

**ABM RESOURCES NL
AND CONTROLLED ENTITIES**

ABN 58 009 127 020

**INTERIM FINANCIAL REPORT
FOR THE HALF-YEAR ENDED
31 DECEMBER 2010**

CORPORATE DIRECTORY

Directors	Dr Michael Etheridge (Chairman) Mr Darren Holden Mr Imants Kins Dr Nicholas Archibald – <i>Retired 31 December 2010</i> Mr Graeme Sloan – <i>Appointed 30 November 2010</i>
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	Steinepreis Paganin Level 4, Next Building 16 Milligan Street PERTH WA 6000
Stock Exchange	Australian Securities Exchange Limited ASX Code: ABU
Registered Office	Level 1, 141 Broadway NEDLANDS WA 6009
Principle Office	Level 1, 141 Broadway NEDLANDS WA 6009 Telephone: +61 8 9423 9777 Fax: + 61 8 9423 9733 Website: www.abmresources.com.au Email: admin@abmresources.com.au
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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 half-year ended 31 December 2010.

Directors

The following persons were Directors of ABM Resources NL during the half-year and up to the date of this report:

Dr Michael Etheridge	Non-Executive Chairman	
Mr Darren Holden	Managing Director	
Mr Imants Kins	Executive Director	
Dr Nicholas Archibald	Non-Executive Director	Retired 31 December 2010
Mr Graeme Sloan	Non-Executive Director	Appointed 30 November 2010

The Directors have been appointed for the whole period unless otherwise disclosed.

Operating Results

The consolidated loss of the Group for the half-year ended 31 December 2010 after providing for income tax and eliminating minority equity interests amounted to \$5,417,391 (2009: loss of \$27,041,815).

Review of Operations

Achievements accomplished since the start of the 2010/2011 financial year:

- ABM raised total gross proceeds of \$10.75 million from an equity placement arranged by Patersons Securities and BGF Equities.
- Share options for a total value of \$1.3 million were exercised.
- Commencement of on ground exploration at the Company's flagship project – Twin Bonanza Gold Camp located in the Northern Territory.
- Intersection of widespread gold mineralisation indicative of a bulk-tonnage gold deposit at the Buccaneer Porphyry Gold Prospect at Twin Bonanza. During the half year the Company drilled 30 holes to an average depth of approximately 340 metres, with the deepest hole being 472 metres and a total of 9,741 metres drilled. Results for Buccaneer included 67m grading 2.07g/t gold, 117m grading 1.35g/t gold, 24m grading 3.65g/t gold and 202m grading 1g/t gold including 39m grading 2.24 g/t gold.
- Intersection of high grade gold in drilling at the Old Pirate Prospect, also located on the Twin Bonanza Gold Camp, include results such as 43m grading 7.0g/t gold and 5m grading 274g/t gold. During the reporting period ABM drilled 17 holes to depth between 200 and 409 metres each with a total of 4,614 metres drilled.
- Second drill rig added for the Hyperion Gold Project, drilling 14 holes into the Hyperion Central, Hyperion South and Brokenwood prospects to a maximum depth of 390 metres drilling a total of 2,478 metres.
- Prioritisation of other targets on the Company's land-holdings for drilling in 2011 including planned testing at the Tekapo, Taupo and Manapouri IOCG (iron oxide/copper/gold) targets on the Lake Mackay Project Area.

DIRECTORS' REPORT

- Commencement of review of all available drilling data to work towards the Companies first resource estimation.
- Expansion of the geoscientific team for aggressive exploration program for 2011.
- Cash in bank at 31 December 2010 \$11.5 Million.

More detailed information can be found in the Quarterly Activities Reports and various other significant announcements released to the market since the beginning of the financial year.

