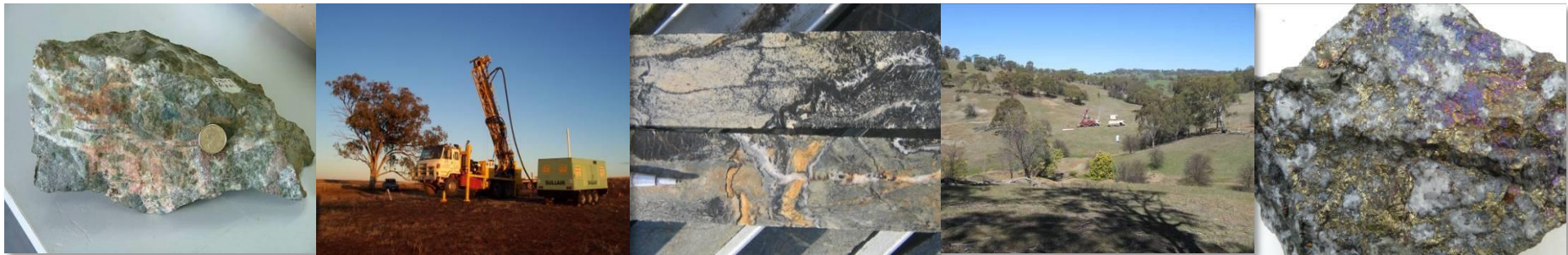


## 2013 AGM Managing Director's Presentation Gordon Barnes 24 May 2013 Orange



# Disclaimer



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The information in this material that relates to Exploration Results, Mineral Resources or Ore Reserves 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 2004 Edition of the “Australasian Code for Reporting of 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.

## Clancy is a quality explorer with a scientific and strategic approach

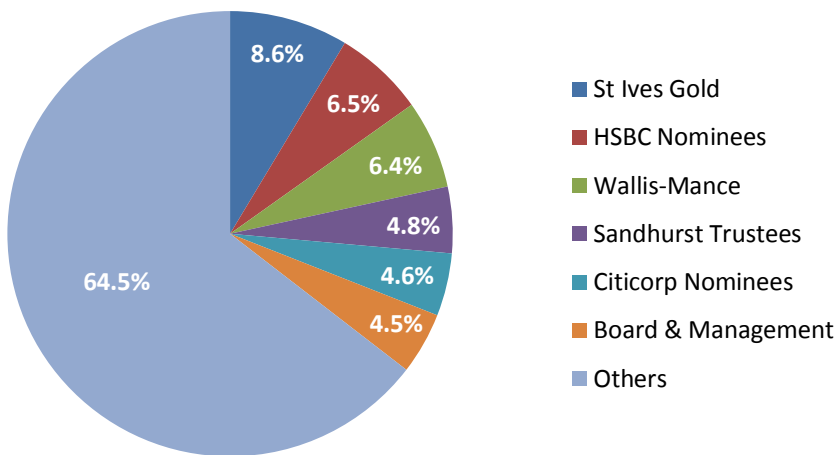
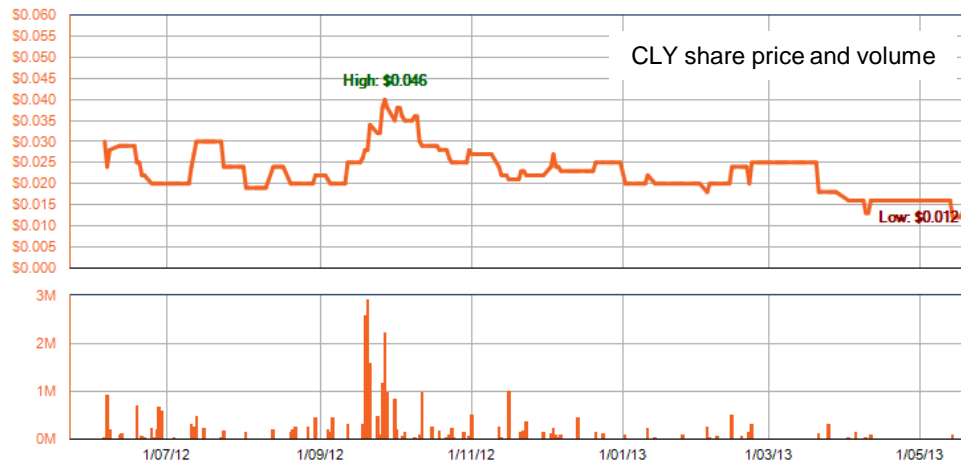
- Clancy holds a commanding position in a world class mineral province, the highly prospective Lachlan Fold Belt in NSW
- Primarily targeting porphyry and epithermal gold, copper, silver and base metals
- Mix of self-funded and partner funded exploration in NSW:
  - Six 100% owned projects in NSW
  - Three JV's with Mitsubishi in NSW
  - One JV with High Power Exploration in NSW
- Promising drill results at Meritilga prospect at the Codobolin project with further results pending:
  - **4m @ 20g/t Au & 30.2g/t Ag; incl 1m @ 62g/t Au and 60g/t Ag** (2012 drilling)
  - 2,118m of follow-up RC drilling completed in early May 2013
  - Results expected in late-May to early-June 2013
- Experienced board and management with supportive shareholders who are committed to growing the business through discovery and M&A
- Several M&A opportunities reviewed for an advanced project

# Clancy Snapshot



## Clancy is a quality exploration company with:

- ✓ High quality exploration assets
- ✓ A promising outlook for targeted commodities
- ✓ A focussed exploration strategy
- ✓ Talented and experienced management team
- ✓ Risk managed exploration
- ✓ Robust project targets
- ✓ Project identification and assessment capability for M&A



## Company Structure

Market Capitalisation	\$2,471,881
Share price <sup>1</sup>	\$0.012
Shares on issue	205,990,049
Top 20	61.3%
Listed Options (ASX:CLYO)	94,134,786
Unlisted Options	4,800,000
Cash <sup>2</sup>	\$2.91m
Debt	-

