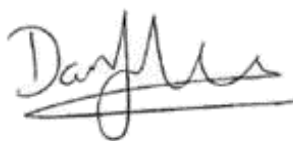
1. the consolidated financial statements, comprising the Consolidated Statement of Comprehensive Income, Consolidated Statement of Financial Position, Consolidated Statement of Cash Flows, Consolidated Statement of Changes in Equity, and accompanying notes, as set out on pages 70 to 109 are in accordance with the *Corporations Act 2001*, and:
 - (a) comply with Accounting Standards and the Corporations Regulations 2001; and
 - (b) give a true and fair view of the financial position as at 30 June 2012 and of the performance for the year ended on that date of the Group;
2. the Managing Director and the Chief Financial Officer of the Group have each declared as required by Section 295A that:
 - (a) the financial records of the Group for the financial year have been properly maintained in accordance with Section 286 of the *Corporations Act 2001*;
 - (b) the financial statements and notes for the financial year comply with the Accounting Standards; and
 - (c) the financial statements and notes for the financial year give a true and fair view.
3. in the Directors' opinion there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.
4. The remuneration disclosures set out on pages 53 to 58 of the Directors' report comply with Section 300A of the *Corporations Act 2001*.
5. The Group has included in the notes to the financial statements an explicit and unreserved statement of compliance with International Financial Reporting Standards.

This declaration is made in accordance with a resolution of the Board of Directors.

Dated this 4th day of September 2012



MIKE ETHERIDGE
Non-Executive Chairman



DARREN HOLDEN
Managing Director

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS



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Australia

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ABM RESOURCES NL

Report on the Financial Report

We have audited the accompanying financial report of ABM Resources NL which comprises the consolidated statement of financial position as at 30 June 2012, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of ABM Resources NL would be in the same terms if given to the directors as at the time of this auditor's report.

BDO Audit (WA) Pty Ltd ABN 79 112 284 787 is a member of a national association of independent entities which are all members of BDO (Australia) Ltd ABN 77 050 110 275, an Australian company limited by guarantee. BDO Audit (WA) Pty Ltd and BDO (Australia) Ltd are members of BDO International Ltd, a UK company limited by guarantee, and form part of the international BDO network of independent member firms. Liability limited by a scheme approved under Professional Standards Legislation (other than for the acts or omissions of financial services licensees) in each State or Territory other than Tasmania.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS



Opinion

In our opinion:

- (a) the financial report of ABM Resources NL is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2012 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
- (b) the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 1.

Report on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2012. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion, the Remuneration Report of ABM Resources NL for the year ended 30 June 2012 complies with section 300A of the *Corporations Act 2001*.

BDO Audit (WA) Pty Ltd

A handwritten signature in black ink, appearing to read 'Wayne Basford', is written over a faint, stylized 'BDO' logo.

Wayne Basford
Director

Perth, Western Australia
Dated this 4th day of September 2012

ADDITIONAL INFORMATION FOR LISTED PUBLIC COMPANIES

Additional information required by the Australian Securities Exchange Limited and not shown elsewhere in this report is set out below. The information was prepared based on share registry information processed up to 29 August 2012.

1. Shareholdings

(a) Distribution of shareholders

Size of holding category (number of shares held)	Number of Holders Ordinary Shares
1 – 1,000	124
1,001 – 5,000	113
5,001 – 10,000	248
10,001 – 100,000	2,017
100,001 and over	1,681
	<hr/> 4,183 <hr/>

(b) The number of shareholders holding less than a marketable parcel

The number of shareholders holding less than a marketable parcel is nil.

(c) The names of the substantial shareholders

The name of the substantial shareholders listed in the holding Company's register are:

Shareholders	Number of Ordinary Shares	% Held of Issued Ordinary Capital
COL Capital Limited (Including APAC Resources Limited)	687,911,009	21.22
APAC Resources Limited (Included in COL Capital Limited)	647,911,009	19.99
Craton Capital	187,777,778	5.79

(d) Voting rights

The voting rights attached to each class of equity security are as follows:

Ordinary shares

Each ordinary share is entitled to one vote when a poll is called, otherwise each member present at a meeting or by proxy has one vote on a show of hands.

ADDITIONAL INFORMATION FOR LISTED PUBLIC COMPANIES

1. Shareholdings cont'd

(e) 20 largest shareholders – Ordinary shares

Name		Number of Ordinary Fully Paid Shares Held	% Held of Issued Ordinary Capital
1.	HSBC Custody Nominees Ltd	789,255,303	24.35
2.	JP Morgan Nominees Australia Ltd	200,181,776	6.18
3.	Tanami Exploration NL	160,103,203	4.94
4.	Citicorp Nominees Pty Ltd	127,888,788	3.95
5.	Jemaya Pty Ltd	56,000,000	1.73
6.	JP Morgan Nominees Australia Ltd	44,207,799	1.36
7.	Sun Hung Kai Investment Services Ltd	40,000,000	1.23
8.	Sun Hung Kai Financial Ltd	39,000,000	1.20
9.	Jemaya Pty Ltd	35,000,000	1.08
10.	Nathan John Featherby	34,922,766	1.08
11.	M F Custody Ltd	27,750,000	0.86
12.	Perth Select Seafoods Pty Ltd	26,000,000	0.80
13.	Nathan John Featherby	24,789,795	0.76
14.	CS Fourth Nominees Pty Ltd	21,550,521	0.66
15.	Emma Radford	20,833,333	0.64
16.	National Nominees Ltd	20,773,489	0.64
17.	Darren John Holden	20,000,000	0.62
18.	Rexfam Consulting Pty Ltd	18,881,667	0.58
19.	Emma Radford	17,581,897	0.54
20.	Bolo Pty Ltd	17,000,000	0.52
		1,741,720,337	53.72

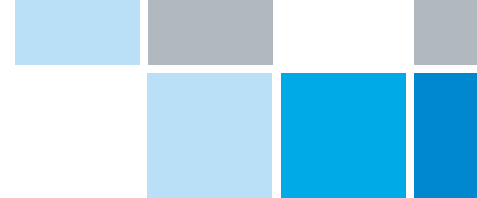
2. Company Secretary

The name of the Company Secretary is Ms Jutta Zimmermann.

3. Principal Registered Office

The address of the principal registered office in Australia is:

ABM Resources NL
Level 1, 141 Broadway
NEDLANDS WA 6009
Phone: +61 8 9423 9777
Fax: +61 8 9423 9733



ADDITIONAL INFORMATION FOR LISTED PUBLIC COMPANIES

4. Register of Securities

Registers of securities are held at the following address:

Security Transfer Registrars Pty Limited
770 Canning Highway
APPLECROSS WA 6153

5. Stock Exchange Listing

Quotation has been granted for all the ordinary shares of the Company on all Member Exchanges of the Australian Securities Exchange Limited.

6. Unquoted Securities

The Company has issued a total of 280,000,000 unlisted options as follows:

Number of options	Exercise Price Cents	Expiry Date
20,000,000	0.050	15 December 2012
10,000,000	0.010	15 January 2014
166,500,000	0.015	15 January 2015 ¹⁾
83,500,000	0.015	18 October 2015
<u>280,000,000</u>		

¹⁾ On exercise of these options a further 166,500,000 options will be issued (\$0.015 @ 5 years from issue date).

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Integrity
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ABM RESOURCES NL

141 Broadway Nedlands WA 6009

www.abmresources.com.au