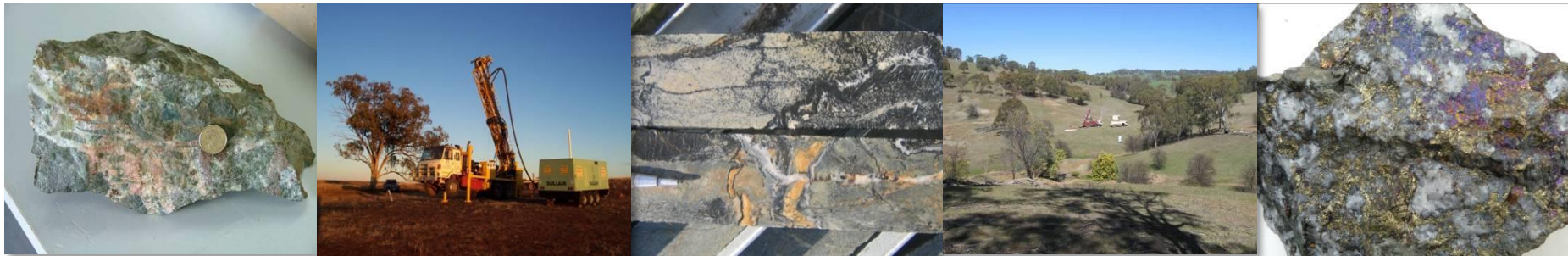


## 2014 AGM Managing Director's Presentation Gordon Barnes 7 May 2014 Orange



# Disclaimer



The material in this presentation (“material”) is not and does not constitute an offer, invitation or recommendation to subscribe for, or purchase, any security in Clancy Exploration Limited (“CLY”) nor does it form the basis of any contract or commitment. CLY makes no representation or warranty, express or implied, as to the accuracy, reliability or completeness of this material. CLY, its directors, employees, agents and consultants, shall have no liability, including liability to any person by reason of negligence or negligent misstatement, for any statements, opinions, information or matters, express or implied, arising out of, contained in or derived from, or for any omissions from this material except liability under statute that cannot be excluded.

Statements contained in this material, particularly those regarding possible or assumed future performance, costs, prices, resources, reserves or potential growth of CLY or, industry growth or other trend projections are, or may be, forward looking statements. Such statements relate to future events and expectations and, as such, involve known and unknown risks and uncertainties. Actual results and developments may differ materially from those expressed or implied by these forward looking statements depending on a variety of factors and risks, many of which are outside the control of CLY and its directors. Investment in the securities of CLY is considered to be highly speculative.

The information in this material that relates 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 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

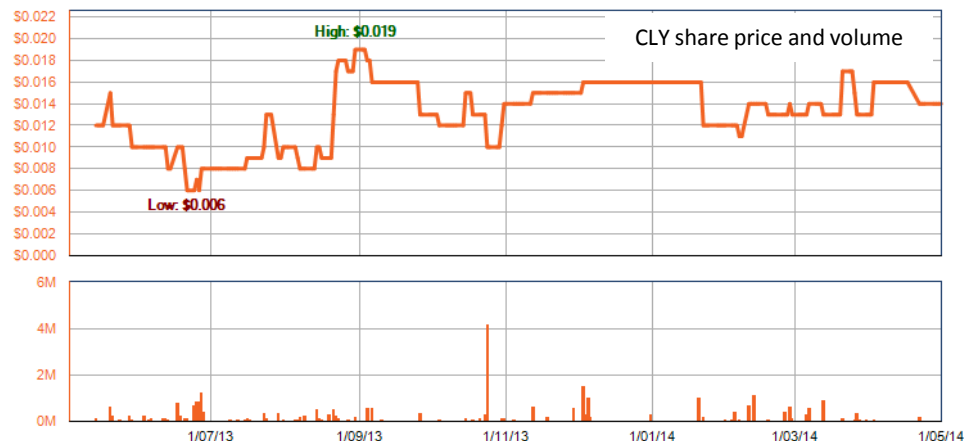
- Commanding ground position in highly prospective mineral provinces:
  - Lachlan Fold Belt in NSW – 10 projects; 1,563km<sup>2</sup>
  - North Arunta in NT – 5 projects; 13,418km<sup>2</sup> (to be acquired from ABM)
- Targeting gold, copper, silver and base metals
- Mix of self-funded and partner funded exploration:
  - Five projects to be acquired from ABM in the NT
  - Seven 100% owned projects in NSW
  - Two JV's with Mitsubishi in NSW
  - One JV with Kazien Discovery in NSW
  - Three base metal JV's in Tasmania (Bass Metals and TNT Mines)
  - JV partners currently contributing funding of ~\$2.4m per annum
  - Clancy is manager of the NSW JV's
- Deployment of leading-edge exploration technology:
  - HPX Typhoon IP system at Fairholme NSW (Kaizen JV)
  - Model driven probabilistic targeting strategy

# Clancy Snapshot

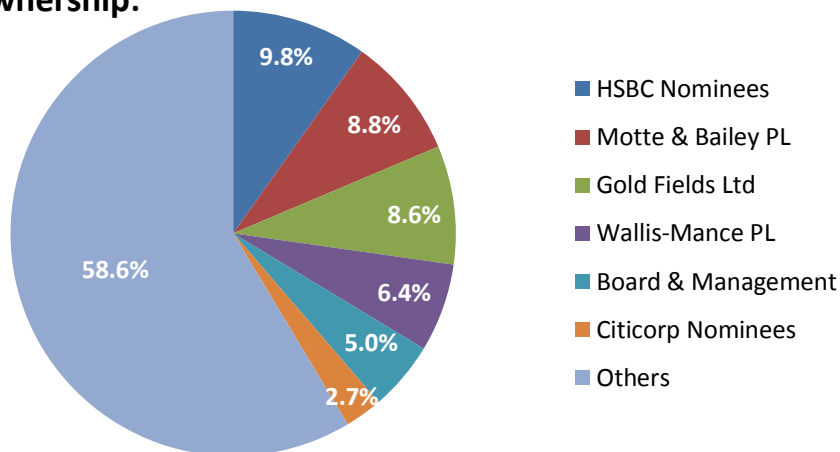


## Clancy is a quality exploration company with:

- ✓ High quality exploration assets
- ✓ Leading-edge exploration technology
- ✓ A focussed exploration strategy
- ✓ Talented and experienced management team
- ✓ Risk managed exploration
- ✓ Robust project targets
- ✓ Commanding ground position in emerging frontier terrain



## Ownership:



## Company Structure

Market Capitalisation	\$2,887,561
Share price <sup>1</sup>	\$0.014
Shares on issue	206,254,392
Top 20	62%
Cash <sup>2</sup>	\$1.58m
Debt	-

