

ASX: CLY



# Clancy Exploration Limited Annual General Meeting Presentation

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**Perth**  
**May 29<sup>th</sup> 2009**

# Introduction



Highlights since IPO

Exploration and targeting strategy

Gold Fields managed projects

Clancy managed projects

Other projects (NSW JV option & Tasmania JV's)

Wrap-up

# Highlights – since IPO (July 2007)



**Aggressive exploration campaign maintained through downturn (>30km drilling)**

**Excellent drilling results on A-Class targets in first drill holes**

- Myall: 52m @ 0.67% Cu, 0.20g/t Au; 10m @ 0.64% Cu, 0.61g/t Au
- Wellington North: 73m @ 0.3g/t Au, 0.42% Cu (from surface)
- Cowal East: 1m @ 18g/t Au, 43g/t Ag

**Promising geochemical and geophysical results from early stage projects**

- Orange East: up to 9.5% Cu, 0.67g/t Au; large coherent polymetallic anomalies
- Cundumbul: substantial IP anomalies

**Corporate deals to increase A-Class target holdings and secure target funding**

- Centaurus Resources Limited: NSW tenement acquisition
- Calibre Mining (Western Plains Resources): Trundle acquisition
- Gold Fields: underwritten rights issue
- Other deals in pipeline

**Prudent approach to cash management**

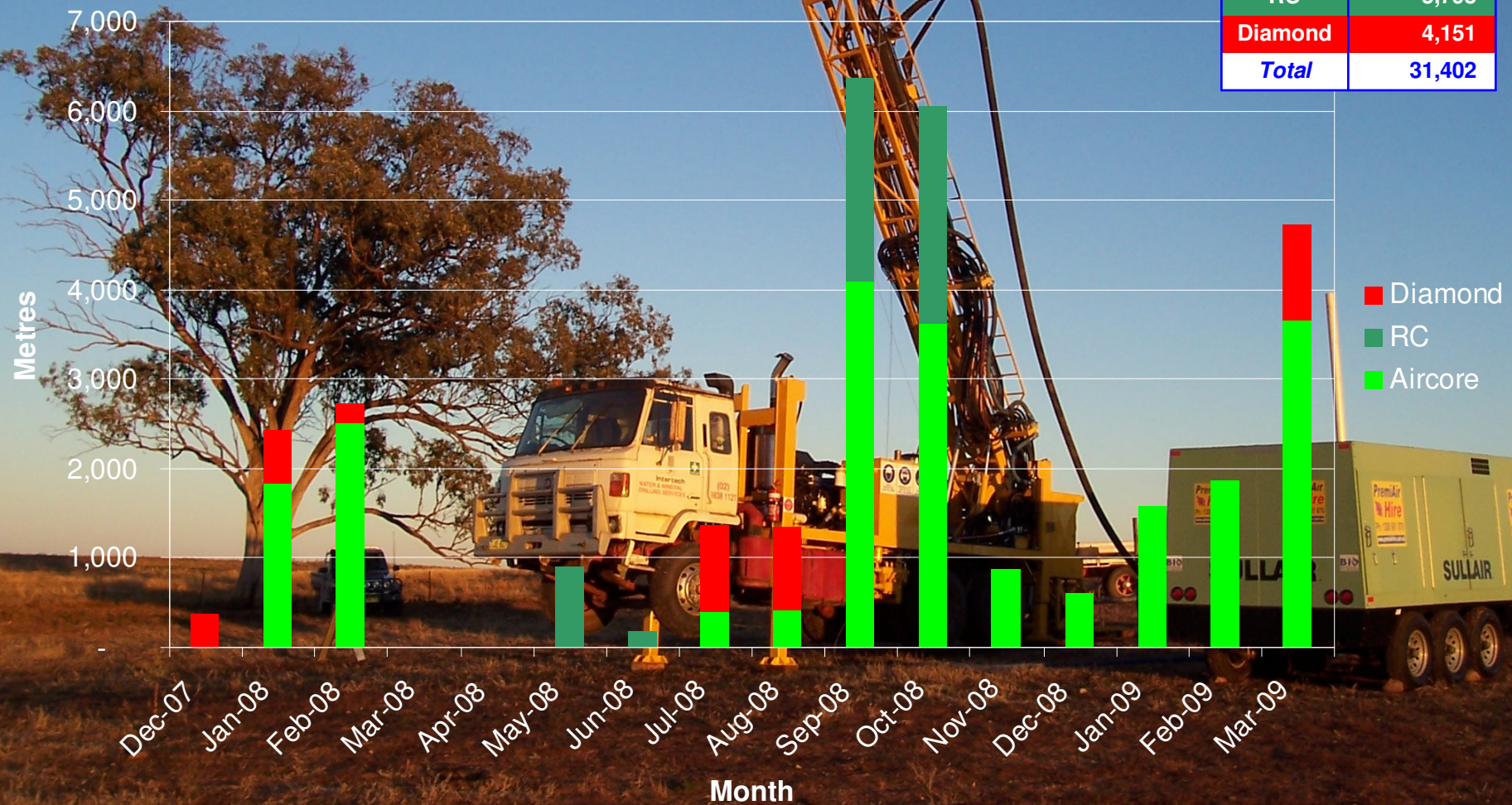
- Healthy cash balance maintained despite high level exploration activity

# Aggressively exploring the targets

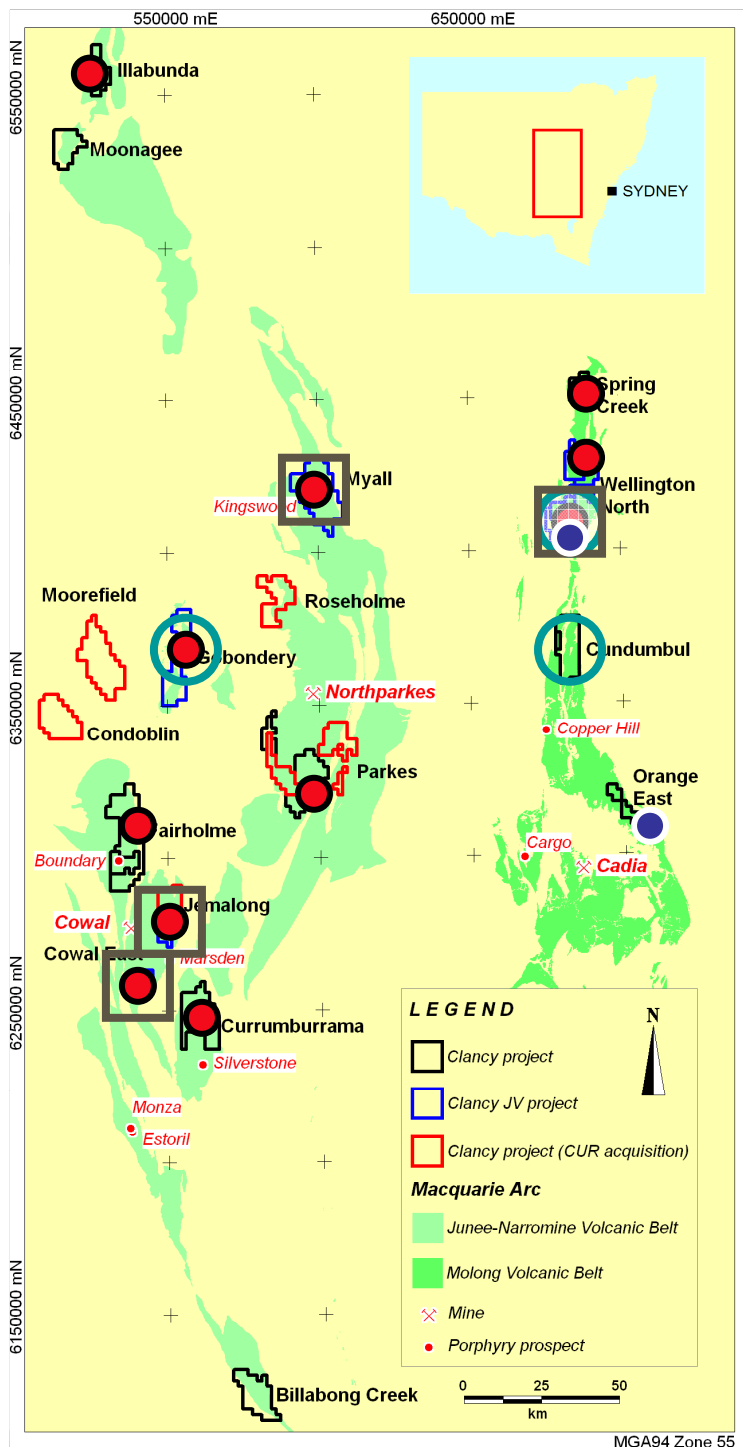


Clancy drill metres

Type	To date
Aircore	21,458
RC	5,793
Diamond	4,151
<b>Total</b>	<b>31,402</b>



# Not just drilling



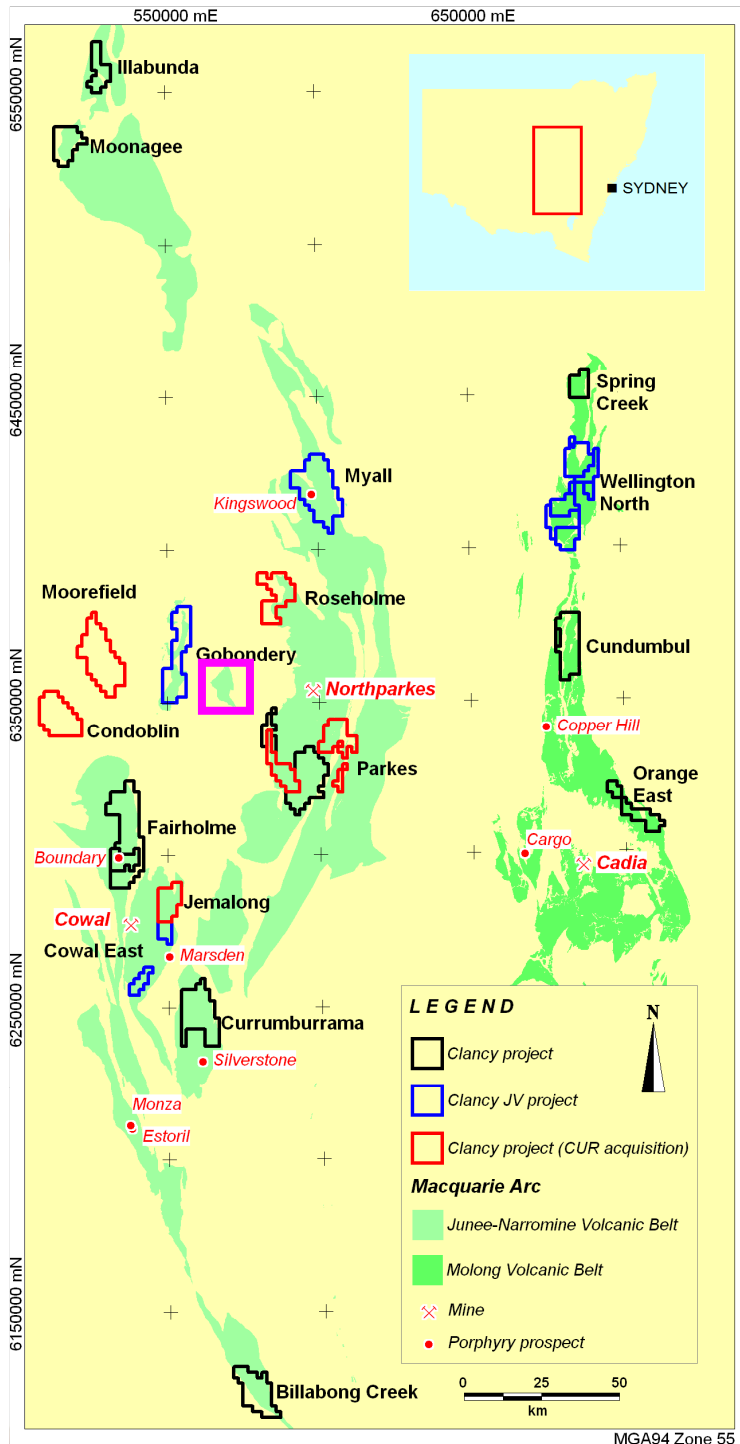
- Drilling – aircore, RC and DDH
- IP survey – 2D, 3D and gradient array
- Gravity survey
- Auger soil survey



## Summary of other work completed since IPO:

Soil sampling:	2,633 samples
Rock chips:	156 samples
Spectral logging:	22,865 spectra
Gravity surveys:	5,547 gravity stations
Ground magnetic surveys:	20km <sup>2</sup>
IP surveys:	56 line km – 2D PDP
	122km <sup>2</sup> gradient array IP
	8km <sup>2</sup> 3D IP