1. Closing price 21 May 2013

2. As at 31 March 2013

# The Team



<p><b>Dr Mike Etheridge</b></p>	<p><b>Non-Executive Chairman</b> <i>PhD, FTSE, FAICD, FAIG, FGSA</i>                  Mike is a geologist who has had a varied career in academia, a government research organisation and in industry. Mike is currently non-executive chairman of ABM Resources Ltd (ASX: ABU), deputy chairman of Zeus Resources Ltd (ASX: ZEU) and a non-executive director of DET CRC Ltd. Mike’s previous directorships include Ballarat Goldfields NL, Lihir Gold Ltd, Consolidated Minerals Ltd and Ariana Resources Plc.</p>	
<p><b>Mr Gordon Barnes</b></p>	<p><b>Managing Director</b> <i>BSc, MSc, GAICD, MAIG, MSEG</i>                  Gordon is an exploration geologist with a background in exploration project management and technical consulting services. He has over 25 years of practical experience, ranging from active field based projects through to multi-commodity project generation initiatives. Gordon was a Senior Geologist with Normandy Exploration before co-founding the Insight Geoscience Group. Gordon was Australasian Exploration Manager with Geoinformatics Exploration prior to joining Clancy when it listed in 2007.</p>	
<p><b>Dr James Macdonald</b></p>	<p><b>Non-Executive Director</b> <i>BA (Hon), MSc, PhD, PGeo, FSEG</i>                  James has over 35 years of experience in the global exploration and mining industries. James is currently non-executive chairman of International Base Metals Ltd and Craton Mining and Exploration Ltd. He is a geoscientist who has operated a consultancy business providing professional geoscientific services to exploration and mining companies for several years. He has held chief Geoscientist and Management positions with a number of companies, including BHP Billiton, AGIP Resources, and Homestake Mining Company.</p>	
<p><b>Ms Natalie Forsyth-Stock</b></p>	<p><b>Executive Director &amp; Chief Financial Officer</b> <i>B.Bus, M.Bus, GAICD</i>                  Natalie is an investment professional with over 20 years experience in investment banking and private equity investment. Natalie is a non-executive director of Bounty Mining Ltd (ASX: BNT) and was previously a Director of Allco Equity Partners Management Limited and Gresham Rabo Management Limited (both private equity managers), and the corporate advisory division of Gresham Partners Limited, where she specialised in mergers and acquisitions, fund raisings and valuations.</p>	
<p><b>Dr Jeff Vassallo</b></p>	<p><b>Exploration Manager</b> <i>BSc (Hons), PhD, MGSA, MAIG</i>                  Jeff is an exploration geologist with 10 years practical experience in studying and exploring the Lachlan Orogen in NSW. Jeff was previously the Team Leader of regional mapping for the Geological Survey of NSW. He has been with Clancy actively exploring in NSW since 2008.</p>	
<p><b>Senior Management</b></p>	<p>Company Secretary</p>	<p>Rowan Caren</p>
	<p>Senior Geologist</p>	<p>Kristy Vassallo</p>
	<p>Office Manager</p>	<p>Clarissa Lark</p>

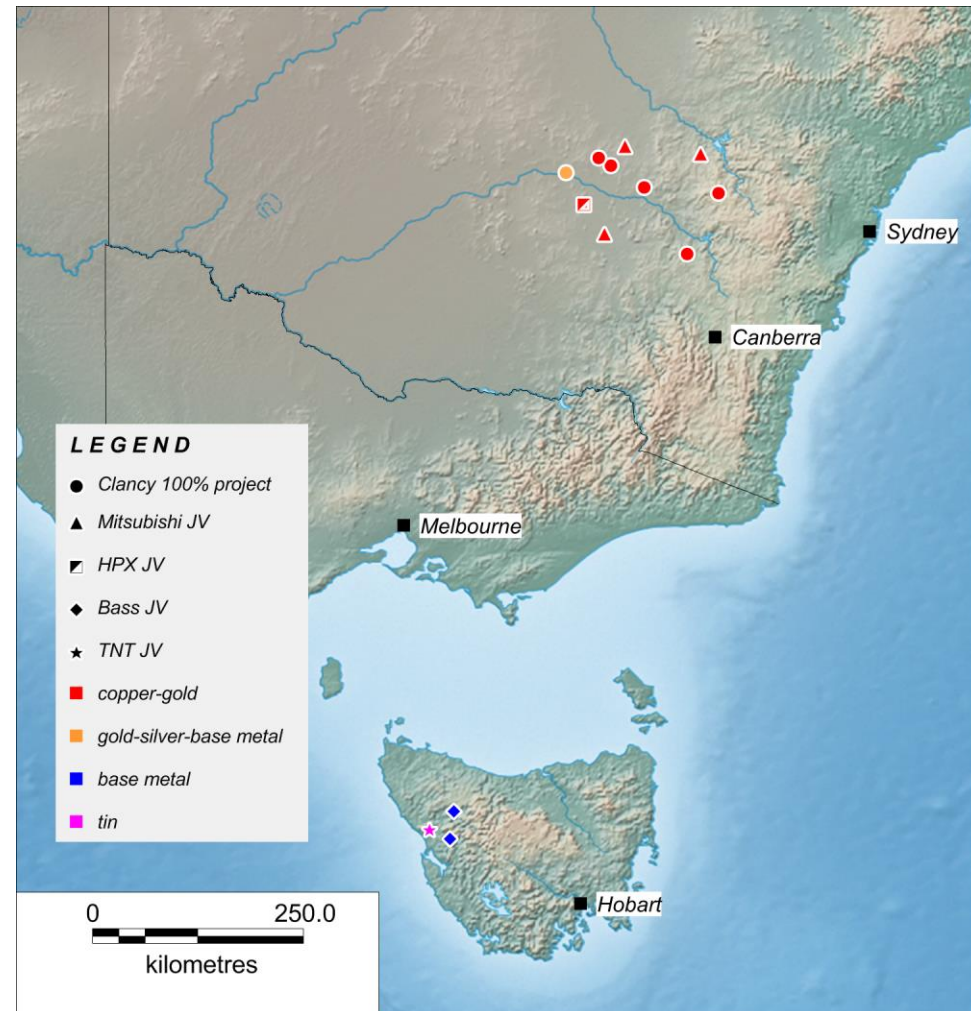
# Project Portfolio Overview

## NSW – Lachlan Fold Belt

- Clancy – six 100% owned projects managed by Clancy; porphyry Cu-Au, epithermal Au-Ag and base metals
- Mitsubishi – three JV projects managed by Clancy; porphyry Cu-Au
- HPX – one JV project managed by Clancy; porphyry Cu-Au

## Tasmania – Mt Read Volcanic Belt

- TNT Mines – one JV project managed by TNT Mines; tin
- Bass Metals – two JV projects managed by Bass Metals; base metals