1. Closing price 2 May 2014

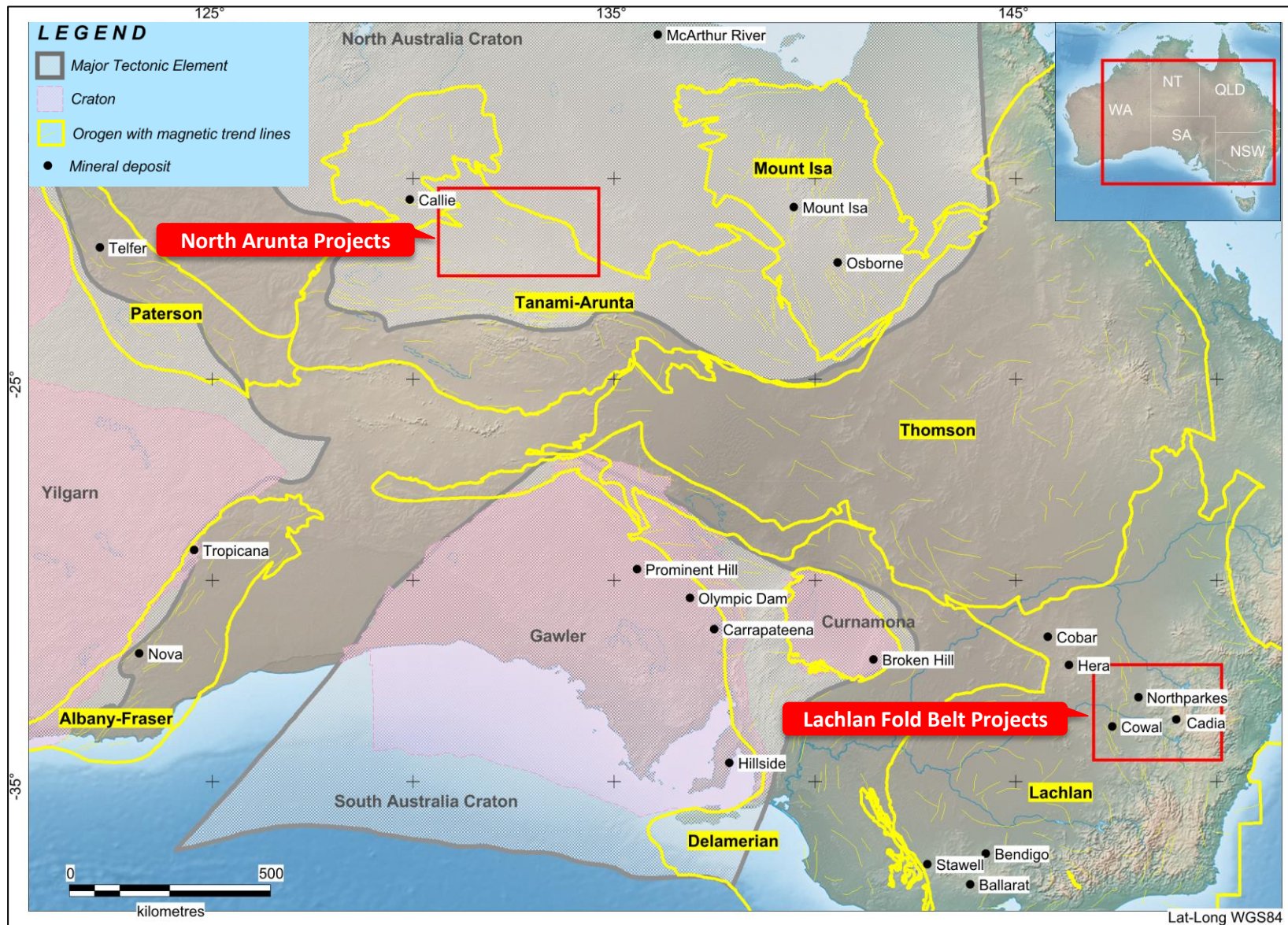
2. As at 31 March 2014

# 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). Mike’s previous directorships include Zeus Resources Ltd, DET CRC Ltd, 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, MAIG, MSEG, GAICD</i>                  Gordon is an exploration geologist with a background in exploration project management and technical consulting services. He has over 26 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. 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. James’ previous directorships include James International Base Metals Ltd and Craton Mining and Exploration Ltd.</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 was previously a Director of Bounty Mining, 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>Senior Field Coordinator</p>	<p>Euan Scott</p>

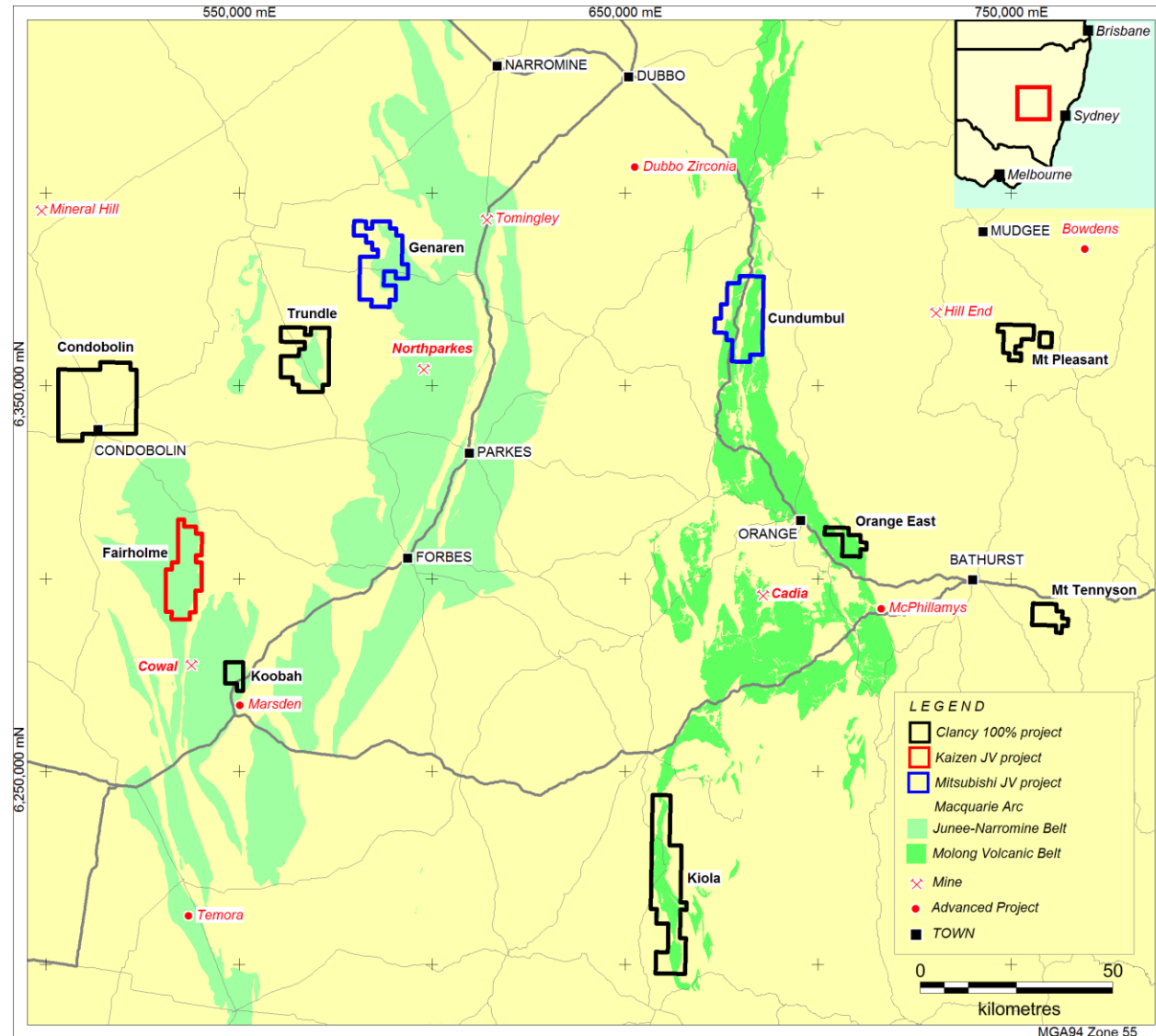
# Project Locations – Arunta & Lachlan Orogen's



# NSW – Lachlan Fold Belt Projects

## Macquarie Arc

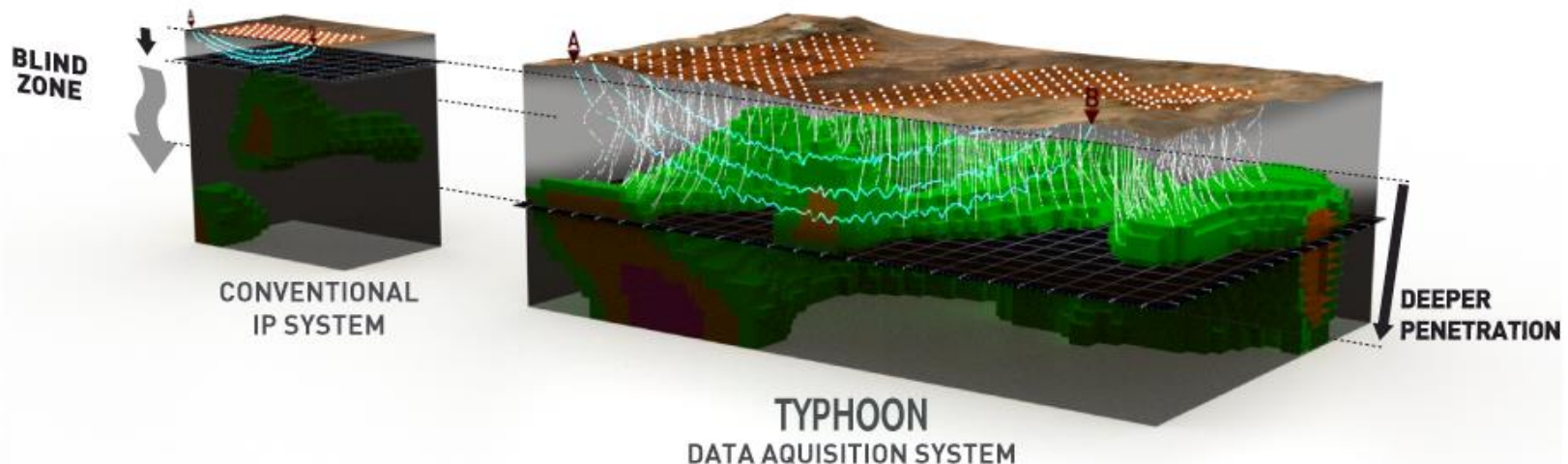
- The Macquarie Arc has over **85 Moz of gold** and **15 Mt of copper**
- Most of this gold and copper was discovered in the last 19 years
- Clancy has 10 projects (1,563km<sup>2</sup>) in this richly endowed terrain
- **Newcrest at Cadia Valley (>67 Moz Au, >10Mt Cu)**
- **CMOC at Northparkes (>2.9 Moz Au, >2.1 Mt Cu)**
- **Barrick at Cowal (> 4.5 Moz Au)**
- Newcrest, Alkane, Regis and Straits also have resources defined
- Clancy has recently been active on the Kaizen Discovery and Mitsubishi JV projects
- With JV funding Clancy will manage a very active field program in NSW in 2014



- 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
- Kaizen Discovery Inc JV – Fairholme:
  - A\$1M Phase 1 earn-in completed in 2013; Kaizen interest 49%
  - Typhoon gradient array IP survey covering 74km<sup>2</sup> completed
  - Nine anomalies identified for follow-up; two drilled to date
  - A\$4M Phase 2 earn-in has commenced to take Kaizen's interest to 65%
  - Typhoon 3D IP survey scheduled for mid-2014; diamond drilling late 2014
- Mitsubishi JV's – Cundumbul and Genaren:
  - A\$3M earn-in over 3 years from September 2012 to earn 49%; \$2.3M contributed to date
  - Geophysical surveys (IP, gravity & magnetics) and drilling completed in 2013; targets defined
  - Drilling of targets at Cundumbul and Genaren scheduled September and December quarters 2014