# Deals to increase target holdings



## Centaurus Resources tenement acquisition:

### Australian tenement portfolio

>1,000km<sup>2</sup>; 8 tenements in NSW; 1 in WA

Driven by A-Class targets

Doubles the A-Class target area held in Northparkes and Cowal Igneous complexes

## Calibre Mining (Western Plains Resources)

### Trundle project:

Acquired Calibre's right to earn 70%

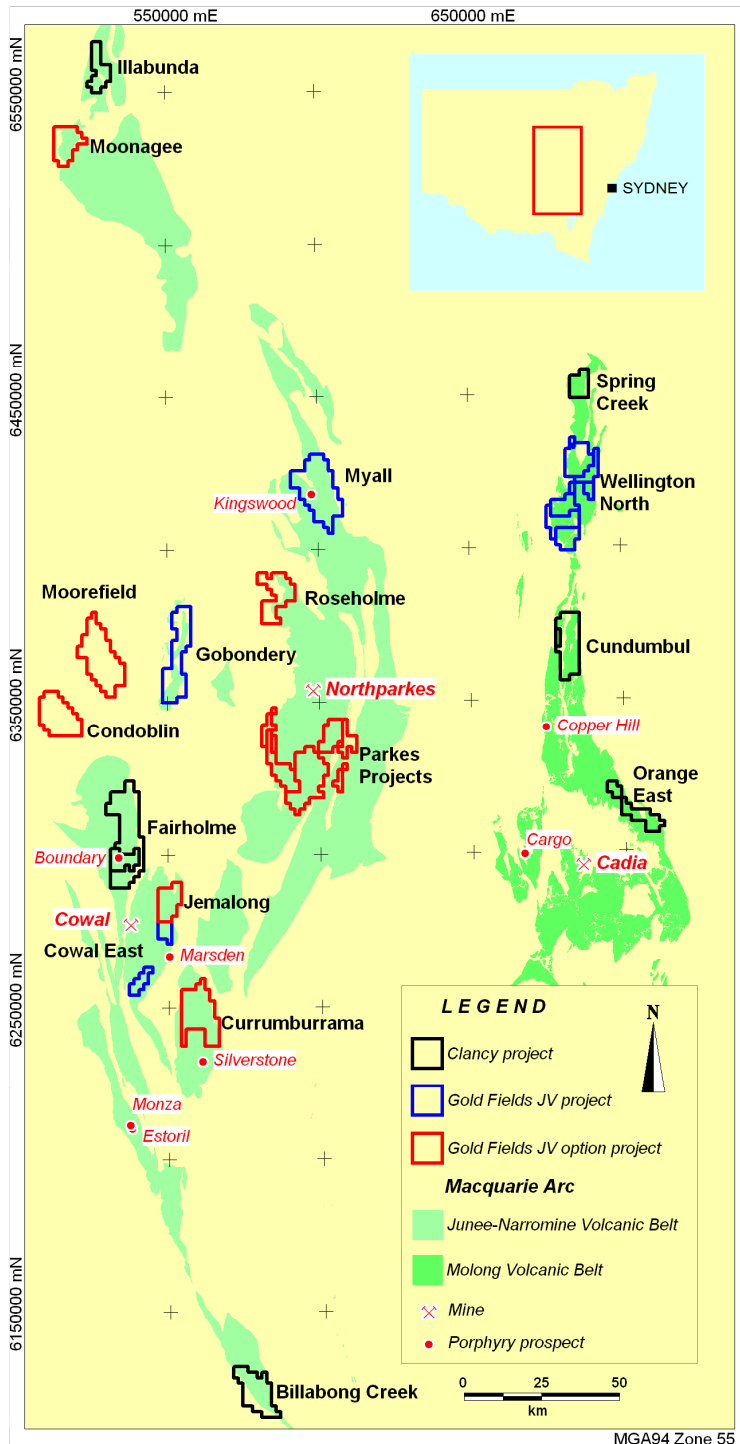
Highly ranked A-Class target

Part of the Northparkes Complex – rifted to the west

Extensive evidence of porphyry- and skarn-style mineralisation

Limited deep drilling

# Deals to secure target funding



## Gold Fields underwritten rights issue:

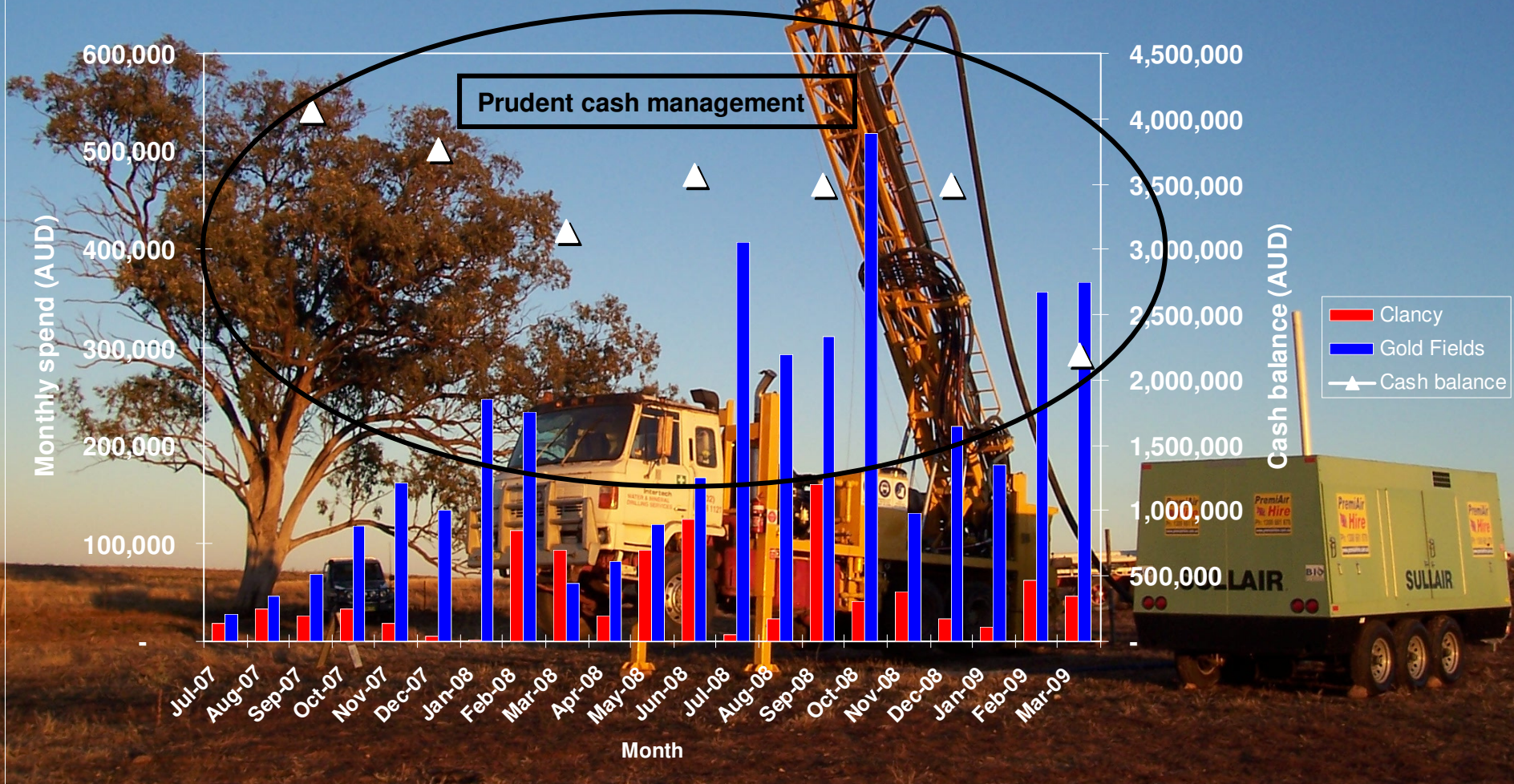
- 1 for 4 non renounceable rights issue at 8c to raise \$1M
- Gold Fields will:
  - Manage current JV's
  - Manage first-pass program on 8 JV option projects
  - Have the right to form new JV's on 4 of those projects
  - Potentially \$4M spend before Clancy contributes
- Increase pace of target evaluation
- Clancy 100% projects freed from clawback rights

# Spending money wisely

>75% of spend in-ground (drilling, geophysics and assay)



## Monthly Exploration Spend and Cash Balance





# 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



# The Macquarie Arc is under explored



**Perception (ca 2004) was that the Lachlan Fold Belt and Macquarie Arc had been well explored. This perception is incorrect because:**

- Prior to 1993 freehold landholders could prevent explorers entering their property
- Modern exploration commenced in earnest after this, but gold price collapsed in 1996
- Therefore only a 3 year window of active exploration (1993-1996) → Cadia discovery
- No further systematic exploration until 2002
- Post 2002 discoveries → Wyoming, McPhillamys, Dargues Reef

**Conventional wisdom (ca 2004) was that fertile porphyry systems in the Macquarie Arc had to have a 440Ma age and be located in the Lachlan Transfer Zone:**

- Therefore large sections of the arc were deemed to be non-prospective
- Clancy modelling / targeting → no logical reason why this should be the case
- Clancy was therefore able to secure a substantial ground position in 2003
  - Molong Belt – 100km strike length of prospective arc
  - In 2003 only ~20 holes deeper than 50m
- Subsequent research work (CODES, GSNSW) has proven the Clancy premise correct

# Exploration strategy and targeting



**All-of-belt approach that rigorously integrates all relevant 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 and be proactive in deals**

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

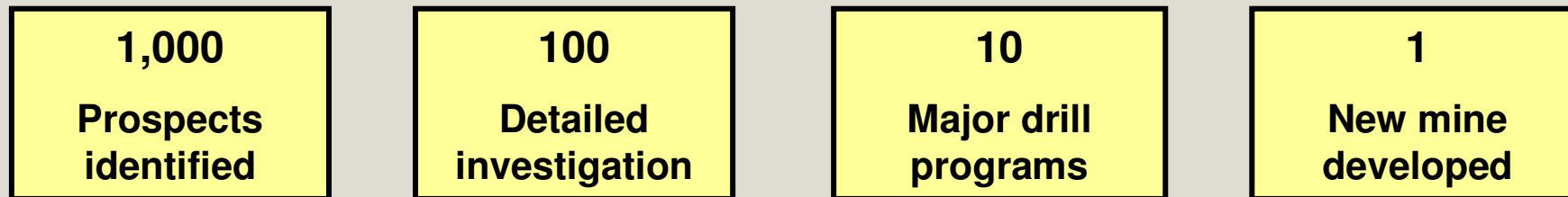
- **Aim to test 15-20 targets per annum, sustained over 3-4 years**
- **Drastically improve the odds of discovery**

# Improving the odds of discovery



## The typical discovery cycle:

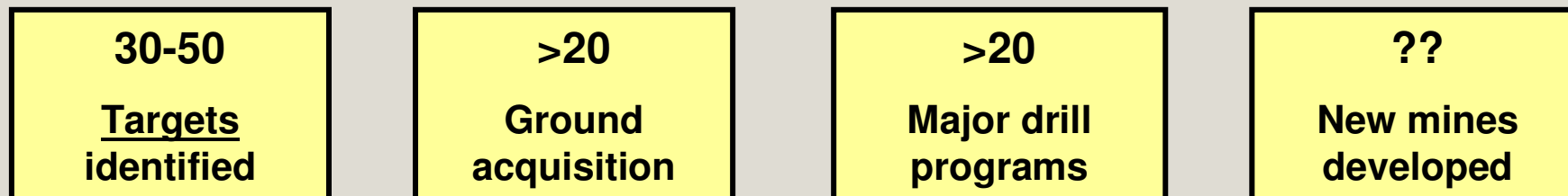
*Modified from Hill & McCarthy 2008*



The chances of exploration success (usually >10 years of sustained effort)



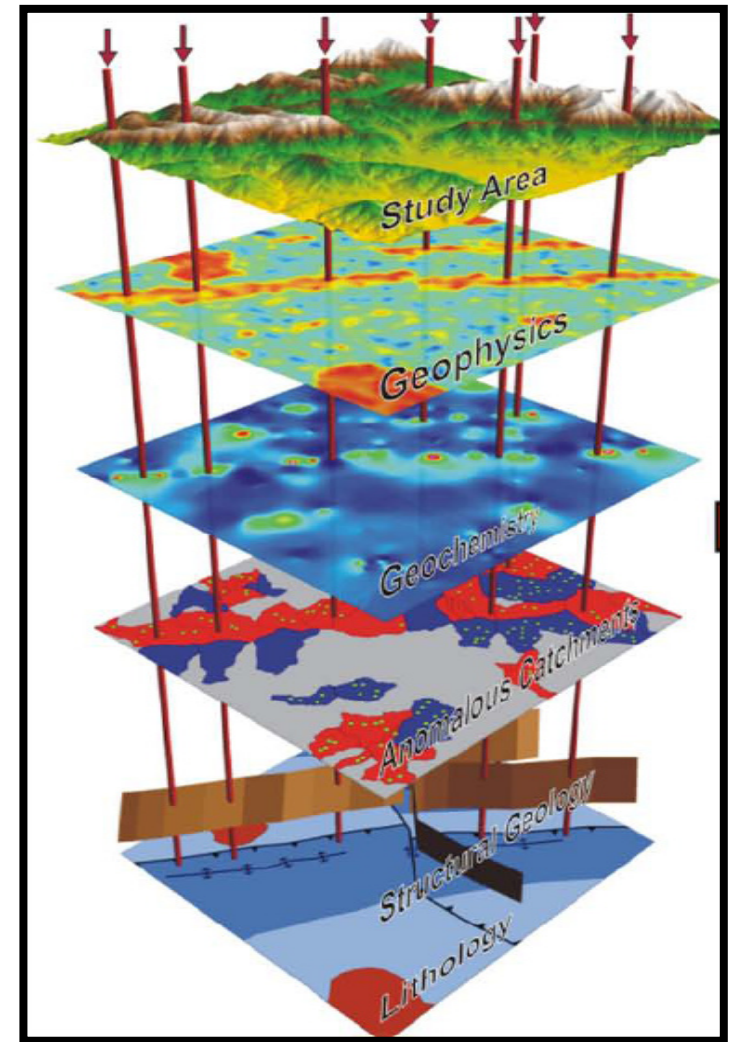
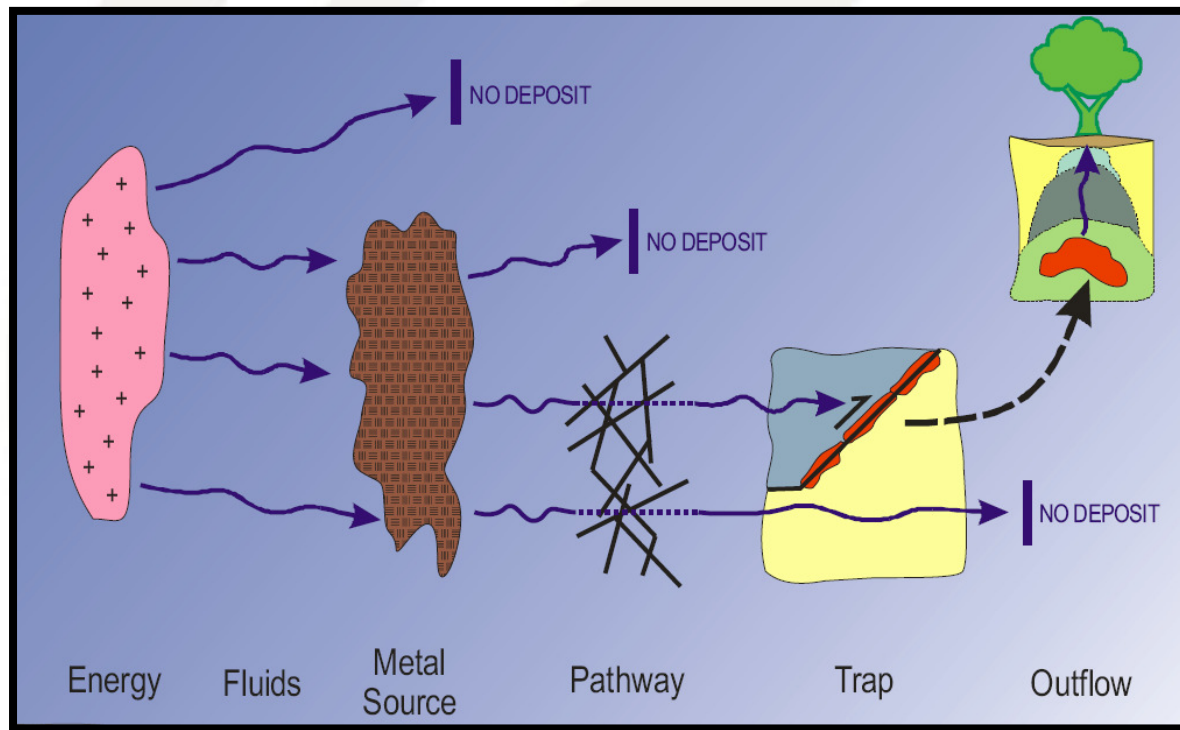
## Clancy's approach:



The chances of exploration success (~5 years of sustained effort)



# Mineral systems concept



# Targeting validation



## The targeting is working:

Intrusive systems identified under cover, confirmed by drilling  
Exciting recent drilling results from several projects; e.g.

- Myall – 52m @ 0.67% Cu, 0.20g/t Au; 10m @ 0.64% Cu, 0.61g/t Au
- Wellington North – 73m @ 0.42% Cu and 0.3g/t Au (RC)
- Cowal East – 1 m @ 18g/t Au and 43g/t Ag (DDH); 4m @ 0.67g/t Au, 8m @ 0.24g/t Au, and 49m @ 0.16% Cu (AC)

Independently endorsed by SRK (NSW) and Snowden (Tasmania)

## Gold Fields Limited December 2008 quarterly:

“At the Clancy joint ventures in New South Wales .... exploration included initial drilling of geophysical targets analogous to Newcrest’s nearby Cadia and Ridgeway porphyry Cu-Mo-Au mines. **Although no discovery intersections were encountered the targeting process is working and drilling is indicating the presence of large porphyry systems.**”

