

30 May 2008  
ASX/ Media Release



## CLANCY EXPLORATION PROVIDES AGM PRESENTATION

Copper, gold and base metals explorer, **Clancy Exploration** (ASX: CLY) is pleased to release the attached presentation given at today's Annual General Meeting (AGM).

The presentation covers the considerable exploration progress made on Clancy's portfolio of highly prospective copper-gold properties in the Lachlan Fold Belt of NSW, since the IPO in July 2007.

Also covered is a timeline for the extensive 30,000m drilling program currently underway for 2008.

Speaking at the AGM, Clancy's Chairman, Dr James Macdonald, said that it was a pleasure to welcome shareholders and invited guests to Clancy's inaugural AGM as a publicly listed company.

"Clancy has had a good start to listed life, with a very focused, cost effective approach to exploring our projects. We are encouraged with the progress we have made so far and look forward to announcing more results from our ongoing drilling program," said Dr Macdonald.

The presentation will also be available on the Company's website [www.clancyexploration.com](http://www.clancyexploration.com)

-ENDS-

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### About Clancy

Clancy Exploration (ASX: CLY) is an Australian-focused copper, gold and base metals explorer. Although a relatively new listing on the ASX (July 2007), the Company's portfolio has been built up over the last four years to consist of highly prospective copper-gold projects in the Lachlan Fold Belt of NSW and base metal projects in the Mount Read Volcanic Belt of Tasmania.

Clancy's competitive advantages include support from major shareholder, Geoinformatics (TSX-V), one of the largest ground positions of any explorer in the prospective Macquarie Arc (>1850km<sup>2</sup>), and the innovative use of digital geological and geophysical data in probability based targeting.

The Company's objective is to advance its properties to a stage of commercial development by applying faster, less expensive and more reliable analytical methods to resource exploration. The exploration activities are well-funded and substantial upside exists with the potential addition of resources.

Additionally, Clancy has established joint ventures with Gold Fields Limited on three projects in NSW (managed by Clancy) and with Bass Metals Limited on the Tasmanian tenement package (managed by Bass Metals). Clancy, in conjunction with Gold Fields, spent over \$3.5 million on the projects prior to listing, with a combined \$7.4 million planned to be spent on the Company's tenement package within two years of listing.

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**ASX: CLY**



# Clancy Exploration Limited Annual General Meeting Presentation

**Gordon Barnes  
Exploration Manager  
Clancy Exploration Limited**

**Perth, WA  
May 30 2008**

# Introduction



Corporate snapshot

Exploration strategy and project portfolio

Highlights

Projects

Wrap up

# Corporate Snapshot



## Capital structure

Ordinary shares on issue	47.8M
Options	5M
Escrowed ordinary shares (July 09)	44.7%

## Top shareholders (30/04/2008)

Founders, directors & associates	49.5%
Geologic Resource Fund	7.8%
Arnold & Ruth Getz	4.9%
Top 20 holding	75.6%

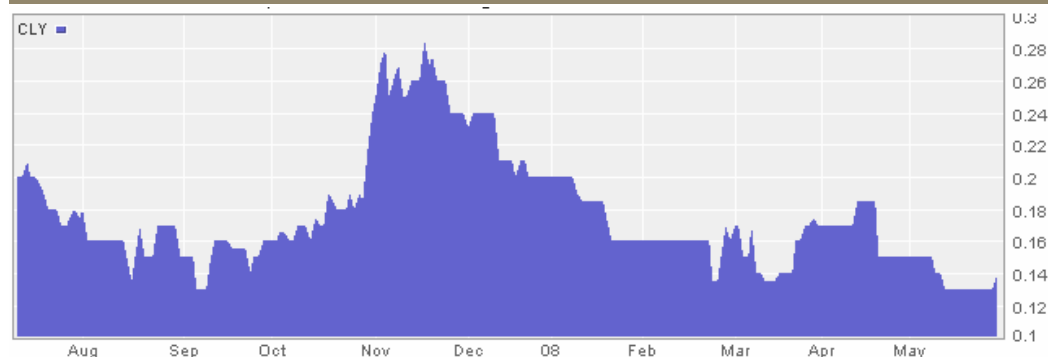
## Board and management

<b>Dr James Macdonald</b>	<b>Chairman</b>
<b>Mark Stewart</b>	<b>Managing Director</b>
<b>Dr Nick Archibald</b>	<b>Non-exec Director</b>
<b>Mark Lester</b>	<b>Non-exec Director</b>
<b>Gordon Barnes</b>	<b>Exploration Manager</b>
<b>Rowan Caren</b>	<b>Company Secretary</b>

## Share price performance (ASX: CLY)

12 month high	\$0.29
12 month low	\$0.10
Current share price (29/05/2008)	\$0.14
Current market capitalisation	\$6.7M

## Share price since listing



**Two year exploration spend – \$7.4M**

**Cash in bank (30/4/2008) – \$3.5M**

# Exploration strategy



**All-of-belt approach that rigorously integrates all regional data**

**Apply state-of-the-art targeting techniques – probabilistic approach**

- Reduces exploration cost and risk
- We know exactly where we want to be and where we don't want to be

**Assemble the best regional ground position and explore it effectively**

- Exceptional focus on highest ranked targets
- Follow-up or move on

**Aggressive target monitoring**

- We are ready when competitor's tenements lapse
- Enables us to increase holdings in a competitive environment

**Clear strategy and mandate to systematically test the targets**

- Aim to test 15-20 targets per annum, sustained over 3-4 years
- Drastically improve the odds of discovery

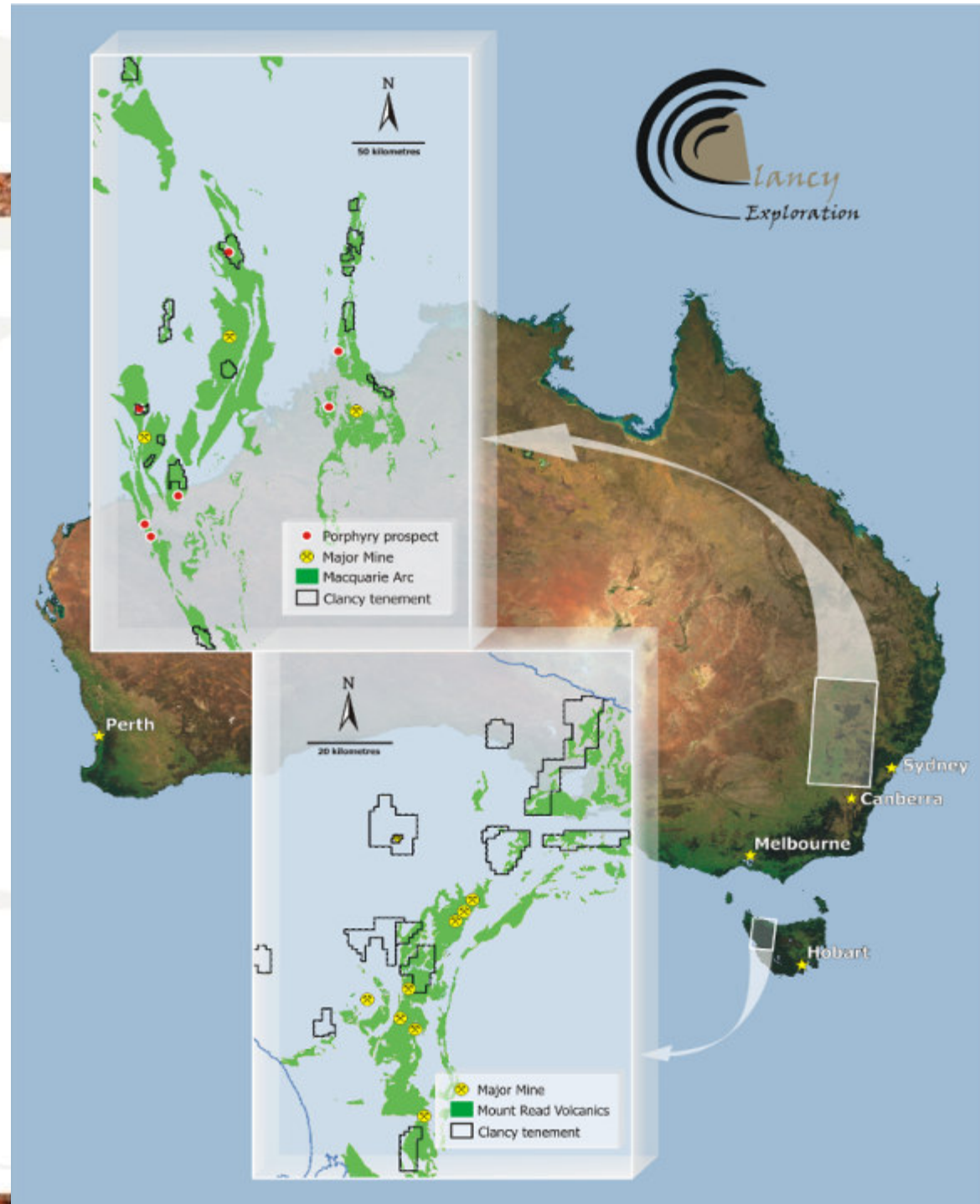
# Project Portfolio

## Lachlan Fold Belt – NSW

- Macquarie Arc
- 17 EL's and 1 ELA – 1933 km<sup>2</sup>
- 12 projects
- 3 JV's with Gold Fields

## Mt Read Volcanic Belt – Tasmania

- 12 EL's – 732 km<sup>2</sup>
- 7 projects
- JV'd to Bass Metals



# The Target in the Macquarie Arc

## The Macquarie Arc – a richly endowed terrain:

- Ordovician porphyry copper-gold and related deposits
- Gold endowment >45Moz and growing
- Copper endowment > 6Mt and growing
- Big systems discovered in the last 15 years

## Recent discoveries and active exploration projects:

- Monza (Goldminco) 100m @ 1.0g/t Au 1.42% Cu
- Marsden (Newcrest) 171m @ 0.82g/t Au, 0.7% Cu

## Cadia – Ridgeway (Newcrest):

- Cadia Valley Operations >30 year mine life
- >970,000 oz gold and >101,000 t copper per annum



# Highlights



Clancy listed on the ASX on 11 July 2007 (ASX symbol CLY)

A rigorous, risk-managed approach to targeting – quality pipeline of targets that are prioritised and ranked

Aggressively exploring the targets – 30,000m drilling program underway and extensive ground geophysical survey program nearing completion

Testing commenced on 14 targets to date (17 forecast by the end of 2008)

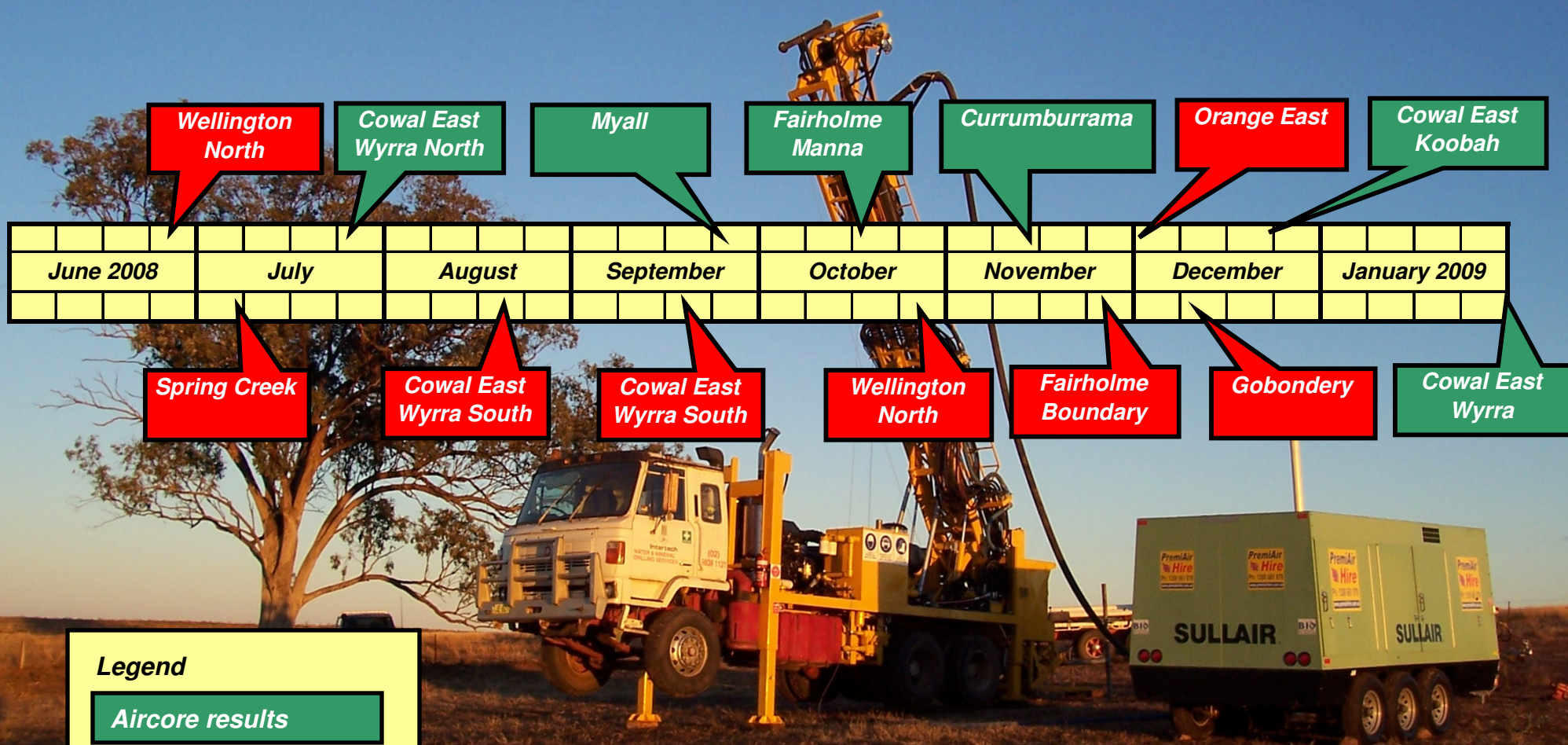
- Large mineralised hydrothermal alteration system identified at Cowal East
- Promising geophysical targets identified at Wellington North and Cundumbul

Expanded the Orange-based exploration team – 3 geologists, 2 field techs

Exploration budget is well-funded: ~\$7.4M exploration spend over two years from listing

Good news flow as drilling results are received

# Sustained news flow from drilling



**Legend**

Aircore results

Diamond / RC results

# Aggressively exploring the targets

## Target evaluation (A-Class targets)

Total targets on current leases:	24
Forecast testing in 2007/08:	17
Testing commenced since IPO:	14

## Summary of other work completed

Soil sampling:	1,286 samples
Spectral logging:	11,828 spectra

Drilling	Targets	m
Aircore:	2	4,361
Diamond:	3	1,175
RC:	3	1,000
<b>Total (since IPO)</b>	<b>8</b>	<b>6,536</b>