## Typhoon IP survey

- HPX TechCo (HPX) has the proprietary Typhoon IP system
- JV initiated with HPX in May 2013; HPX transferred its interest to Kaizen in December 2013; HPX is Kaizen's controlling shareholder
- Typhoon gradient IP survey was completed in August 2013, which was the first use of the technology in Australia
- The Typhoon IP survey successfully penetrated highly conductive overburden where conventional IP had previously failed
- Nine anomalies defined to date – a follow-up Typhoon 3D IP survey is planned for mid-2014 to deliver porphyry copper-gold drill targets for testing in late 2014



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

# NSW – Cundumbul & Genaren JV's, Mitsubishi

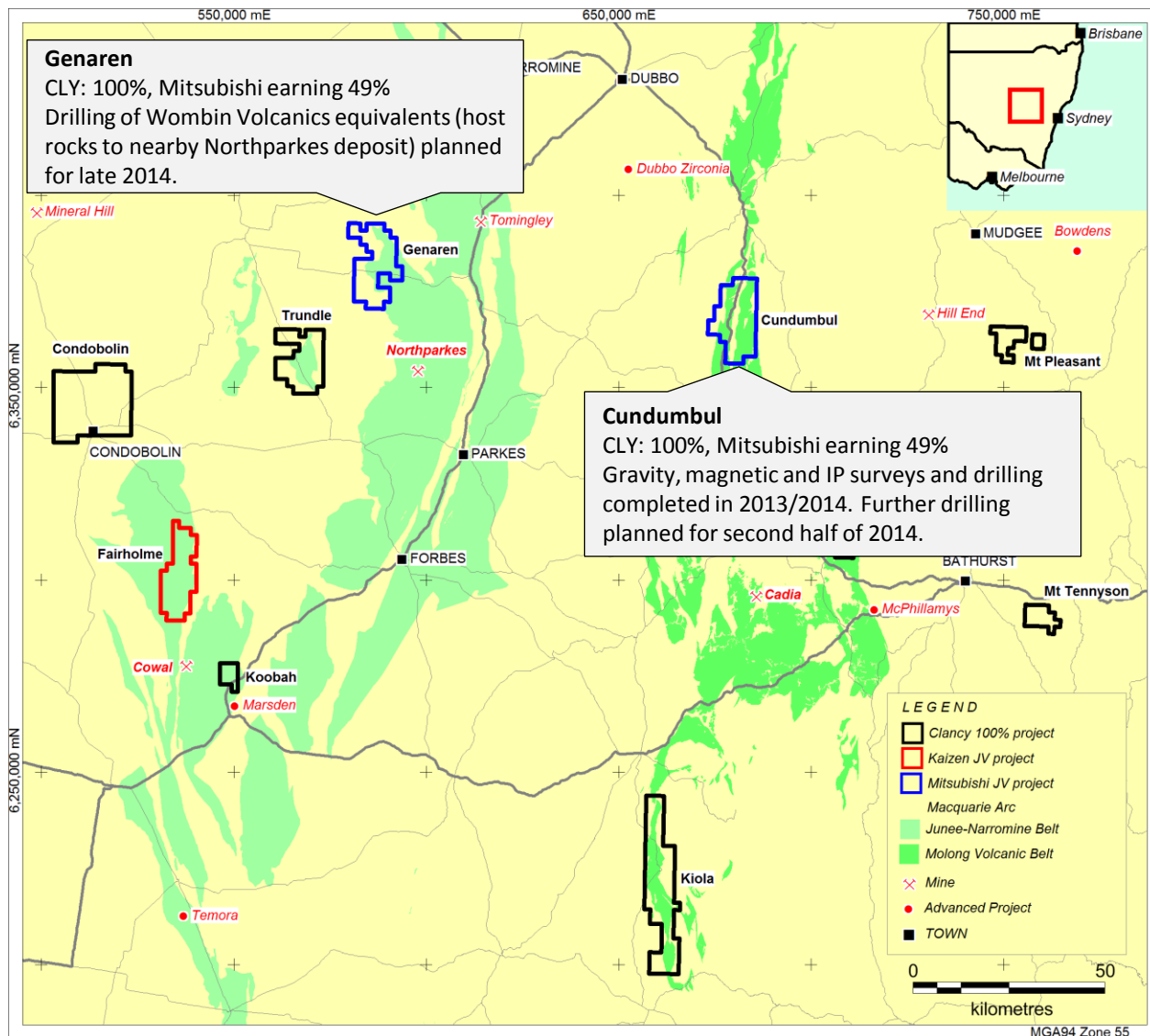
## Porphyry copper-gold

- Cundumbul:

- Systematic exploration in 2013/2014
- Drill targets defined at the Andrews and Mehruda Mo prospects
- Drilling planned for the second half of 2014

- Genaren:

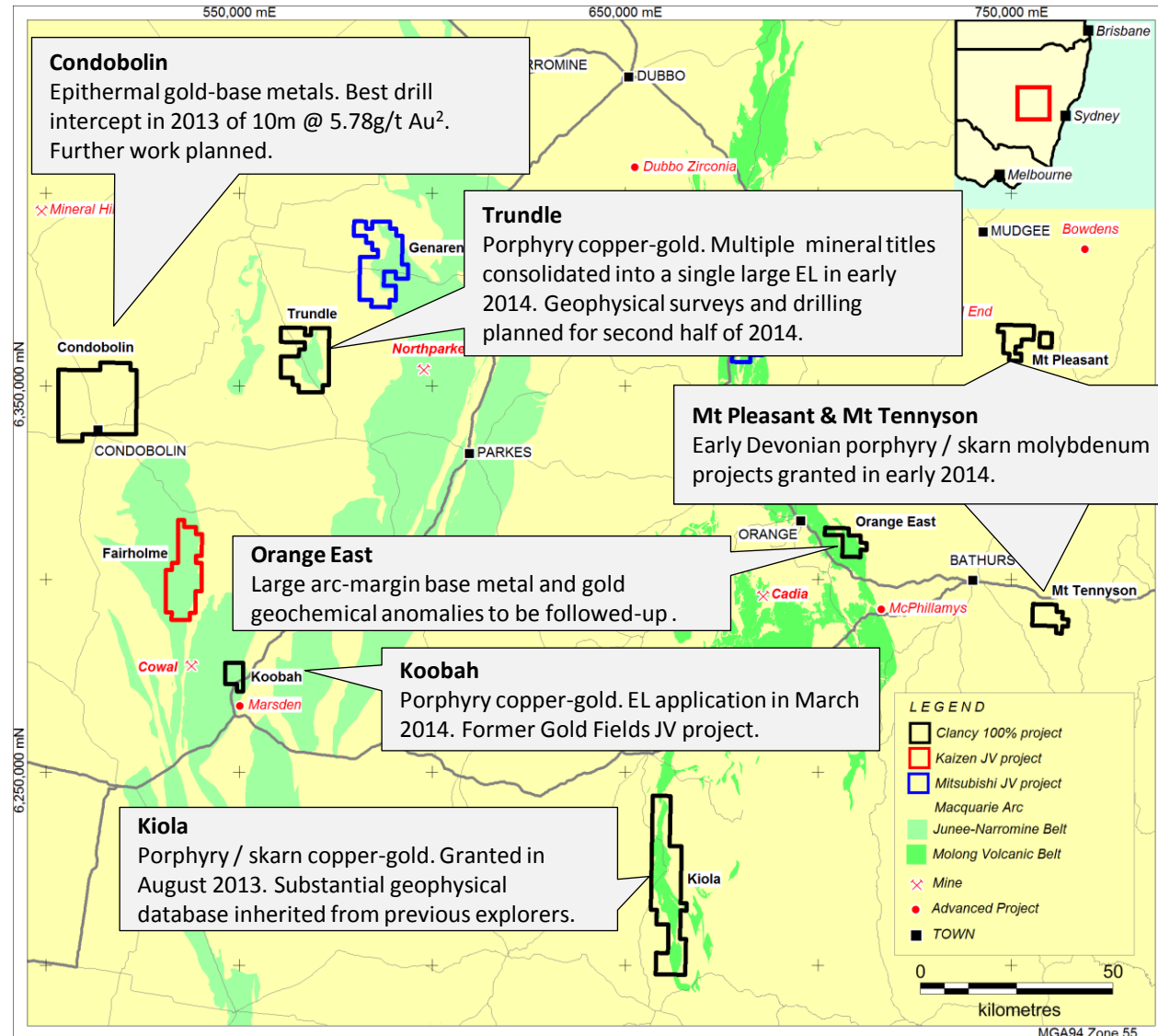
- Structural and stratigraphic interpretation has identified Wombin Volcanics equivalents (Northparkes host rocks)
- These areas will be drill tested in late 2014



# NSW – 100% owned projects

## Highlights

- Condobolin:
  - Low sulphidation epithermal polymetallic system
  - Alteration and geochemical footprint 3 x 3km
  - Significant drill intercepts at the Meritilga prospect
    - 4m @ 20g/t Au<sup>1</sup>
    - 10m @ 5.78g/t Au & 26.70g/t Ag<sup>2</sup>
- Trundle:
  - Porphyry and skarn copper-gold targets defined
  - Geophysics and drilling planned in second half of 2014
- New projects acquired in 2013/2014 (free peg):
  - Mt Tennyson, Mt Pleasant, Kiola & Koobah