**Note – Gold Fields announcement made prior to the recent Myall drilling**

# The Macquarie Arc

*Ordovician arc 490-438Ma – single arc.*

*Split into four separate volcanic belts by post-Ordovician deformation.*

*Two important belts economically:*

## Molong Volcanic Belt

**Cadia Valley (Newcrest mine) >45 Moz Au >6Mt Cu**

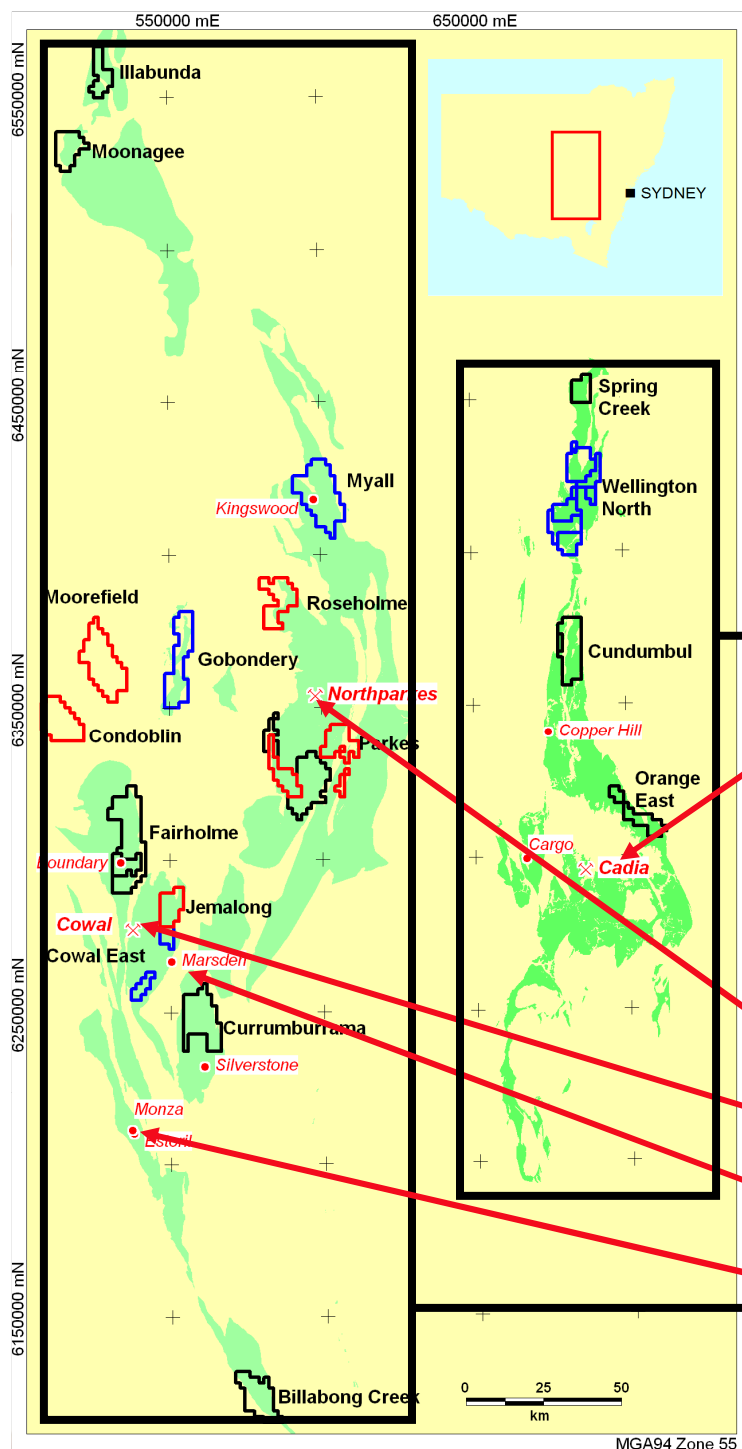
## Junee-Narromine Volcanic Belt

**Northparkes (Rio Tinto mine) >1.6 Moz Au >1.2Mt Cu**

**Cowal (Barrick mine) > 4.5 Moz Au**

**Marsden (Newcrest resource) 190Mt @ 0.19g/t Au, 0.35% Cu & 49ppm Mo**

**Monza (Goldminco prospect) 100m @ 1.0g/t Au 1.42% Cu**



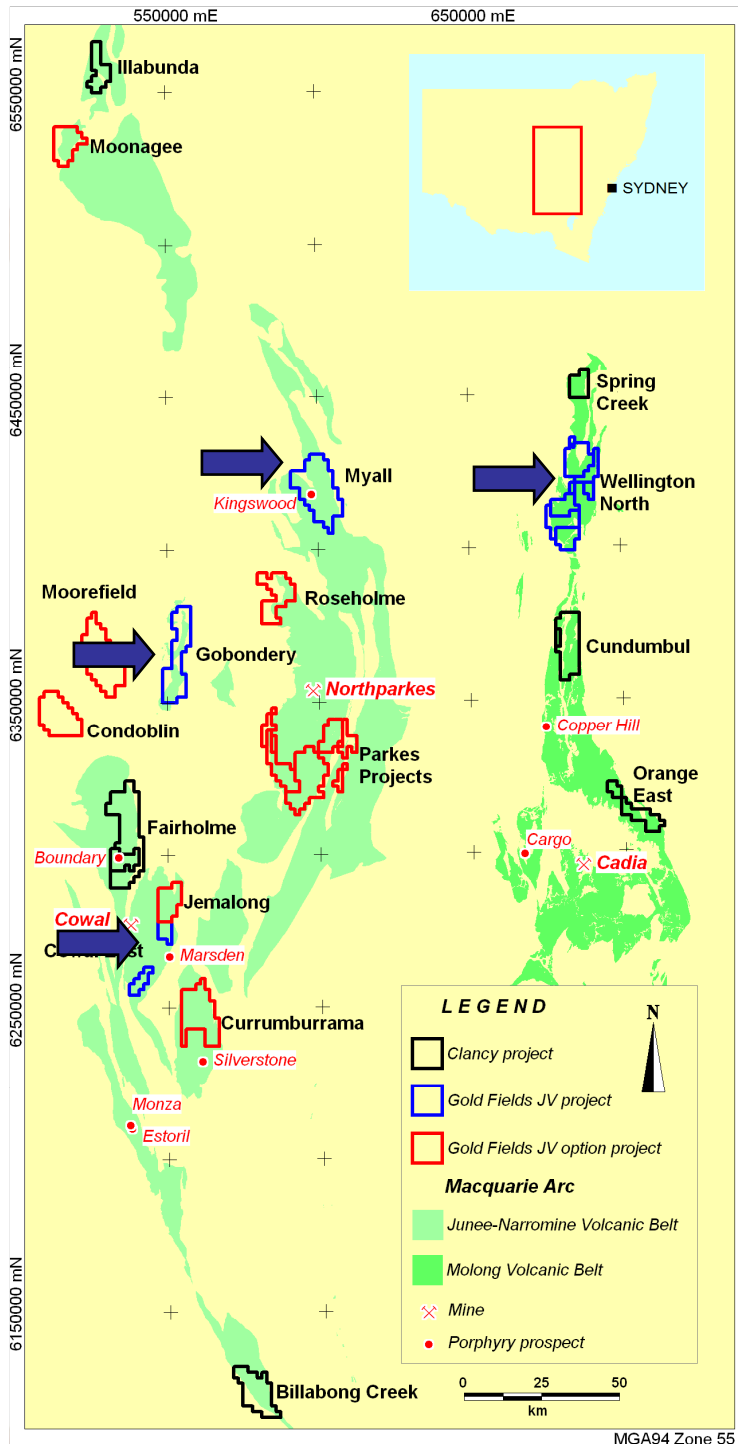
# Gold Fields JV Projects



## Four joint ventures (managed by Gold Fields)

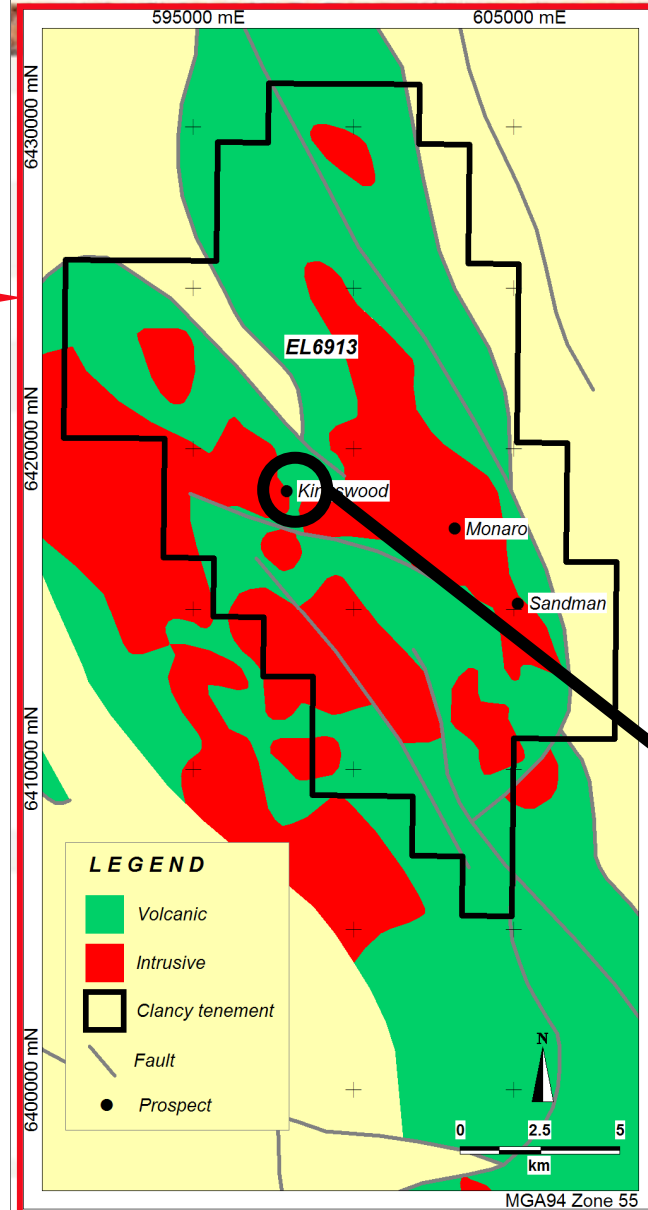
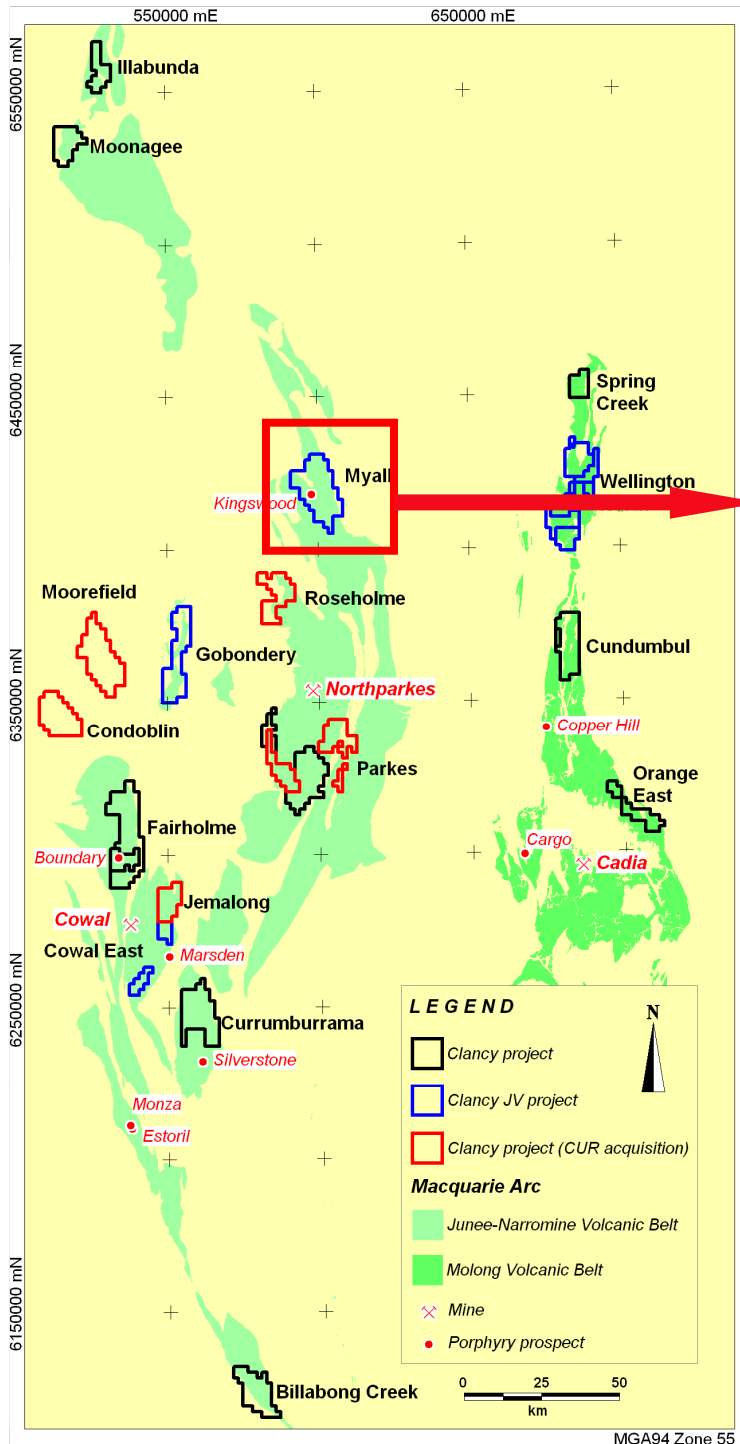
- **Myall**
  - Gold Fields earning 51%
- **Cowal East**
  - Gold Fields 80%, Clancy 20%
- **Wellington North**
  - Gold Fields 80%, Clancy 20%
- **Gobondery**
  - Gold Fields earning 80%

Covered in this presentation





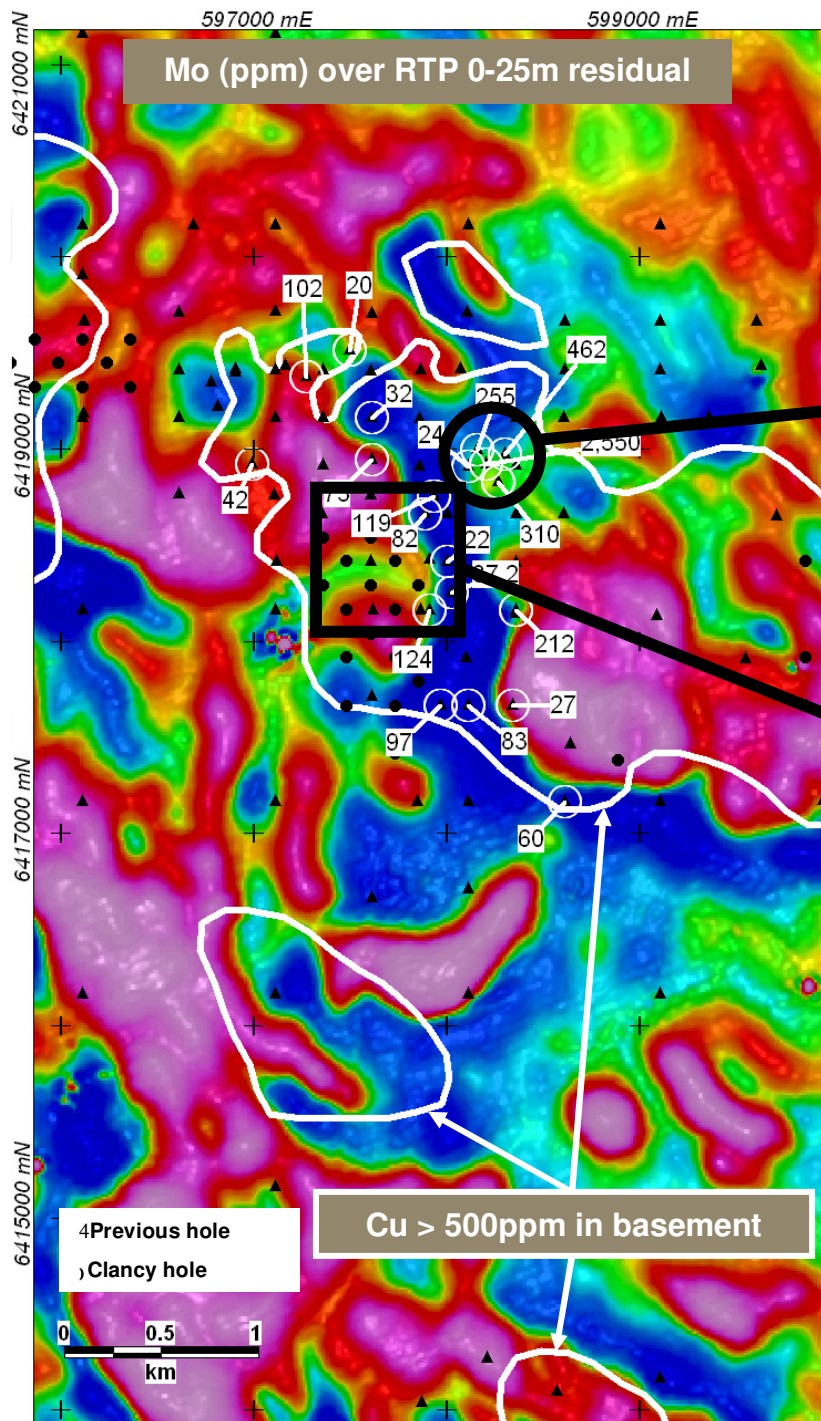
# Myall JV



**Narromine Igneous Complex:**  
 No outcrop 40m to +100m cover.  
 Geophysical and geochemical similarities to Northparkes Igneous Complex.  
 Porphyry-style Cu-Au intercepts.

**Kingswood prospect:**  
 Previous drilling (Newcrest and RGC):  
 107m @ 0.11g/t Au, 0.43% Cu;  
 including 18m @ 0.29g/t Au, 0.93% Cu  
 Sheeted qtz-mgt ± cpy-bn veins,  
 with up to 1.66g/t Au & 0.47% Cu.

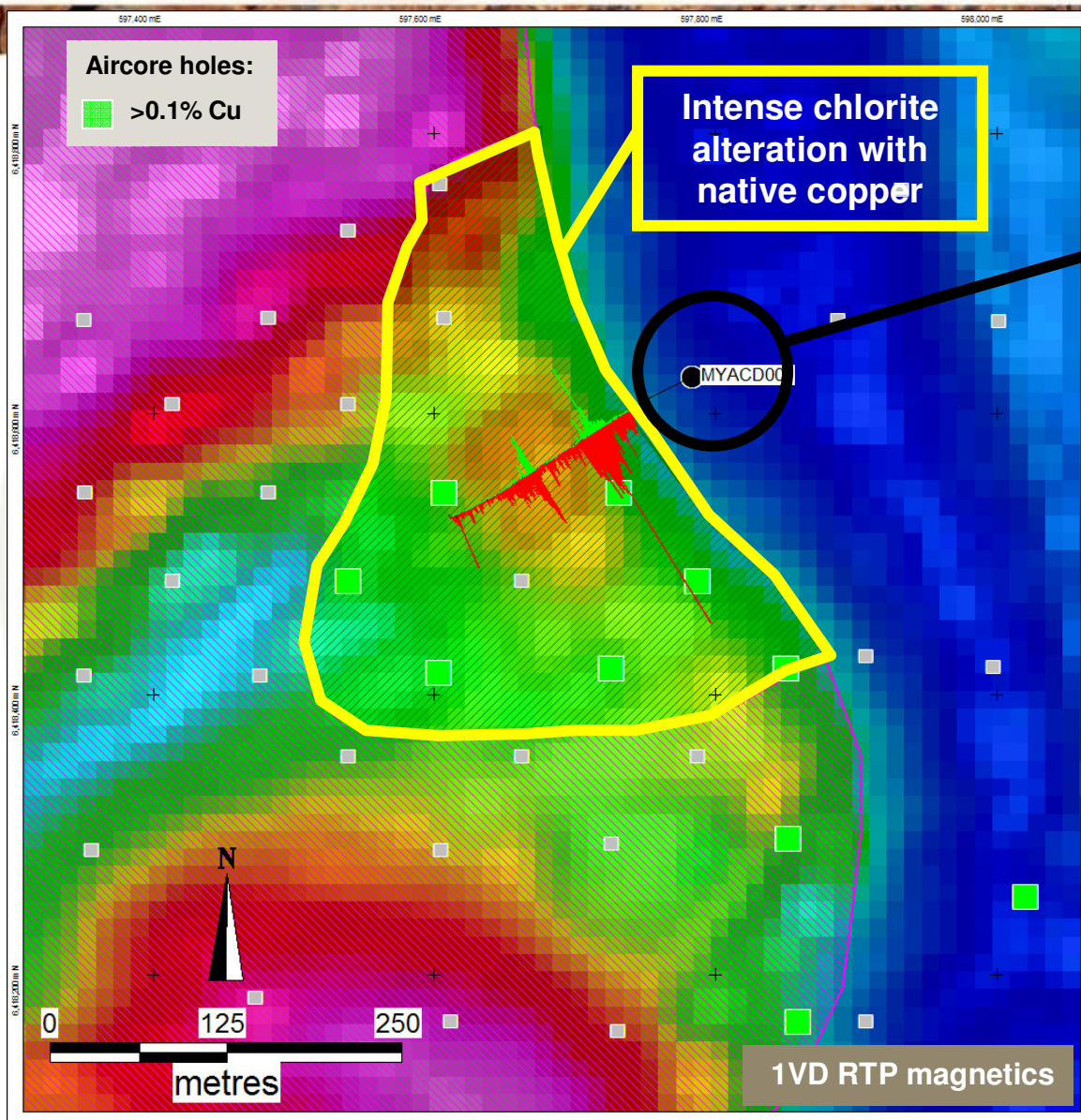
# Kingswood – high Mo



**Previous diamond drilling focused in this area:**  
 107m @ 0.11g/t Au, 0.43% Cu incl. 18m @ 0.29g/t Au, 0.93% Cu  
 Sheeted qtz-mgt ± cpy-bn veins, up to 1.66g/t Au & 0.47% Cu

**Clancy aircore drilling:**  
 500 x 300m zone of >0.1% Cu in basement with native copper associated with intense chlorite alteration.  
 Intercepts include –  
 20m @ 0.24% Cu  
 26m @ 0.22% Cu  
 31m @ 0.13% Cu  
 Located about 1km SSW of previously drilled area.  
 No previous deep drilling.