Events Subsequent to the Reporting Date

During January and February 2011 the Group announced various updates on prospective tenements in the Tanami region, including results of drilling at

- Hyperion Gold Project including drill results such as 22m grading 2.57g/t gold including 11m grading 4.29g/t gold;
- Buccaneer Porphyry Gold Prospect at the Twin Bonanza Gold Camp with results to date including 221m grading 0.95g/t gold including 81m grading 2.03g/t gold and;
- the identification of further targets at the Company's Twin Bonanza Gold Camp, which now hosts 30 targets.

In February 2011, the Group announced its first JORC-compliant Inferred Resource Estimation on the Buccaneer Porphyry Gold Prospect of 65.8 Million tonnes (Mt) grading 0.79g/t for 1.67 million ounces of gold including higher grade components of:

- 36.9Mt grading 1.01g/t gold for 1.19 million ounces (0.5g/t cut-off) of gold; or
- 8.7Mt grading 2.01g/t gold for 560,000 ounces (1.1g/t cut-off) of gold.

During February 2011, the Group released several announcements regarding the conversion of 35,570,763 unlisted options into fully paid ordinary shares at \$0.02 per share.

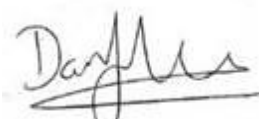
Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under Section 307C of the *Corporations Act 2001* is set out on page 5.

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



MICHAEL ETHERIDGE
Non-Executive Chairman



DARREN HOLDEN
Managing Director

Dated this 25th day of February 2011
Perth, Western Australia

25th February 2011

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

DECLARATION OF INDEPENDENCE BY BRAD MCVEIGH TO THE DIRECTORS OF ABM RESOURCES NL

As lead auditor of ABM Resources NL for the half year ended 31 December 2010, 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 review
- any applicable code of professional conduct in relation to the review.

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



Brad McVeigh
Director



BDO Audit (WA) Pty Ltd
Perth, Western Australia

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2010**

	Consolidated	
	31 December 2010 \$	31 December 2009 \$
Revenue from continuing activities	218,943	44,626
Other income	100,290	17,068
Employee and Directors benefits expenses	(1,556,549)	(480,094)
Share-based payments expenses	-	(10,661,522)
Impairment expenses - goodwill	-	(14,463,720)
Lease expenses	(26,458)	(44,926)
Depreciation expenses	(87,367)	(36,589)
Write-down of property, plant and equipment	(14,168)	-
Consultancy expenses	(50,958)	(161,308)
Exploration and evaluation expenses	(3,523,158)	(818,677)
Legal fees	(8,353)	(115,214)
Loss on sale of fixed assets	-	(4,743)
Other expenses	(469,613)	(316,716)
Loss before income tax expense	(5,417,391)	(27,041,815)
Income tax expense	-	-
Loss for the half-year	(5,417,391)	(27,041,815)
Loss attributable to members of ABM Resources NL	(5,417,391)	(27,041,815)
Other comprehensive income		
Foreign currency translation differences	239,253	136,367
Net change in fair value of available-for-sale financial assets	-	-
Total other comprehensive income for the half-year	239,253	136,367
Total comprehensive income for the half-year	(5,178,138)	(26,905,448)
Total comprehensive income for the half-year attributable to members of ABM Resources NL	(5,178,138)	(26,905,448)
Basic loss per share attributable to the ordinary equity holders of the Company		
Basic loss per share (cents per share)	(0.24)	(3.68)
Diluted earnings per share	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
AS AT 31 DECEMBER 2010