<sup>1</sup> ASX release 20 March 2012

<sup>2</sup> ASX release 17 June 2013

# NT – North Arunta Acquisition from ABM

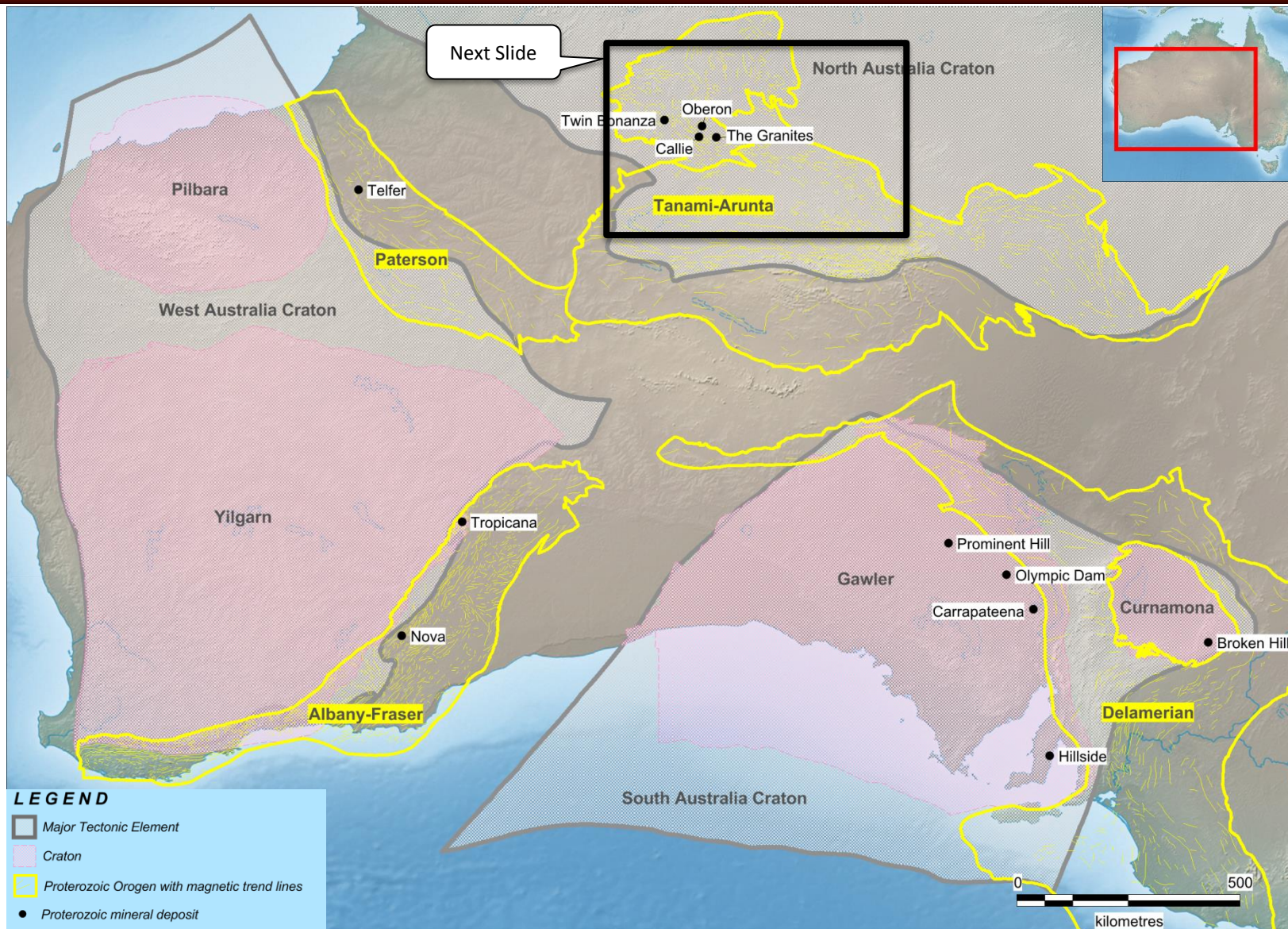


- ABM's North Arunta Project is located in the Proterozoic Tanami-Arunta Orogen in the NT:
  - Over 11.5Moz of gold has been discovered since 1985
  - Highly prospective for Au, Cu and Ni ± Sn, W, Sb
  - Shares many similarities with the Albany-Fraser Orogen in WA, a current exploration hotspot
- The North Arunta Project is prospective for deposit styles which may have been overlooked in the past:
  - Intrusion Related Gold Systems (IRGS) – Au-Sn-Sb-W and base metals
  - Magmatic nickel deposits
- Modern techniques and technologies, a new exploration model and a fresh approach could provide the key to discovery:
  - Previous drilling has intersected medium- to high-grade, but low-tonnage gold mineralisation at Kroda and Sabre in the Barrow Creek project
  - It is possible that the current prospects are peripheral or secondary to a larger scale mineral system that remains undiscovered
- CLY exercised an option to acquire the project from ABM on 31 January 2014:
  - Shareholder approval to be sought at the AGM on 7 May 2014
  - Completion subject to financing
  - Fieldwork expected to commence in June 2014

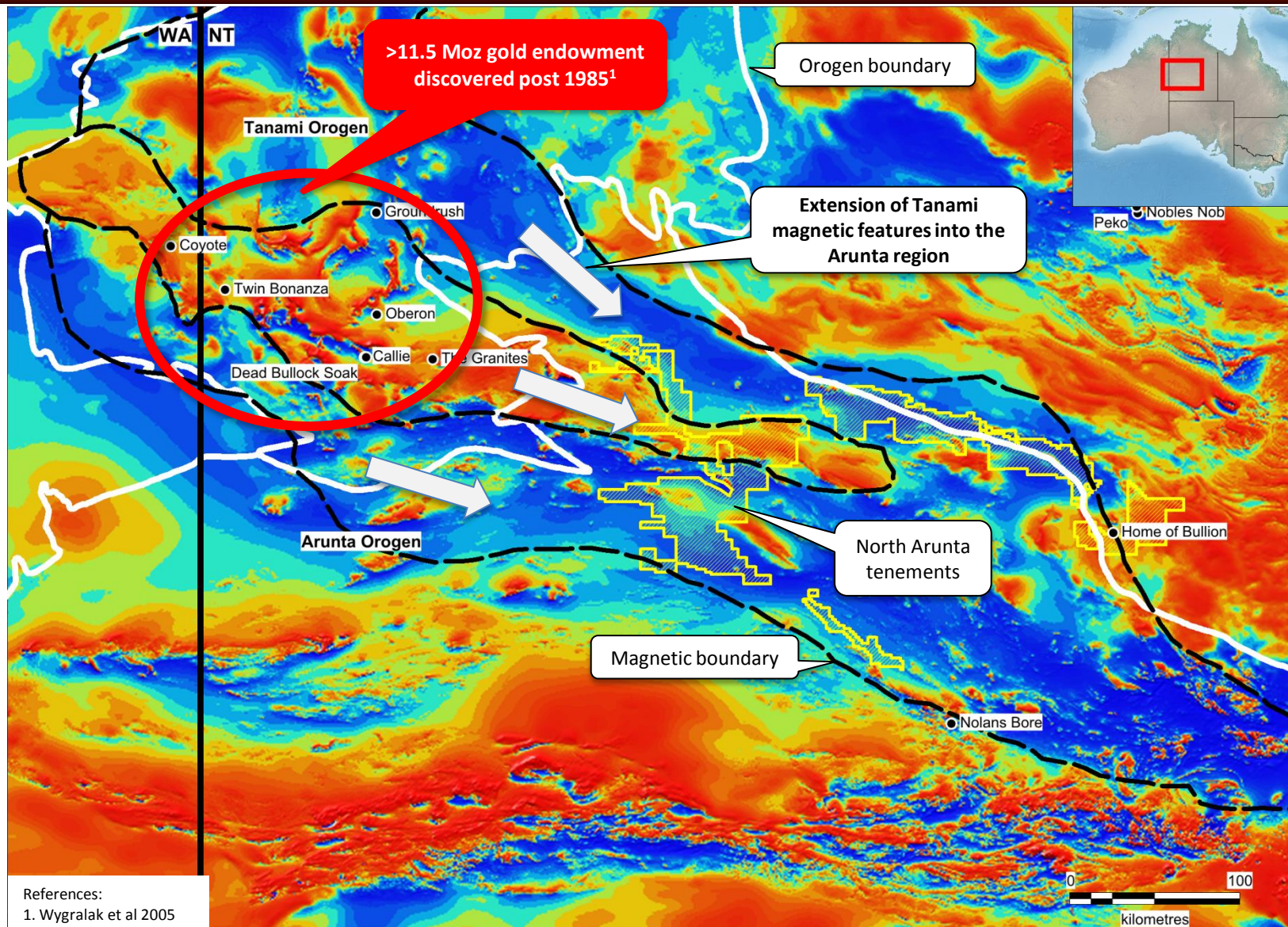
# Proterozoic Orogenic Belts

- Form on margins of Archean cratons during major tectonic events
- Host significant mineral resources globally, particularly gold, copper and nickel
- Key Proterozoic Orogenic belts in Australia:
  - Albany-Fraser, Tanami-Arunta, Paterson and Delamerian
- New insights into the potential of these belts has been driven by discovery, although in general, they remain very poorly explored
- Recent discoveries in Proterozoic Orogenic belts in Australia:
  - Albany Fraser: Tropicana gold (2005), Nova nickel (2012)
  - Tanami-Arunta: numerous gold mines – The Granites (1985), Callie (1991), Dead Bullock Soak (1992), Groundrush (1999), Coyote (2002), Oberon (2009), Twin Bonanza (2010)
- Clancy believes that the Arunta region has the potential to become Australia's next exploration hotspot

