

29<sup>th</sup> November 2013

## ***Exploration Tenement Divestment of North Arunta Regional Projects to Clancy Exploration Ltd***

ABM Resources NL ("ABM" or "The Company") is pleased to announce that it has reached an agreement with Clancy Exploration Ltd (ASX: CLY) ("Clancy") whereby Clancy will have the option to acquire 100% of ABM's interests in the North Arunta Regional Projects ("Projects").

Darren Holden, Managing Director of ABM Resources said, "As ABM moves into becoming a development and mining company we have been looking at a number of divestment and exploration strategies for our regional portfolio. The North Arunta region is an area of great potential, but is a considerable distance from our main area of focus – the Tanami region. Along with staged development of Old Pirate, significant discoveries at Buccaneer and Hyperion, and numerous exciting regional targets we are focused on consolidating our position and effort in the Tanami region. The agreement with Clancy provides ABM with cash and continued exposure to upside in the North Arunta region whilst reducing our exploration expenditure requirements. Upon completion, the equity consideration also provides ABM with exposure to Clancy's existing assets including a quality portfolio in the copper-gold belts of New South Wales and a significant shareholding in Genesis Resources. We look forward to working with Clancy as we add significant growth potential to both companies."

### **Divestment of 100% of ABM's Interest in the North Arunta Regional Projects**

ABM has agreed, subject to the conditions below, to transfer 100% of its interest in the Projects to Clancy. Clancy will undertake a capital raising of not less than \$2.5 million to fund the initial planned exploration on the Projects.

Initial option details:

- \$250,000 option fee (paid to ABM).
- Exclusive option / due-diligence period of 30 days.

As consideration for this acquisition, ABM will receive:

- payment of an exercise fee of \$150,000 and an acquisition fee of \$200,000 in cash (for total cash of \$600,000 including the option fee paid).
- 125 million<sup>1</sup> fully paid shares in the capital of Clancy<sup>2</sup>; which equals (post capital raising) 27.4%<sup>3</sup> of Clancy;
- 175 million<sup>1</sup> options to acquire fully paid shares in the capital of Clancy, exercisable in three tranches within three years at a price 50% above the Clancy capital raising.
- Clancy's shareholding in Genesis Resources Limited (ASX: GES) being 8.157M shares (~5.4% of GES) or an agreed cash equivalent;

<sup>1</sup> Assumes a raising at 2 cents per share. Should the price vary the number of shares and options will be adjusted.

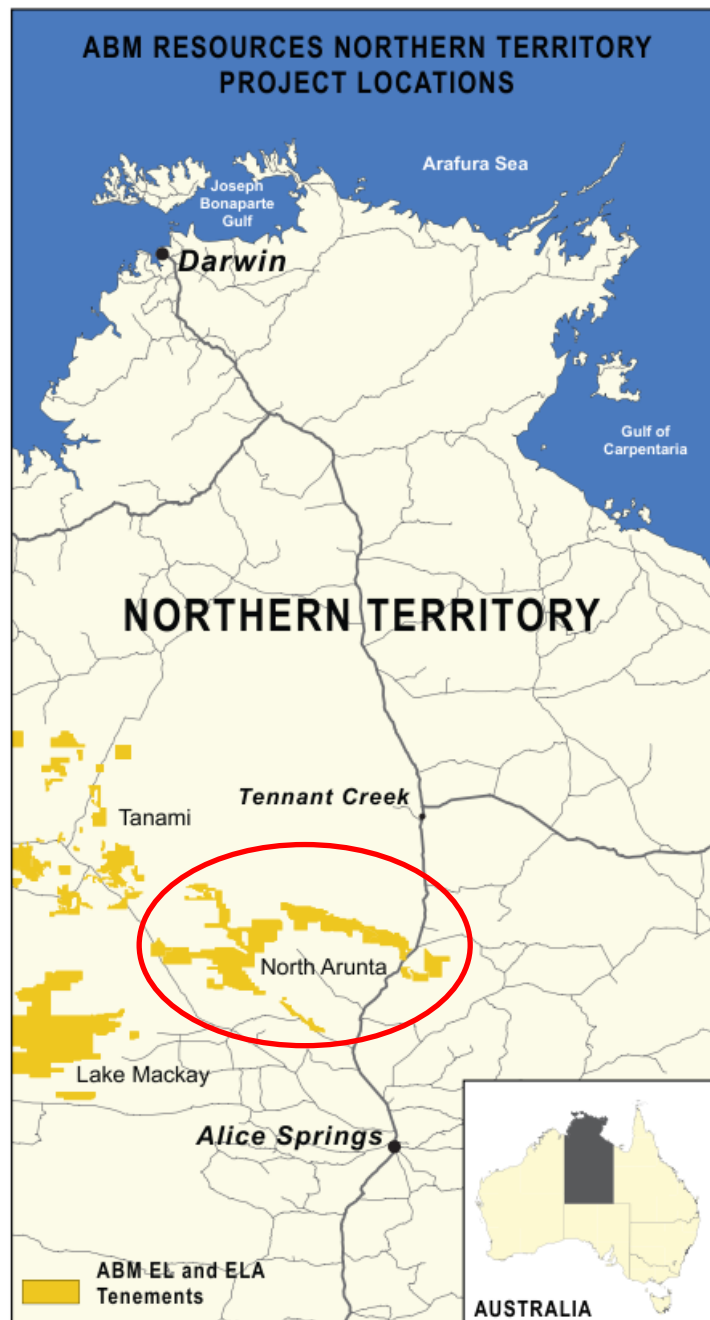
<sup>2</sup> Consideration shares and options may be subject to restriction arrangements in accordance with ASX listing rules.