Clancy Project Locations in Australia

# Flagship project

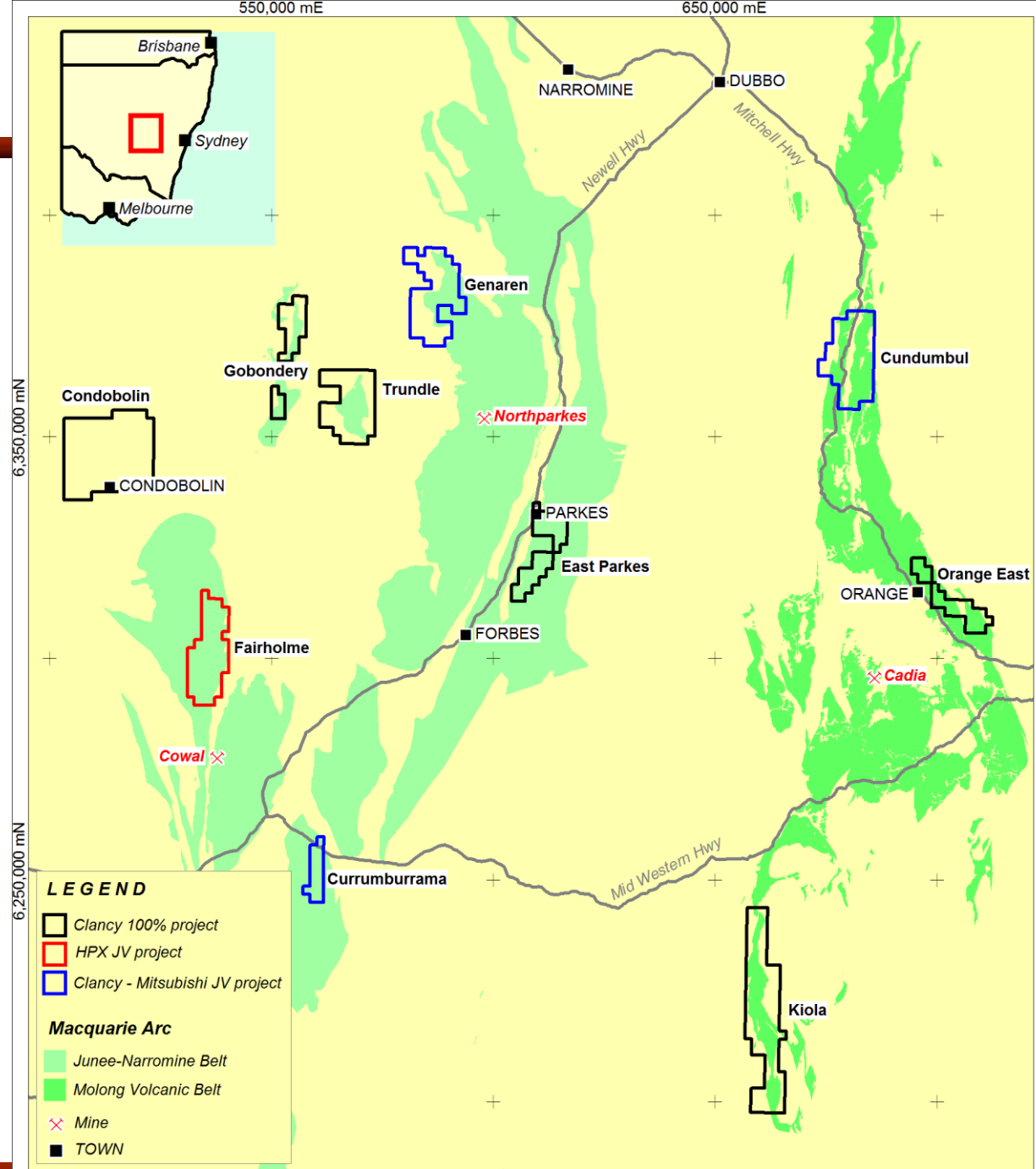


- Clancy believes that a clearly articulated growth strategy to build scale, either through project acquisition or corporate activity, will enable it to raise the capital required to advance its business and deliver value to shareholders
- Over the last year, several opportunities have been assessed and one opportunity, the Plavica project held by Genesis Resources Limited, was seen as particularly attractive
- Clancy pursued the opportunity through an off-market takeover offer for Genesis Resources Limited. Unfortunately the offer was unsuccessful, but Clancy has retained a 5.8% shareholding in that company and is encouraged by recent progress on the Plavica project by Genesis Resources
- The Company is continuing its search for a more advanced project and hopes to be in a position to undertake a transaction during the course of 2013

# NSW Projects

## Macquarie Arc

- Macquarie Arc has endowment (production + resources) of over 80 Moz of gold and 13 Mt of copper
- Most discovered in the last 18 years
- Clancy has ~1,800km<sup>2</sup> in this richly endowed terrain
- Targeting porphyry copper-gold and epithermal gold-silver systems
- Companies currently mining in the area include:
  - Rio Tinto at Northparkes (>2.9 Moz Au, >2.1 Mt Cu)
  - Newcrest at Cadia (>67 Moz Au, >10Mt Cu)
  - Barrick at Cowl (> 4.5 Moz Au)



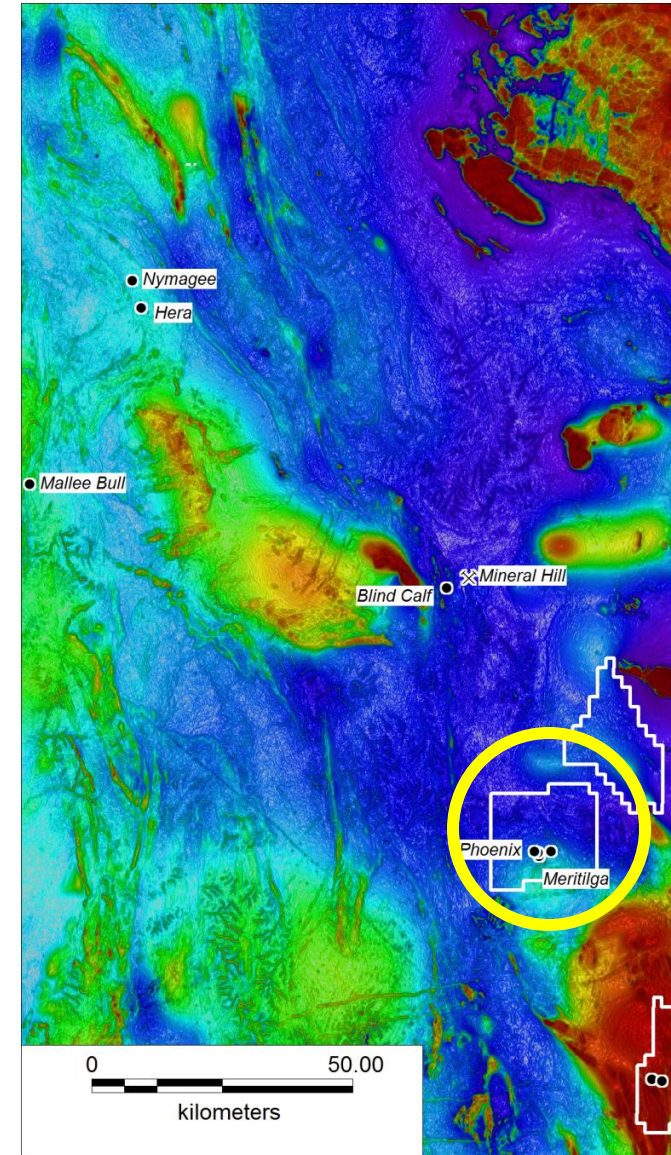
# Condobolin EL7748 – 100% owned

## Background

- Mined in the 1890's to early 1900's
- Shallow drilled in 1970's to 2000's
- Ordovician Girilambone Group (poorly understood)
- Mineralisation at Condobolin shows strong similarities to the Mineral Hill mine:
  - Owned by Kimberley Metals Ltd (ASX:KBL)
  - Producing of Cu, Ag, Au, Pb and Zn from Pearse and Parkers Hill deposits
  - Annual production of 4,000t Cu, 20,000oz Au and 150,000oz Ag
  - Mineral Hill Volcanics (Silurian)