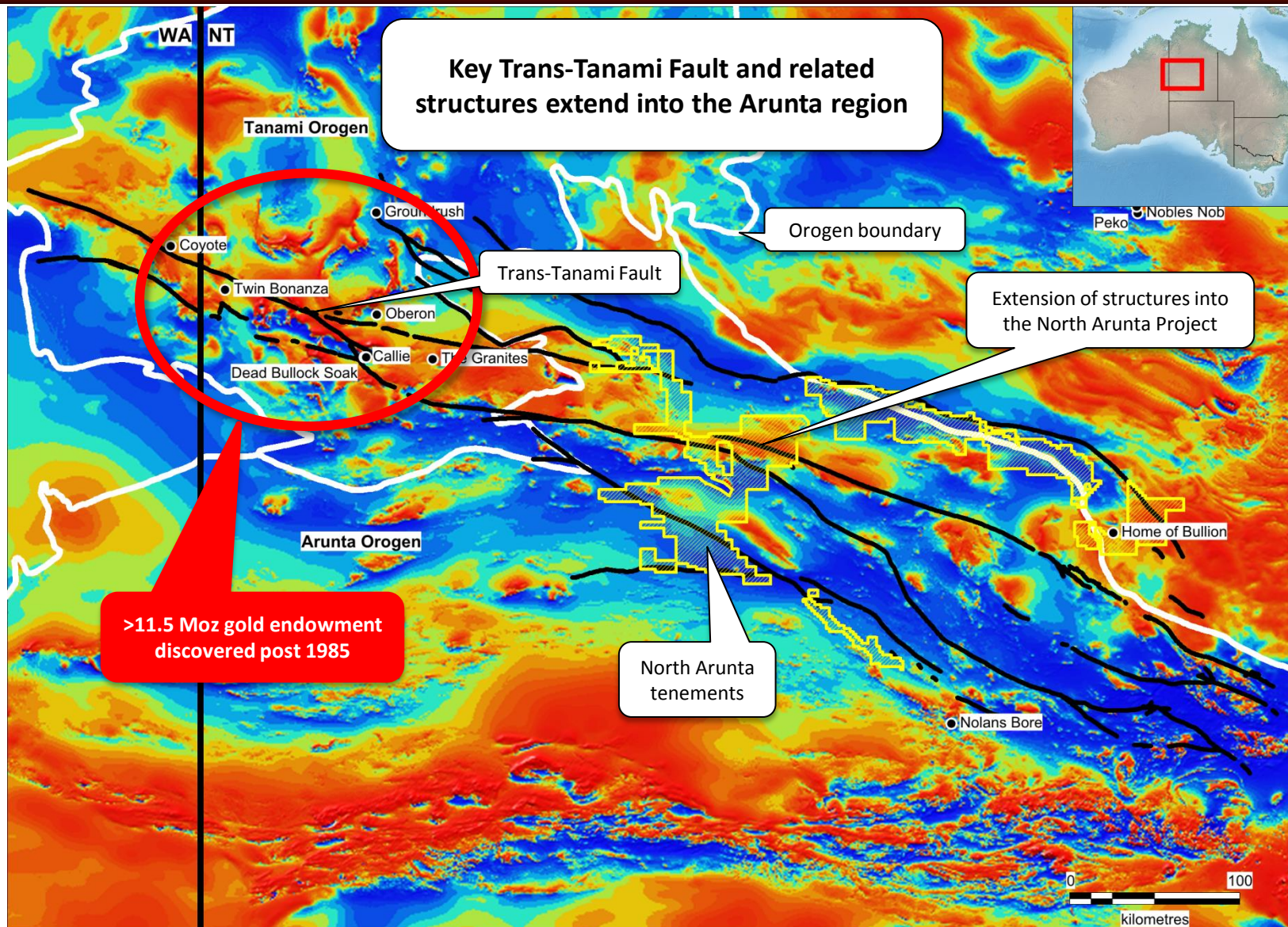
# Australian Proterozoic Orogenic Belts



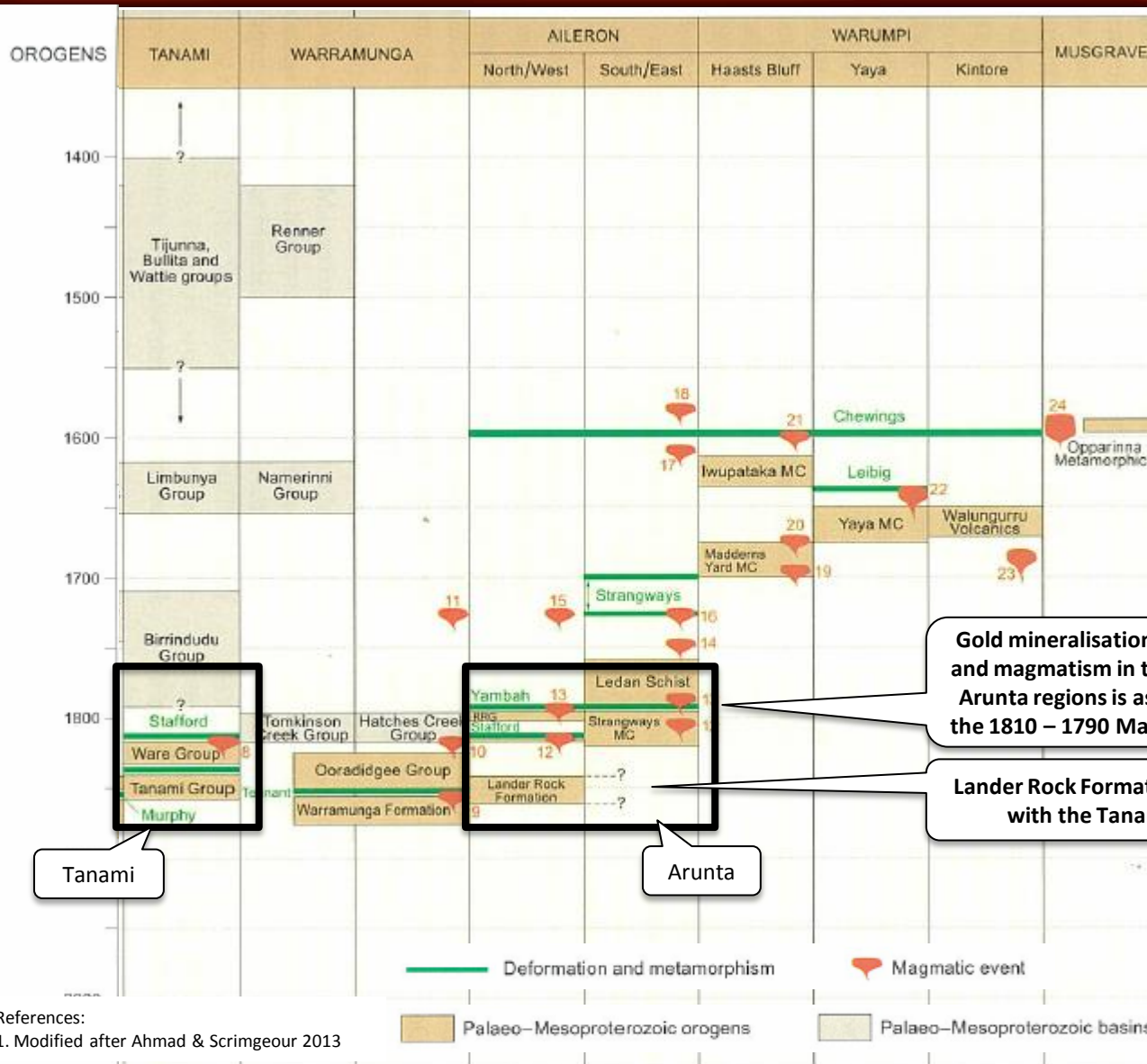
# Tanami – Arunta Regional Magnetics



# Tanami – Arunta Regional Magnetics



# Tanami – Arunta Correlation<sup>1</sup>



The Chewings Event may also be potentially significant for mineralisation in the Arunta region

Gold mineralisation, deformation and magmatism in the Tanami and Arunta regions is associated with the 1810 – 1790 Ma Stafford Event