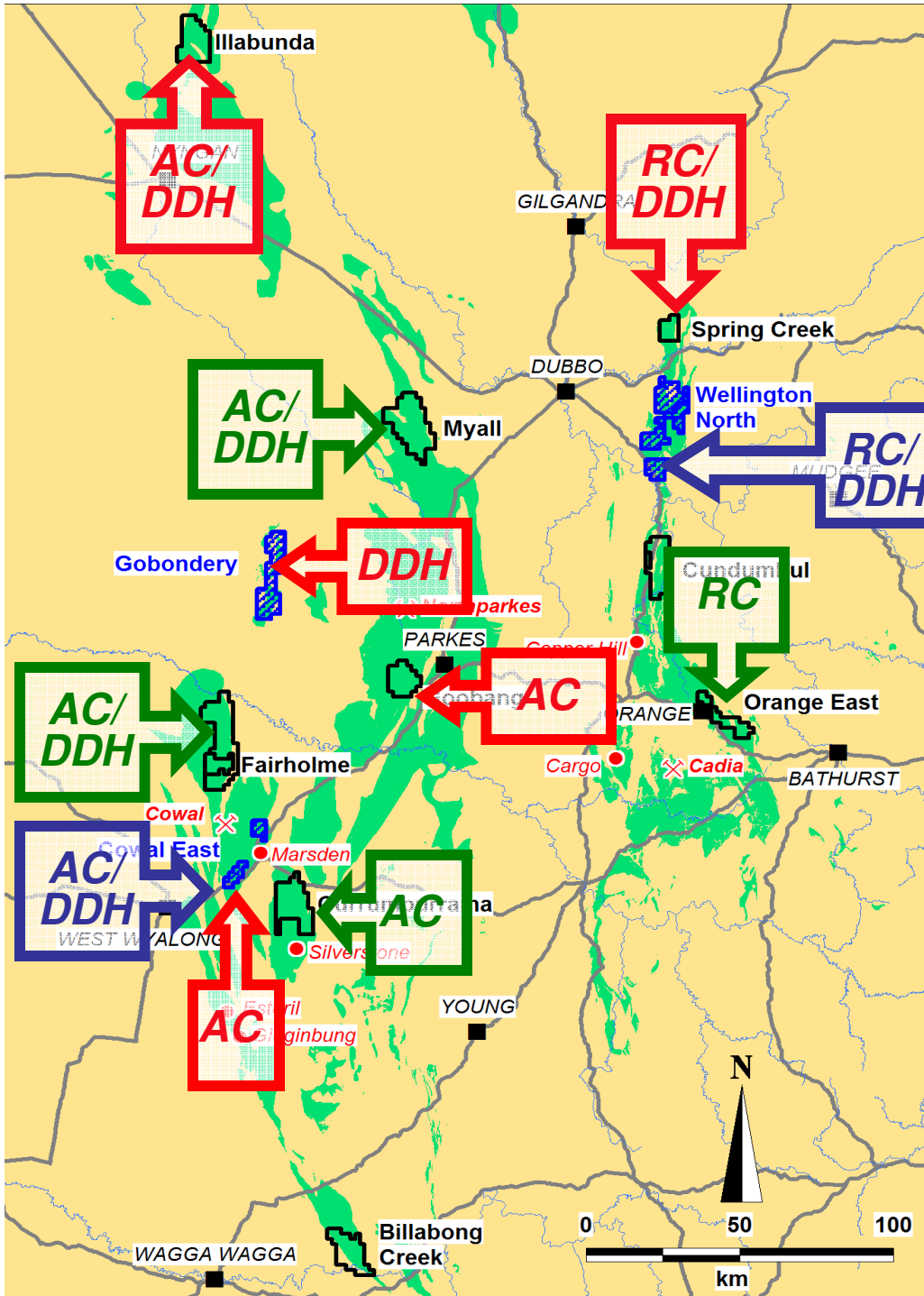


## Induced Polarisation surveys (IP)

Type	Targets	Amt
Gradient array IP:	6	97.3 km <sup>2</sup>
Pole-dipole:	8	56 line km
3D IP:	2	5.9 km <sup>2</sup>



# Drilling – 30,000m



### Projects

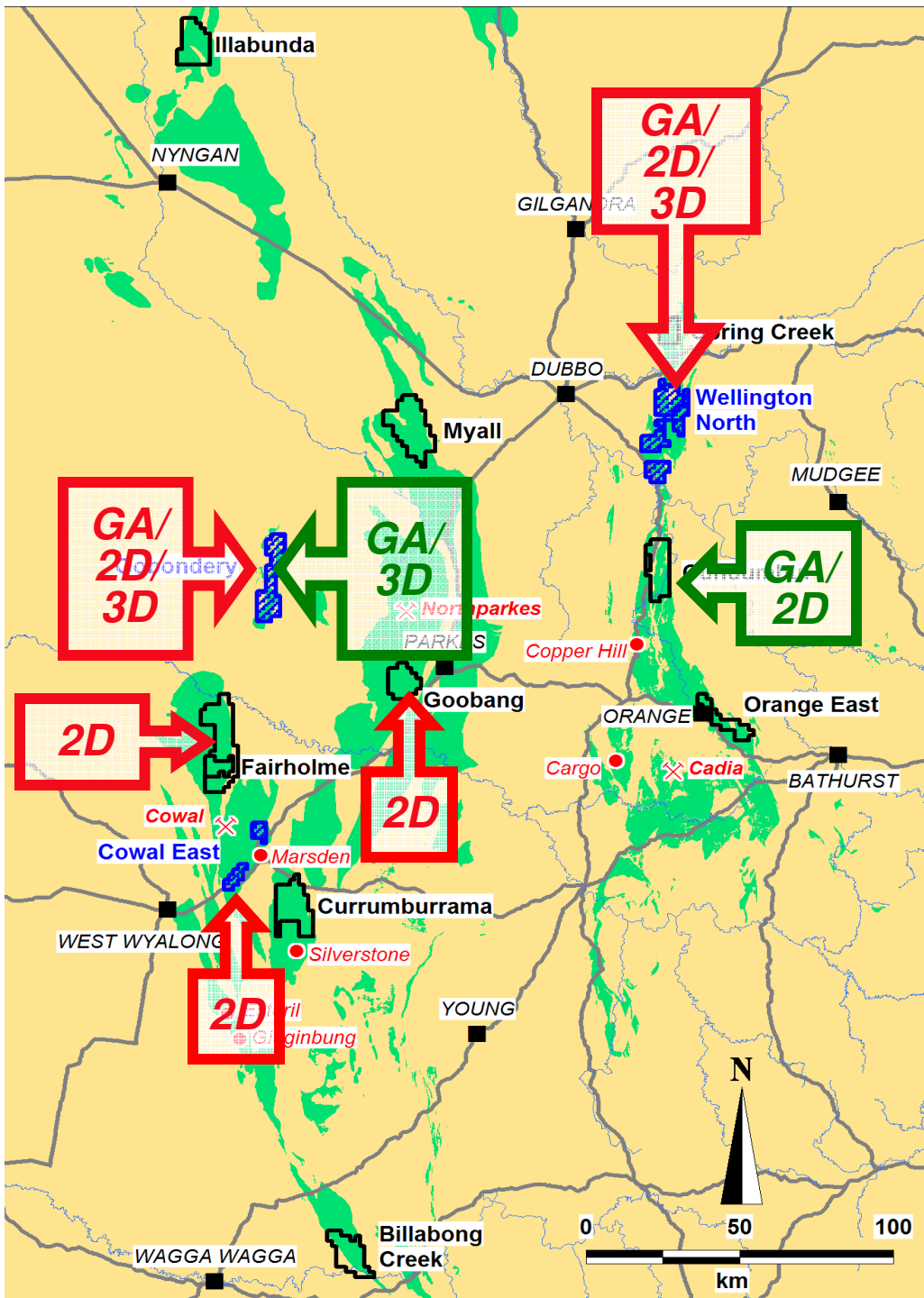
- Macquarie Arc
- Clancy
- Clancy JV

### Drilling

- Completed
- May – June
- After June

AC	Aircore
RC	Reverse Circulation
DDH	Diamond

# IP surveys



## Projects

- Macquarie Arc
- Clancy
- Clancy JV

## IP surveys

*Completed*

*In progress*

GA	Gradient Array IP
2D	2D pole-dipole IP
3D	3D IP survey



# Projects

Cowal East

Wellington North

Cundumbul

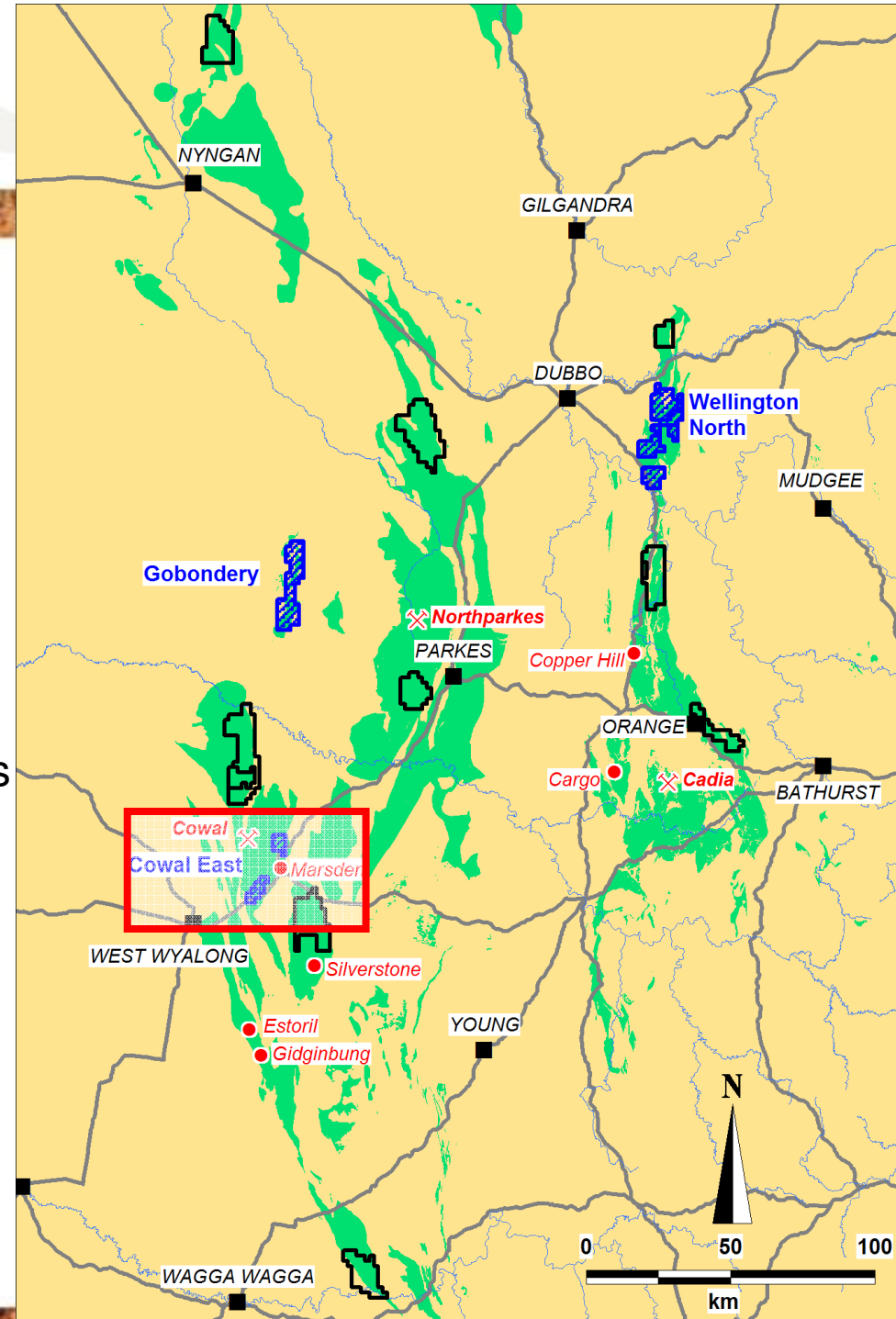
Goobang

Gobondery

Other projects

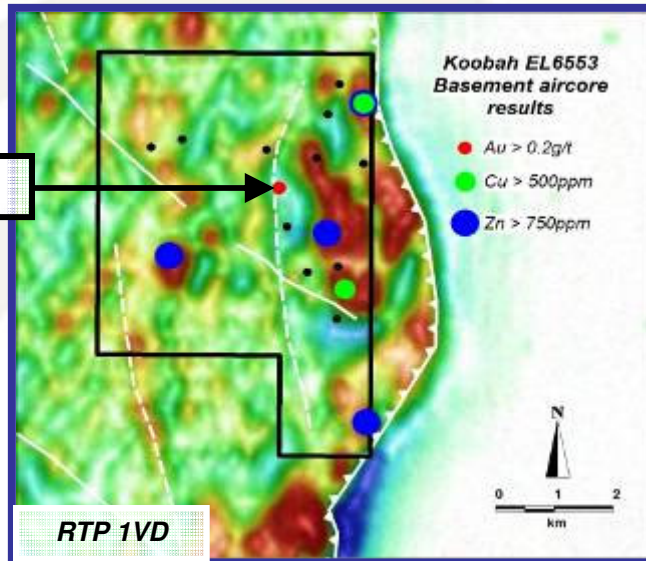
# Cowal East

- Two EL's (EL6553 and EL6554) in the Cowal Igneous Complex
- 12km east of Cowal gold mine (Barrick), adjacent to Marsden prospect (Newcrest)
- Significant basement aircore gold, copper and zinc anomalies
- Prospective for porphyry-style and low-sulphidation epithermal style systems
- Aircore drilling to date >40m of cover, 21 holes 1841m completed to date