		Consolidated	
	Notes	31 December 2010 \$	30 June 2010 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		11,500,780	3,892,382
Trade and other receivables		2,063,193	1,854,992
Other current assets		33,295	1,488,454
TOTAL CURRENT ASSETS		13,597,267	7,235,828
NON-CURRENT ASSETS			
Trade and other receivables		613,527	648,527
Other financial assets		10,000	10,000
Intangible assets	4	-	-
Property, plant and equipment		552,236	564,022
Exploration, evaluation and development expenditure	8	17,985,795	17,976,249
TOTAL NON CURRENT ASSETS		19,161,558	19,198,798
TOTAL ASSETS		32,758,825	26,434,626
LIABILITIES			
CURRENT LIABILITIES			
Trade and other liabilities		313,212	941,919
Provisions		15,294	13,956
TOTAL CURRENT LIABILITIES		328,506	955,875
NON-CURRENT LIABILITIES			
Provisions		256,886	175,286
TOTAL NON-CURRENT LIABILITIES		256,886	175,286
TOTAL LIABILITIES		585,392	1,131,161
NET ASSETS		32,173,433	25,303,465
EQUITY			
Contributed equity	5	104,874,586	93,231,894
Reserves		21,995,256	21,350,589
Accumulated losses		(94,696,409)	(89,279,018)
TOTAL EQUITY		32,173,433	25,303,465

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

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2010**

	Consolidated	
	31 December 2010 \$	31 December 2009 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	-	-
Payments to suppliers and employees	(1,049,639)	(918,349)
Interest received	81,637	44,626
Proceeds from environmental bonds	35,000	-
Payments for exploration, evaluation and development	(4,351,076)	-
Other receipts	25,290	6,007
Net cash inflow/(outflow) from operating activities	(5,258,788)	(867,716)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of property, plant and equipment	-	2,000
Purchase of property, plant and equipment	(84,259)	(34,621)
Proceeds from sale of other financial assets	-	193,389
Proceeds from sale of exploration interest	40,000	-
Payments for asset acquisition of Northern Territory projects	(9,546)	-
Payments for acquisition of Northern Territory projects through business combination	-	(1,500,000)
Payments for exploration, evaluation and development	-	(395,987)
Net cash inflow/(outflow) from investing activities	(53,805)	(1,735,219)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares	13,111,913	6,205,000
Share issue costs	(161,258)	(410,223)
Payment for unmarketable parcel of shares	(32,525)	(4,247)
Net cash inflow/(outflow) from financing activities	12,918,130	5,790,530
Net increase/(decrease) in cash and cash equivalents	7,605,537	3,187,595
Net foreign exchange differences	2,861	(744)
Cash and cash equivalents at the beginning of reporting period	3,892,382	448,367
Cash and cash equivalents at the end of reporting period	11,500,780	3,635,218

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

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2010**

	Notes	Contributed Equity \$	Share-based Payment Reserve \$	Employee Options Reserve \$	Foreign Currency Translation Reserve \$	Retained Earnings \$	Total \$
Balance at 1 July 2009		59,637,775	-	-	128,113	(59,154,915)	610,973
Comprehensive income for the half-year							
Loss for the half-year		-	-	-	-	(27,041,815)	(27,041,815)
Other comprehensive income							
Foreign currency translation differences		-	-	-	136,367	-	136,367
Total comprehensive income for the half-year		-	-	-	136,367	(27,041,815)	(26,905,448)
Transaction with owners in their capacity as owners:							
Shares issued		15,794,999	-	-	-	-	15,794,999
Transaction costs		(908,545)	-	-	-	-	(908,545)
Shares issued to employees as compensation		94,272	-	-	-	-	94,272
Movement in share-based payments		-	20,994,744	-	-	-	20,994,744
Total transactions with owners		14,980,726	20,994,744	-	-	-	35,975,470
Balance at 31 December 2009		74,618,501	20,994,744	-	264,480	(86,196,730)	9,680,995
Balance at 1 July 2010		93,231,894	21,010,045	133,133	207,411	(89,279,018)	25,303,465
Comprehensive income for the half-year							
Loss for the half-year		-	-	-	-	(5,417,391)	(5,417,391)
Other comprehensive income							
Foreign currency translation differences		-	-	-	239,253	-	239,253
Total comprehensive income for the half-year		-	-	-	239,253	(5,417,391)	(5,178,138)
Transaction with owners in their capacity as owners:							
Shares issued		12,085,109	-	-	-	-	12,085,109
Transaction costs		(442,417)	-	-	-	-	(442,417)
Movement in employee options reserve	6	-	-	405,414	-	-	405,414
Total transactions with owners		11,642,692	-	405,414	-	-	(12,048,106)
Balance at 31 December 2010		104,874,586	21,010,045	538,547	446,664	(94,696,409)	32,173,433