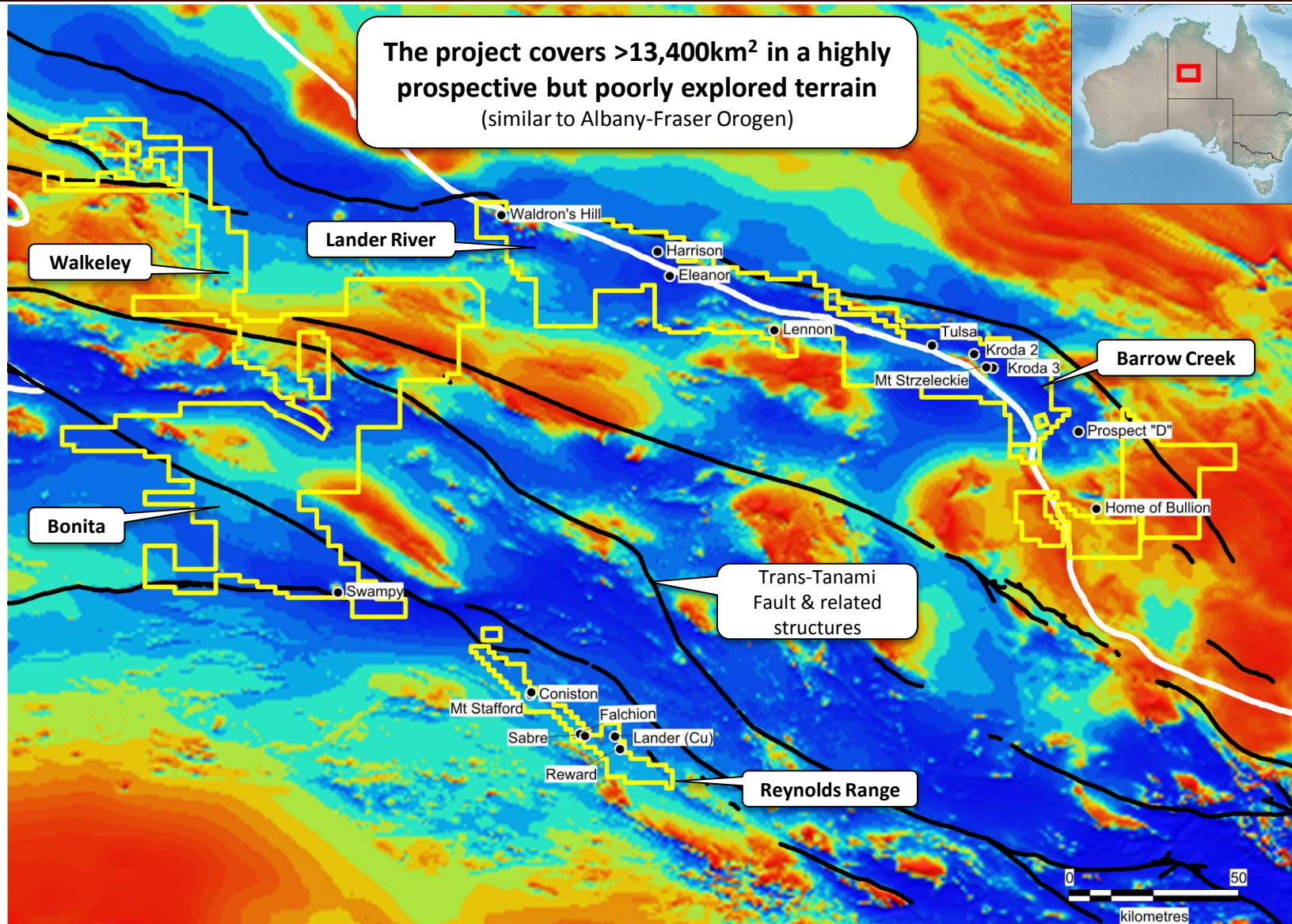
Lander Rock Formation correlated with the Tanami Group

Tanami

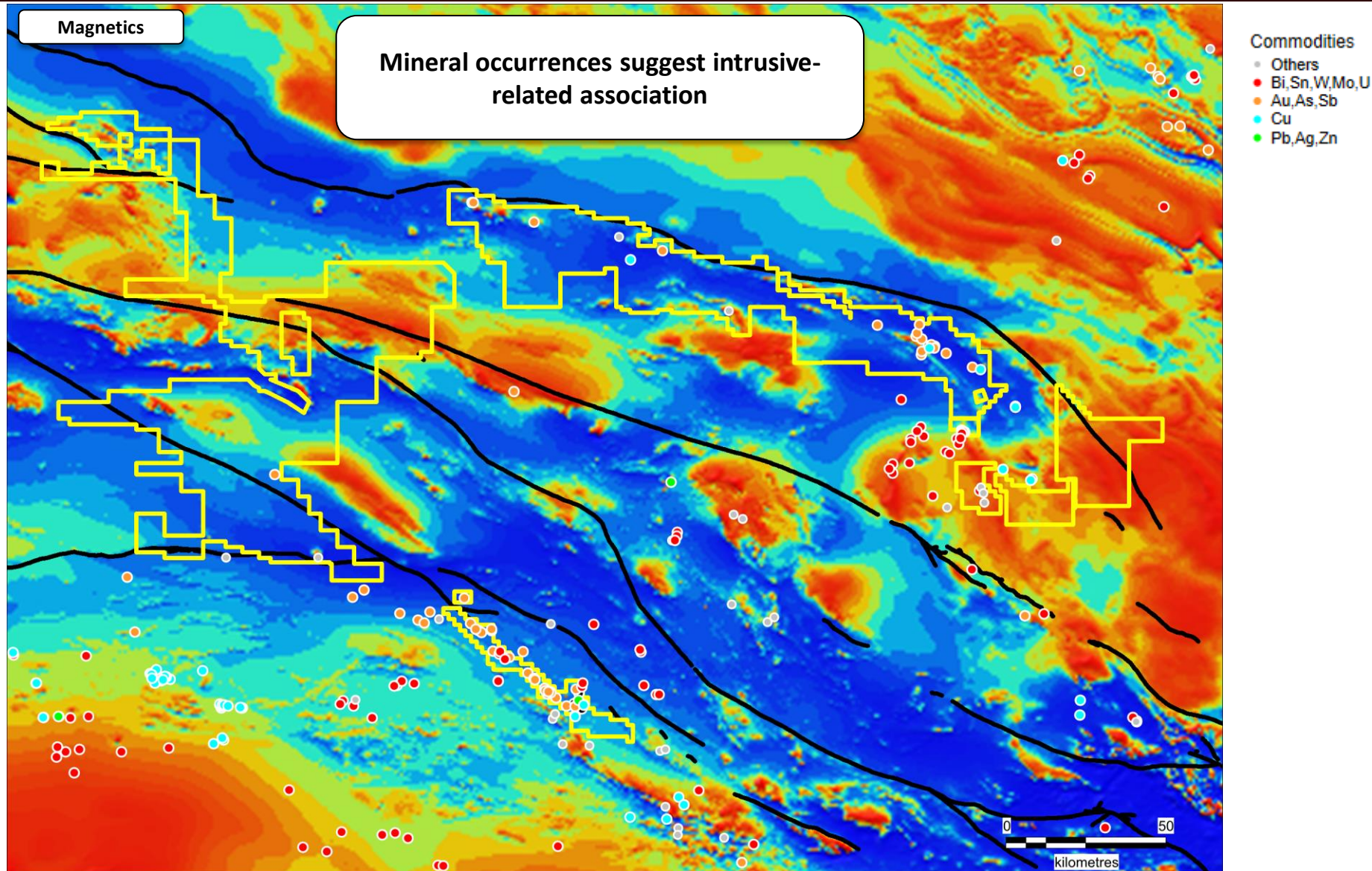
Arunta

References:  
1. Modified after Ahmad & Scrimgeour 2013

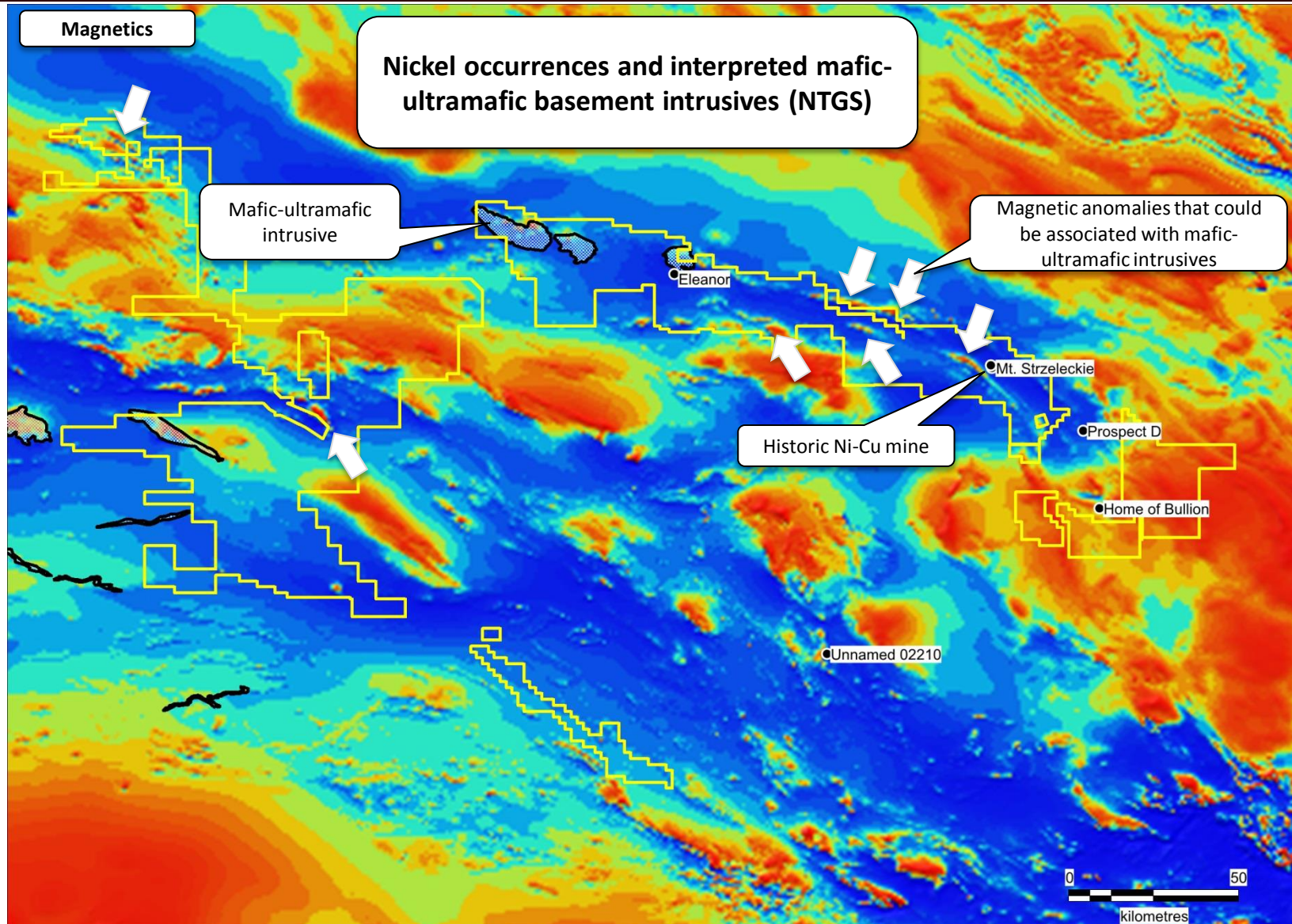
# North Arunta Project Magnetics & Prospects