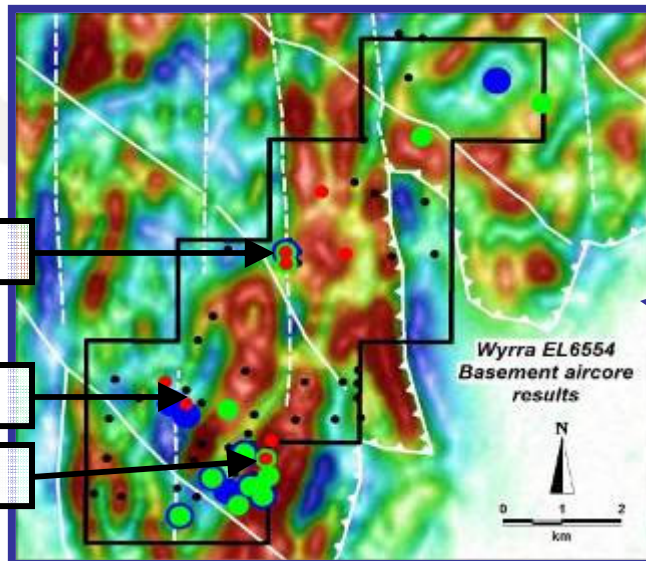


# Cowal East previous results

4m @ 0.26g/t Au

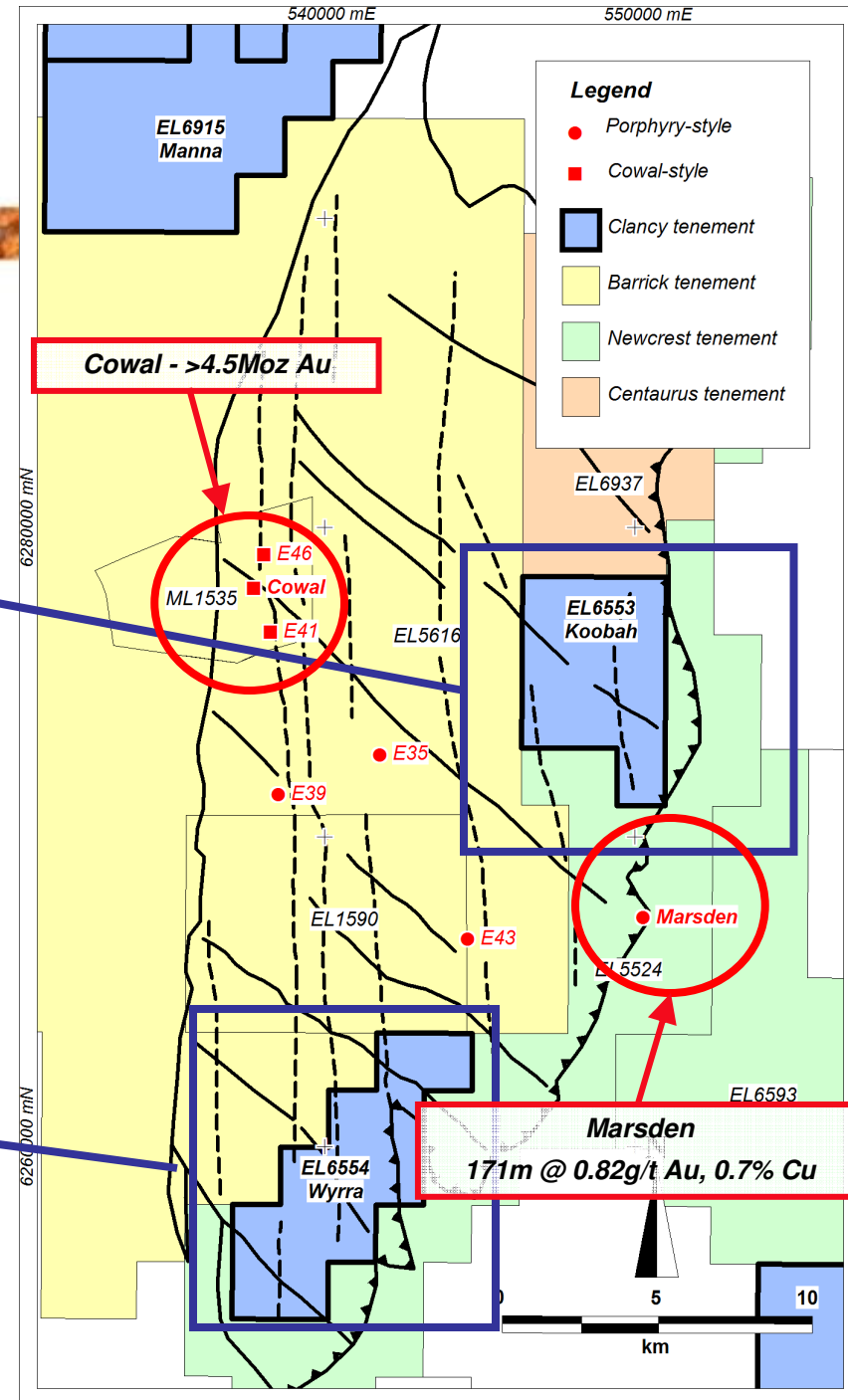


2m @ 0.3g/t Au, 0.4% Cu



4m @ 2.16g/t Au

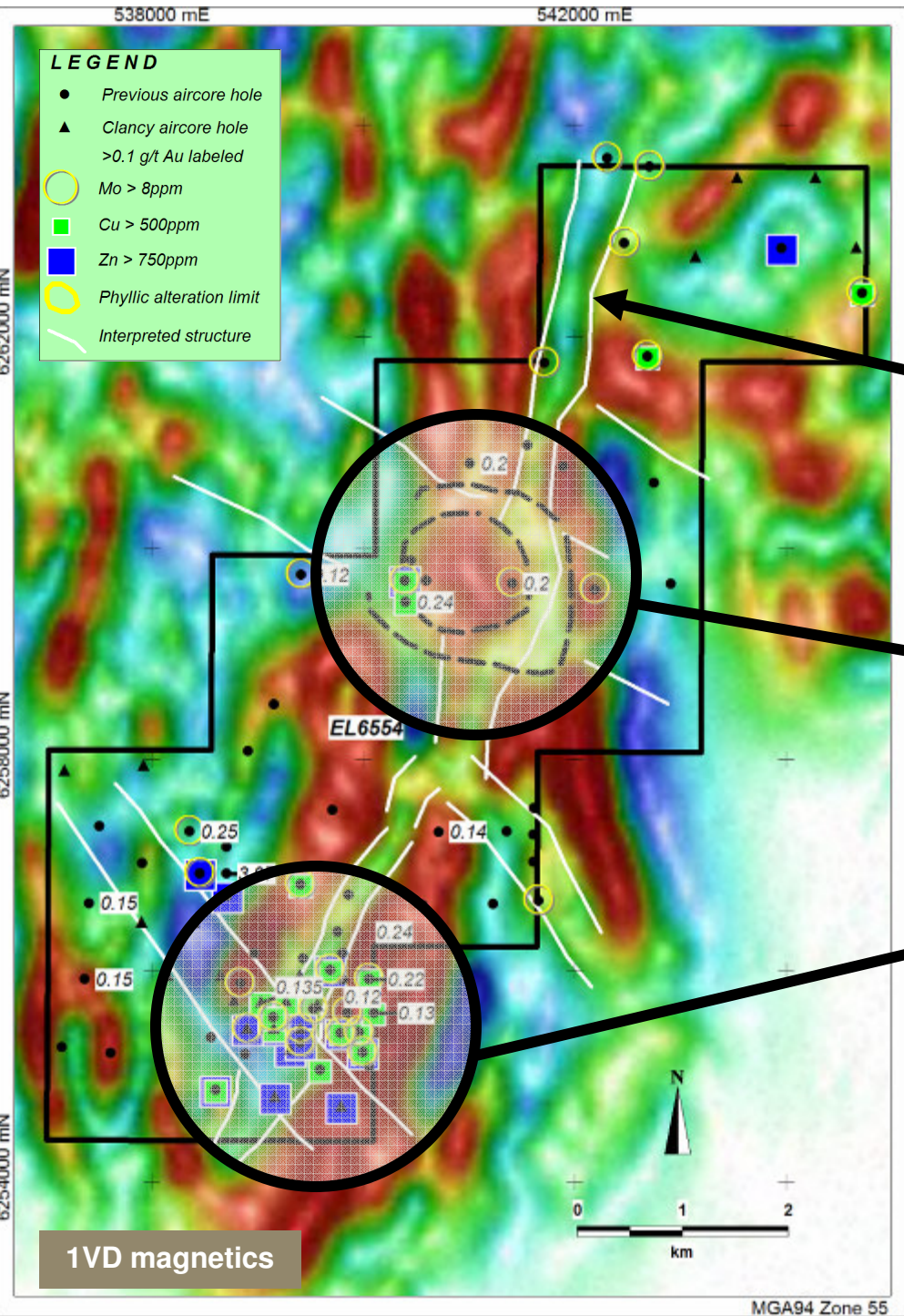
2m @ 0.22g/t Au, 0.14% Cu



# Cowal East – Wyrra



- LEGEND**
- Previous aircore hole
  - ▲ Clancy aircore hole
  - >0.1 g/t Au labeled
  - Mo > 8ppm
  - Cu > 500ppm
  - Zn > 750ppm
  - Phyllic alteration limit
  - Interpreted structure



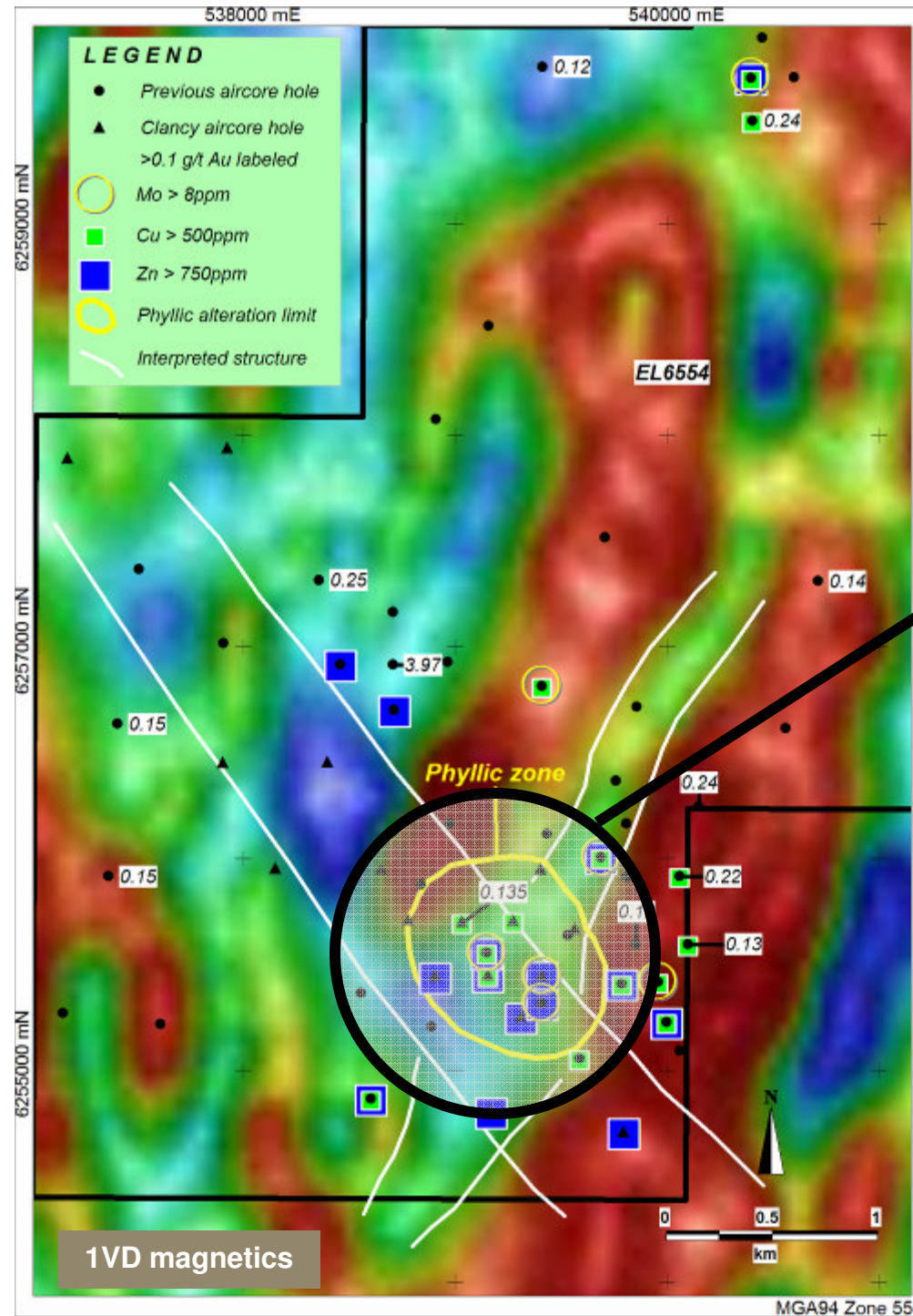
***NE-trending structure, variably anomalous in Cu-Zn-Mo-Au.  
NW-trending cross-structures.***

***Circular magnetic feature (high within low) – potassic within phyllic zone?  
Anomalous Cu-Au-Mo in basement.  
No elevated Zn => porphyry-style?  
Aircore drilling mid June 2008 (subject to cropping).***

***Broad zone of anomalous Cu-Zn-Mo-Au with coincident phyllic alteration.  
Elevated Zn => Cowal-style?  
Diamond drilling late June 2008.***

1VD magnetics

# Cowal East – Wyrra



**Significant quartz-sericite-pyrite alteration (phyllic) identified in nine aircore holes over 1000 x 800m area.**

**Indicative of large hydrothermal system.**

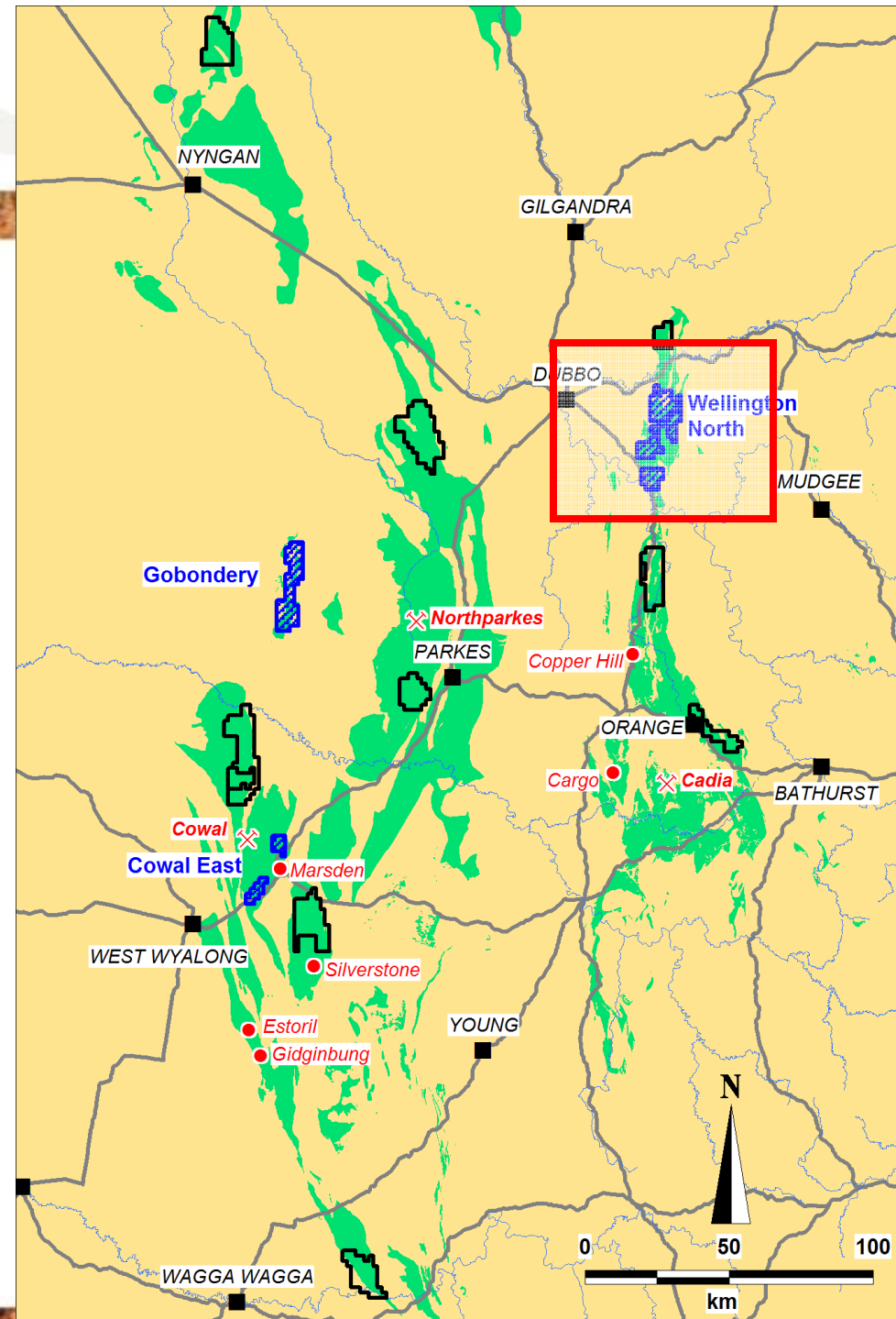
**Phyllic alteration or “bleached rock” is common in the upper parts of porphyry Cu-Au deposits, e.g. Northparkes.**