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2010**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

This general purpose interim financial report for the half-year reporting period ended 31 December 2010 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2010 and any public announcements made by ABM Resources NL during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

Going concern

The financial statements have been prepared on the going concern basis of accounting which assumes that the Group will be able to meet its commitments, realise its assets, discharge its liabilities in the ordinary course of business and meet exploration budgets. In arriving at this position, the Directors recognise the Company is dependent on various funding alternatives to meet these commitments including share placements.

The Directors believe that at the date of signing the financial statement there are reasonable grounds to believe that having regard to matters set out above, the Group will be able to raise sufficient funds to meet its obligations as and when they fall due.

In the event that the Group does not achieve the matters set out above there is significant uncertainty whether the Group will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at amounts stated in the financial statements.

(b) Estimates

The preparation of the half-year financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these consolidated half-year financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty are the same as those that applied to the consolidated financial statements as at and for the year ended 30 June 2010.

(c) Impact of new standards issued but not yet applied

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2010 reporting periods. The Group's assessment of the impact of these new standards and interpretations is set out below.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2010

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES cont'd

- (i) AASB 9 *Financial Instruments* and AASB 2009-11 *Amendments to Australian Accounting Standards arising from AASB 9* (effective from 1 January 2013)

AASB 9 *Financial Instruments* addresses the classification and measurement of financial assets and is likely to affect the Group's accounting for its financial assets. The standard is not applicable until 1 January 2013 but is available for early adoption. The Group is yet to assess its full impact. However, initial indications are that it may affect the Group's accounting for its available-for-sale financial assets, since AASB 9 only permits the recognition of fair value gains and losses in other comprehensive income if they relate to equity investments that are not held for trading. Fair value gains and losses on available-for-sale debt investments, for example, will therefore have to be recognised directly in profit or loss. The Group has not yet decided when to adopt AASB 9.

- (ii) Revised AASB 124 *Related Party Disclosures* and AASB 2009-12 *Amendments to Australian Accounting Standards* (effective from 1 January 2011)

In December 2009 the AASB issued a revised AASB 124 *Related Party Disclosures*. It is effective for accounting periods beginning on or after 1 January 2011 and must be applied retrospectively. The amendment removes the requirement for government-related entities to disclose details of all transactions with the government and other government-related entities and clarifies and simplifies the definition of a related party. The Group will apply the amended standard from 1 July 2011. When the amendments are applied, the Group and the parent will need to disclose any transactions between its subsidiaries and its associates. No financial impact is expected due to the amendment on the related party disclosures.

- (iii) AASB 2009-5 *Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project* (effective from 1 July 2010)

In May 2009 the AASB issued a number of improvements to:

AASB 5 Non-Current Assets Held for Sale and Discontinued Operations

Clarifies that disclosures required for non-current assets (or disposal groups) classified as held for sale or discontinued operations are limited to those required by AASB 5 unless disclosures are specifically required for these assets by other AASBs or assets and liabilities of a disposal group are not within the measurement requirements of AASB 5 and disclosures are required by other AASBs. There will be no impact as these requirements are only required to be applied prospectively to disclosures for non-current assets (or disposal groups) classified as held for sale or discontinued operations.

- (iv) AASB 1053 *Application of Tiers of Australian Accounting Standards* and AASB 2010-2 *Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements* (effective 1 July 2013).