<sup>3</sup> Assumes Clancy raises no more than \$2.5M. Should Clancy raise more than \$2.5M this percentage will be less.

- one nominee director on the Board of Clancy at completion and an additional nominee director on exercise of the first third of the options.

Completion of the acquisition will be subject to:

- Due-diligence by both parties.
- Clancy and ABM obtaining all necessary approvals including any shareholder approvals required pursuant to the Corporations Act or ASX Listing Rules and any government or third party approvals including Central Land Council approval;
- ABM and Clancy entering into an agreement on terms acceptable to both Parties for ABM to provide technical exploration services to Clancy for a period of 24 months from completion, including logistical support, geological services, Alice Springs support base and other incidental services; and
- Clancy and ABM agreeing upon a proposed work program and budget.



**Figure 1. Map of ABM's tenements in the Northern Territory. The North Arunta Project Region is shown in the red oval relative to ABM's Tanami region projects (including Twin Bonanza) and Lake Mackay (optioned by ABM to IGO).**

## Divestment Projects and ABM focus

Subject to completion of the agreement, ABM is transferring ownership of the North Arunta Regional Projects to Clancy. The North Arunta Projects are between 200 and 500 kilometres from ABM's flagship Old Pirate Gold Project and cover an area of 12,780 square kilometres. The area includes a number of gold and base metal prospects including the Kroda Prospect (Au), the Tulsa Prospect (Au), the Reward Prospect (Cu-Ag-Au), the Sabre / Falchion Prospect (Au-Sb) and the Waldrons Hill Prospect (Au).

ABM also recently announced an exploration option agreement with Independence Group (ASX: IGO) for the Lake Mackay Regional Project (refer release 21/08/2013). This latest agreement with Clancy will allow ABM to entirely focus on the development of the 100% owned Old Pirate Gold Project, extensional exploration on the Twin Bonanza Project (including the Buccaneer Porphyry Deposit) and the wider Tanami region. The two regional agreements (IGO and Clancy) offer considerable exposure for ABM to the upside of the divested tenement areas.