**Supporting Cu, Mo, and Zn geochemistry.**

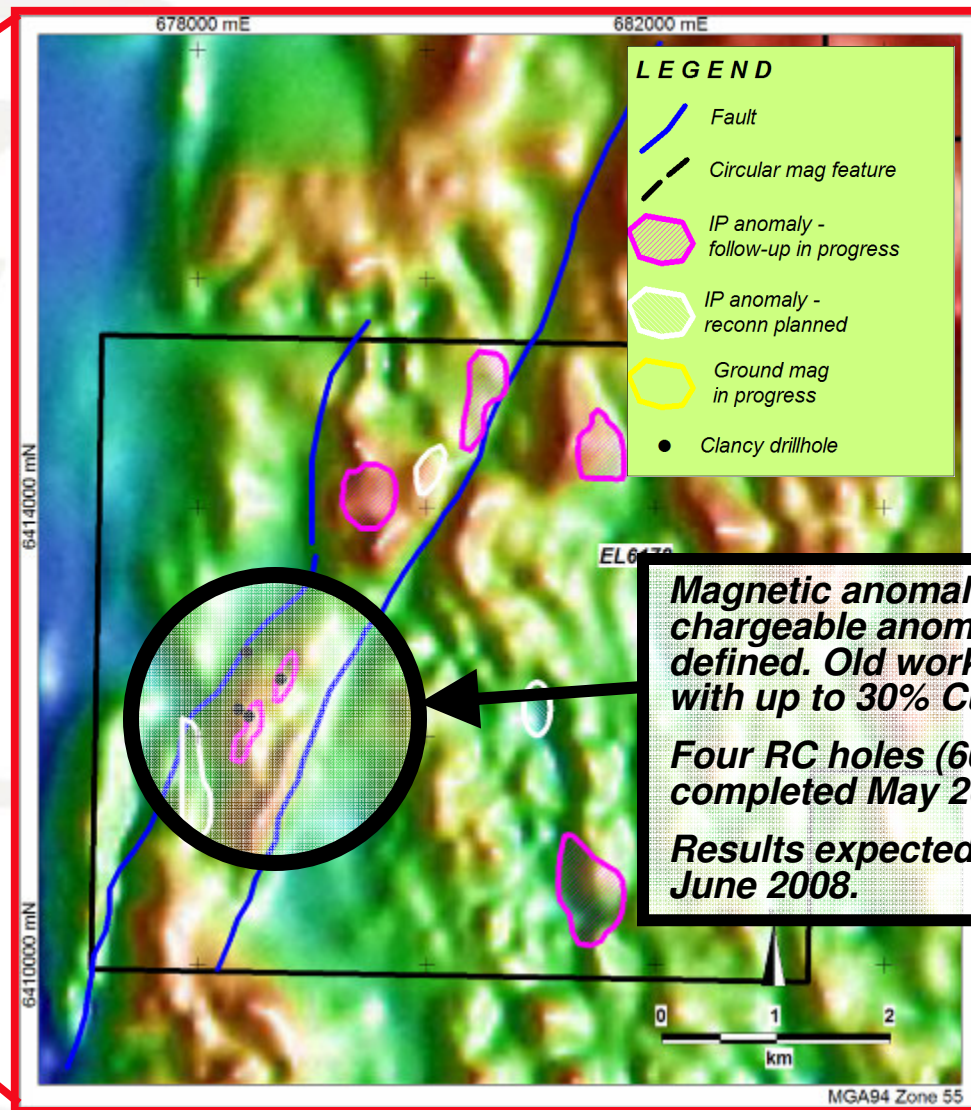
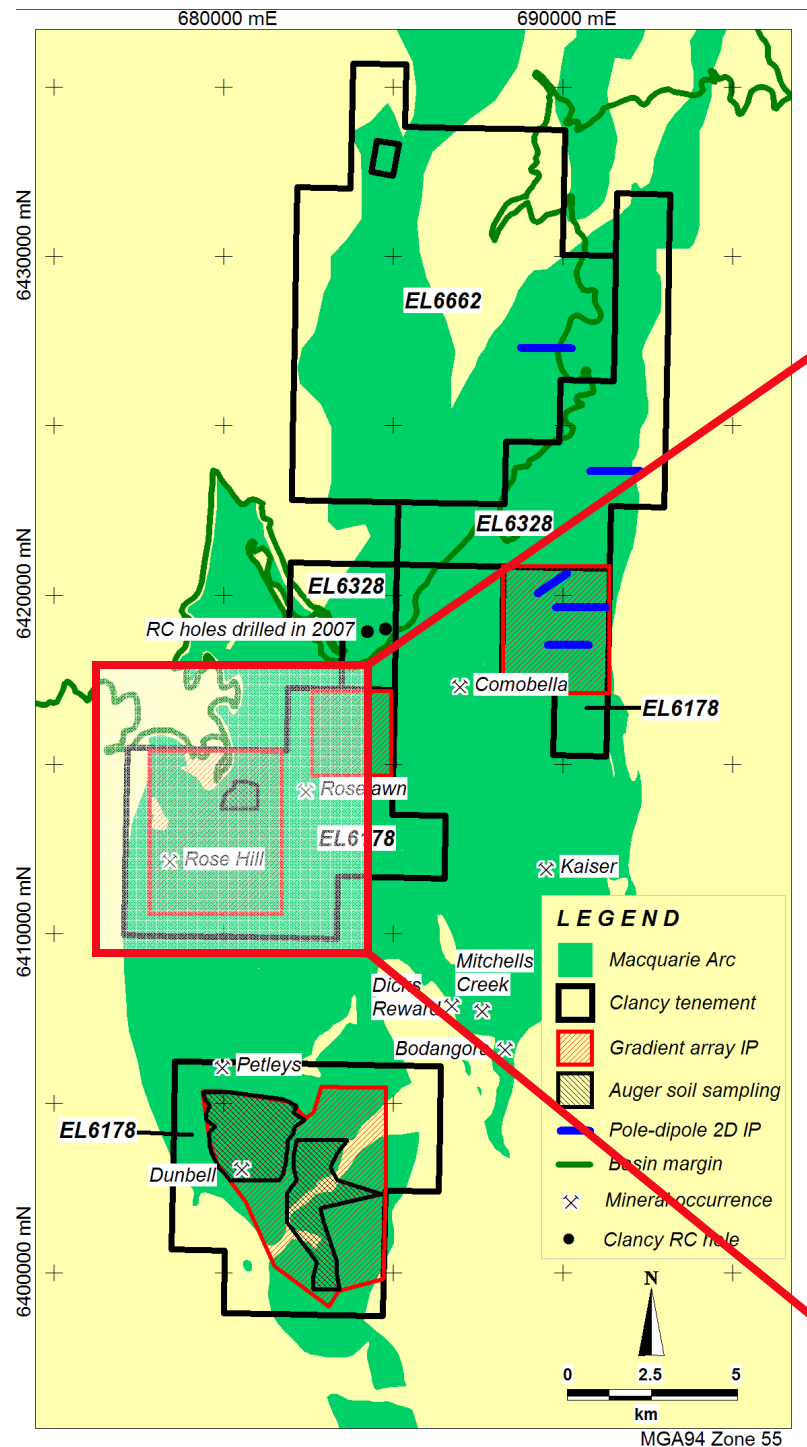
**Diamond drilling beneath phyllic zone late June 2008.**

# Wellington North

- Northern section of the Molong Volcanic Belt
- Ordovician volcanic and intrusive rocks with primary sulphide mineralisation
- Porphyry-style alteration associated with intrusives
- IP surveys recently completed
  - 9 IP anomalies to follow-up
  - 8 more to field check
- Soil sampling and ground magnetic surveys in progress
- 5 RC holes (750m) completed in May 2008 results pending (late June 2008)



# Wellington North Rose Hill

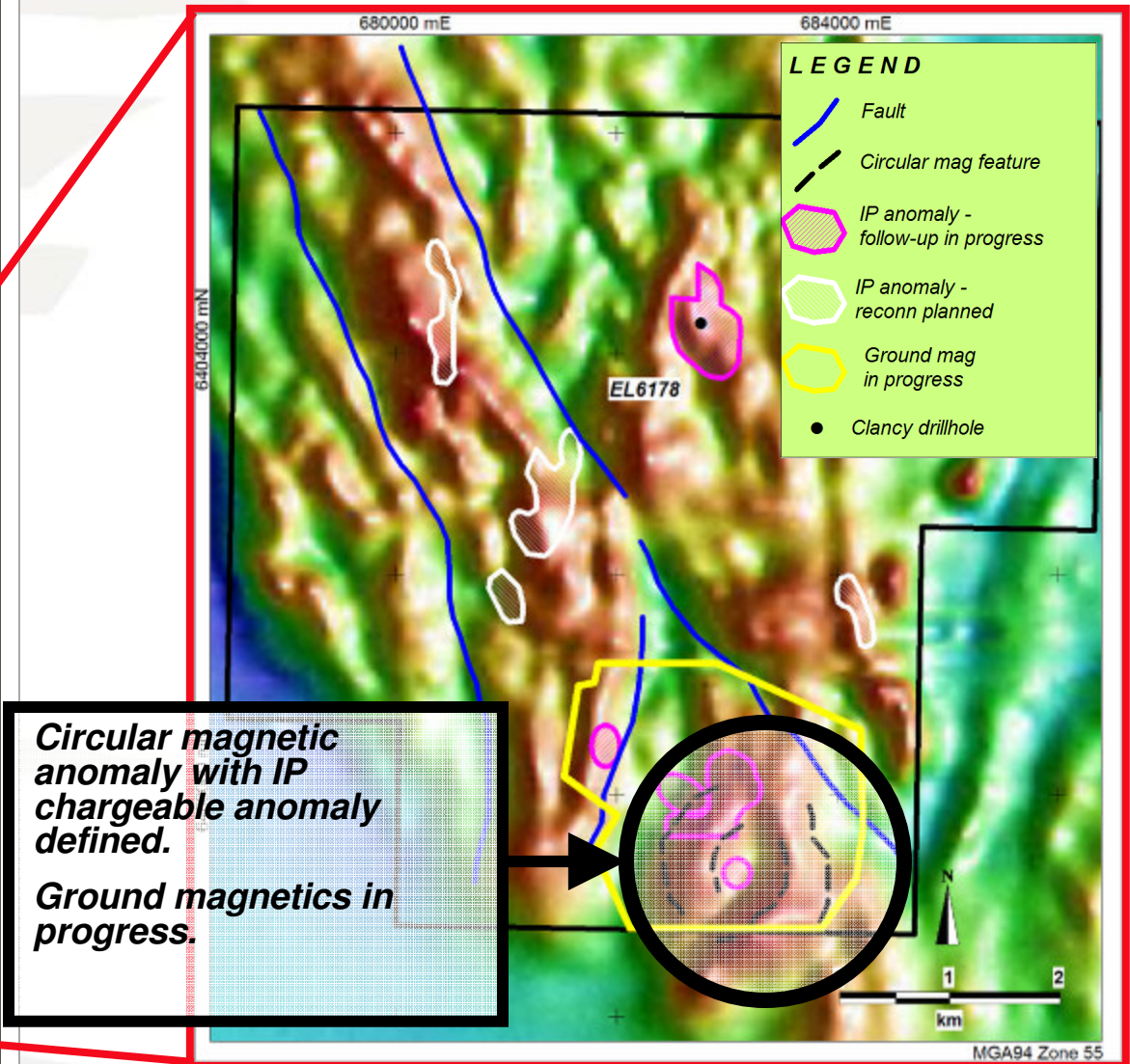
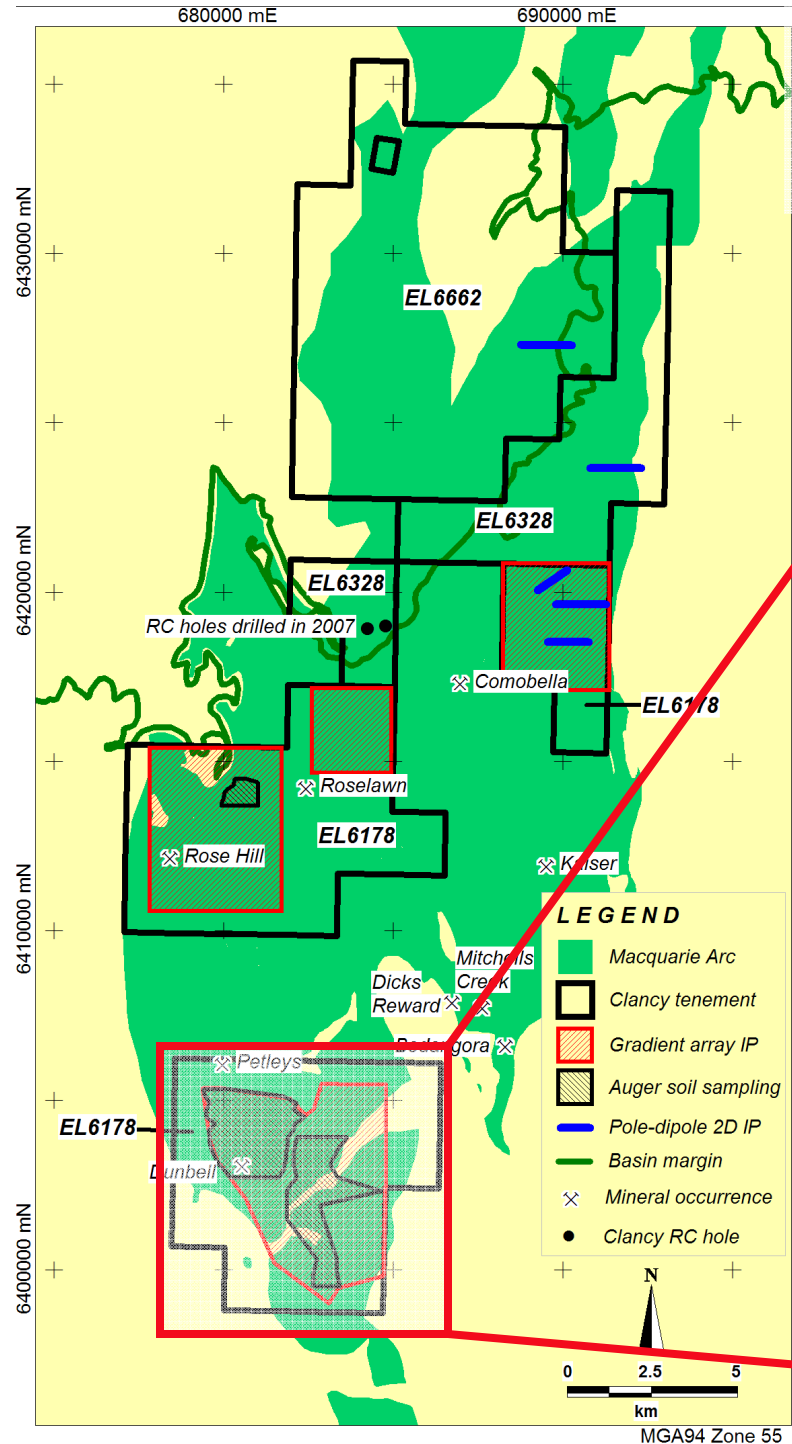