On 30 June 2010 the AASB officially introduced a revised differential reporting framework in Australia. Under this framework, a two-tier differential reporting regime applies to all entities that prepare general purpose financial statements. The Company is listed on the ASX and is therefore not eligible to adopt the new Australian Accounting Standards – Reduced Disclosure Requirements. As a consequence, the two standards will have no impact on the financial statements of the entity.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2010

NOTE 2: SEGMENT INFORMATION

The full Board of Directors, who are the chief operating decision makers, has identified two reportable segments from a geographical prospective 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 \$
Half-year ended 31 December 2010			
Segment other income	18,000	81,454	99,454
Segment loss			
Total segment loss	(3,538,579)	(582,349)	(4,120,928)
Inter-segment loss	-	-	-
Net segment loss	(3,538,579)	(582,349)	(4,120,928)
Half-year ended 31 December 2009			
Segment other income	-	-	-
Segment loss			
Total segment loss	(613,355)	(278,679)	(892,034)
Inter-segment loss	-	-	-
Net segment loss	(613,355)	(278,679)	(892,034)
Segment assets			
31 December 2010	18,934,535	138,886	19,073,421
30 June 2010	18,889,960	200,741	19,090,701

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2010**

NOTE 3: SEGMENT INFORMATION cont'd

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

	Consolidated	
	31 December 2010 \$	31 December 2009 \$
Net segment loss	(4,120,928)	(892,034)
Unallocated items:		
Interest revenue	218,943	44,626
Other revenue	836	17,068
Employee and Directors' benefits expense	(987,587)	(480,094)
Share-based payment expense	-	(10,661,522)
Impairment expense – Goodwill	-	(14,463,720)
Other expenses	(528,655)	(606,139)
Net loss before tax from continuing operations	<u>(5,417,391)</u>	<u>(27,041,815)</u>

Segment assets reconcile to total assets as follows:

	Consolidated	
	31 December 2010 \$	30 June 2010 \$
Segment assets	19,073,421	19,090,701
Cash and cash equivalents	11,500,780	3,668,936
Trade and other receivables	2,050,994	70,488
Other current assets	9,763	1,478,997
Trade and other receivables – non-current	71,556	2,068,063
Other financial assets	10,000	10,000
Property, plant and equipment	42,311	47,441
Total assets per statement of financial position	<u>32,758,825</u>	<u>26,434,626</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2010**

NOTE 4: INTANGIBLES

	Consolidated	
	31 December 2010 \$	30 June 2010 \$
Goodwill		
Opening balance	-	-
Additions – Acquisition of Tanami Project	-	14,463,720
Impairment expense	-	(14,463,720)
Closing balance	-	-

The impairment charge of \$14,463,720 was recognised in prior year given that cash flows at this point in time are undeterminable.

NOTE 5: ISSUES OF ORDINARY SHARES

Details	Date	Number of Shares	Issue Price \$	Value \$
Opening balance at the beginning of reporting period	1 July 2009	705,444,246		59,637,775
Share placement – Tranche 1	17 September 2009	49,450,000	0.030	1,483,500
Options exercised	17 September 2009	250,000	0.020	5,000
Share placement – Tranche 2	15 December 2009	144,289,421	0.030	4,328,683
Shares issued as consideration for the acquisition of Northern Territory tenements from Tanami Exploration NL	18 December 2009	265,000,000	0.036	9,540,000
Share placement – Tranche 2	31 December 2009	14,593,912	0.030	437,817
Valuation of ordinary fully paid shares released from escrow or issued at no cost				94,272
Transaction costs relating to share issues				(908,545)
Closing balance	31 December 2009	<u>1,179,027,579</u>		<u>74,618,502</u>
Opening balance at the beginning of reporting period	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
Transaction costs relating to share issues				(442,417)
Closing balance	31 December 2010	<u>2,444,882,590</u>		<u>104,874,586</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2010

NOTE 6: SHARE-BASED PAYMENTS

Employees and Directors put options	No vesting conditions
Number of put options	74,005,000
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 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	
	31 December 2010	31 December 2009
	\$	\$
Put options (employee and Director benefits expenses):		
Valuation of embedded put options within employee and Director loans	405,414	-
Total share-based payment expenses	405,414	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2010

NOTE 7: DIVIDENDS

No dividends were paid or declared during the half-year.