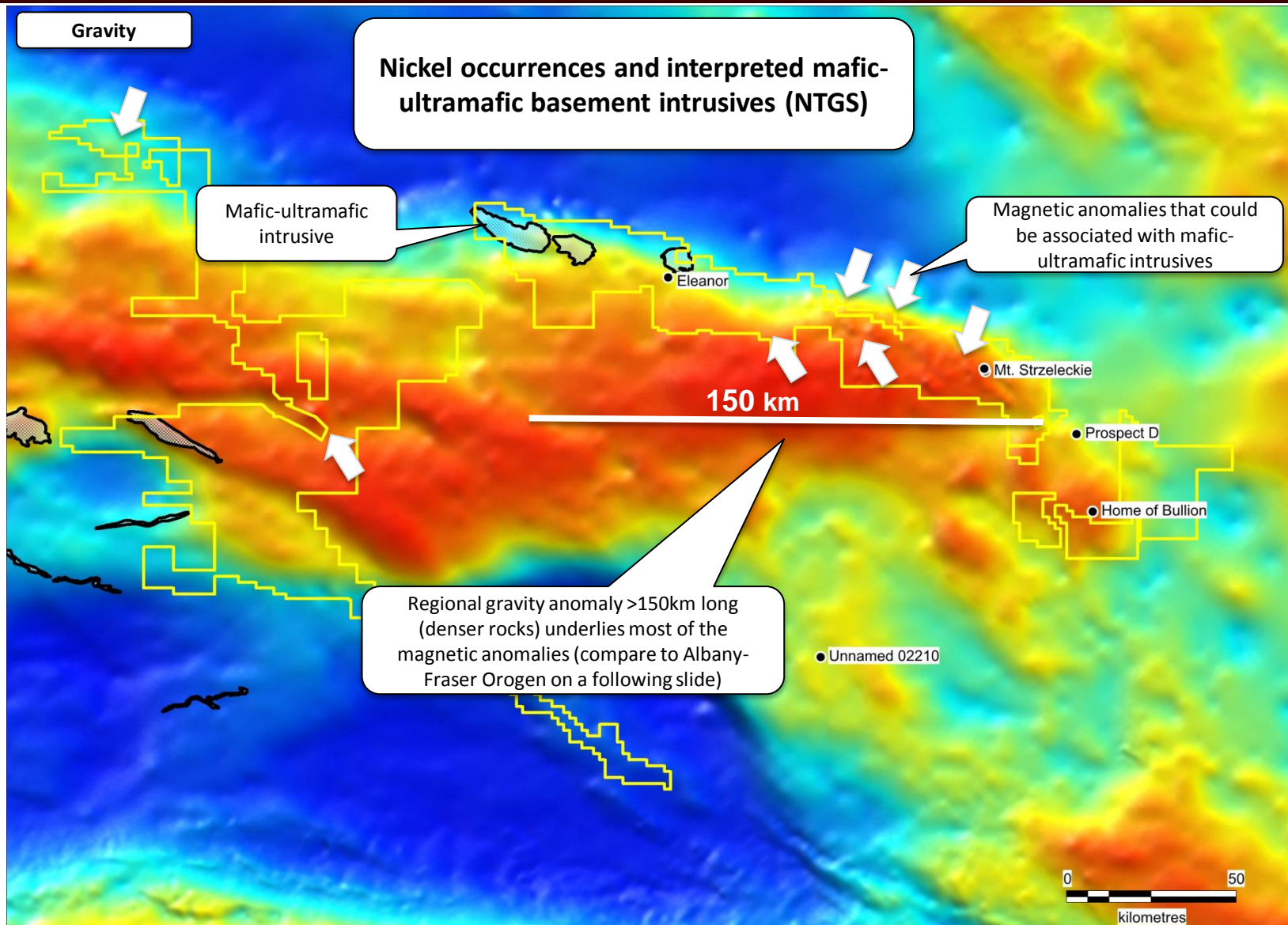
# North Arunta Project Mineral Occurrences



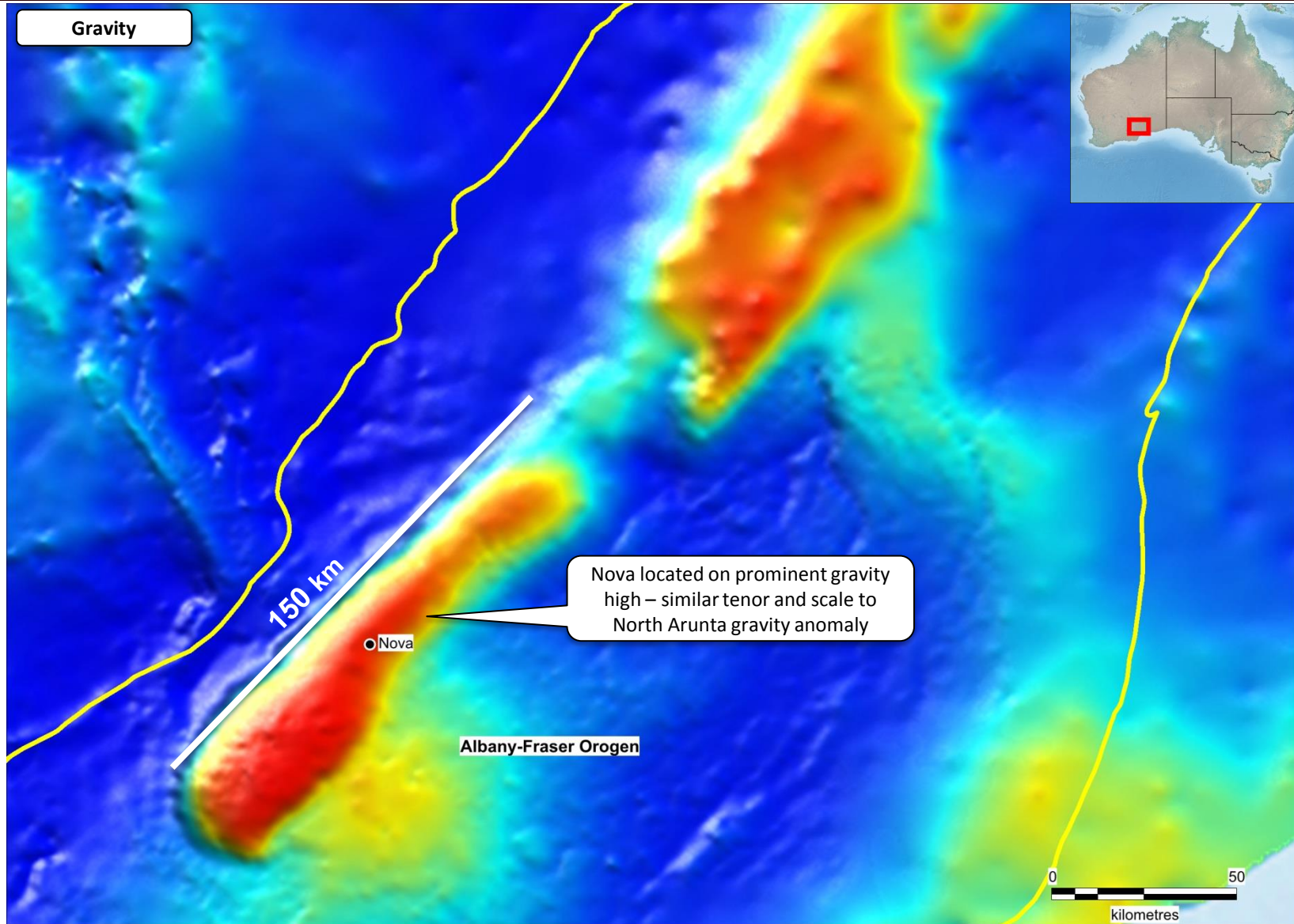
# North Arunta Project Nickel Occurrences