**Magnetic anomaly with IP chargeable anomaly defined. Old workings with up to 30% Cu.**

**Four RC holes (600m) completed May 2008.**

**Results expected late June 2008.**

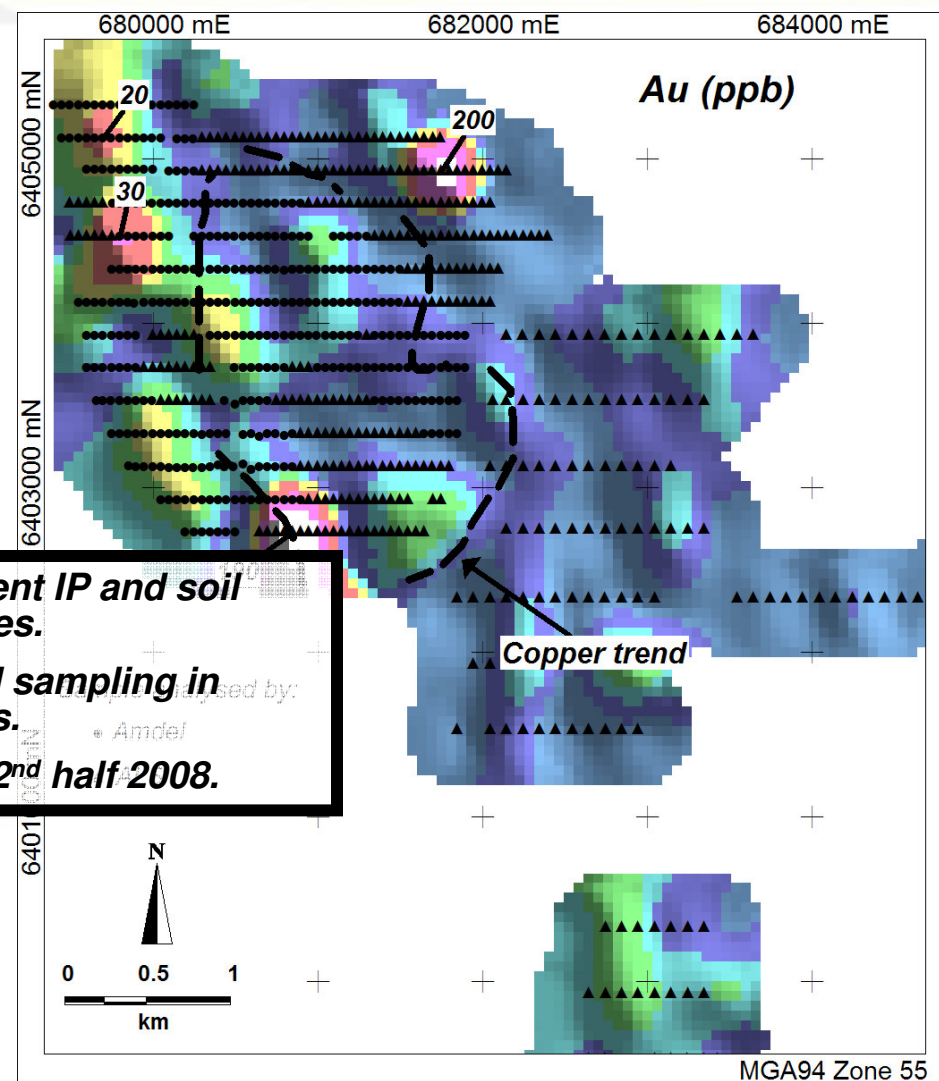
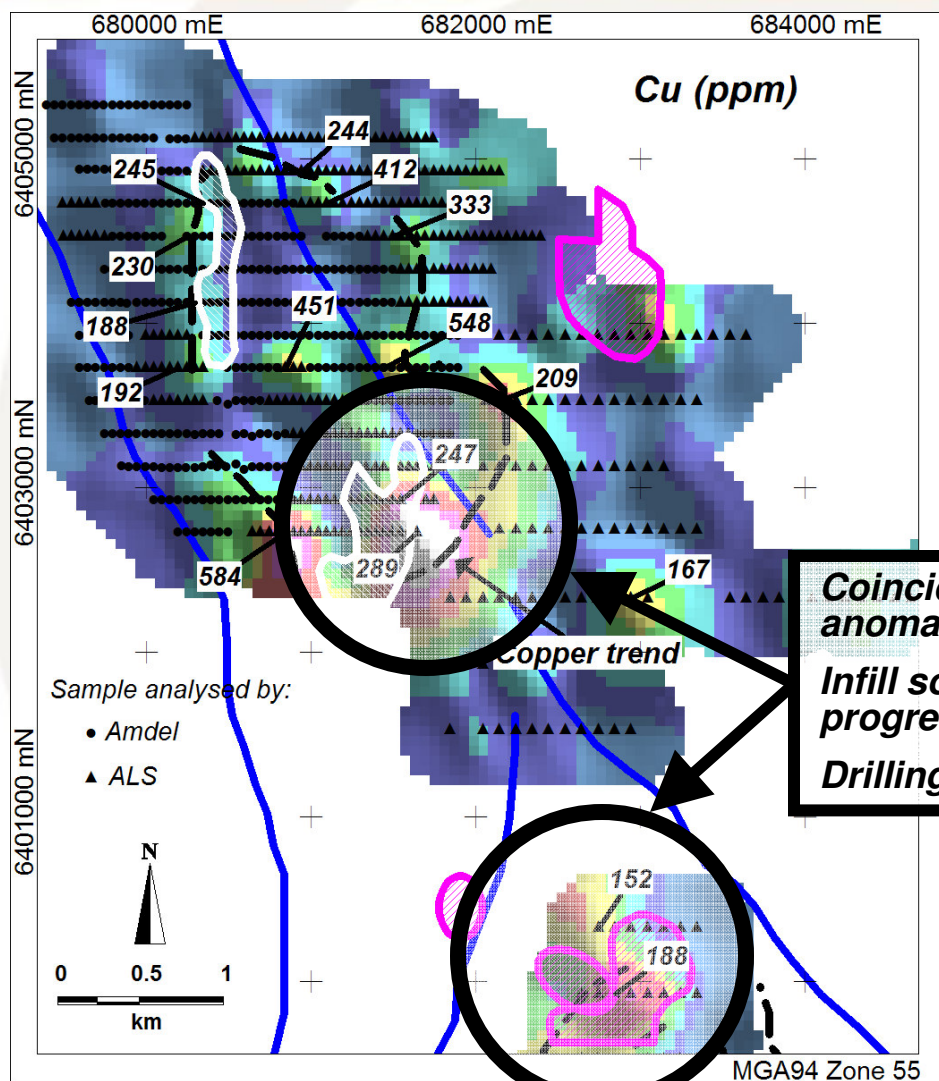
# Wellington North Dunbell



**Circular magnetic anomaly with IP chargeable anomaly defined.**

**Ground magnetics in progress.**

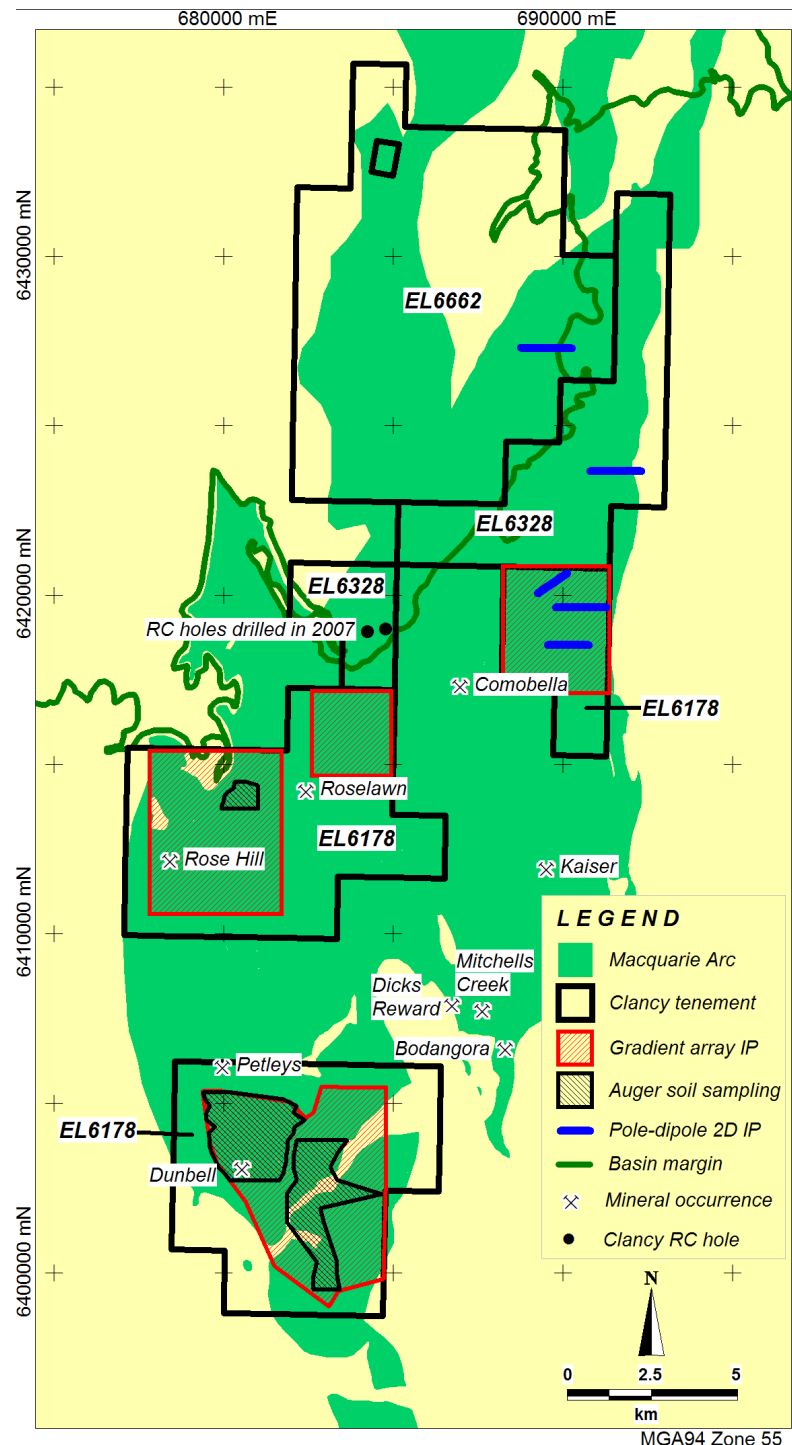
# Wellington North – Dunbell soil sampling



**Coincident IP and soil anomalies.**  
**Infill soil sampling in progress.**  
**Drilling 2<sup>nd</sup> half 2008.**

Dunbell soil sampling – Cu showing IP anomalies

# Wellington North – proposed work



**Process follow-up PDP on gradient array IP anomalies at Rose Hill and Dunbell.**

**Process ground magnetic data and complete infill soil and rock-chip sampling at Dunbell.**

**Identify drill targets.**

**Drilling (RC/DDH) August 2008.**

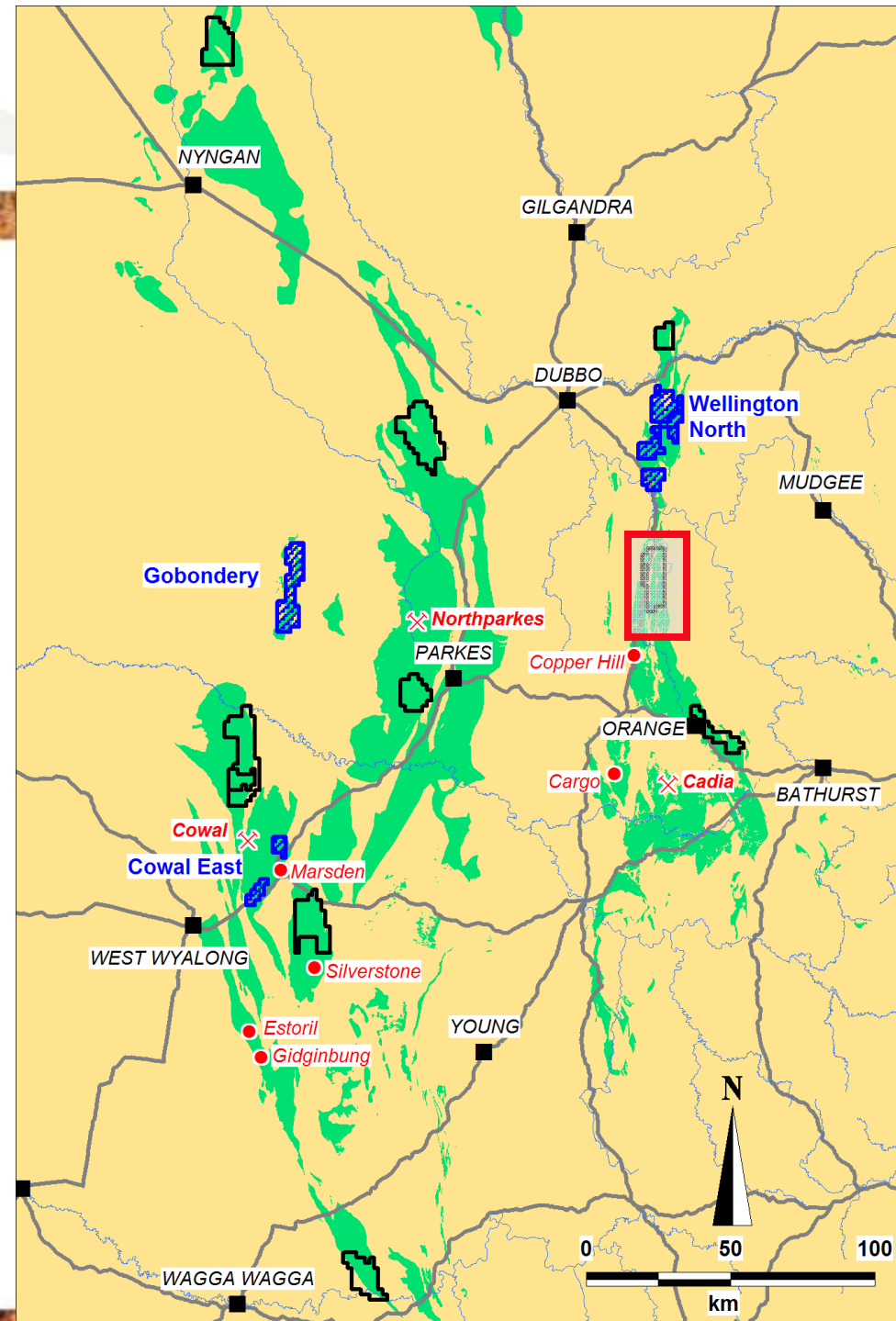
**Results for RC drilling at Rose Hill and Dunbell – late June 2008.**

**Geophysical inversion and structural interpretation – Yarindury and Hillcroft targets (EL6662 & EL6328).**

**RC/DDH drilling – November to December 2008.**

# Cundumbul

- Significant surface mineralisation in previous (1990's) rock-chip sampling
  - >20 samples with >1g/t Au and >1000ppm Cu over 7km strike length
- Detailed mapping suggests southern area is peripheral to porphyry system
- Targeting suggests northern area is more proximal to porphyry system
- Also potential for post-Ordovician Cu deposits
- Gradient array IP surveys in progress