# Kingswood – drilling results



**First diamond hole recently completed:**

**Two vein zones with chalcopyrite separated by a 78m zone of faulting:**

70m @ 0.54% Cu and 0.15g/t Au from 141m, incl:  
52m @ 0.67% Cu, 0.20g/t Au from 144m

62m @ 0.27% Cu and 0.13g/t Au from 260m, incl:  
10m @ 0.64% Cu and 0.61g/t Au from 268m.

**The diamond hole targeted Au and Cu deeper in the system, which is what we have now found.**

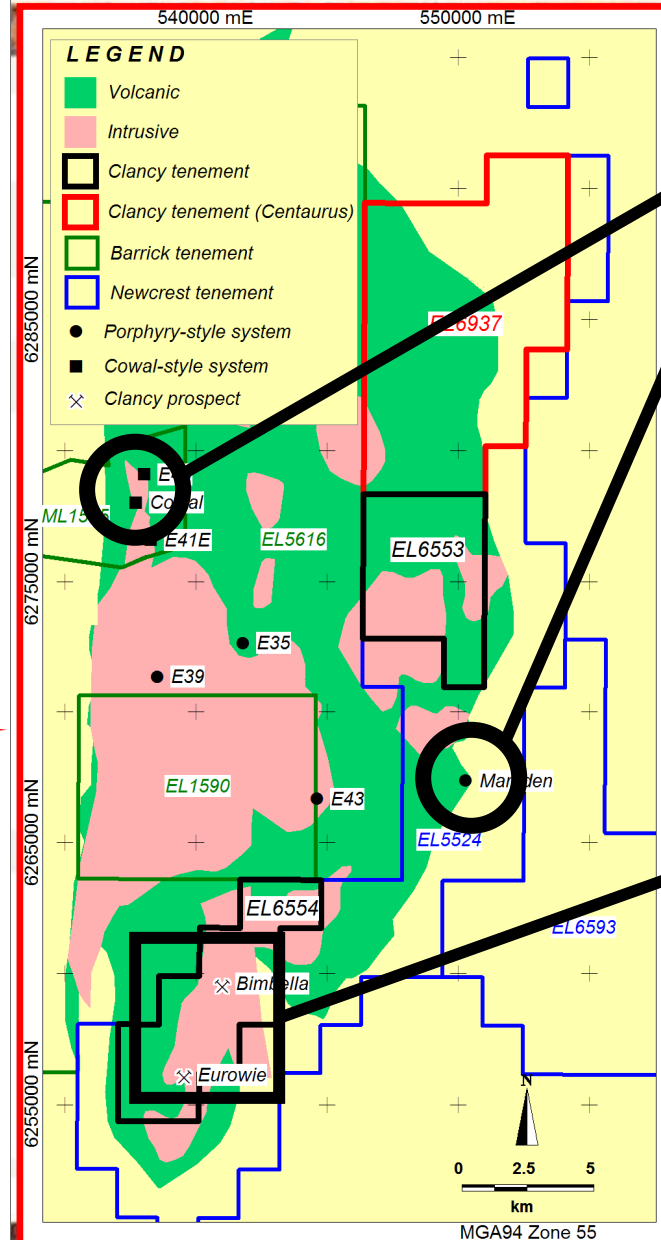
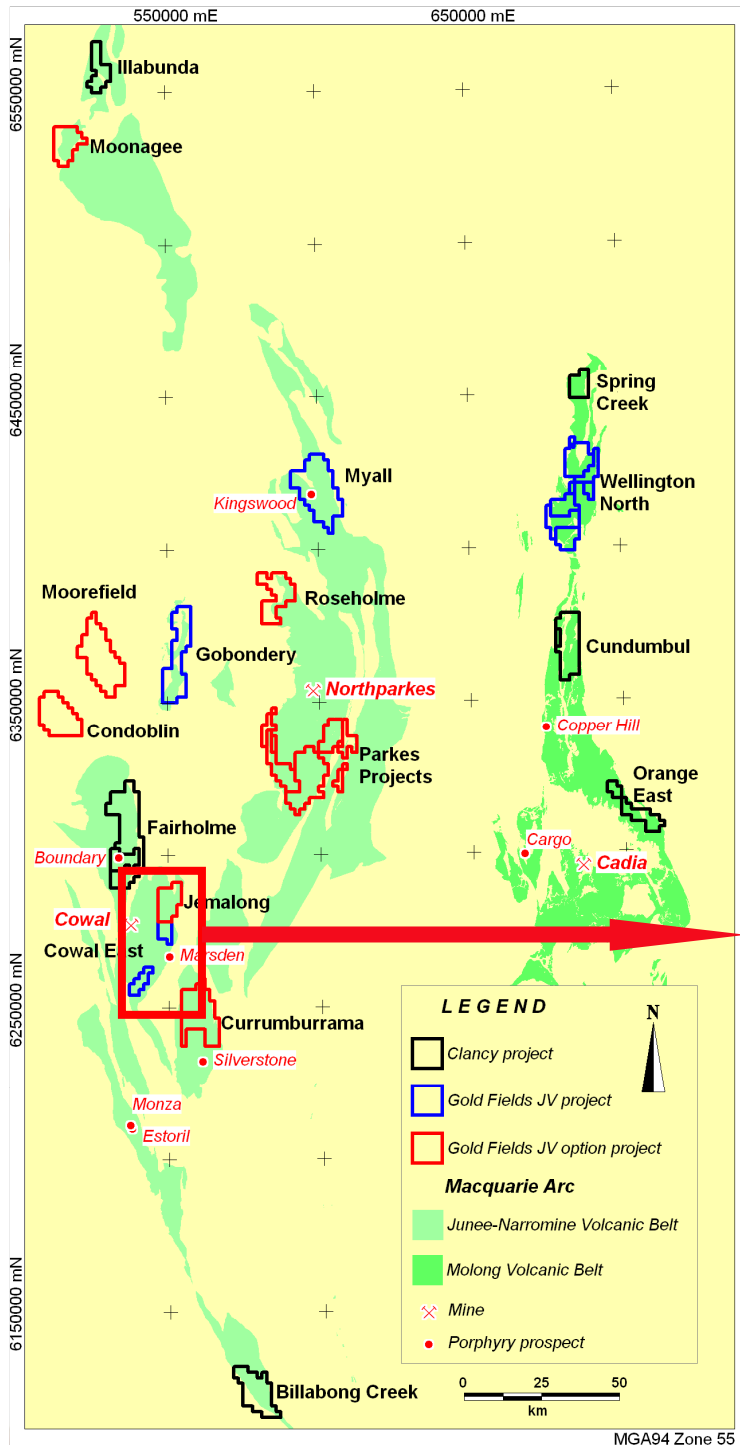
**Native copper in the oxide zone transitions to sulphide copper in fresh basement.**

**Highest and most consistent Au and Cu grades in project history.**

**Increasing Au:Cu ratio downhole → closer to source.**

**Significant upside given the widespread distribution of native copper.**

# Cowal East JV

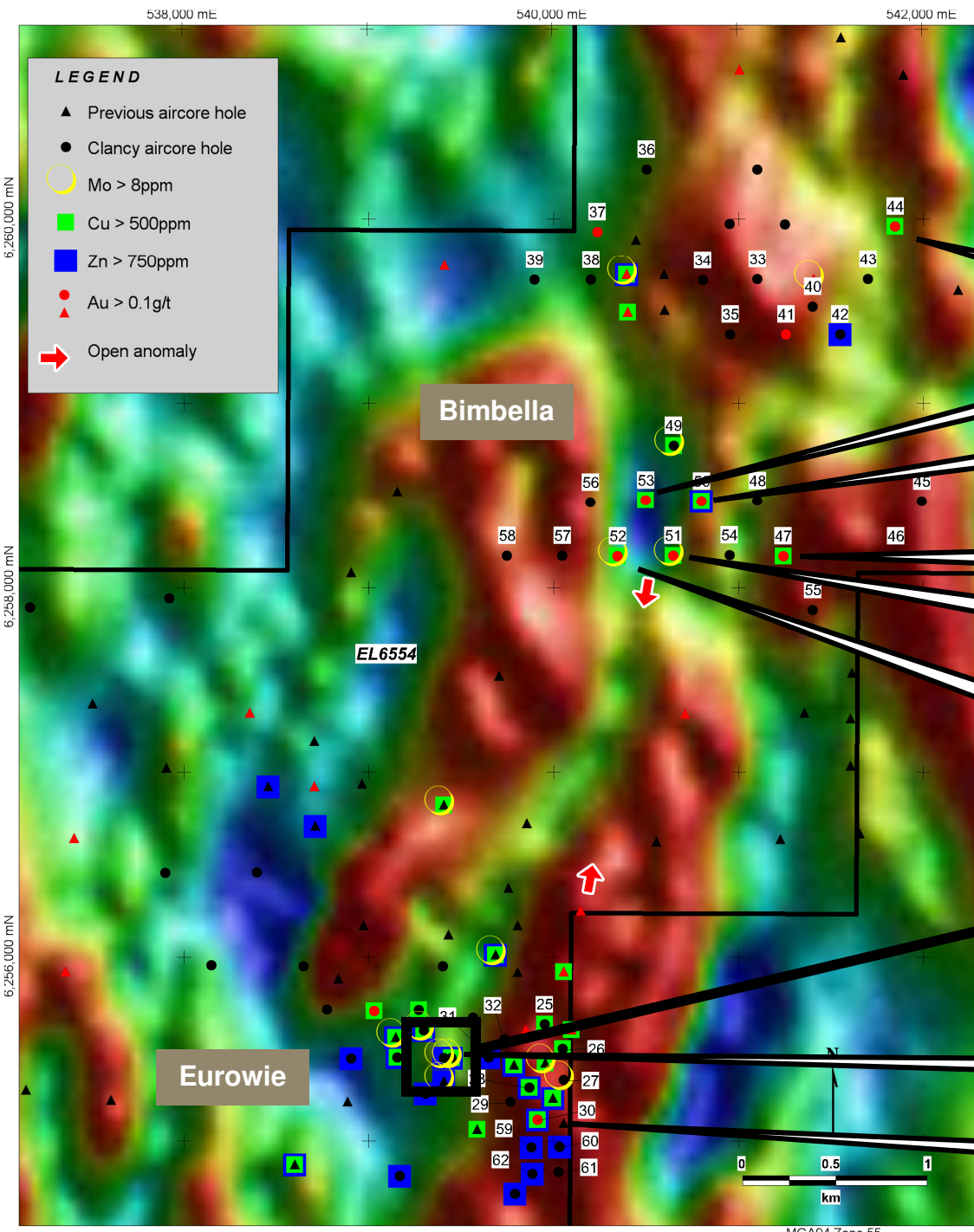


**Cowal – >4.5Moz Au**

**Marsden – 190Mt @ 0.19g/t Au, 0.35% Cu**

**Eurowie and Bimbella aircore and diamond drilling:  
Open Cu-Au anomalies in aircore drilling.  
High-grade Au and Ag mineralisation recently intersected in diamond drilling.**

# Wyrra- Recent aircore results



4m @ 0.67g/t Au

4m @ 0.26g/t Au

12m @ 0.1% Cu; 4m @ 0.18g/t Au

4m @ 0.12g/t Au

49m @ 0.16% Cu; 4m @ 0.48% Cu; 3m @ 0.14g/t Au

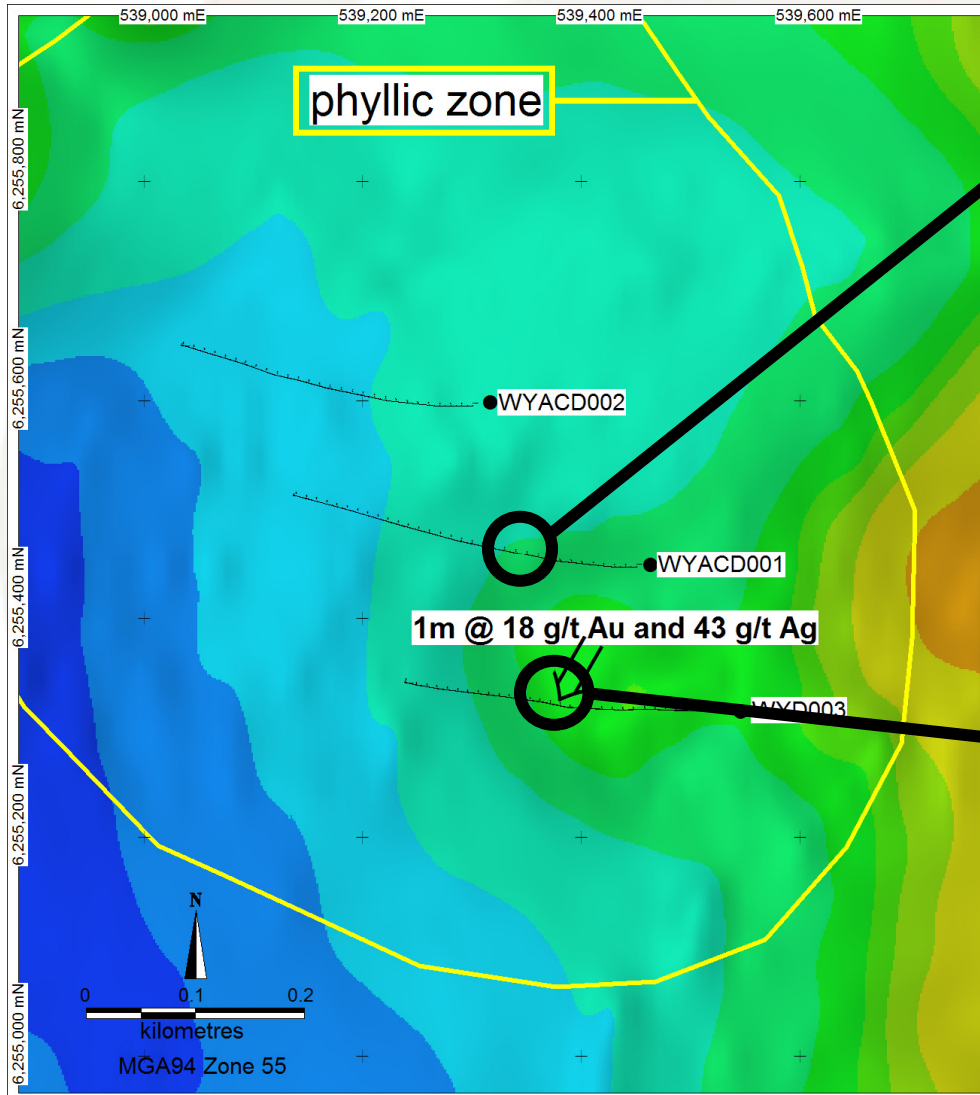
4m @ 0.18g/t Au

**Diamond drilling recently completed**

WYACD001 100m @ 2.55% S; 192m @ 3.44% S

8m @ 0.24g/t Au (BOH)