## Condobolin Project

- EL7748 – 363km<sup>2</sup>
- Covers entire Condobolin Mineral Field



# Condobolin Work Program

## Promising early drill results (2011 & 2012):

- All 5 prospects drill tested to date have yielded promising results
- Virgin high-grade gold discovery at Meritilga:
  - **4m @ 20g/t Au & 30.2g/t Ag** from 75m; incl **1m @ 62g/t Au & 60g/t Ag**
- Confirmed depth extension to gold mineralisation at the Phoenix prospect:
  - **9m @ 4.08g/t Au** from 72m; incl **2m @ 14.18g/t Au**
  - The host rock sequence is most likely Silurian in age
  - Suggests the mineralisation is the same age as Mineral Hill
- Confirmed extensions to base metal mineralisation at the Potters prospect:
  - **2m @ 7.1% Pb, 2.4% Zn and 83.5g/t Ag** from 51m
  - **4m @ 4.1% Zn, 2.87% Pb and 29.6g/t Ag** from 136m
- **Visible gold** in AC hole at Eureka NE of Meritilga
- Several other basement AC intercepts to be followed up:
  - **2m @ 3.99 g/t Au** from 28m
  - **1m @ 4.75 g/t Au** from 44m
- Potential for alluvial gold identified in shallow AC drilling
  - **1m @ 28.4 g/t Au** from 4m