# Cundumbul – Geology



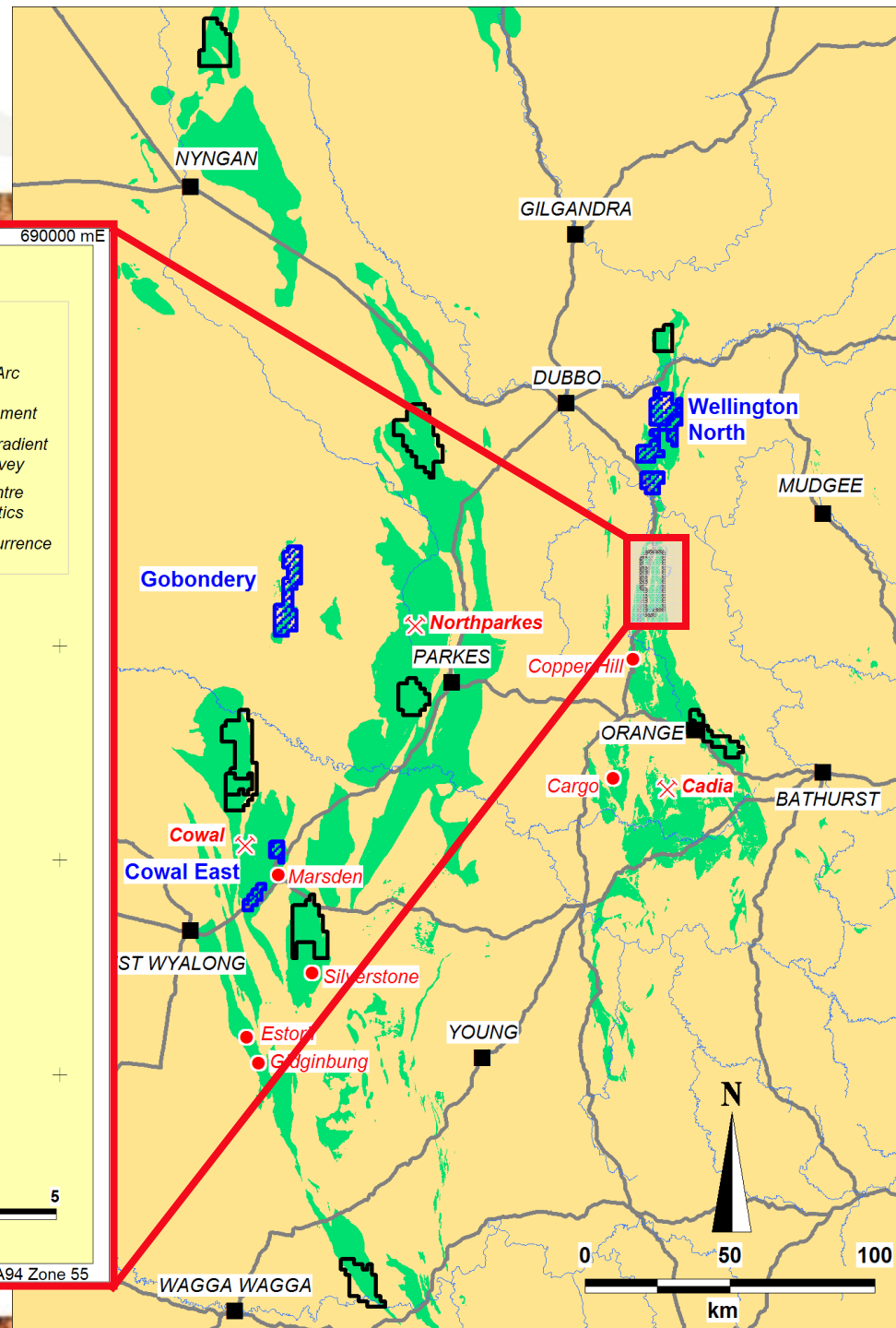
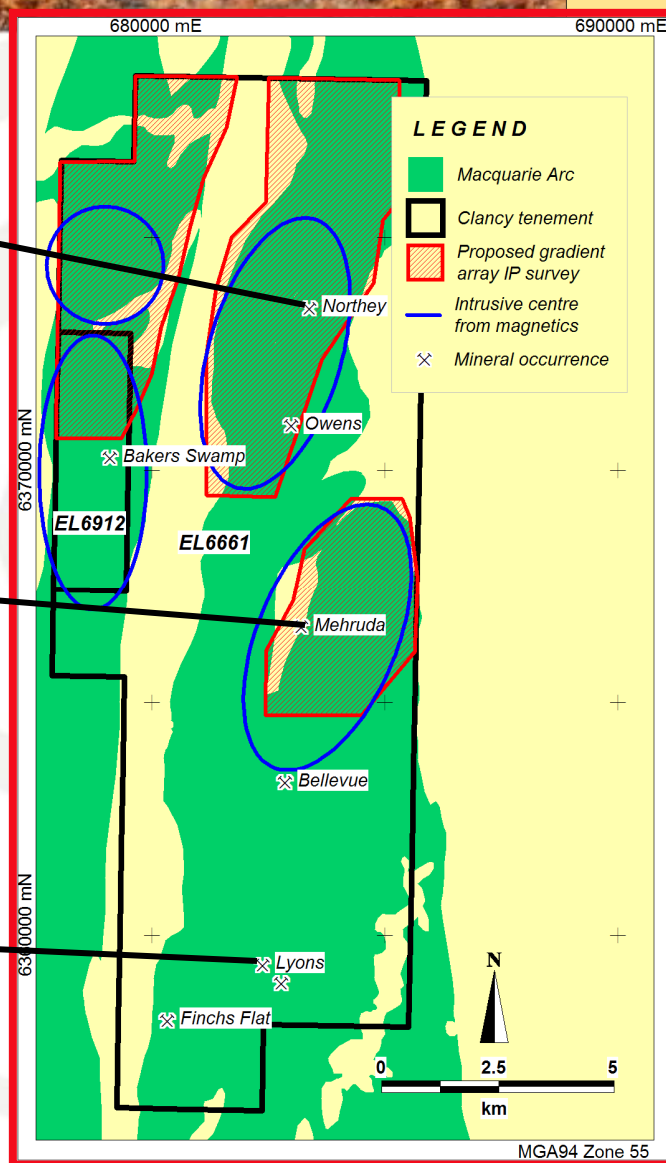
Monzonite outcrop



Cu secondaries



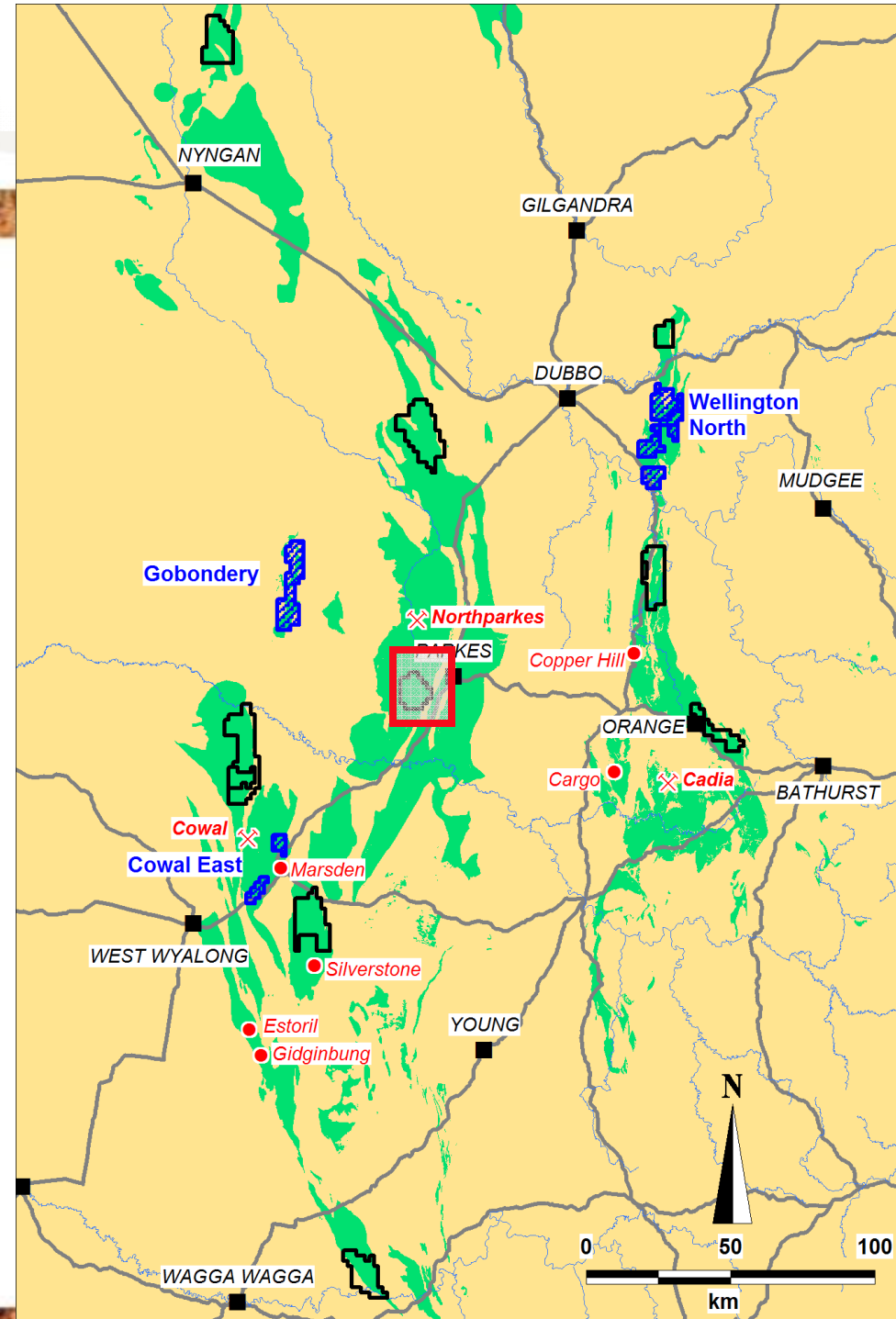
Quartz-K-feldspar-chalcopyrite breccia (>40g/t Au)



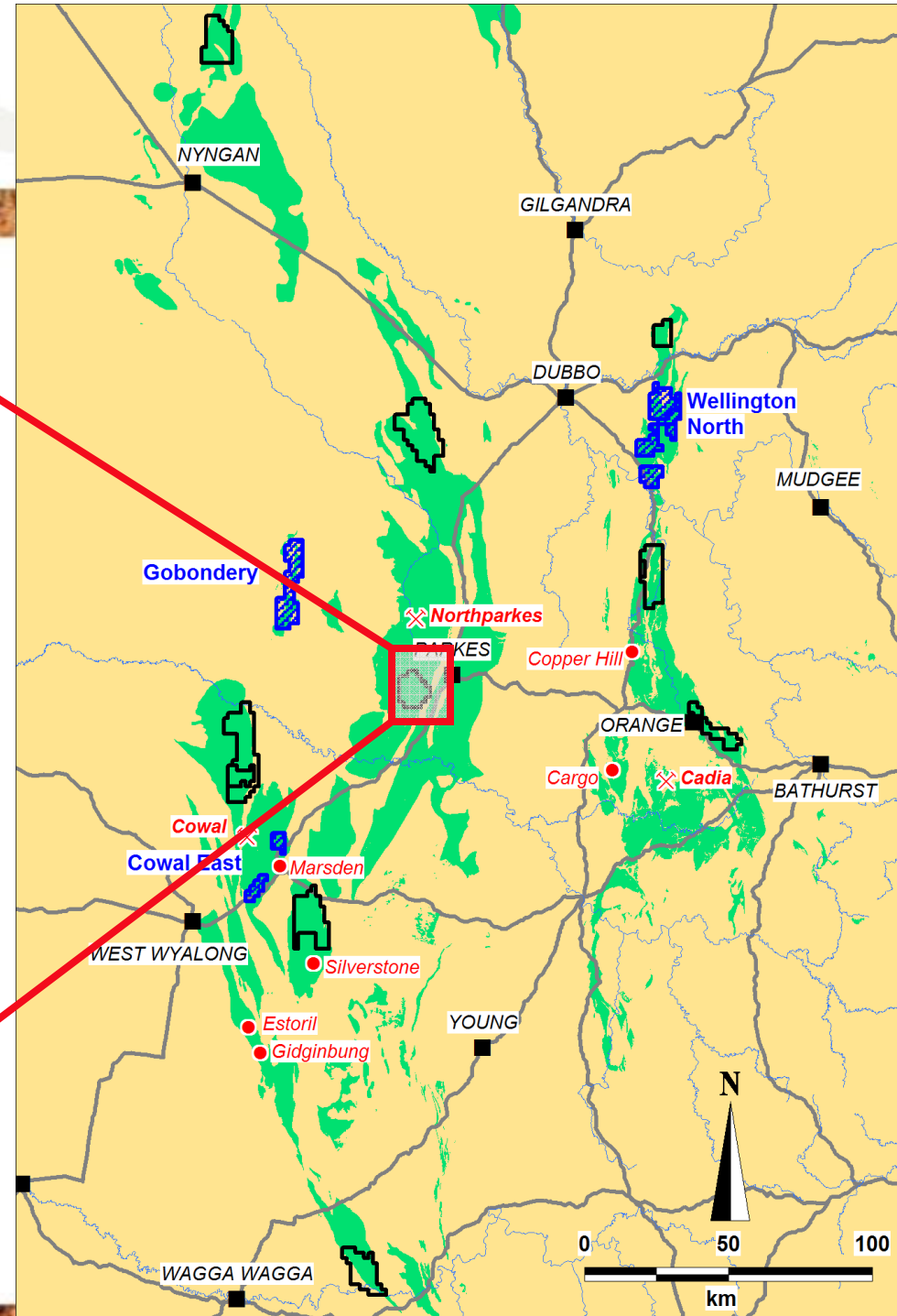
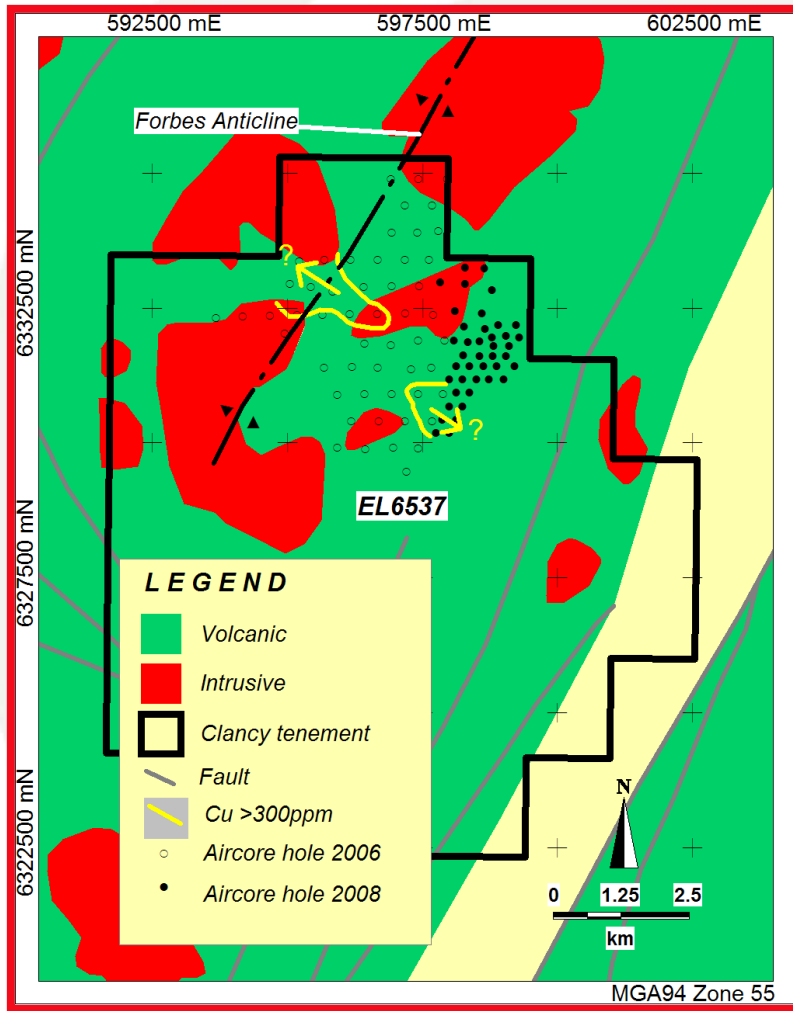


