

ASX / MEDIA ANNOUNCEMENT

3 February 2014

DUE DILIGENCE COMPLETED, OPTION EXERCISED

FLAGSHIP ACQUISITION EXTENSIVE NORTHERN TERRITORY EXPLORATION TENEMENT PORTFOLIO

Further to its announcement dated 29 November 2013, Clancy Exploration Limited (ASX: CLY) is pleased to advise that the Company and ABM Resources NL (ASX: ABU) (ABM) have completed their respective due diligence processes and Clancy has exercised its option to acquire 100% of ABM's interests in the North Arunta Project Region (the Projects) in the Northern Territory.

The transaction will deliver an exciting portfolio of exploration targets within a land package covering more than 10,000km² in the highly prospective North Arunta region of the Northern Territory. Due diligence enquiries have re-affirmed Clancy's belief in the Project's potential, as follows;

- The land package is located in the North Arunta region, part of the Proterozoic Tanami-Arunta Orogen in the Northern Territory where over 11.5 million ounces of gold have been discovered since 1985;
- The Tanami-Arunta Orogen is highly prospective for Au, Cu & Ni and shares many similarities with the Albany-Fraser Orogen in Western Australia;
- The North Arunta Project is prospective for Intrusion Related Gold Systems (IRGS) and magmatic nickel deposits, the potential for which may have been overlooked in the past;
- Modern techniques and technologies, a new exploration model and a fresh approach could provide the key to discovery.



Figure 1 – Map of ABM’s tenements in the Northern Territory. The North Arunta Project Region is shown in the red oval (Source: ABM 2013 annual report).

Acquisition of 100%

ABM has agreed to transfer 100% of its legal and beneficial interest in the Projects to Clancy. The terms and conditions of the acquisition are unchanged from those announced on 29 November 2013.

Completion of the acquisition will be subject to Clancy obtaining all necessary approvals, appointing an Investment bank/broker to coordinate a placement of its ordinary shares and ABM obtaining the consent of the Central Land Council, amongst other things as set out in the previous announcement.

Proposed Capital Raising

Clancy has signed a mandate with RM Corporate Finance to coordinate the capital raising. Clancy’s financiers have reiterated their support for the Transaction.

Next steps

Clancy will now appoint an independent expert and work to prepare the appropriate materials for shareholders in order to obtain approval to complete the acquisition, raise the necessary capital and to consider any other matters that may be required for approval by shareholders. See Annexure 1 for a proposed timetable of events.

Clancy will, subject to completion of the acquisition, immediately undertake a detailed review of the previous technical data and will formulate an exploration program for the Projects.

Competent Persons Statements

The information in this announcement that relate to Initial Exploration Results is based on information compiled by Mr Gordon Barnes who is a Member of the Australian Institute of Geoscientists. Mr Barnes is a full-time employee of Clancy Exploration Limited 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 2012 edition of the "Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves". Mr Gordon Barnes consents to the inclusion in the report of the matters based on his information in the form and context in which it appears..

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Annexure 1: Updated Proposed Indicative Timetable

Milestone	Date
Complete Expert Reports and Notice of Meeting	March 2014
Shareholders Meetings to be held	April 2014
Placement to be Completed	April 2014
Final Conditions to be Satisfied	April 2014
Completion of Acquisition	April 2014

Note: - The dates in this timetable are indicative only and may be subject to change.