# Eurowie diamond drilling



**High-grade Au and Ag:**

**1m @ 18g/t Au and 43g/t Ag from 344m**

**Fault-controlled and associated with sericite-pyrite alteration.**

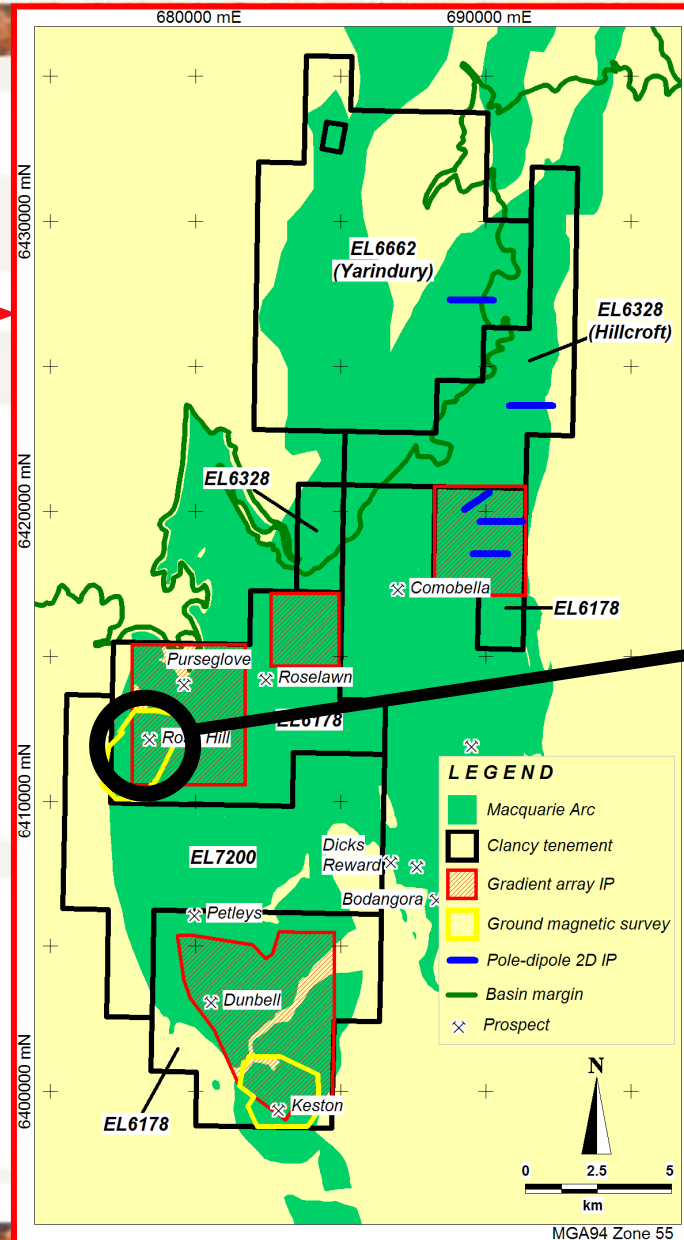
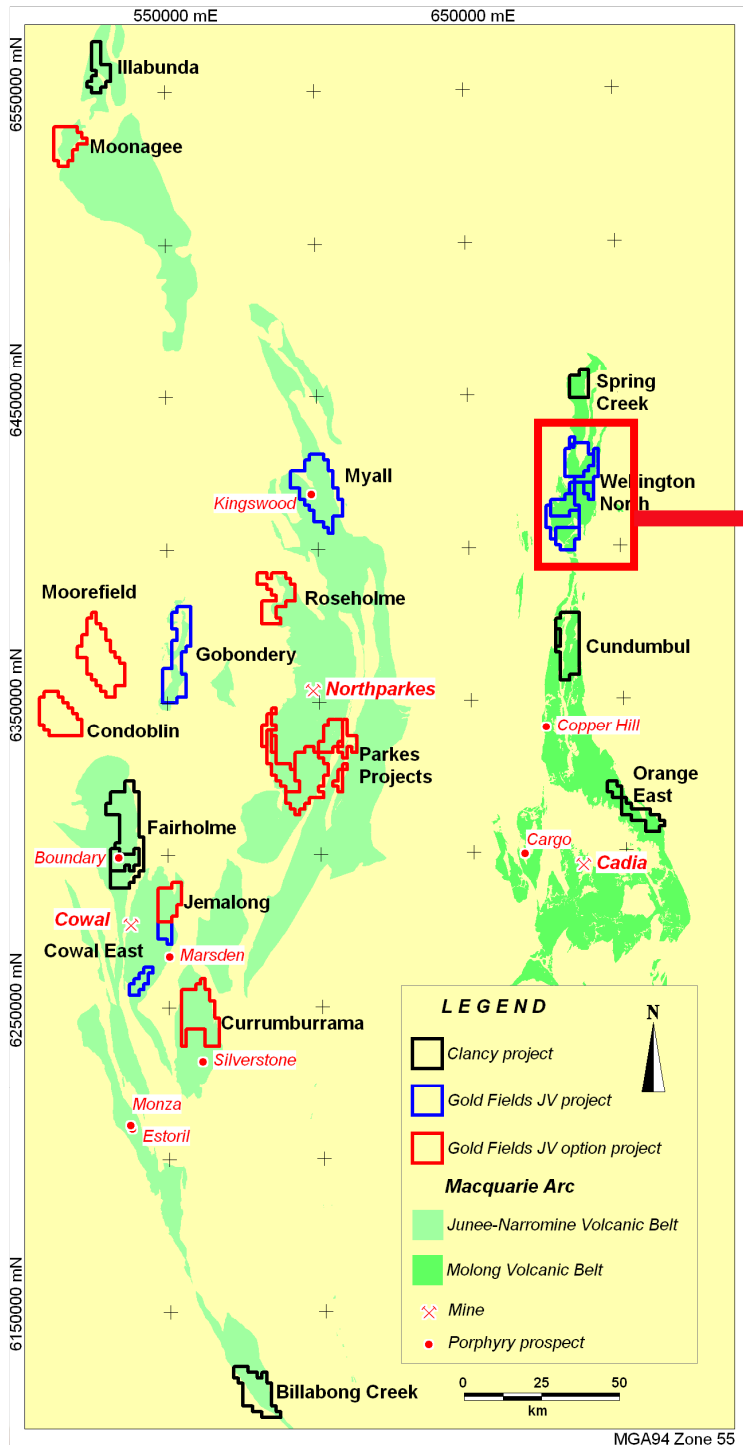
**Chaotic magnetite-epidote-carbonate-quartz-pyrite-chlorite-chalcopyrite veining → calcic oxidised skarn.**

**Au and Ag is accompanied by elevated levels of tellurium → associated with tellurides.**

**Tellurides associated with some Au mineralisation at Barrick's nearby Cowal Mine.**

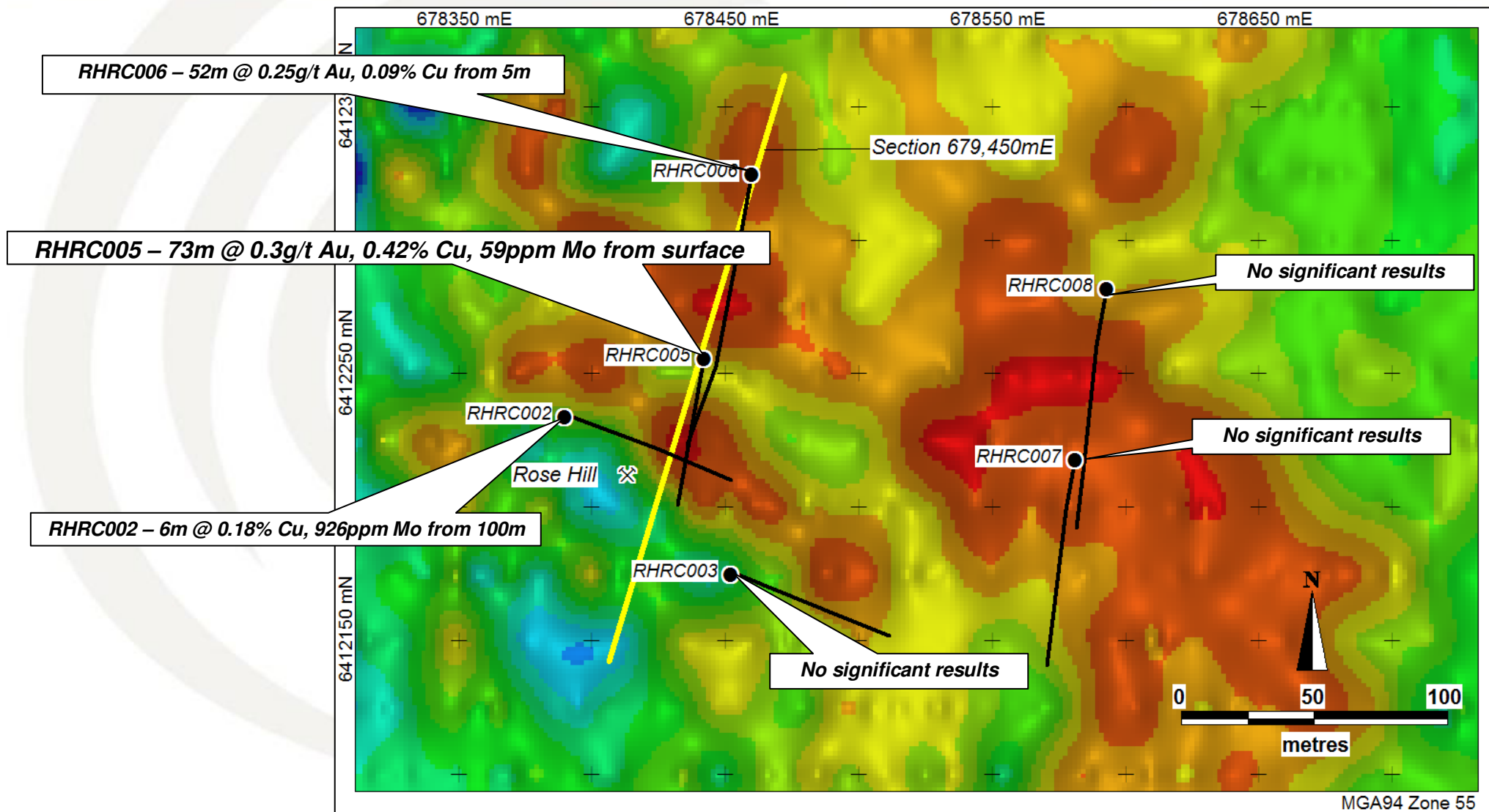
**Work is in progress to determine the geometry of this zone.**

# Wellington North JV



**Rose Hill RC drilling:  
Significant widths of Cu-Au-Mo mineralisation from surface, open at depth**

# Rose Hill – ground mag and RC holes





# Rose Hill Section 679,450mE

**Anomalous Cu-Au-Mo zone >150m true width.**

**Hosted by K-feldspar- and magnetite-altered diorite.**

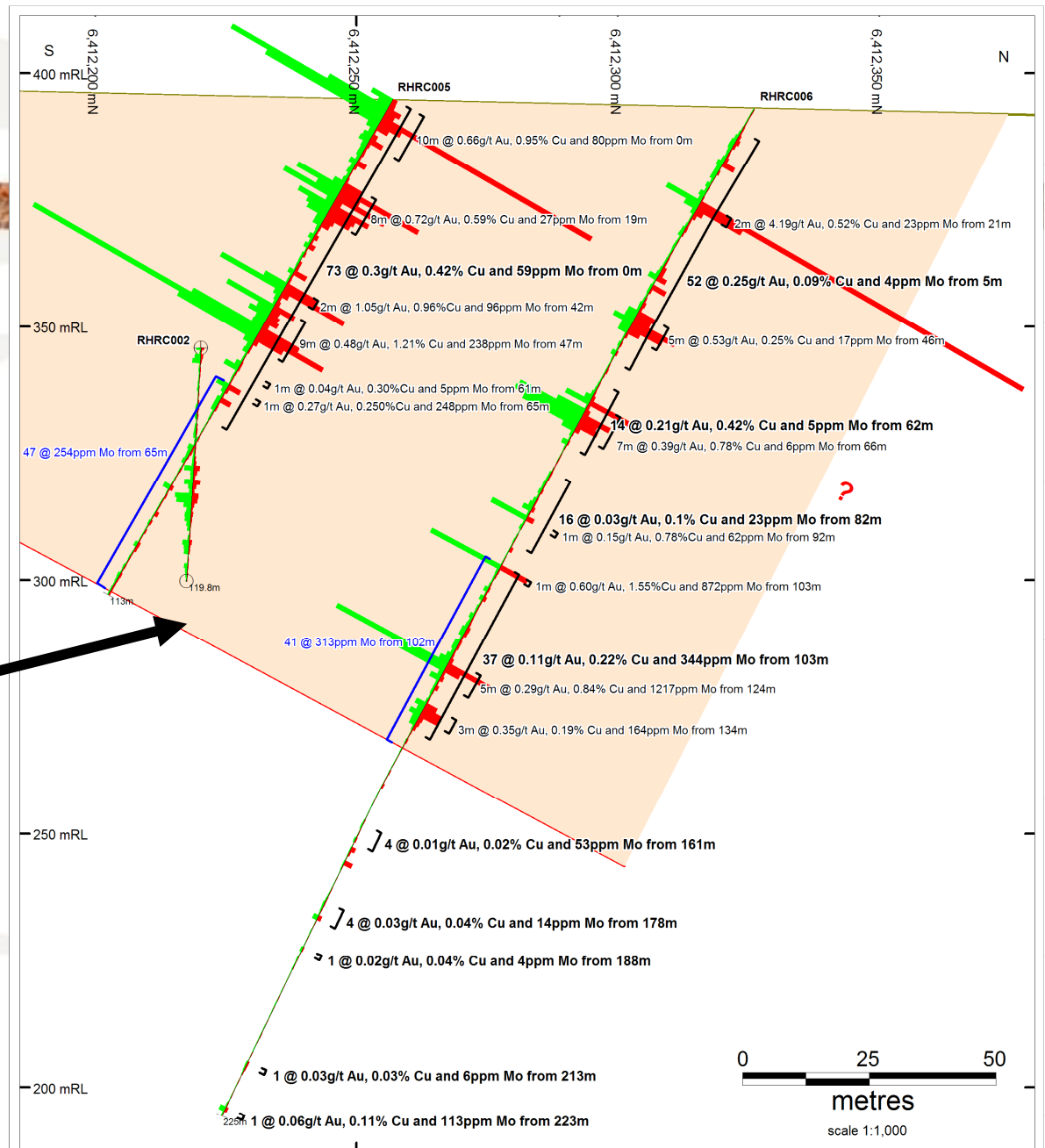
**Highest Cu and Au values within 50m of surface.**

**Several samples >2% Cu (max 5.13%) and >1g/t Au (max 7.37g/t Au).**

**Highest Mo values at bottom of zone (max 0.3%)**

**Dips to the north, open at depth.**

**Strike extent?**



Wellington North Project  
Rose Hill  
Cross Section - 678,450mE

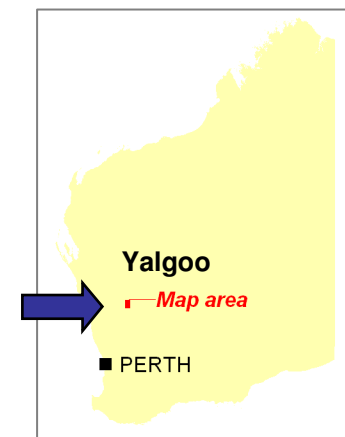
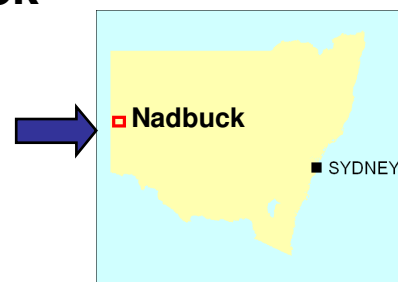
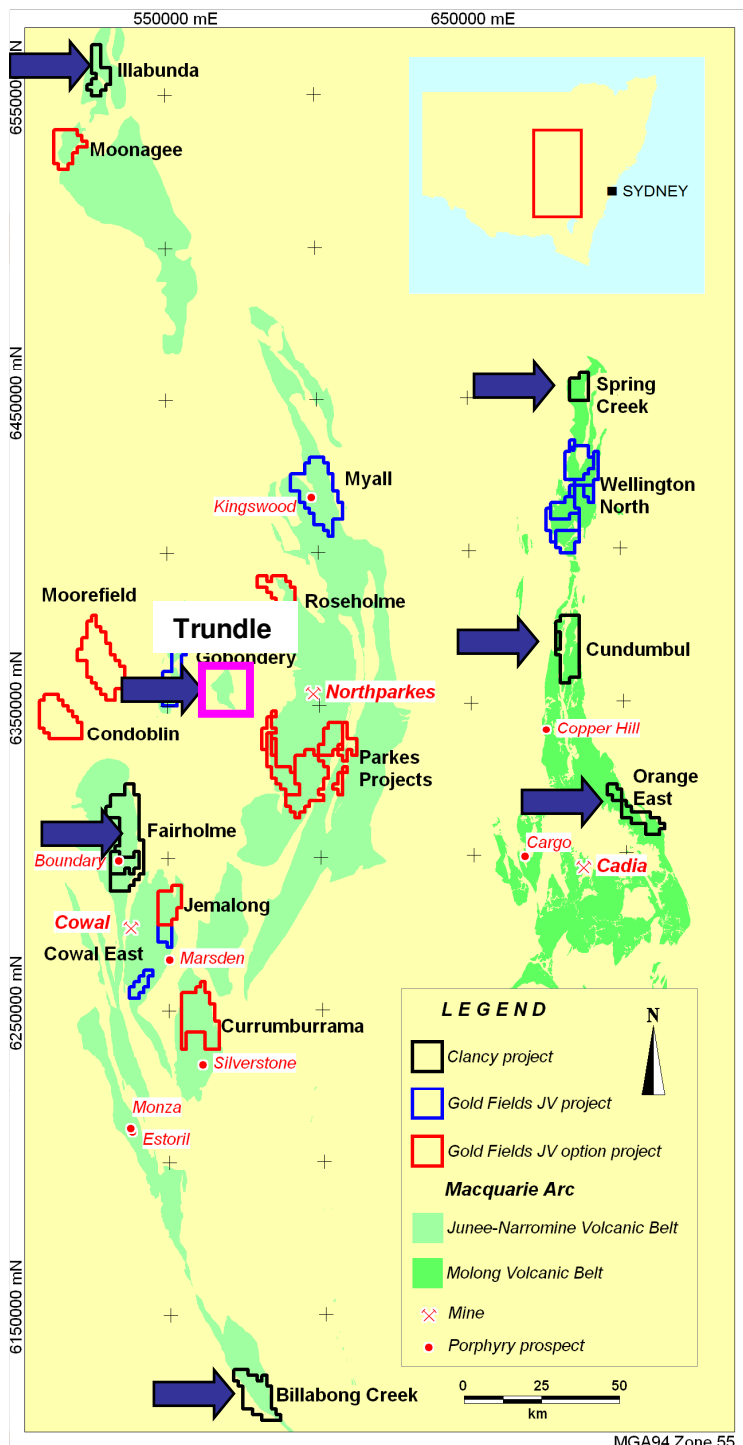
copper histogram, 1mm=0.1%  gold histogram, 1mm=0.1g/t