# Goobang

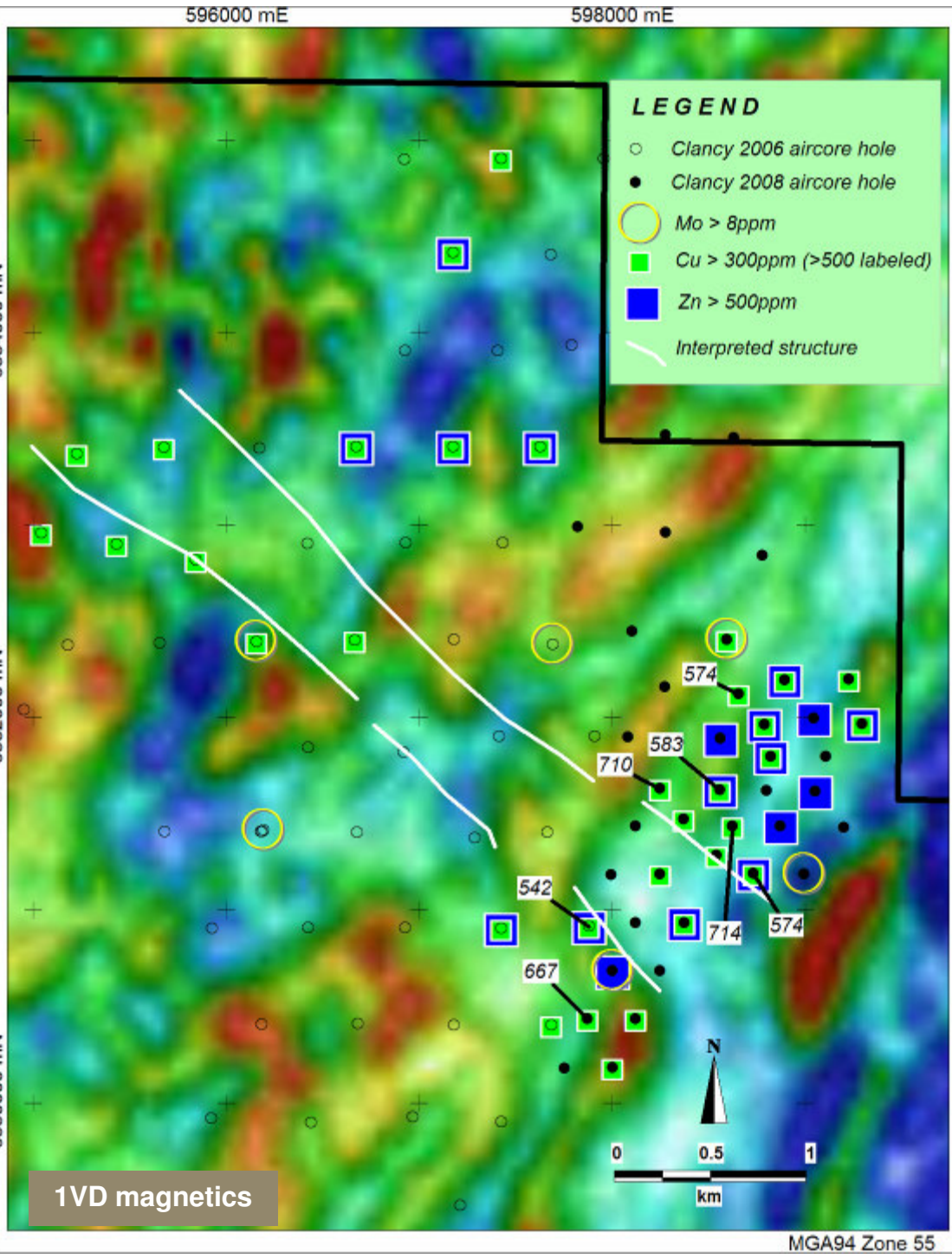
- Located 20km south of Northparkes
- Typical “Ordovician” magnetic signature
- Previously thought to be older Nelungaloo Volcanics, therefore hardly any previous drilling
- Younger Goonumbla Volcanics confirmed by drilling (carbonates) – more prospective
- Clancy aircore drilling in 2006, follow-up and infill aircore drilling in 2008
- 39 holes, 2367m completed in Feb 2008



# Goobang – Geology



# Goobang – drilling



*Volcaniclastic sandstone, limestone and andesitic lava.*

*Overprinted by K-feldspar, phyllic and propylitic alteration assemblages.*

*Abundant pyrite.*

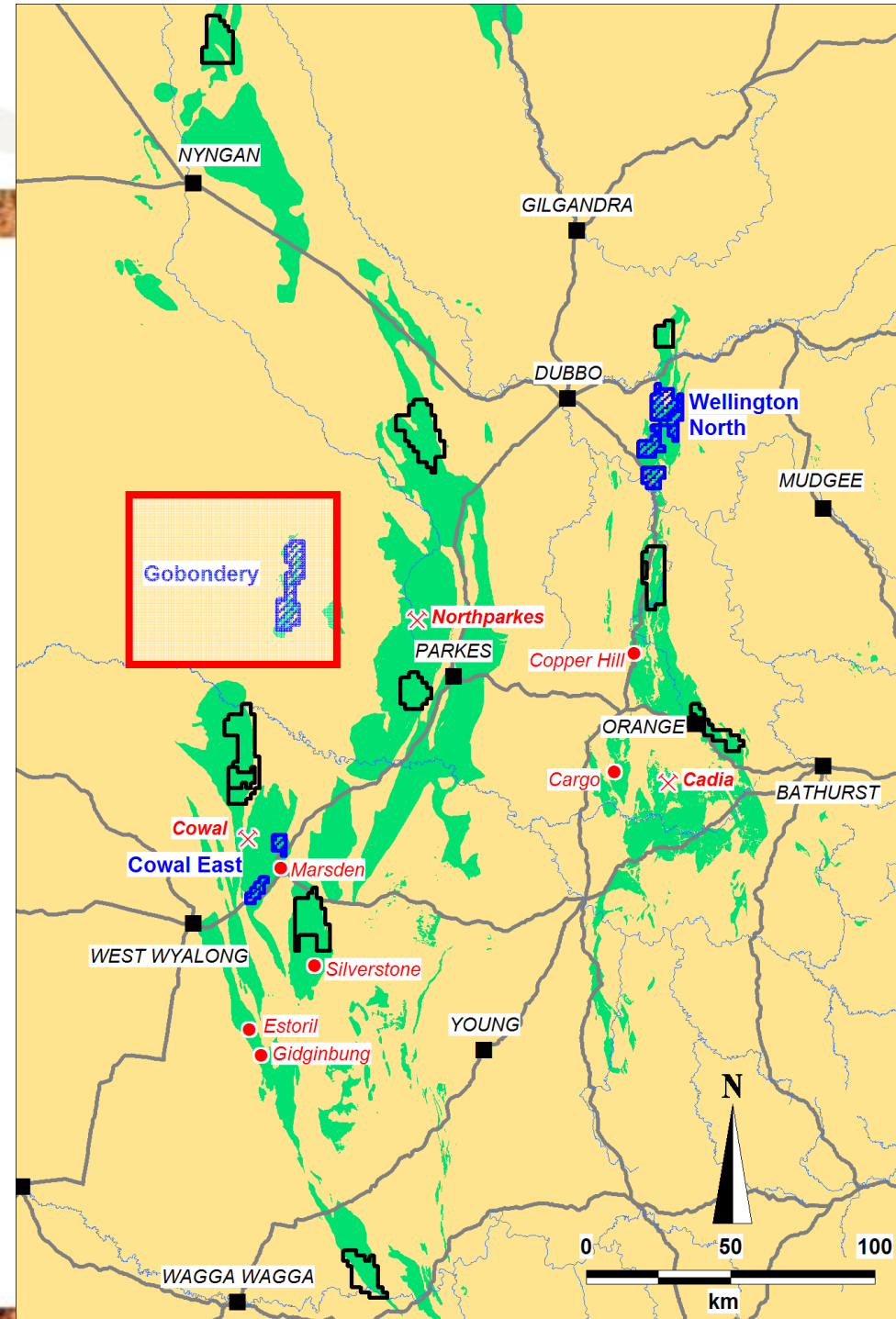
*Cu and Zn anomalies open to SE.*

*Skarn potential?*

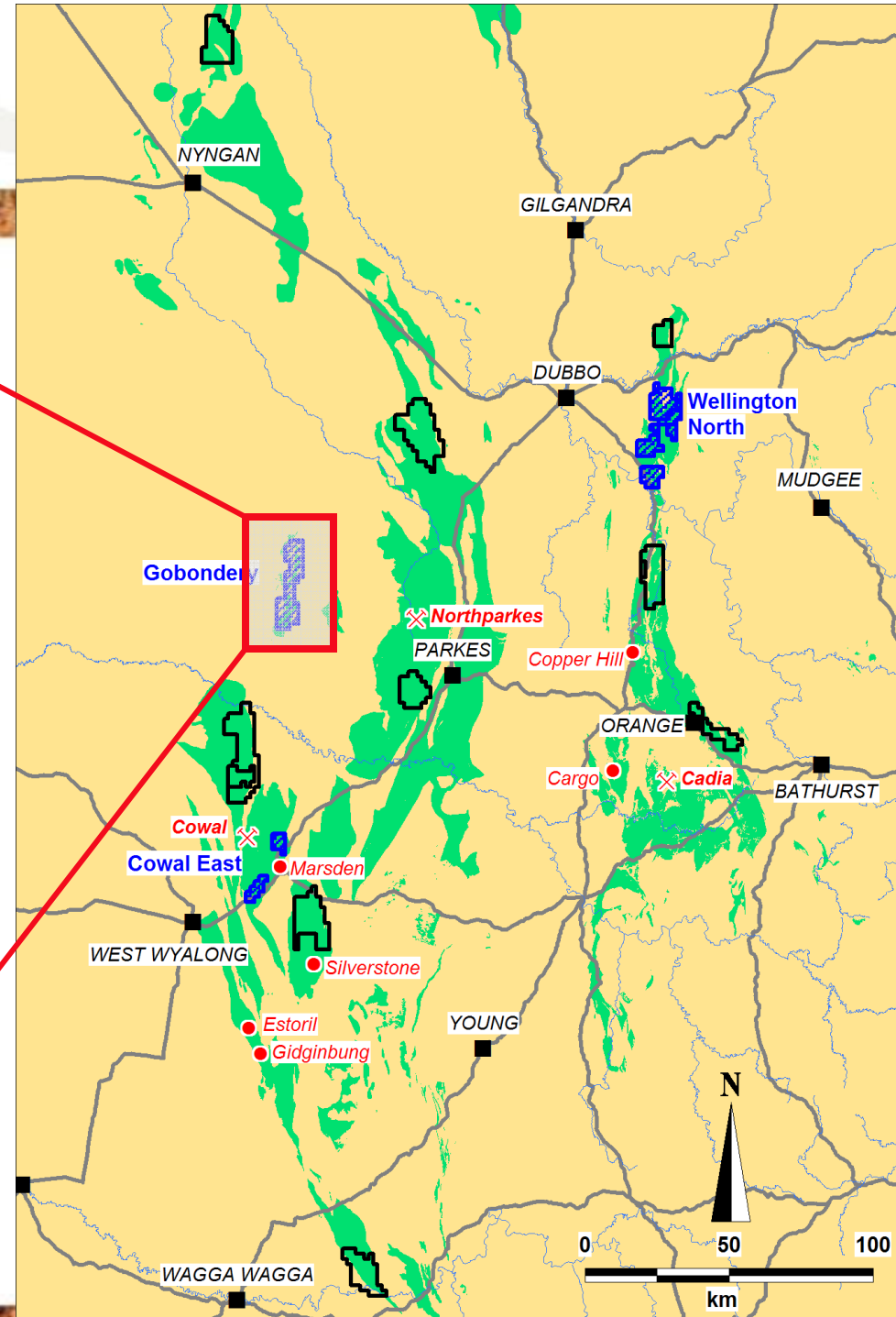
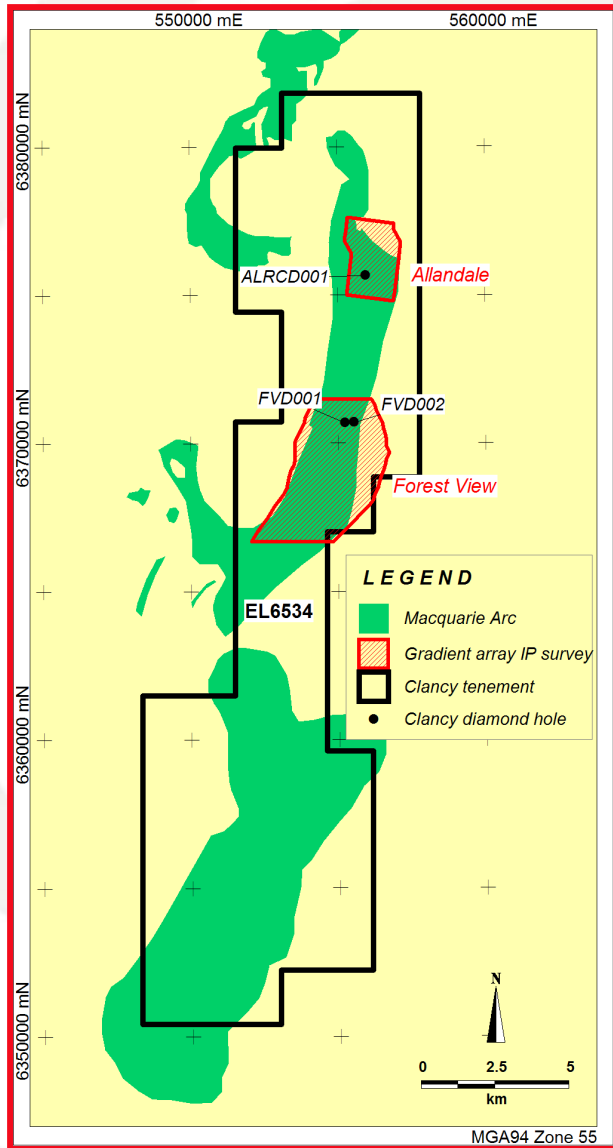
*Further geochemical, spectral and geophysical processing required.*

# Gobondery

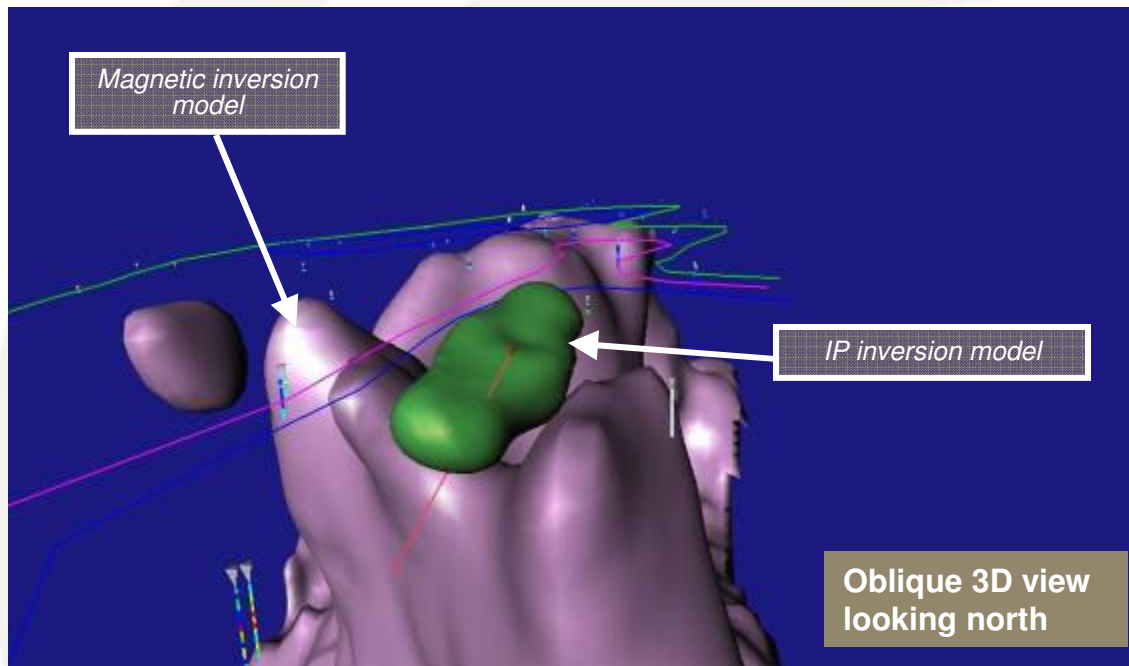
- Gobondery EL6534 covers prospective arc rocks 47km west of Northparkes
- Similar geology and setting to Northparkes
- Clancy drilling in 2006 defined porphyry-style rocks, alteration and mineralisation
- IP surveys recently completed defined two chargeable anomalies
- Diamond drilling completed – 3 holes 1078m
- Porphyry-style alteration confirmed
- No significant results to date