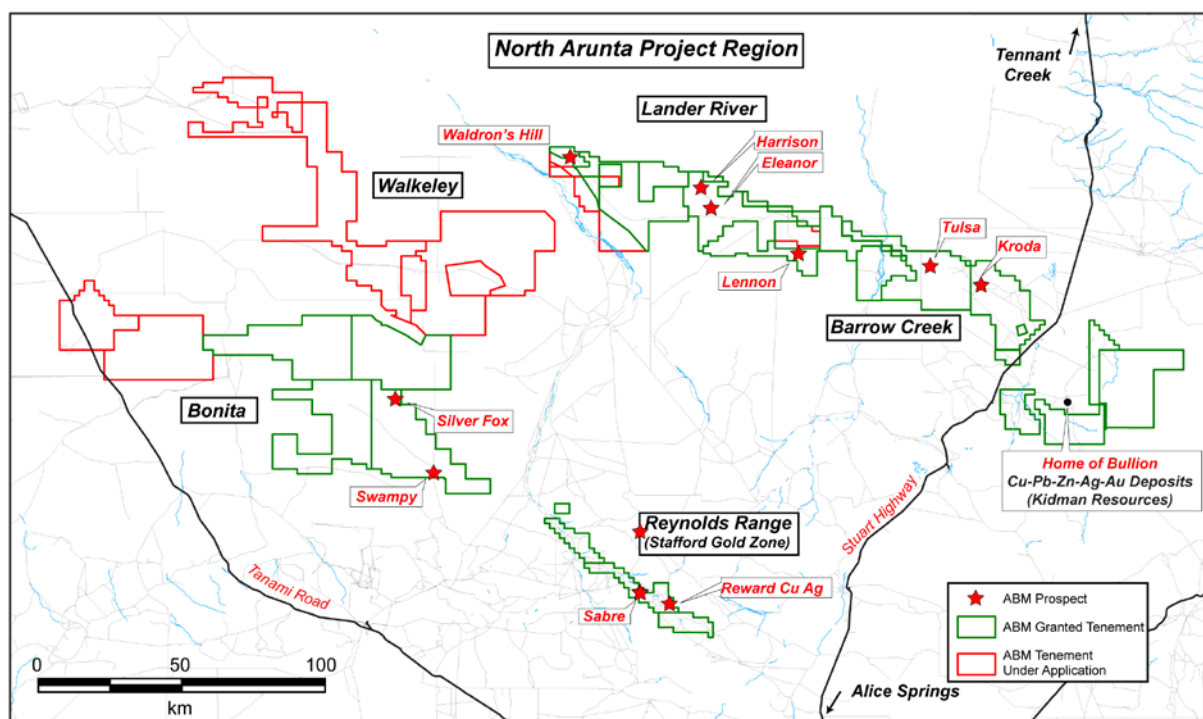


Figure 2. North Arunta Project Region

## About Clancy Exploration

Clancy is an Australian-focused copper, gold, base metals and tin explorer. The Company's existing portfolio consists of copper-gold projects in the Lachlan Fold Belt of NSW and base metal and tin projects in the Mount Read Volcanic Belt of Tasmania. In NSW, Clancy has 5 wholly owned and managed projects, 3 joint venture projects with Mitsubishi Materials Corporation (MMC) of Japan and 1 joint venture project with High-Power Exploration Inc., all of which are managed by Clancy. In Tasmania, Clancy has 2 base metal joint venture projects with Bass Metals and 1 tin joint venture project with TNT Mines Pty Ltd. The Tasmanian projects are managed by Clancy's joint venture partners. Details of Clancy's projects can be found at the Company's website: [www.clancyexploration.com](http://www.clancyexploration.com).

Dr Mike Etheridge, the Chairman of Clancy, is also the Chairman of ABM. Consideration of the proposed transaction at board level in both companies was undertaken by board sub-committees of which Dr Etheridge was not a member.

## About ABM Resources

ABM is an exploration Company developing several gold discoveries in the Central Desert region of the Northern Territory of Australia. The Company has a multi-tiered approach to exploration and development with a combination of high-grade potentially short-term production scenarios such as the Old Pirate High-Grade Gold Project (currently undergoing Trial Mining), large scale discoveries such as Buccaneer, and regional exploration discoveries in the Central Desert Region such as Hyperion. In addition, ABM is committed to regional exploration programs throughout its extensive holdings.

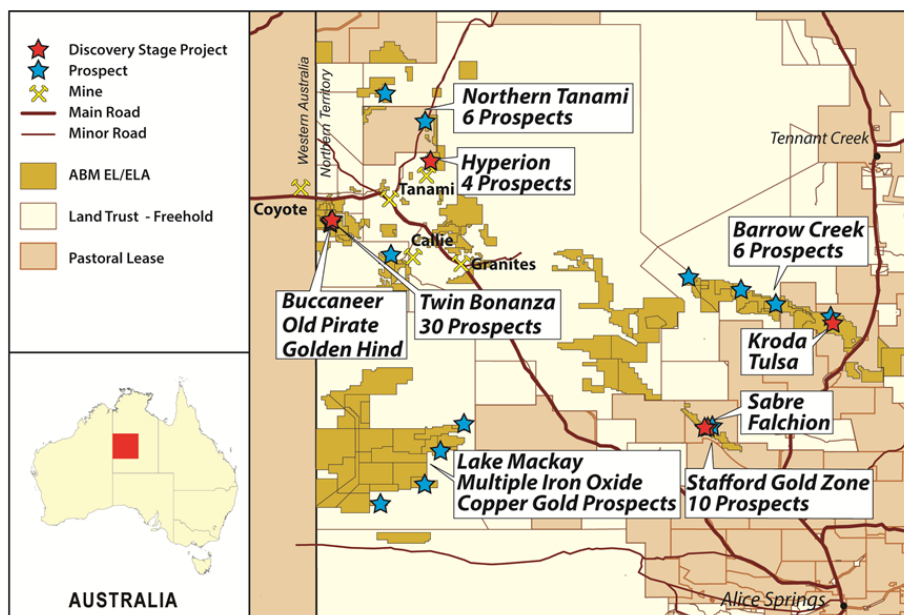


Figure 3. ABM Project Location Map in Northern Territory.

Signed

Darren Holden – Managing Director

### Competent Persons Statement

The information in this report that relates to Exploration Results or Mineral Resources 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.

### For Further Information Please Contact

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