# Clancy Projects

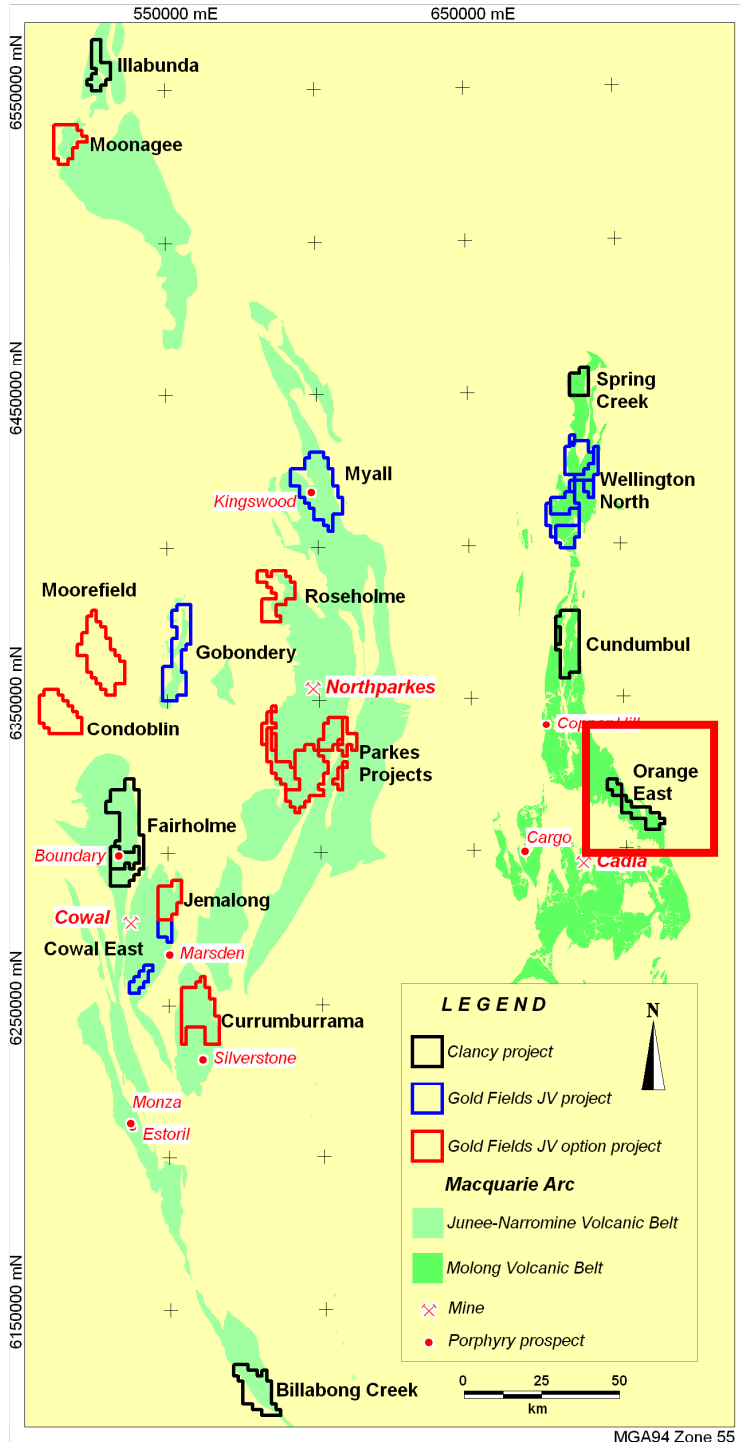
## Nine projects (managed by Clancy)

- Orange East
- Fairholme
- Billabong Creek
- Cundumbul
- Trundle (Clancy earning 70%)
- Nadbuck (Broken Hill)
- Yalgoo (WA)

Covered in this presentation



# Orange East



100% owned by Clancy

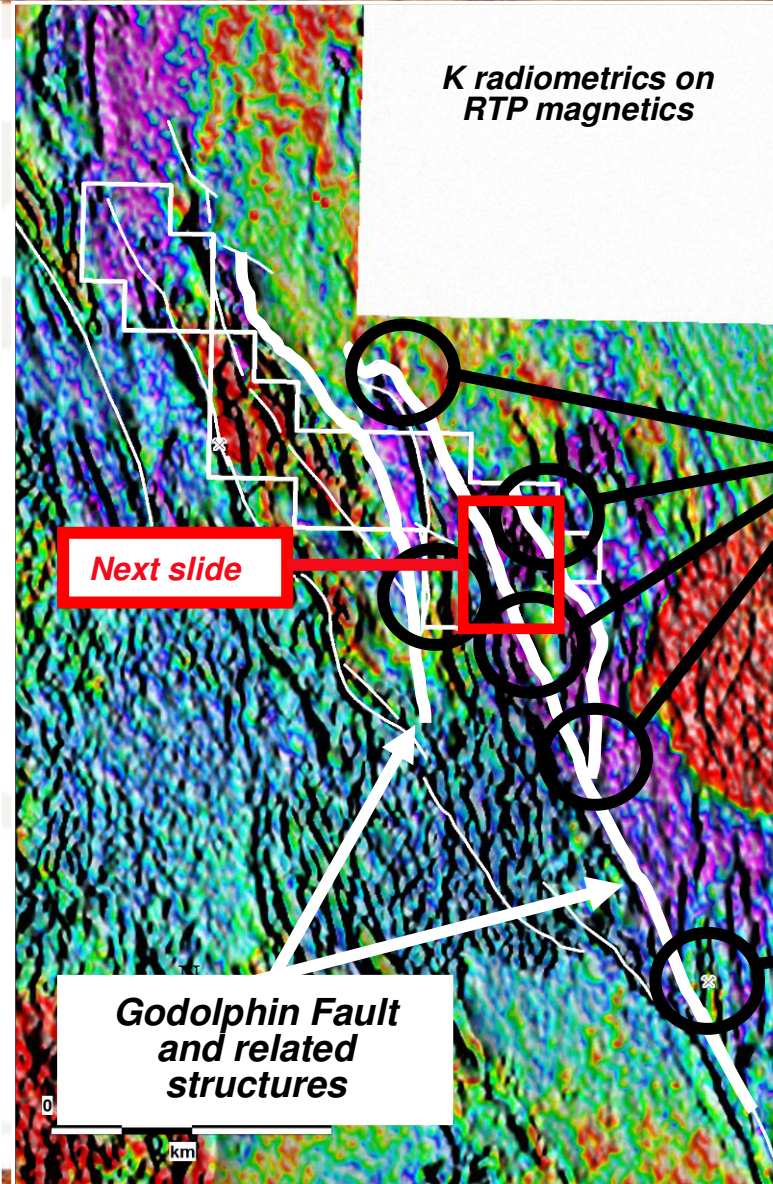
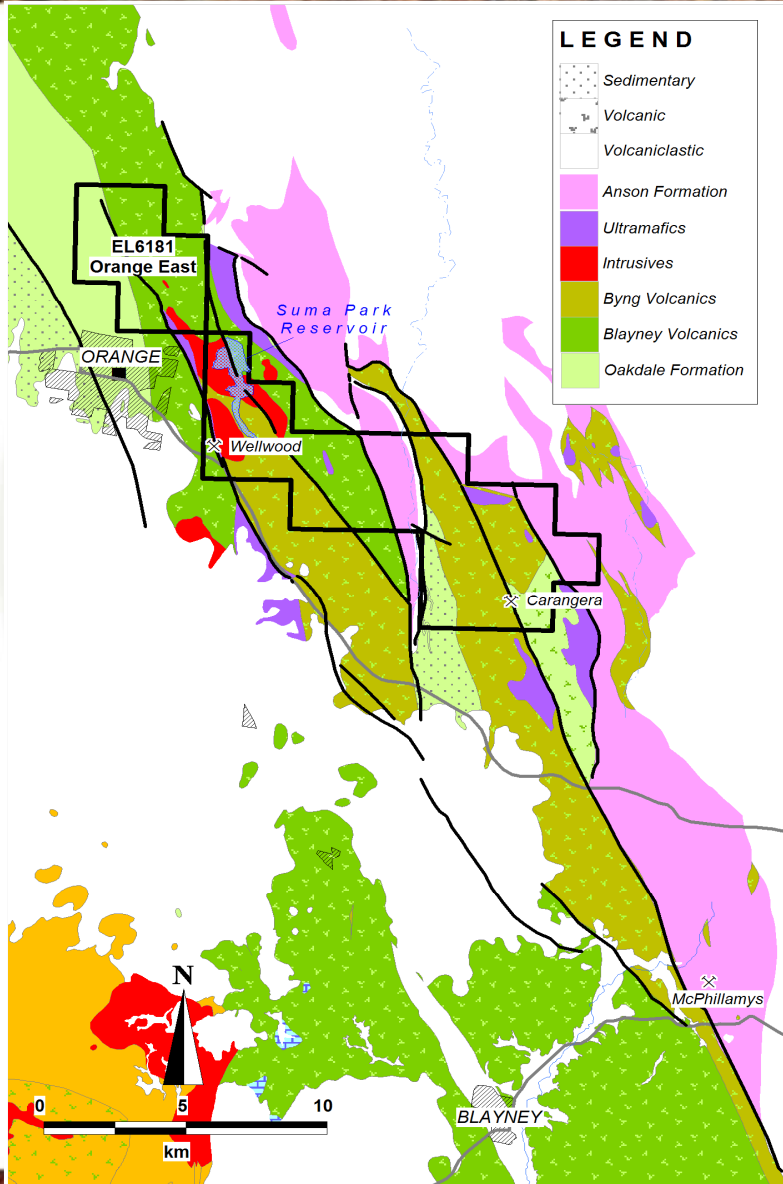


*Bleached quartz-monzonite with sheeted quartz veins*



*Old trenches with gossan in Anson Formation*

# Orange East – geology and geophysics



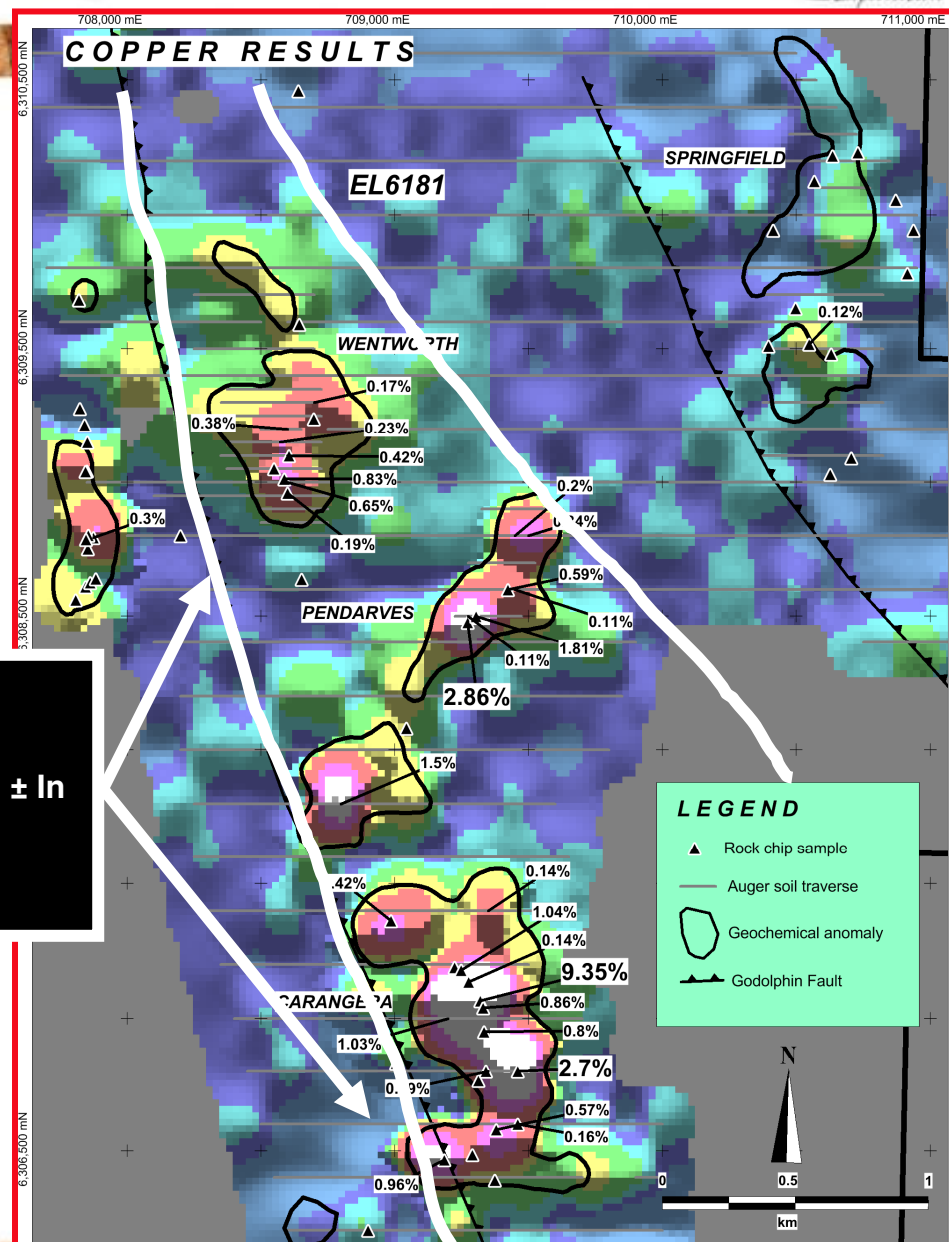
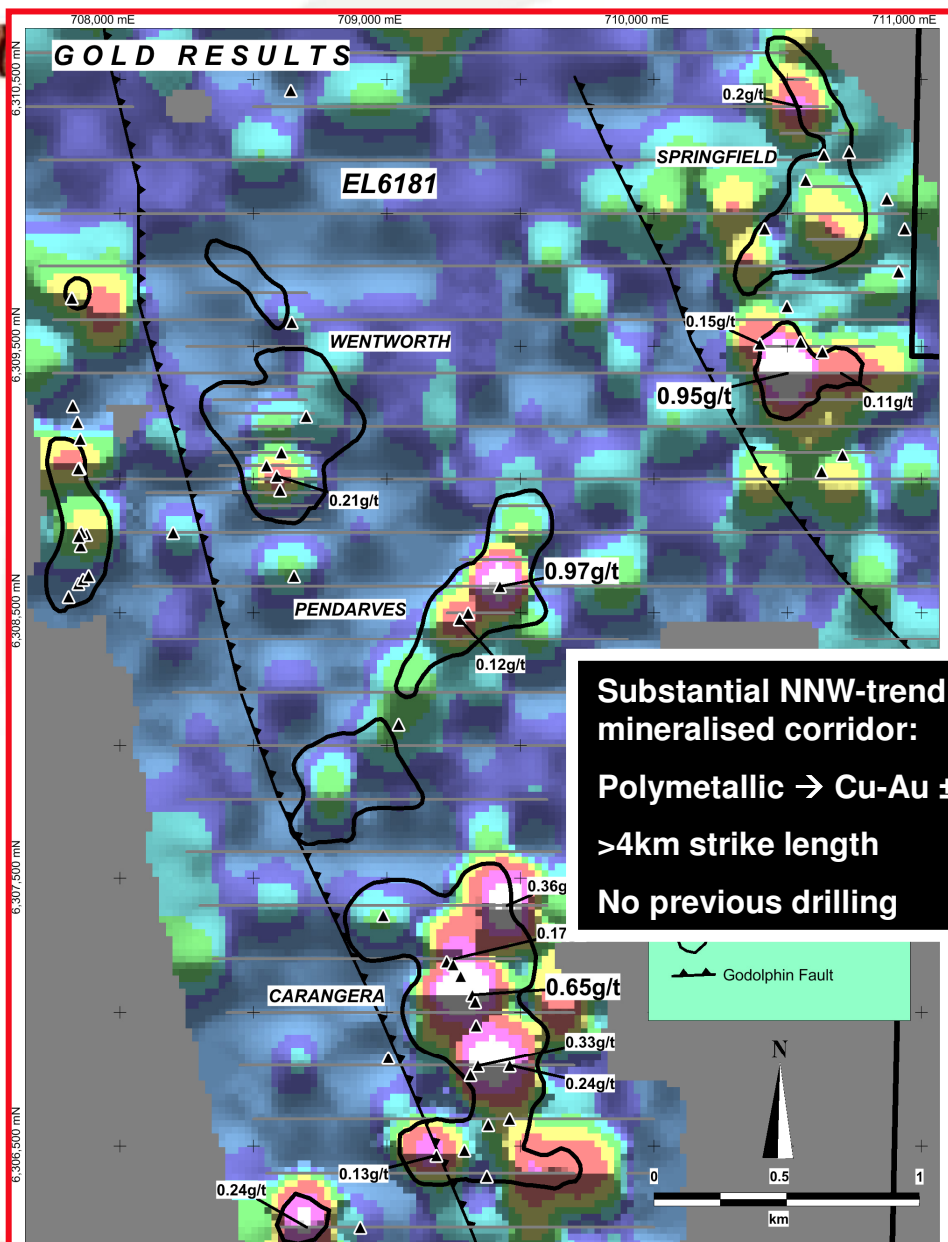
**McPhillamy's analogues?**