Phoenix rock sample  
22.5 g/t Au, 56g/t Ag, 1.15% Pb

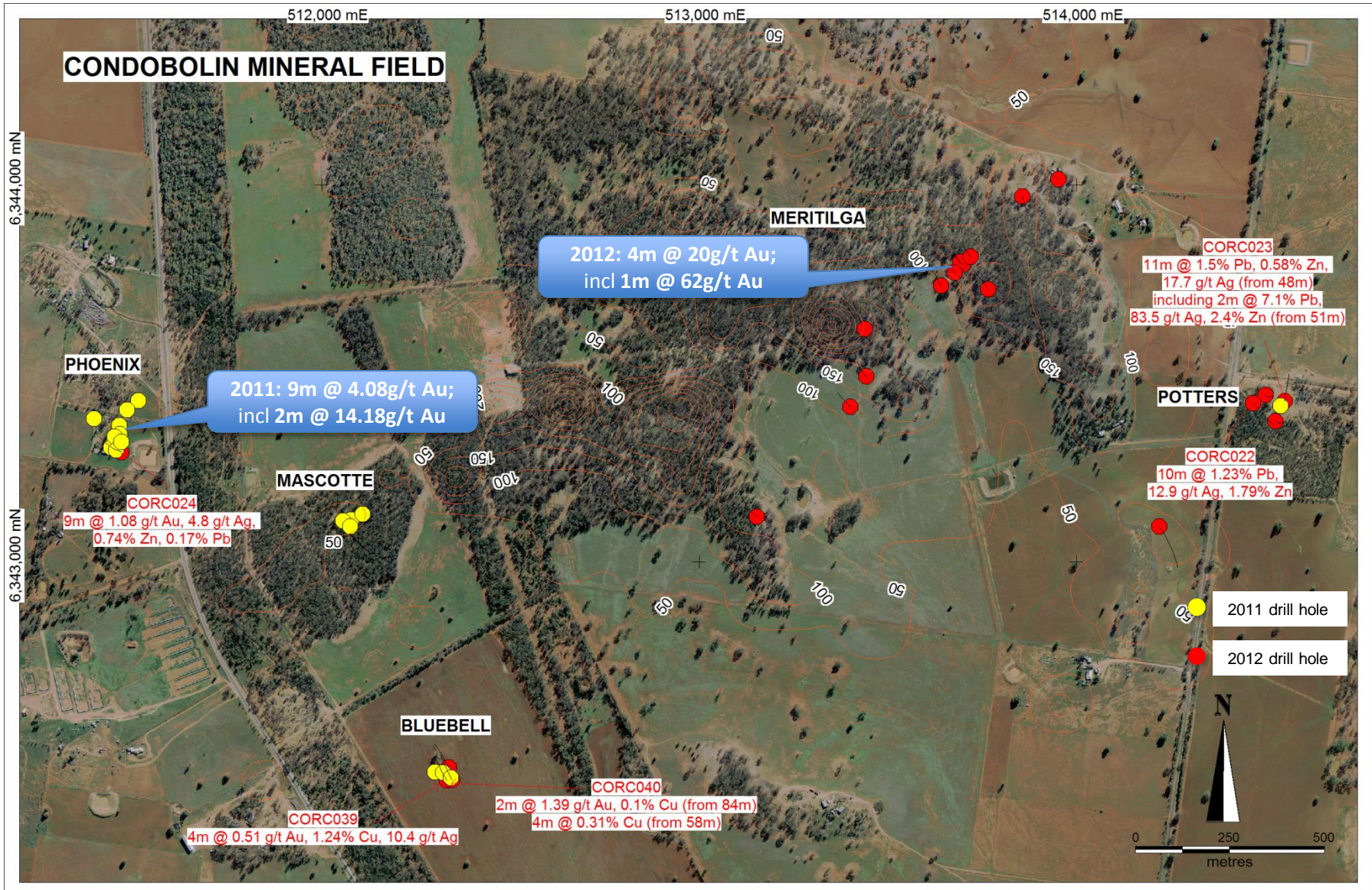


Phoenix rock sample  
8.52% Cu, 56g/t Ag, 0.95% Pb

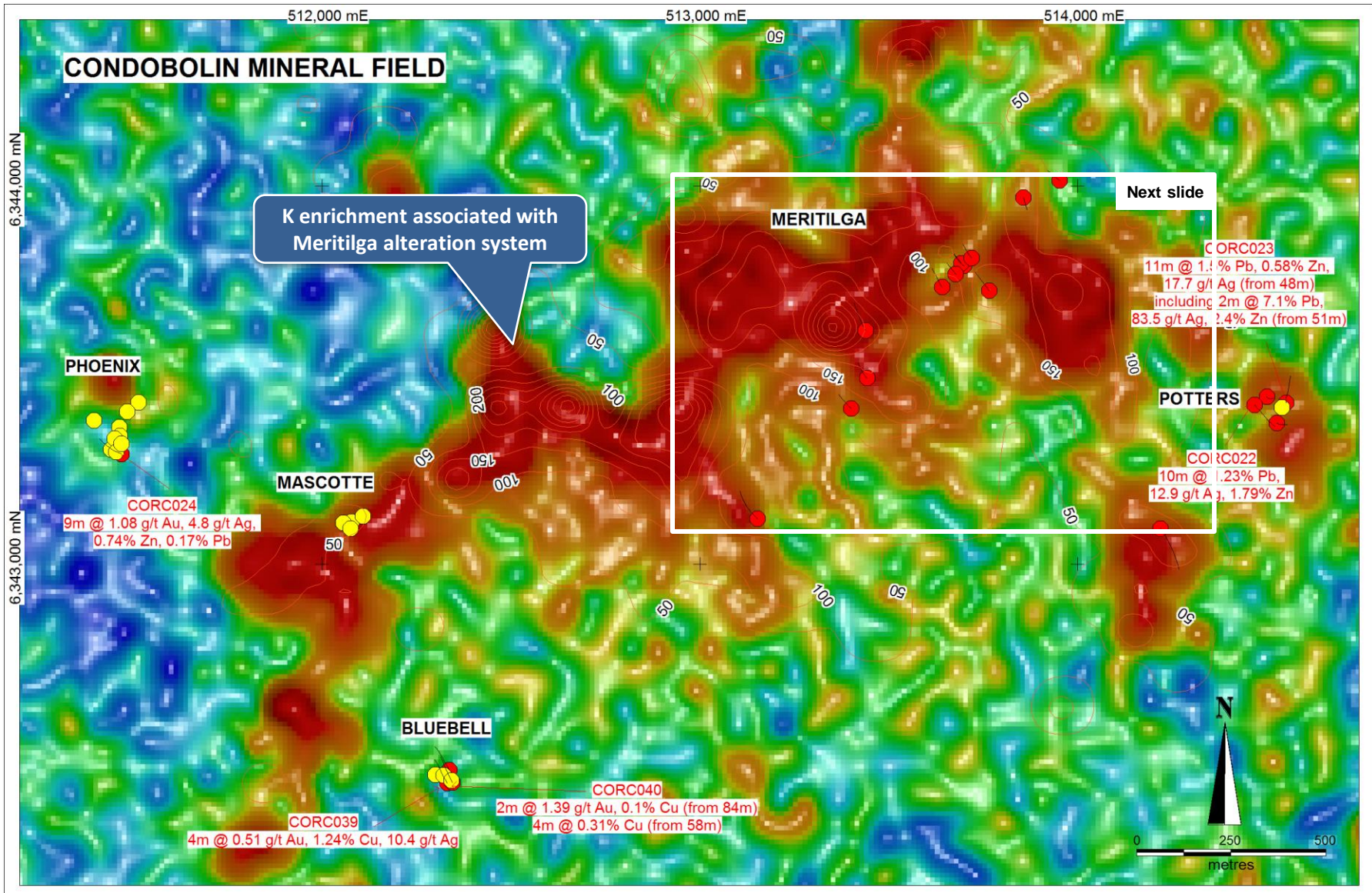


Eureka aircore chip  
Visible gold (grain is 3mm across)