# Gobondery

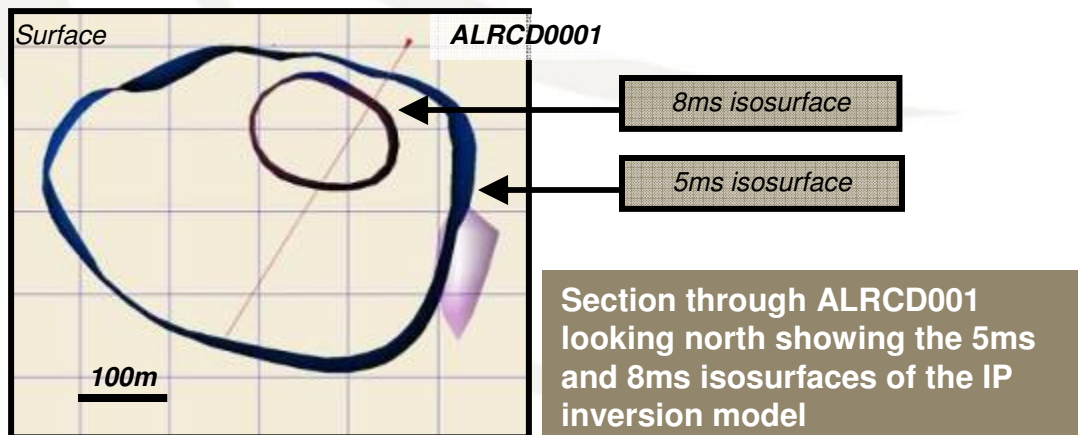


# Gobondery – Allandale drilling



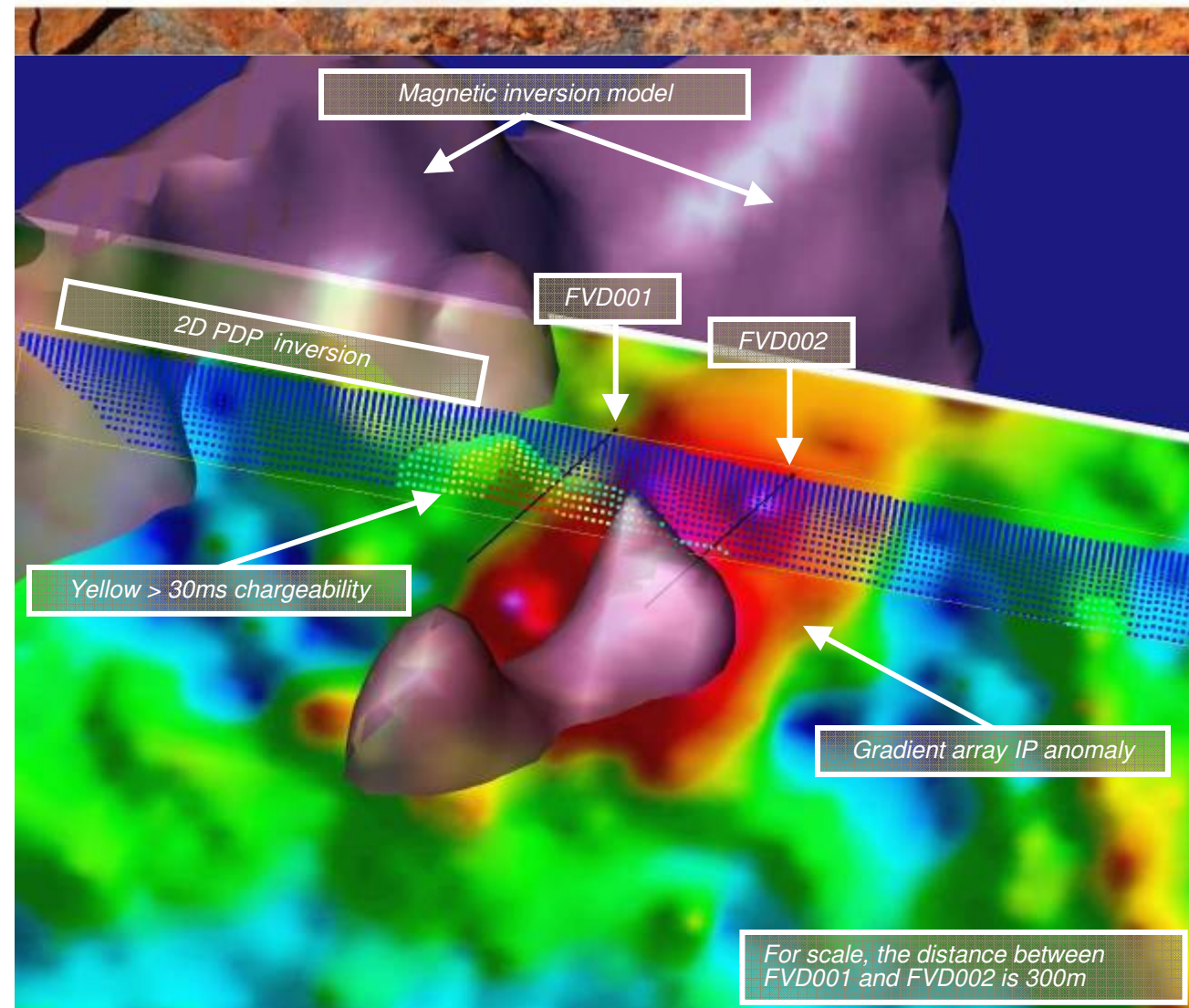
## Allandale drilling summary

- ALRCD001 drilled to 378.2m
  - IP high test full extent of 5ms chargeable zone
  - Andesite flow units and volcanic breccia
  - Minor sulphide (<3% pyrite)
  - Rare chalcopyrite
  - No quartz veins
  - Results expected in next few weeks



ALRCD001 169-174m  
epidote altered breccia

# Gobondery – Forest View drilling

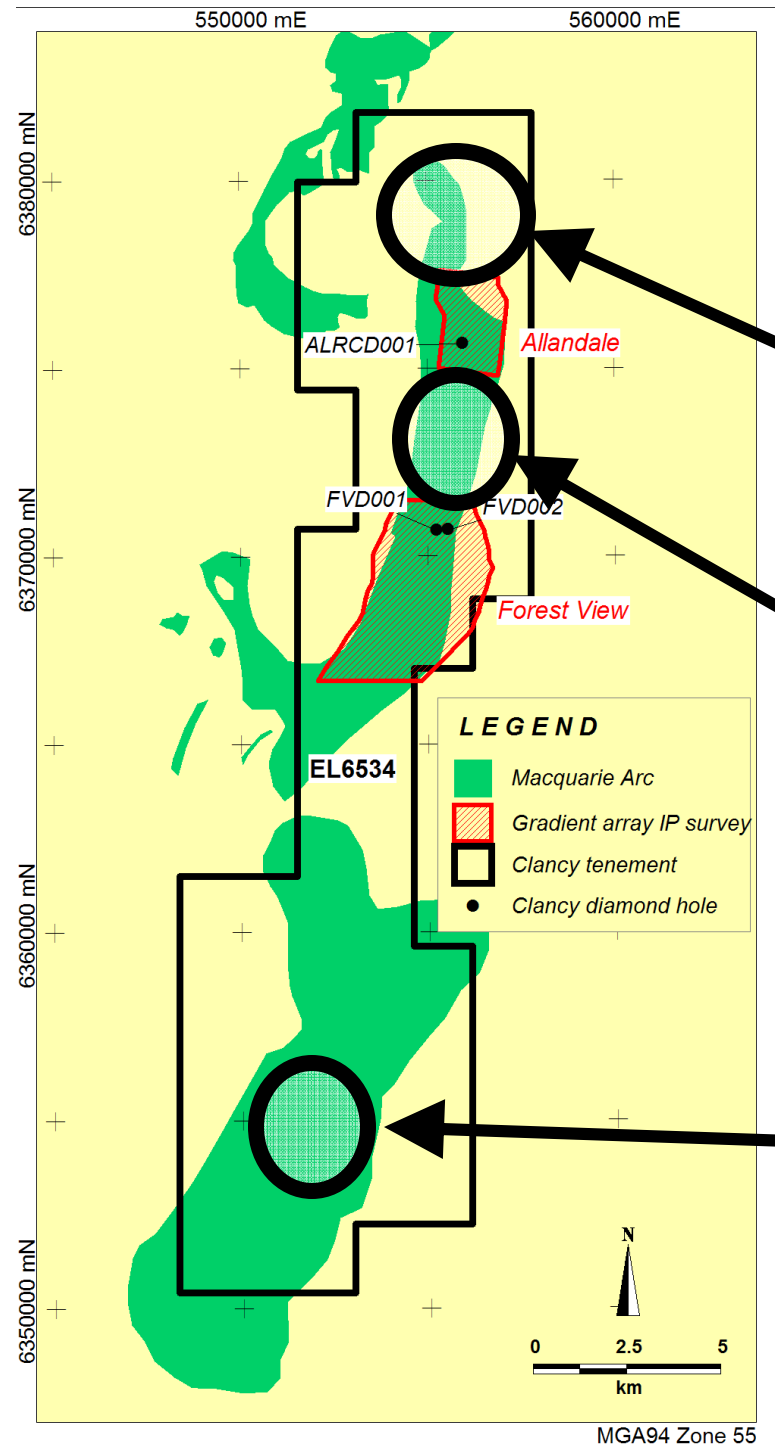


## Forest View drilling summary

- **FVD001 drilled to 303.5m**
  - IP high and magnetic low
  - Volcanic breccia
  - Specular hematite
  - No quartz veins
  - Rare sulphide (pyrite)
  - No significant results
- **FVD002 drilled to 396m**
  - IP flank and magnetic high
  - Volcanic sandstone
  - Several fine-grained monzodiorite dykes
  - No quartz veins
  - Minor sulphide (pyrite)
  - Results for top 230m received
  - Nothing significant so far
  - Results for bottom 166m expected in next couple of weeks

3D view looking NNE showing drill holes, magnetic inversion model, gradient array IP image and 2D pole-dipole IP section for line 6,370,700N

# Gobondery – proposed work



**Extend 3D IP array north of Allandale to close off chargeable anomaly.  
June 2008.**

**Extend gradient array IP coverage between Forest View and Allandale.  
Fractionated silica-rich intrusives identified in 2006 aircore drilling.  
June 2008.**

**RC drilling southern target.  
Late 2008?**

# Other projects

***Illabunda EL6535 – one 250m AC/DDH hole completed, Ordovician basement not reached. Project under review.***

***Spring Creek EL6536 – one 156m RC hole completed. Bottomed in 50m of magnetic dolerite. Magnetic anomaly explained. Project under review.***

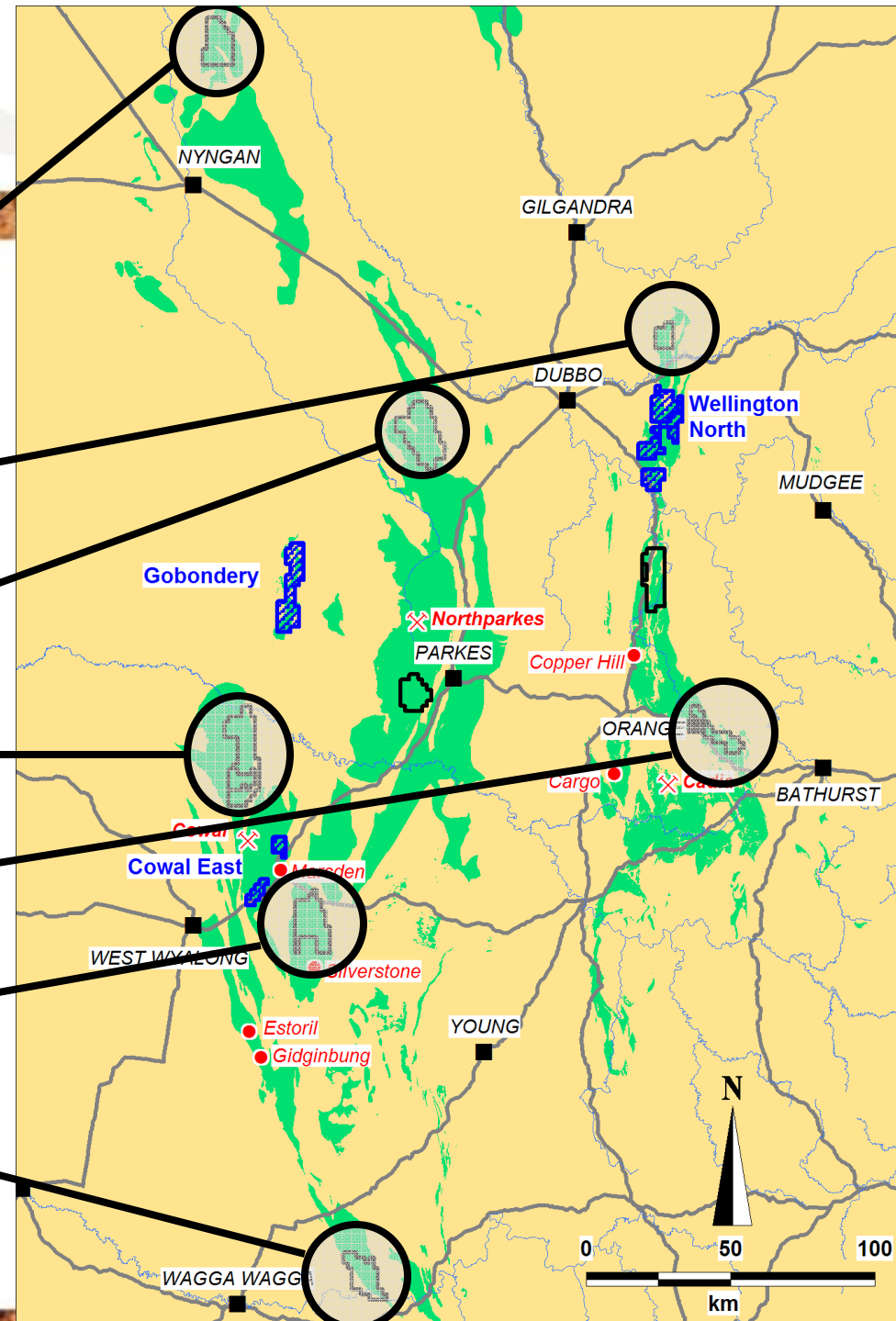
***Myall EL6913 – drilling August 2008.***

***Fairholme EL6552 – drilling September – October 2008.***

***Orange East EL6181 – soil sampling August, drilling October 2008.***

***Currumburrama EL6784 – drilling September – October 2008.***

***Billabong Creek EL6802 – helimagnetics October 2008.***



# Wrap up



Strategic approach to targeting and aggressive exploration campaign underway

Projects are in highly mineralised terrains and exploration is well funded

The strategy is bearing fruit – promising early results as well as target turnover

Drilling from now until year end – consistent and sustained news flow

Looking forward to reporting positive results

Substantial upside in valuation with exploration success



# Contact Details



Thank you

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