**McPhillamy's Alkane / Newmont JV**

**Discovered in 2006:**  
123m @ 1.96g/t Au (from surface)

**Recent intercepts:**  
366m @ 1.85g/t Au  
Potential 2.5 Moz Au

# Orange East – auger soil results



**Substantial NNW-trending mineralised corridor:  
Polymetallic → Cu-Au ± Zn ± Ag ± In  
>4km strike length  
No previous drilling**

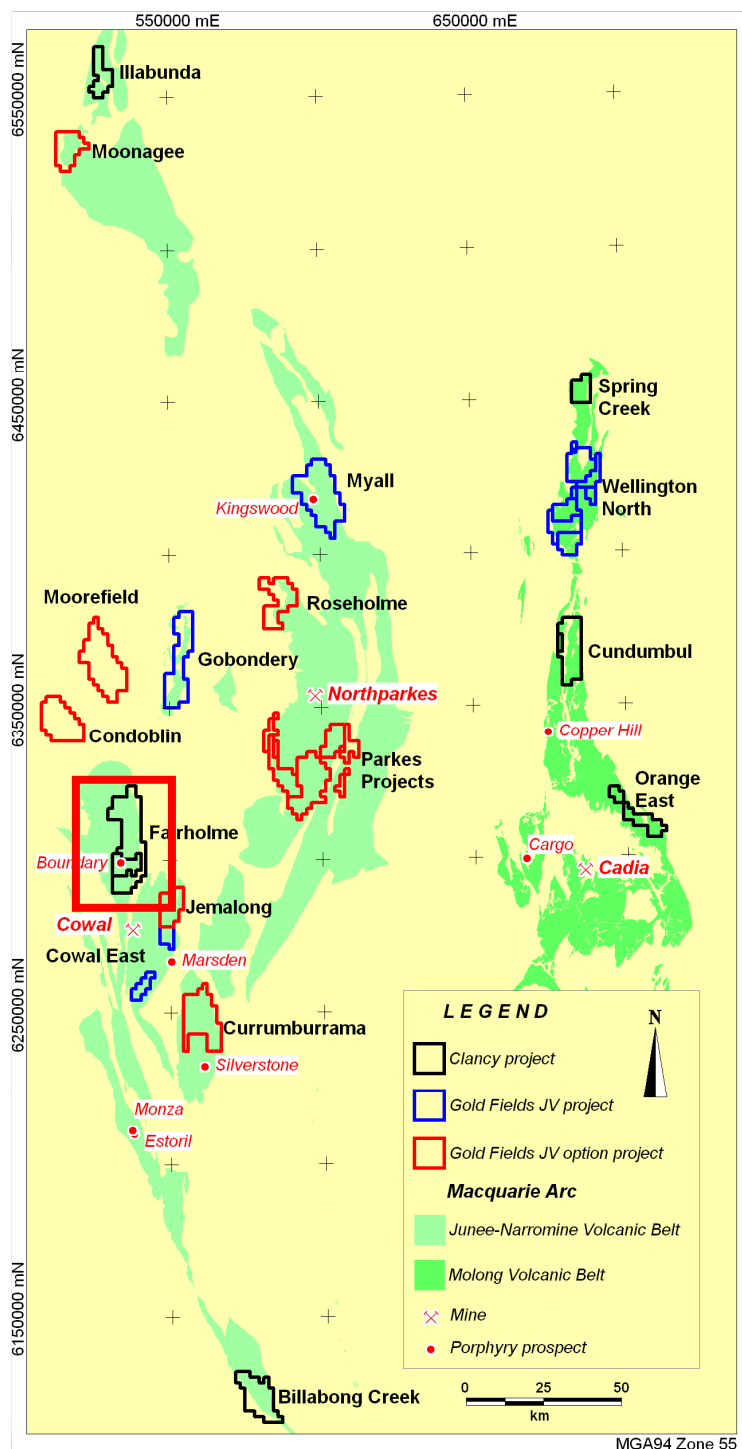
**LEGEND**

- ▲ Rock chip sample
- Auger soil traverse
- Geochemical anomaly
- - - Godolphin Fault

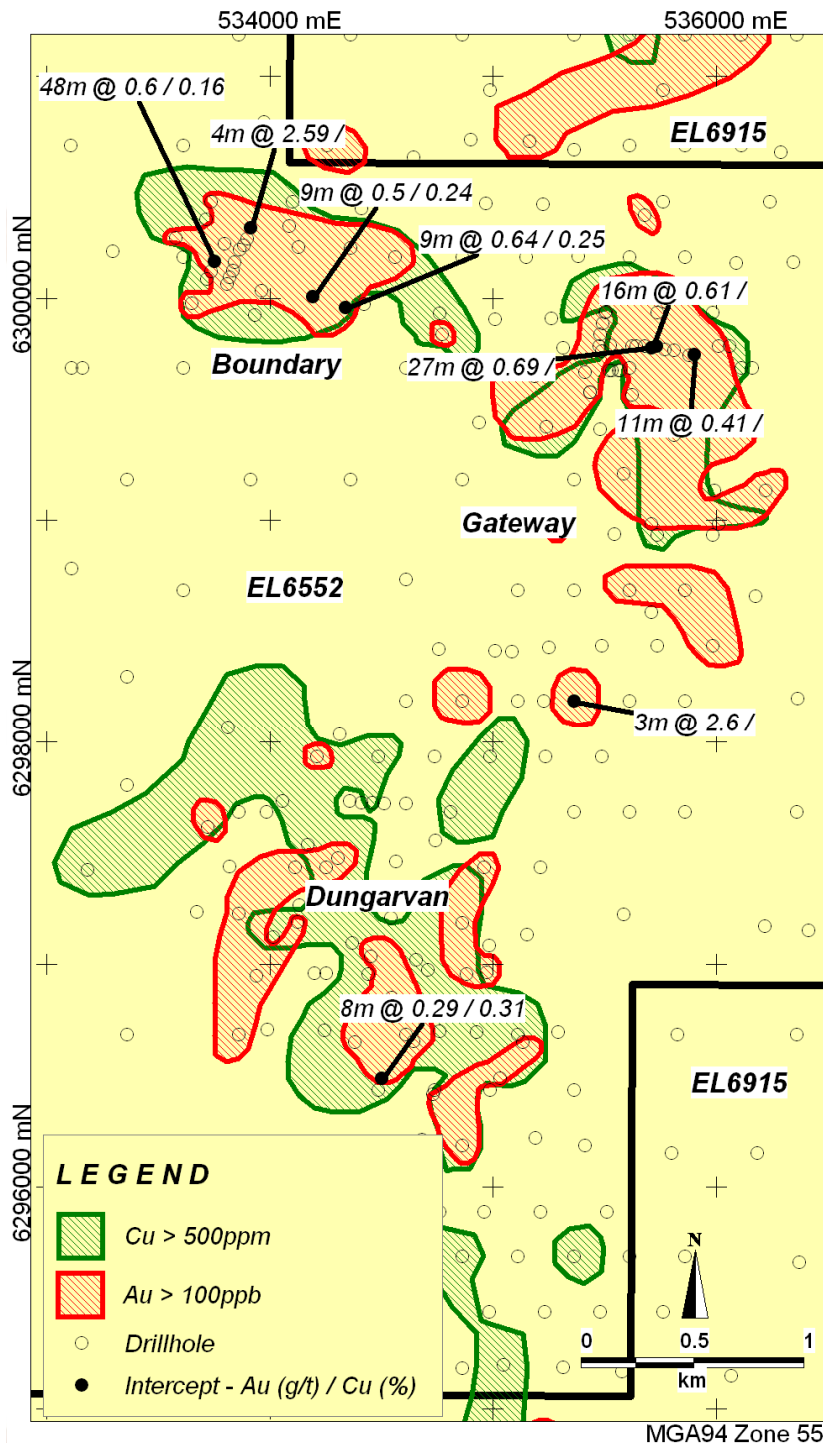
# Fairholme, NSW

## Junee-Narromine Volcanic Belt – 18km north of Cowal gold mine

- 100% owned by Clancy
- EL6552 and EL6915, 287km<sup>2</sup>
- Four A-Class targets
- Zero outcrop – 20-50m of Quaternary cover
- Former Newcrest property
- Unequivocal Ordovician porphyry Cu-Au system within EL6552
- Large geochemistry halos and significant drill results
- Open farmland, easy access
- Depth potential



# Fairholme – previous exploration



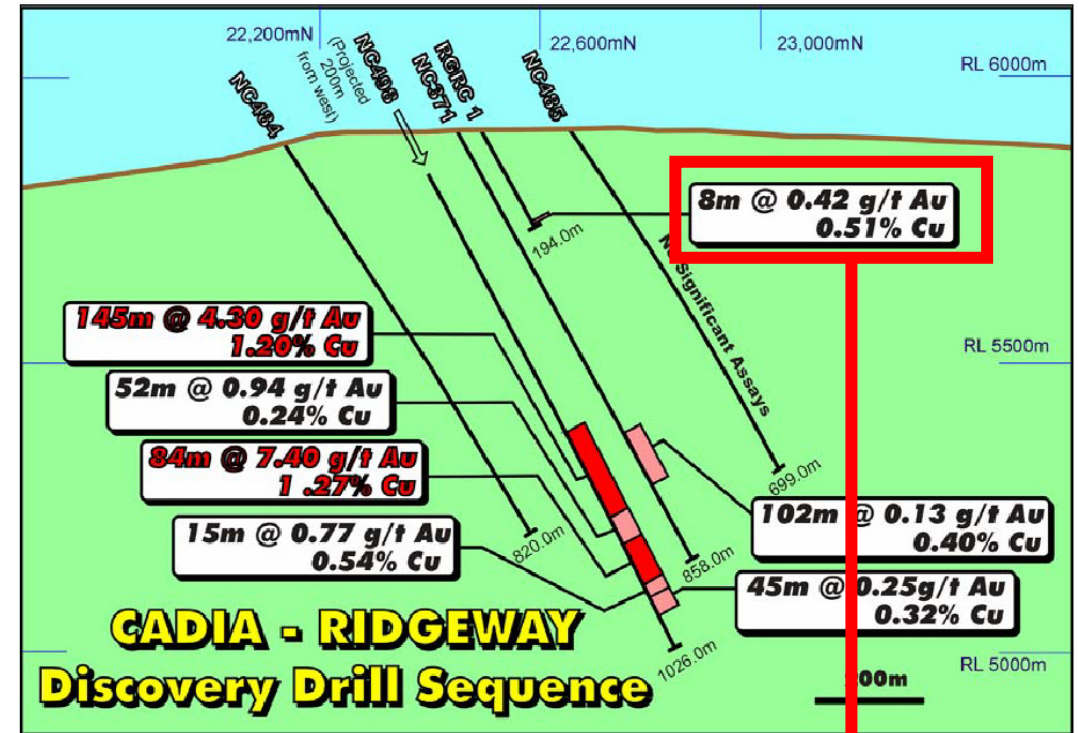
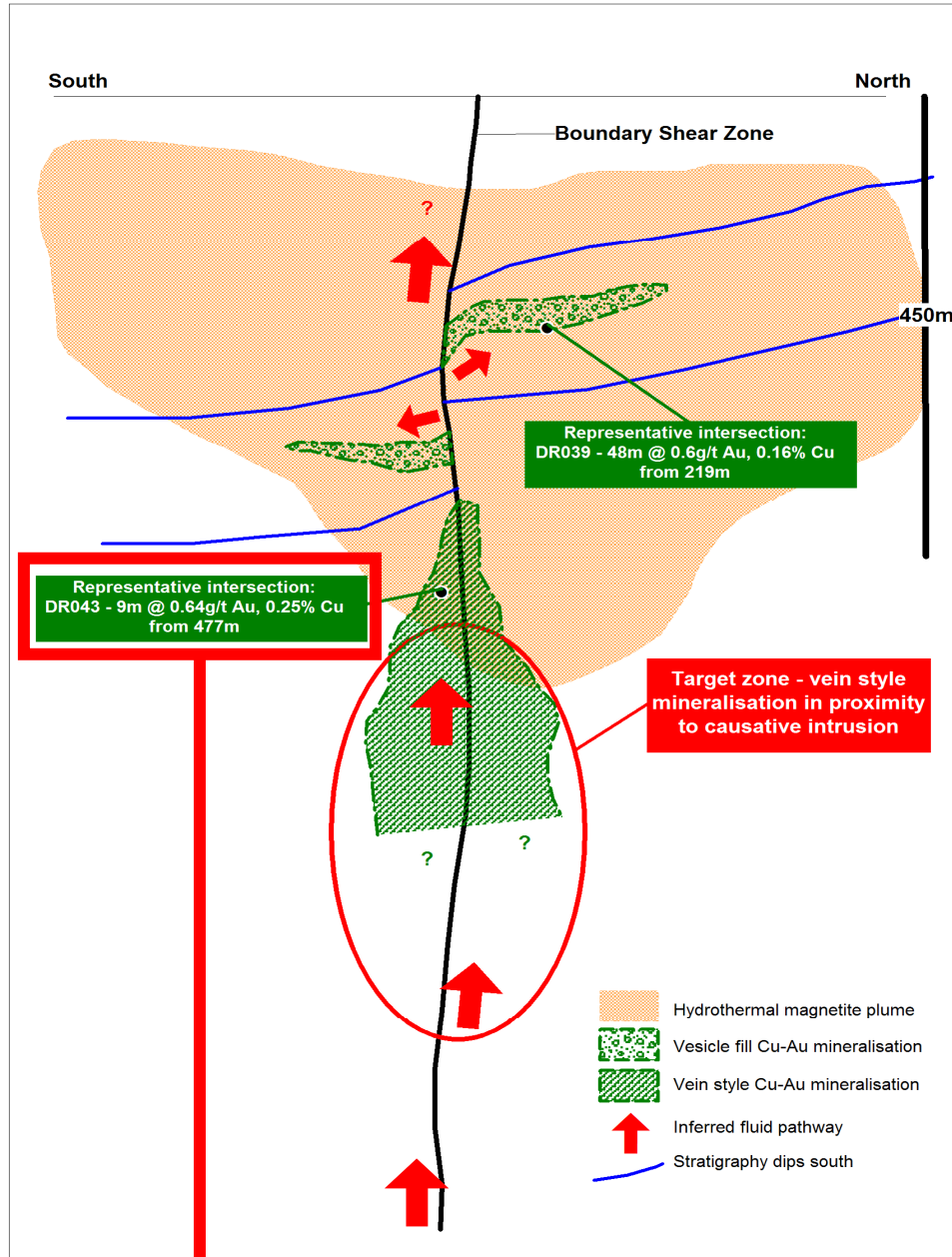
## Geochemistry and drilling highlights

- Newcrest explored from 1998 to 2005
- Relinquished title with follow-up planned
- Extensive drilling (>300 AC, 29 RC and 17 DD holes)
  - Boundary - 48m @ 0.61g/t Au, 0.16%Cu
  - Gateway - 124m @ 0.36g/t Au, 0.1% Cu
  - Dungarvan - 160m @ 0.1% Cu
- >\$3.5M spent by Newcrest
- Boundary and Dungarvan prospects have shoshonitic igneous rocks (dykes?)
  - Coincident geochemical (aircore) and ground magnetic anomalies
- Gateway prospect – no intrusives identified:
  - Significant demagnetisation
  - Post-Ordovician?
- Substantial parts of the target remain to be tested

# Fairholme Boundary – conceptual model



## Boundary – depth potential



DR043 – 9m @ 0.64g/t Au, 0.25% Cu from 477m

Similar?