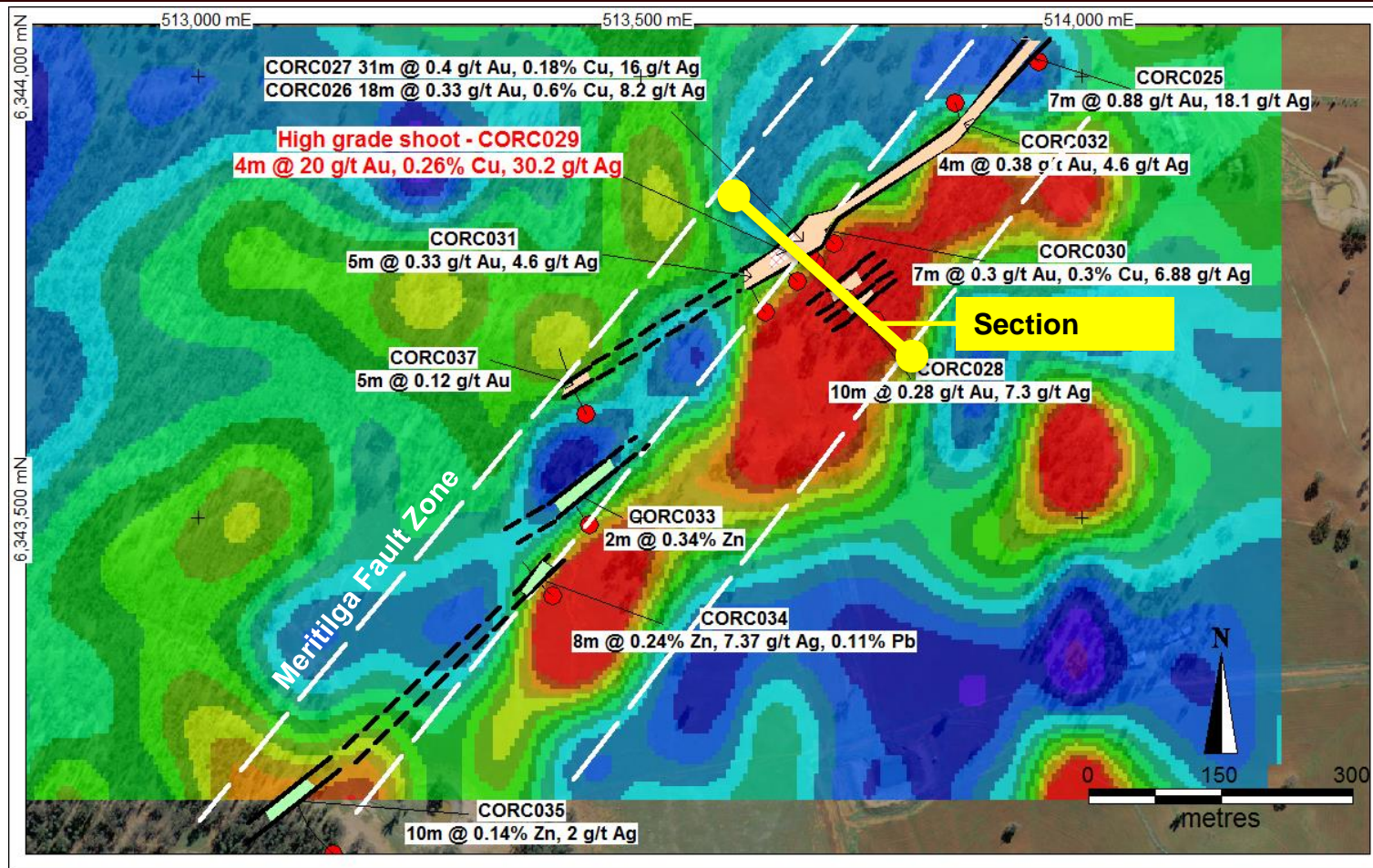
# Condobolin – 2011 & 2012 drilling



# Condobolin – K radiometric anomaly at Meritilga



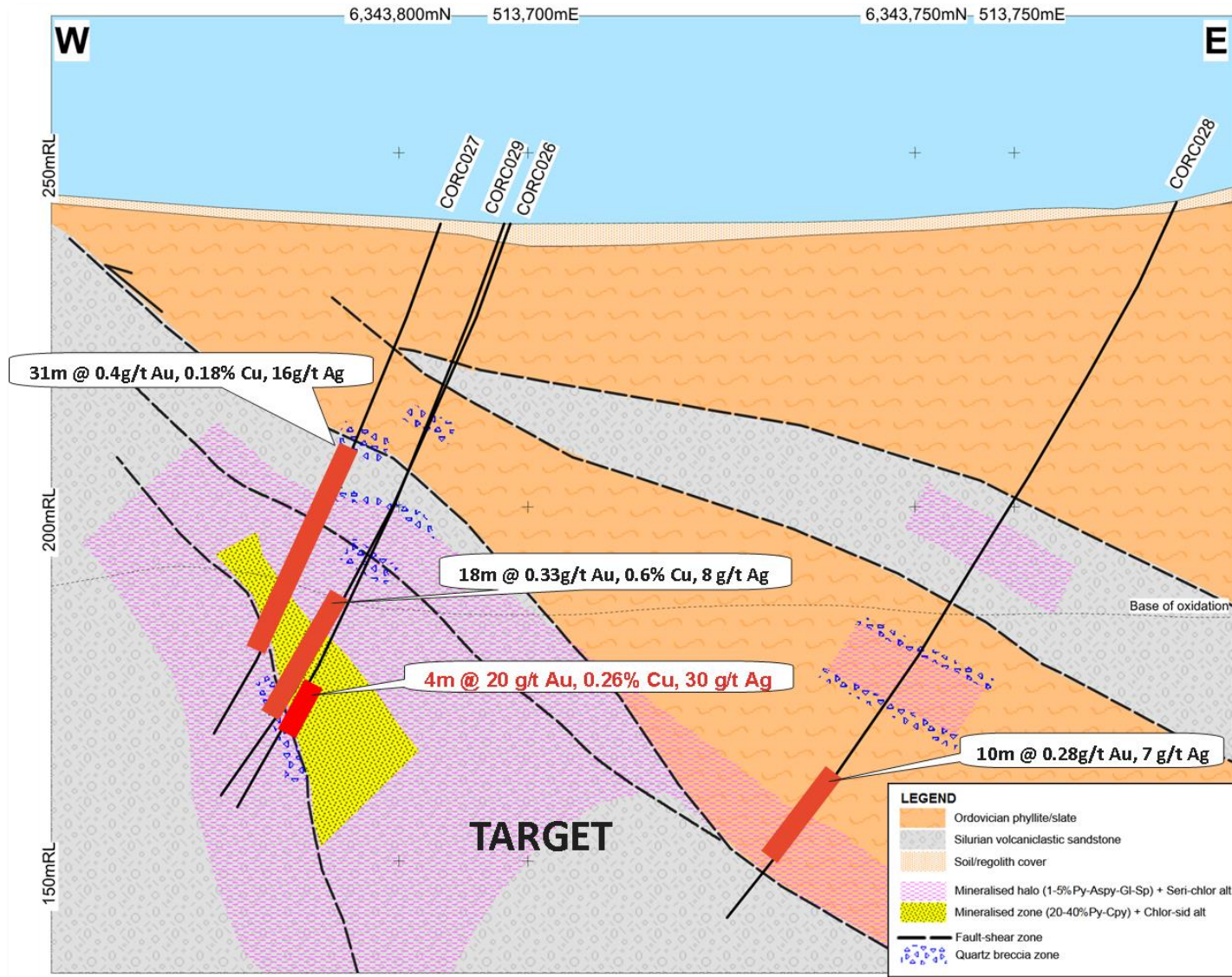
# Meritilga – 2012 drill results and IP chargeability



## Meritilga upside

- >>600m strike length, multiple lodes, high-grade plus low grade, polymetallic (zoned?)
- Prior to 2013 only 11 RC holes into Meritilga zone – barely scratched!
- Open down dip and along strike

# Meritilga – drill section looking to northeast



# Condobolin – 2013 work program

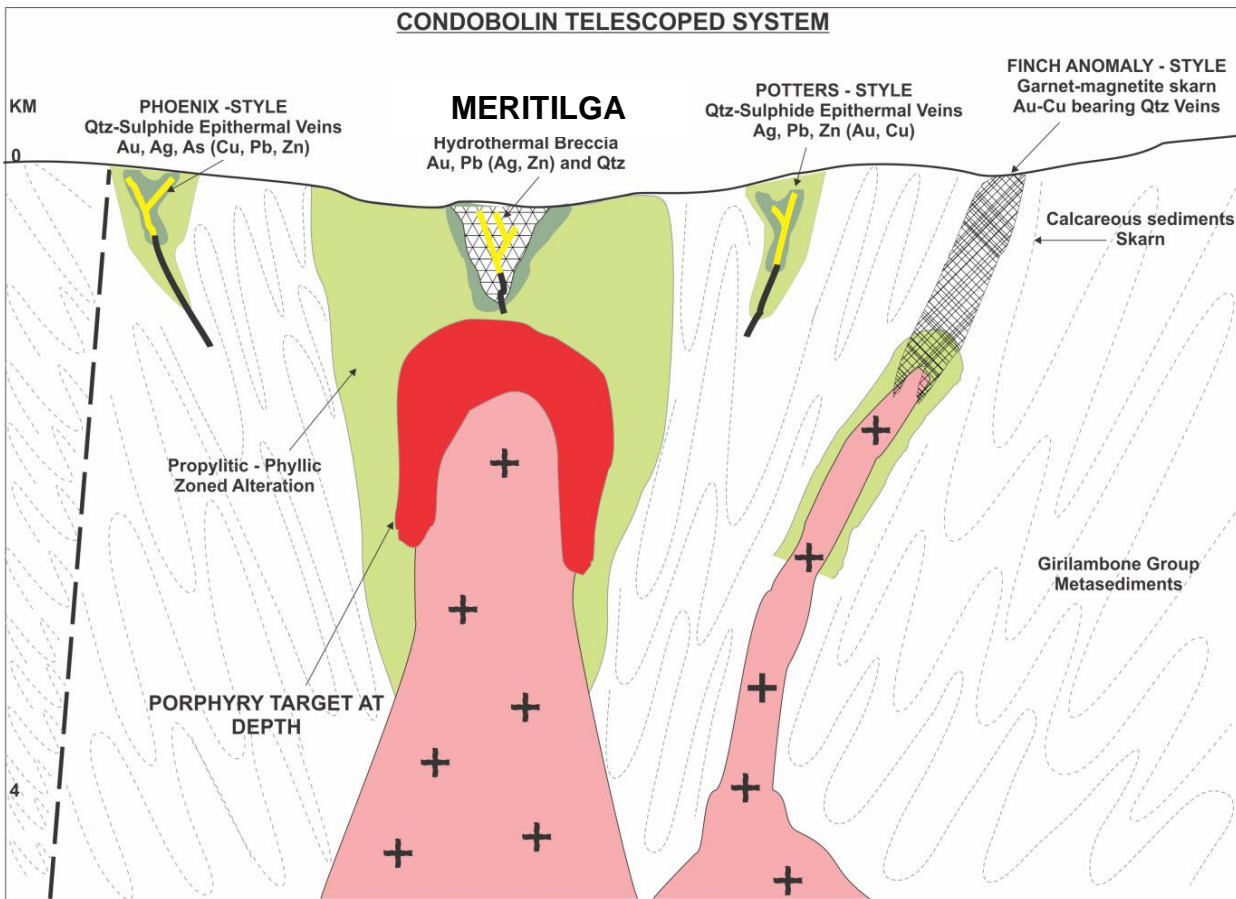


- Work completed in the March 2013 quarter:
  - Ground gravity survey:
    - 125m to 250m offset gravity survey (1,183 stations)
    - complex network of structures coincident with significant intercepts of gold and copper at the Meritilga, Bluebell and Phoenix prospects identified
    - Processing and inversion modelling of the gravity data is in progress
  - Extension of 3D IP surveys:
    - additional four arrays were completed to extend the 2011 survey to the south-west to the Bluebell prospect
    - Two arrays were completed north of Meritilga over the palaeochannel area where an aircore drilling program in November 2011 identified alluvial and basement gold
    - Results show that the Bluebell prospect lies on the prospective Meritilga Fault confirming its strike length to now be 2km
- Work in progress in the June 2013 quarter:
  - RC drilling (2,118m) completed in May 2013
  - Following up Meritilga high-grade intercept – down-dip and along strike
  - Also drilling completed at Bluebell
  - Results expected in late-May and early-June 2013