NOTE 8: EXPLORATION, EVALUATION AND DEVELOPMENT EXPENDITURE

	Consolidated	
	31 December 2010 \$	30 June 2010 \$
Opening balance at the beginning of reporting period	17,976,249	-
Acquisition of Northern Territory tenements:		
- Business combination	-	6,411,179
- Assets acquisition	9,546	11,565,070
Closing balance	17,985,795	17,976,249

NOTE 9: CONTINGENCIES

(a) Loans to employees and Directors

Estimates of the potential financial effect that may become payable.

	Consolidated	
	31 December 2010 \$	30 June 2010 \$
The Parent Entity has provided loans to Directors and employees to provide funds for the purchase of shares in an at arm's length transaction.	1,776,120	1,776,120

(b) 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.

(c) Bank guarantee

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2010**

NOTE 9: CONTINGENCIES cont'd

	Consolidated	
	31 December 2010 \$	30 June 2010 \$
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.	25,000	25,000
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 10: 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 half-year loan transactions occurred between the Parent Entity and its wholly owned subsidiaries.

Ms M. Kins, daughter of Mr I Kins, was paid \$7,770 as remuneration for services rendered to the Group during the half-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 11: EVENTS OCCURRING AFTER THE REPORTING PERIOD

During January and February 2011 the Group announced various updates on prospective tenements in the Tanami region, including results of drilling at

- Hyperion Gold Project including drill results such as 22m grading 2.57g/t gold including 11m grading 4.29g/t gold;
- Buccaneer Porphyry Gold Prospect at the Twin Bonanza Gold Camp with results to date including 221m grading 0.95g/t gold including 81m grading 2.03g/t gold and;
- the identification of further targets at the Company's Twin Bonanza Gold Camp, which now hosts 30 targets.

In February 2011, the Group announced its first JORC-compliant Inferred Resource Estimation on the Buccaneer Porphyry Gold Prospect of 65.8 Million tonnes (Mt) grading 0.79g/t for 1.67 million ounces of gold including higher grade components of:

- 36.9Mt grading 1.01g/t gold for 1.19 million ounces (0.5g/t cut-off) of gold; or
- 8.7Mt grading 2.01g/t gold for 560,000 ounces (1.1g/t cut-off) of gold.

During February 2011, the Group released several announcements regarding the conversion of 35,570,763 unlisted options into fully paid ordinary shares at \$0.02 per share.

DIRECTORS' DECLARATION

In the Directors' opinion:

- (a) the financial statements and notes set out on pages 6 to 17 are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Accounting Standard AASB 134 *Interim Financial Reporting*, the *Corporations Regulations 2001*, and
 - (ii) giving a true and fair view of the consolidated entity's financial position as at 31 December 2010 and of its performance for the half-year ended on that date; and
- (b) there are reasonable grounds to believe that ABM Resources NL will be able to pay its debts as and when they become due and payable.

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

Dated this 25th day of February 2011



MICHAEL ETHERIDGE
Non-Executive Chairman



DARREN HOLDEN
Managing Director

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

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of ABM Resources NL, which comprises the statement of financial position as at 31 December 2010, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the disclosing entity and the entities it controlled at the half-year's end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the disclosing entity are responsible for the preparation of the half-year financial report in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the disclosing consolidated entity's financial position as at 31 December 2010 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of ABM Resources NL, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, 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.



Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of ABM Resources NL is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2010 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

Emphasis of Matter

Without qualifying our conclusion, we draw attention to Note 1(a) in the financial report, where the company will have to seek additional funding in order to progress exploitation of its exploration assets. If the company is unable to obtain additional funding it may indicate the existence of a material uncertainty which may cast significant doubt on the company's ability to continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business at the values stated in this financial report.

BDO Audit (WA) Pty Ltd

A handwritten signature in black ink, appearing to read 'BDO' above 'BMV' with a large, stylized flourish extending to the right.

Brad McVeigh
Director

Perth, Western Australia
Dated this 25th day of February 2011