# North Arunta Project Nickel Occurrences



# Albany-Fraser Nova Nickel discovery



# Outcomes of Clancy due diligence



## Regional setting and exploration potential

- The North Arunta project is located in the Proterozoic Tanami-Arunta Orogen – over 11.5Moz of gold has been discovered in the Tanami since 1985
- Tanami rocks associated with the Stafford Event unequivocally extend into the North Arunta Project area
- The Tanami-Arunta Orogen is highly prospective for Au, Cu & Ni, and is similar in scale and prospectivity to the Albany-Fraser Orogen, the current exploration hotspot
- The North Arunta Project has many characteristics that suggest it is prospective for Intrusion Related Gold Systems (IRGS), which may have been overlooked in the past
- It also has potential for magmatic nickel deposits; e.g. Nova-style in terms of host rocks, tectonic setting and geophysical anomalies (gravity)

# Outcomes of Clancy due diligence

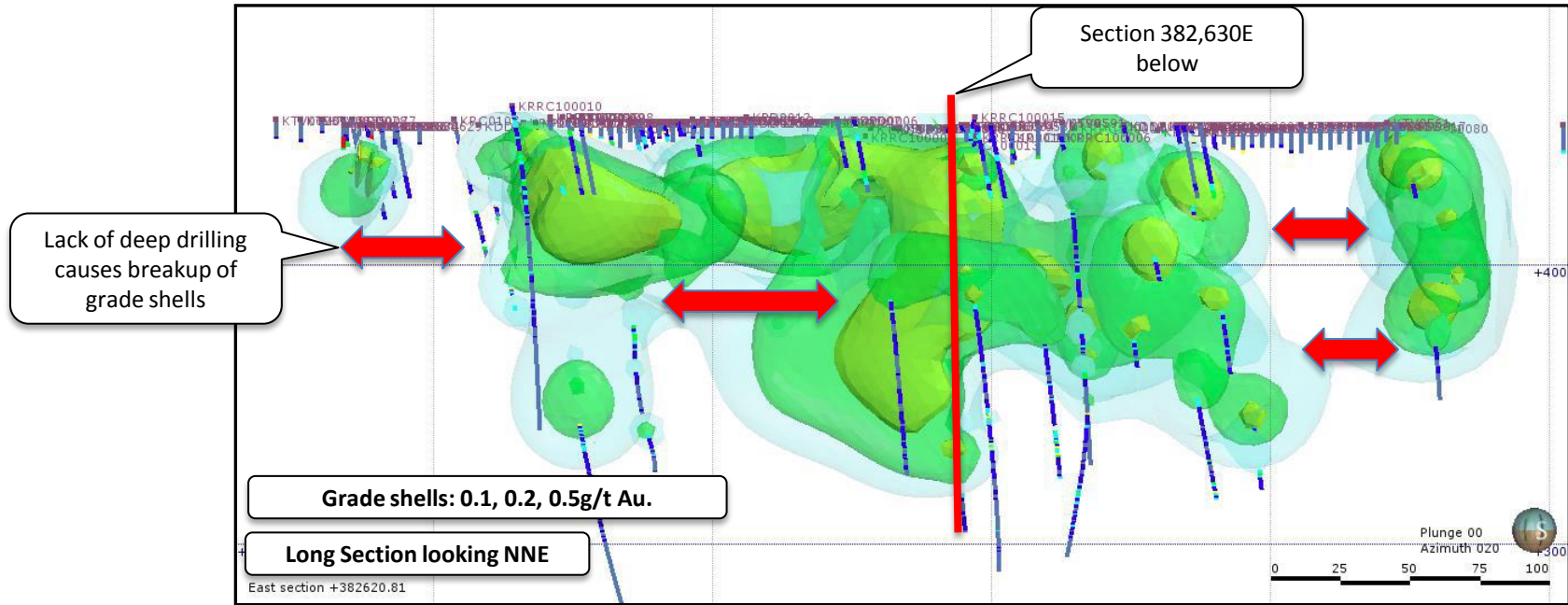


## Previous exploration

- Early exploration relied heavily on vacuum drilling and BLEG sampling – both of these techniques have demonstrated flaws suggesting that many areas may have been incorrectly downgraded
- A relatively new technique, ionic leach geochemistry (Deep Penetrating Geochemistry - DPG) was successfully deployed by ABM with a number of anomalies defined – however the DPG program was suspended in 2013 when trial mining commenced at Old Pirate
- The DPG anomalies defined to date remain to be followed up; e.g. Tulsa and further DPG programs were planned but not completed
- DPG combined with other technologies, a new exploration model and approach could provide the key to discovery
- Previous drilling has intersected medium- to high-grade, but low-tonnage gold mineralisation at Kroda and Sabre:
  - e.g. Kroda – 57m @ 3.83g/t Au, including 29m @ 6.83g/t Au
  - It is possible that the current prospects are peripheral or secondary to a larger scale mineral system that remains undiscovered; e.g. IRGS

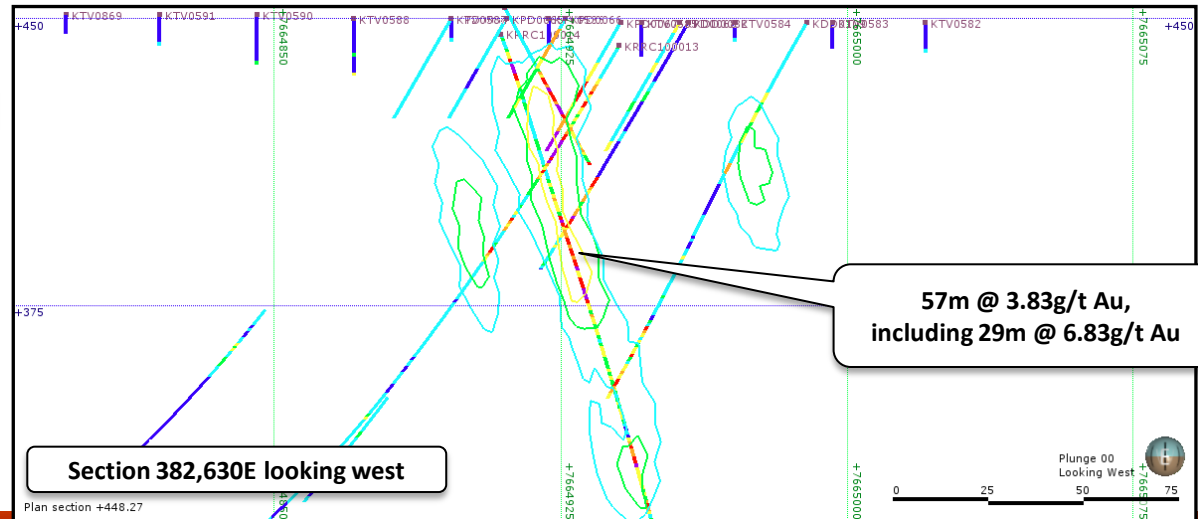


# Kroda 3 leapfrog model



Gold g/t for section 382,630E

<input checked="" type="checkbox"/>	≤ 0.01	Blue
<input checked="" type="checkbox"/>	≤ 0.05	Dark Blue
<input checked="" type="checkbox"/>	≤ 0.1	Cyan
<input checked="" type="checkbox"/>	≤ 0.2	Light Green
<input checked="" type="checkbox"/>	≤ 0.5	Yellow
<input checked="" type="checkbox"/>	≤ 1	Orange
<input checked="" type="checkbox"/>	≤ 5	Red
<input checked="" type="checkbox"/>	> 5	Purple



# North Arunta Acquisition – next steps



## Transaction timeline

- 7 May 2014 – shareholder approval
- May – July 2014:
  - Placement to be completed (\$2.5m to \$4m raised)
  - Final conditions to be satisfied
  - Completion of acquisition

## Field program

- May 2014:
  - Commence framework/targeting study
  - Prepare and submit work programs for 2014 field season
  - Liaise with the CLC to ensure land clearances can be initiated early
- July to November 2014 – subject to receipt of all required regulatory, CLC and shareholder approvals:
  - Commence field work

## 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, Arunta Region NT
- 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:
  - Meritilga prospect 4m @ 20g/t Au and 10m @ 5.78g/t Au & 26.70g/t Ag
- Partner funded exploration – up to \$8 million over three years:
  - Two JV's with Mitsubishi
  - One JV with Kaizen
- 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 2014/2015

- Ahmad, M. & Scrimgeour, I.R. 2013 – Chapter 2: Geological framework ; in Ahmad M. & Munson T.J. (compilers) – Geology and mineral resources of the Northern Territory. *Northern Territory Geological Survey, Special Publication 5*.
- Hart, C. J.R. 2005 – Classifying, distinguishing and exploring for intrusion-related gold systems. *The Gangue issue 87. GAC – Mineral Deposits Division CIM – Geological Society*.
- Scrimgeour, I.R. 2013 – Chapter 12: Aileron Province ; in Ahmad M. & Munson T.J. (compilers) – Geology and mineral resources of the Northern Territory. *Northern Territory Geological Survey, Special Publication 5*.
- Williams, P.R. 2013 – Review of the ABM North Arunta Tenements – Clancy Exploration Limited. *Unpubl. Aurel Consulting technical report*.
- Wygralak, A.S., Mernagh, T.P., Huston, D.L. & Ahmad, M. 2005 - Gold mineral system of the Tanami region. *Northern Territory Geological Survey, Report 18*.

# Contact details

## Contact details

Phone: +61 2 6361 1285

Fax: +61 2 6361 1202

Email: [info@clancyexploration.com](mailto:info@clancyexploration.com)

[www.clancyexploration.com](http://www.clancyexploration.com)

## Orange NSW head office

3 Corporation Place

Orange NSW 2800

PO Box 7040

Orange NSW 2800