# Condobolin Telescoped System

The emerging concept is that there is a deep intrusive which could be driving a large hydrothermal system

- This system generated the numerous **polymetallic** historic mines and workings
- The numerous styles of Au, Cu, Pb, Ag and Zn mineralisation in the district could be a manifestation of a substantial zoned hydrothermal system
- Mineralisation and alteration identified to date is consistent with a low-sulphidation epithermal system
- Skarn mineralisation is also present



# Condobolin – Summary

## Excellent potential

- High-grade gold drill intercepts at Meritilga and Phoenix
- Significant untested strike potential at Mertilga
- Results for 2,118m RC drill program expected in the coming weeks
- Polymetallic (gold, silver and base metal) mineralisation – zoned intrusive related system?
- Strong similarities to Mineral Hill
- Easy to explore
- Owned 100% by Clancy



# Joint venture strategy in NSW

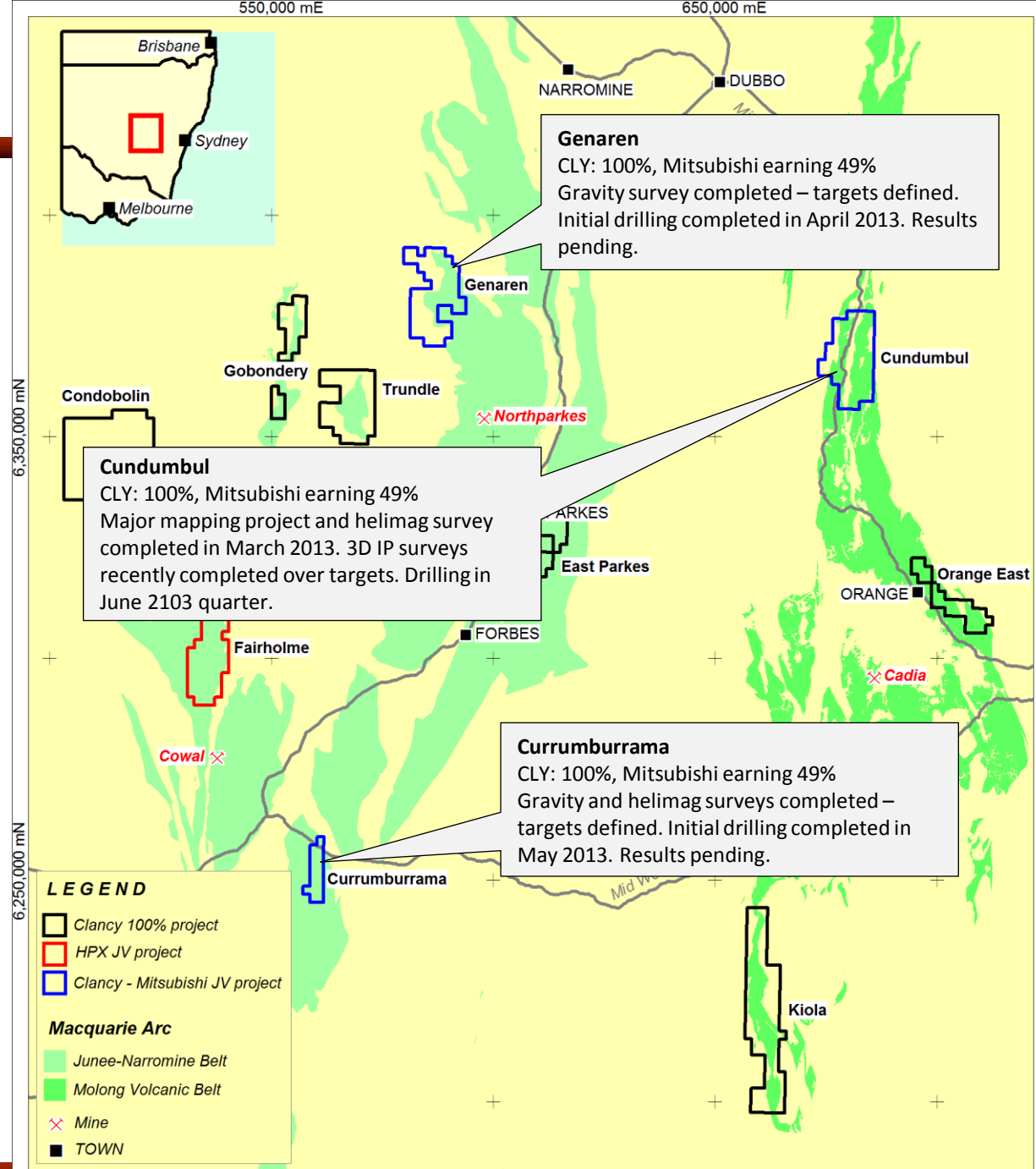


- Clancy's strategy is to partner with parties that:
  - are amenable to Clancy retaining management rights
  - have the demonstrated financial capacity to actively explore a project
  - have specific technical knowledge and access to proprietary technical tools which may have a particular relevance to specific projects
- Minority JV interests that are not delivering value are exited with royalty rights retained if possible
- Clancy delivered on this strategy in 2012/2013:
  - Formed JV with Mitsubishi Materials Corporation of Japan (Mitsubishi) on three copper-gold projects in August 2012
  - Formed JV with High Power Exploration Inc (HPX) on one copper-gold project in May 2013
  - The HPX JV on the Fairholme project will see the project-wide deployment of HPX's proprietary geophysical survey technology
  - The Mitsubishi and HPX JV's involve up to \$8 million partner funded exploration expenditure over a three year period
  - Sold minority JV interests in seven JV's to Gold Fields for \$1.5 million (combination of cash and equity placement to Gold Fields) with Clancy retaining royalties

# Mitsubishi JV's

## Three JV's formed Aug 2012

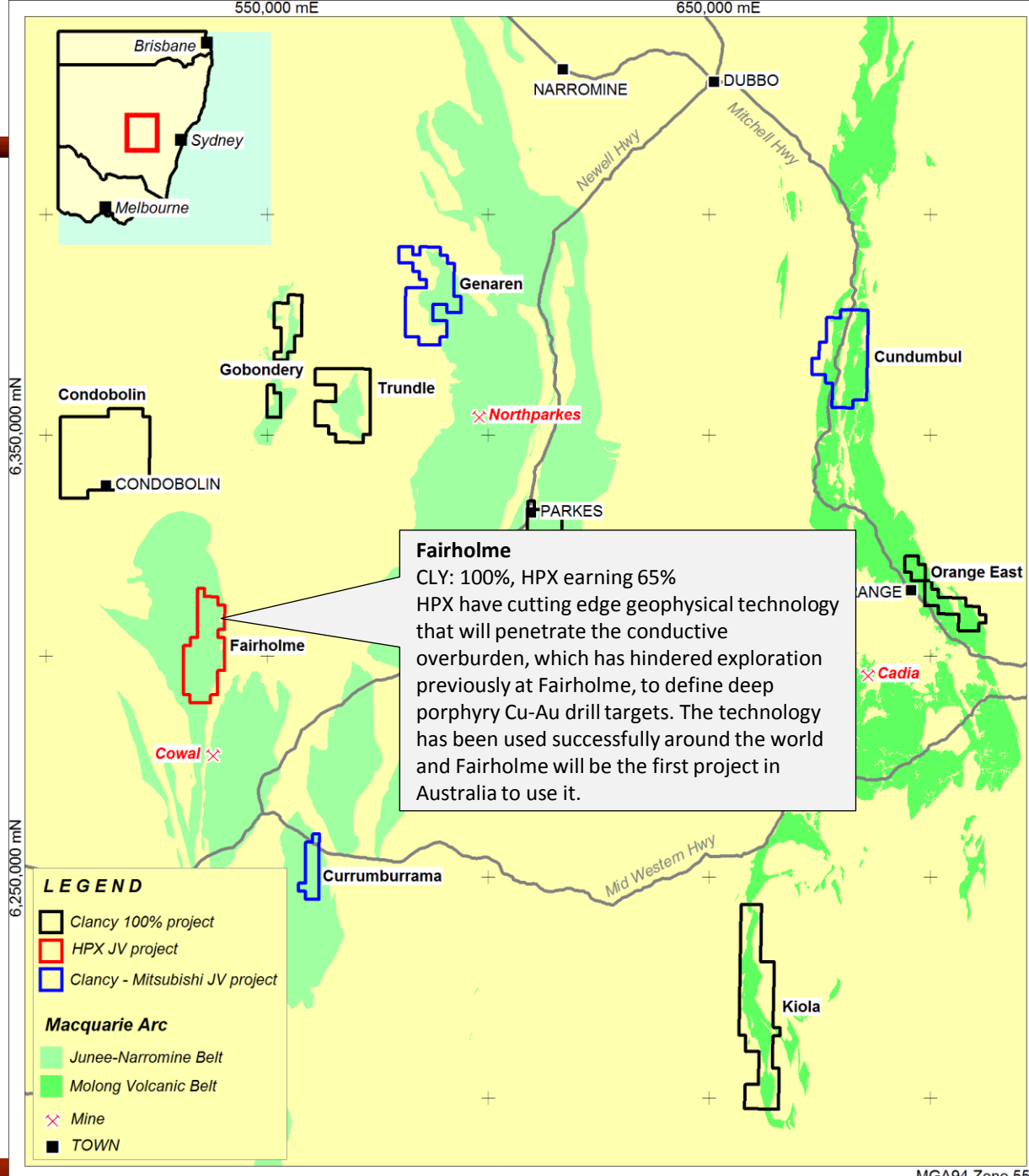
- Porphyry copper-gold projects:
  - Cundumbul
  - Genaren
  - Currumburrama
- Mitsubishi can earn 49% by spending \$3 million
  - Minimum spend \$500,000 before withdrawal
- Clancy is project manager
- Geophysical and geochemical surveys completed
- Major geological and structural study completed at Cundumbul by SRK consultants
- Drill targets defined at all three projects
- Initial drilling recently completed at Genaren and Currumburrama
- 3D IP survey recently completed at Cundumbul
- Results expected in June 2013 quarter



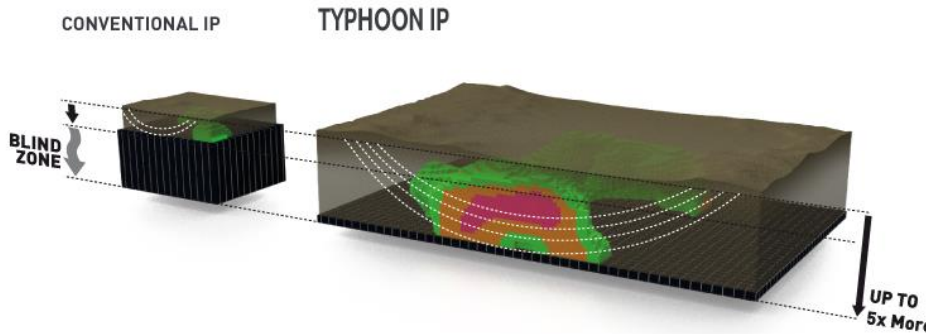
# HPX JV

## Fairholme JV

- Formed May 2013
- Staged earn-in for HPX:
  - \$1 million to earn 49% in first year (\$500,000 minimum spend before withdrawal)
  - \$4 million over next two years aimed at delineating a scoping study to earn 65%
  - HPX can earn 80-85% by sole funding a pre-feasibility study (cost dependent)
- Clancy is project manager for the \$5 million earn-in stage
- Project-wide deployment of HPX's proprietary geophysical survey technology
- Planning and permitting for surveys in progress
- Aiming for geophysical survey works to commence in the September 2013 quarter



## ACCURATE IP/EM SURVEY TECHNOLOGY



Source: [hpxploration.com](http://hpxploration.com)

### DEEPER!

TYPHOON high power and pure signal enables a very high signal/noise ratio, facilitating great depth penetration.

### FASTER!

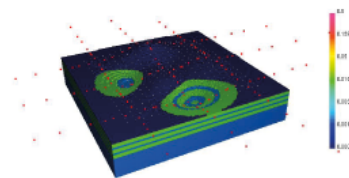
Typhoon's power allows large surface areas to be covered quickly, reducing cost per unit area.

### BETTER

TYPHOON™ high quality signal remains pure even in hostile recording conditions.

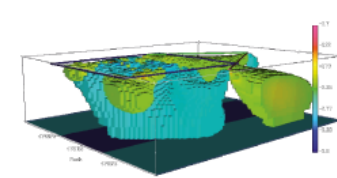
TYPHOON™ has been designed to inject current in areas that have very high contact resistance such as Caliche conditions in Chile. Typhoon can survey where other systems are ineffective.

## AN EFFICIENCY ORIENTED SOFTWARE PLATFORM



### Survey design and optimization

- Selects the best suite of geophysical methods to optimally define the target and determine the survey parameters such as transmitter/receiver locations and operating frequencies
- Optimize survey layout given specific budget and cost model for each project in order to achieve a cost effective survey design, within the ideal geophysical parameters
- Test the performance of the survey design on our bank of geological models



### Processing & Inversion

- Inverts data obtained from various sources/receivers and different configurations
- Flexible and works with any topography
- Suitable for complex targets in 3D
- Performs detailed regional inversions (~10003 cells) utilizing advanced OcTree meshing
- Provides rapid turnaround time and delivers results quickly
- Can re-process and invert previously collected data in order to ensure the maximum extraction of information

## Clancy is an active explorer with outstanding prospects

- High quality exploration assets with a commanding position in a world class mineral province – Lachlan Fold Belt NSW
- Focussed exploration strategy, robust targets and risk managed exploration – mix of self-funded and partner-funded exploration
- Excellent early-stage drilling results at 100% owned Condobolin project:
  - Virgin Meritilga prospect **4m @ 20g/t Au & 30.2g/t Ag**; incl **1m @ 62g/t Au & 60g/t Ag**
  - 2,118m of follow-up RC drilling completed in May 2013; results pending
- Partner funded exploration – up to \$8 million over three years:
  - Three JV's with Mitsubishi
  - One JV with HPX
- Cutting edge proprietary exploration technology
- Talented and experienced board and management team
- Project identification and assessment capability through M&A
- Looking forward to growing the business in 2013

# Contact details

## Contact details

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