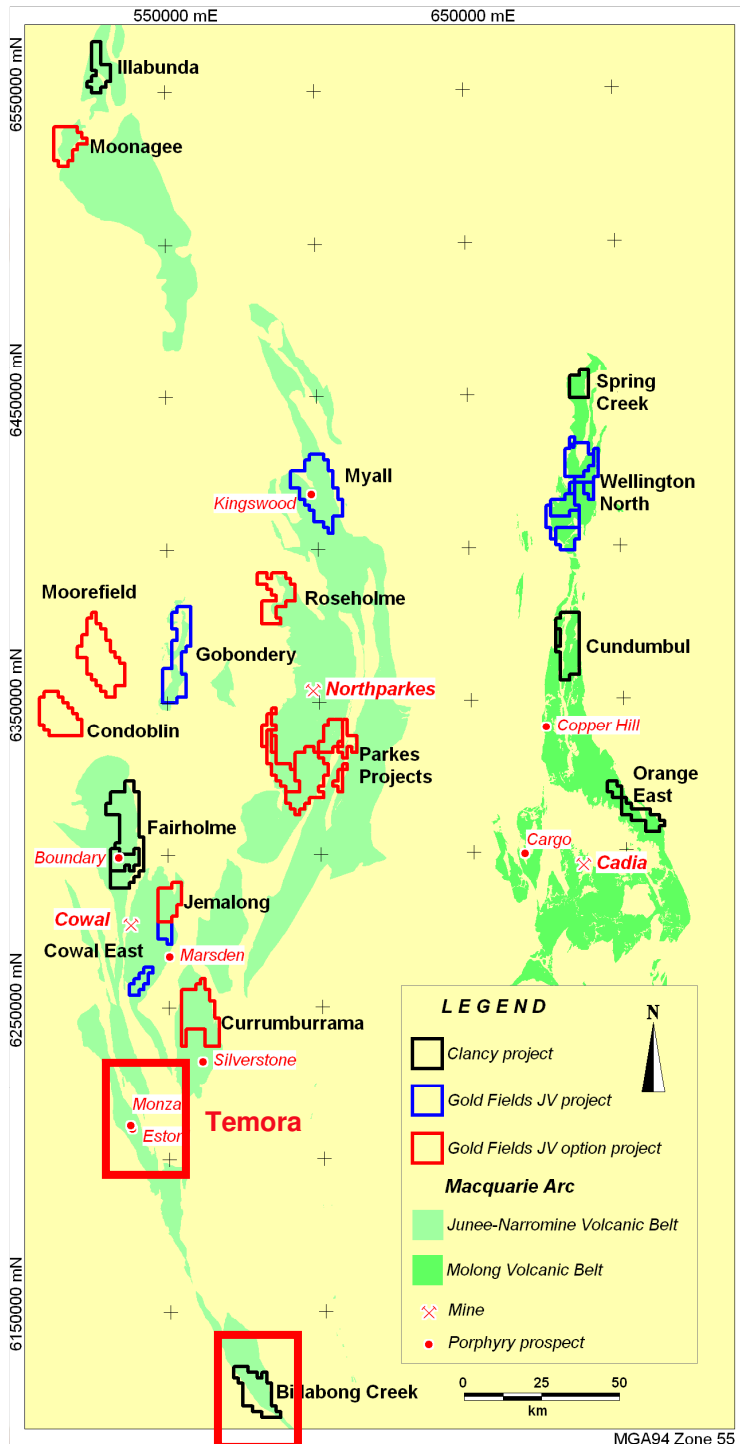


# Billabong Creek, NSW



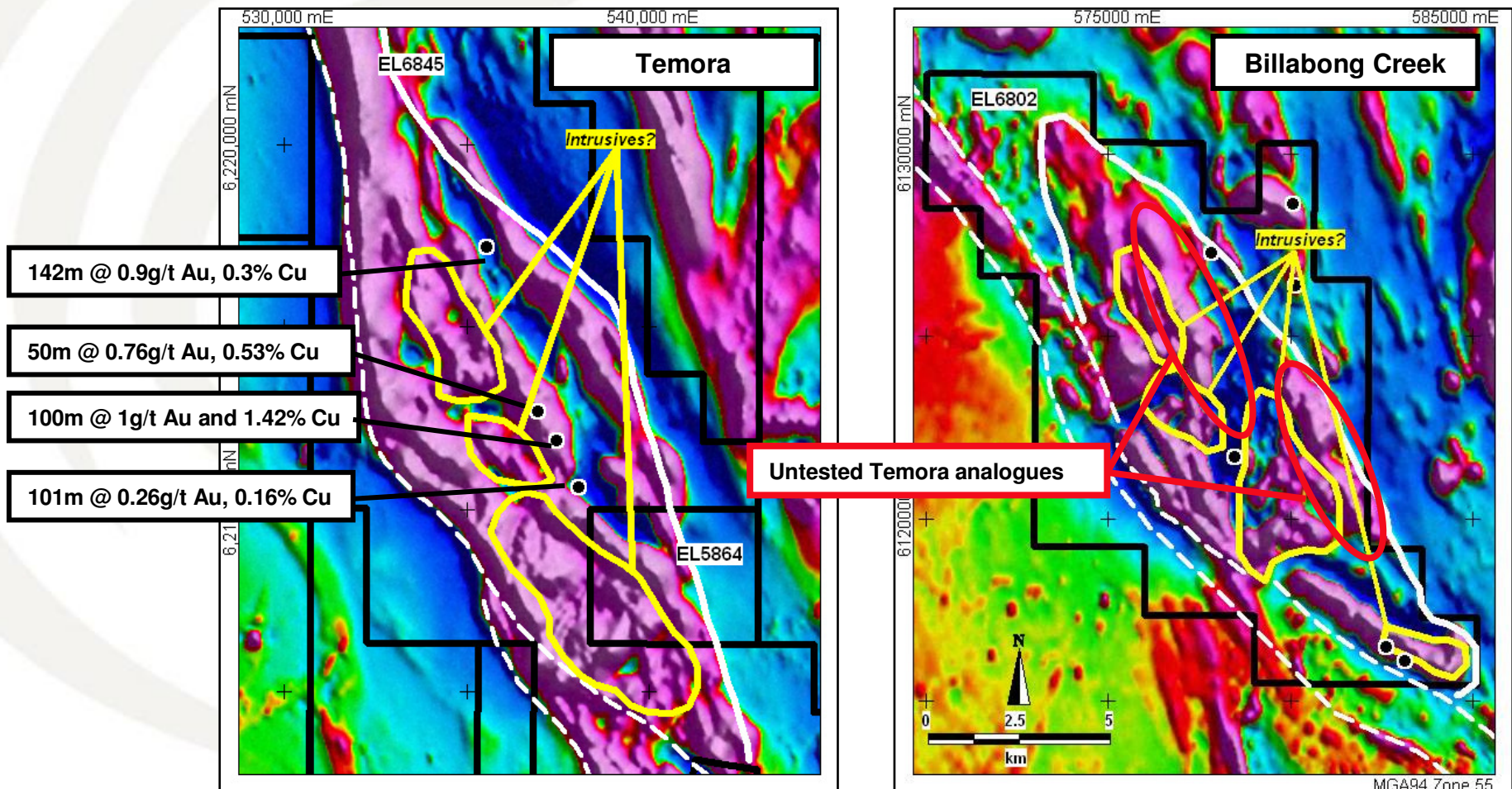
## Junee-Narromine Volcanic Belt – (Gilmore Fault) 20km west of Gundagai

- 100% owned by Clancy
- EL6802, 135km<sup>2</sup>
- One A-Class target
- Gilmore Fault – little previous exploration
- Similar geophysical characteristics to the Temora area
  - Monza discovery 2007 (Goldminco)
  - 100m @ 1g/t Au and 1.42% Cu
- Shallow cover, some outcrop
- Open farmland and vineyards



# Billabong Creek – Temora comparison

High-frequency 0-500m residual magnetics – both images same scale

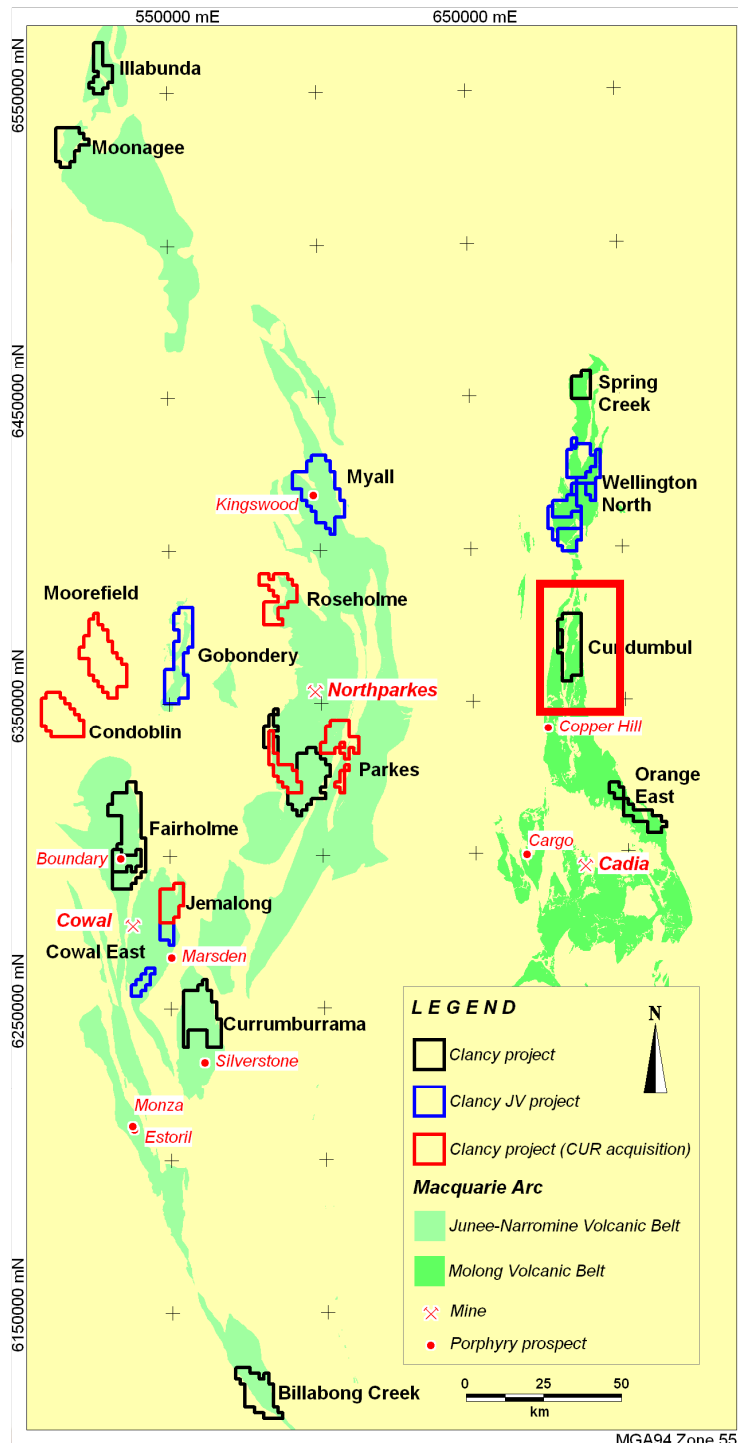


# Cundumbul, NSW

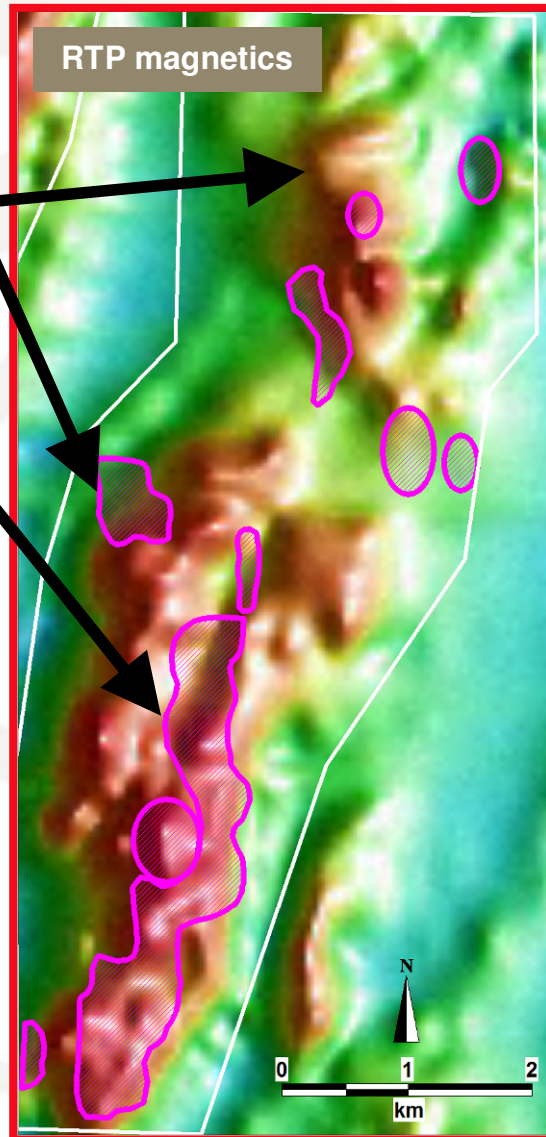


## Molong Volcanic Belt – 46km N of Orange

- 100% owned by Clancy
- EL6661 and EL6912, 150km<sup>2</sup>
- One A-Class target
- 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
- IP surveys completed



# Cundumbul – Naroogal IP



**Gradient IP data being field-checked and reviewed**

**Eight basement anomalies defined to date**

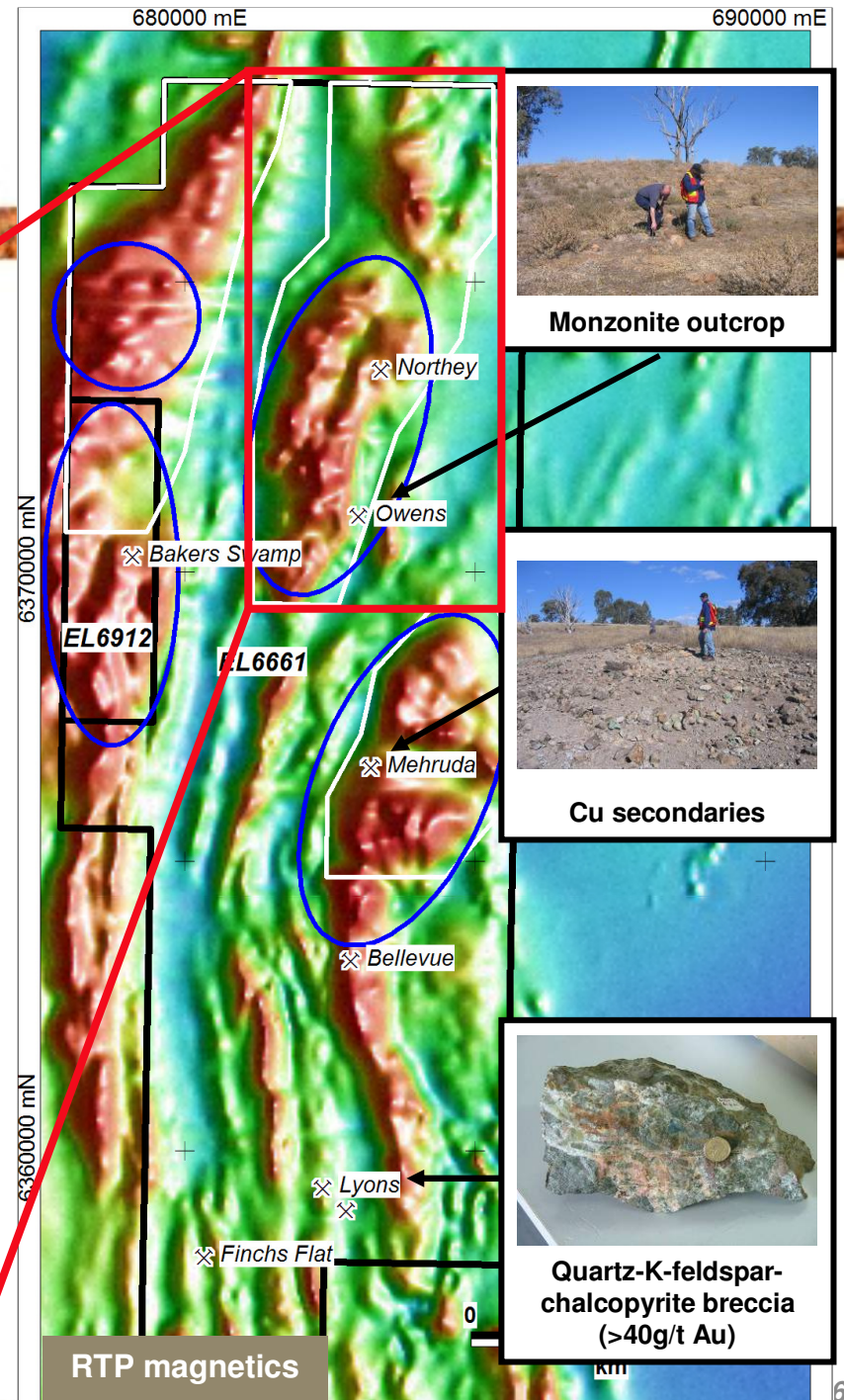
**Large coherent gradient IP chargeable anomaly**

**>4km long**

**Much of it with chargeability's >20ms**

**No previous drilling in this area**

**Further processing and follow-up planned**



**Monzonite outcrop**

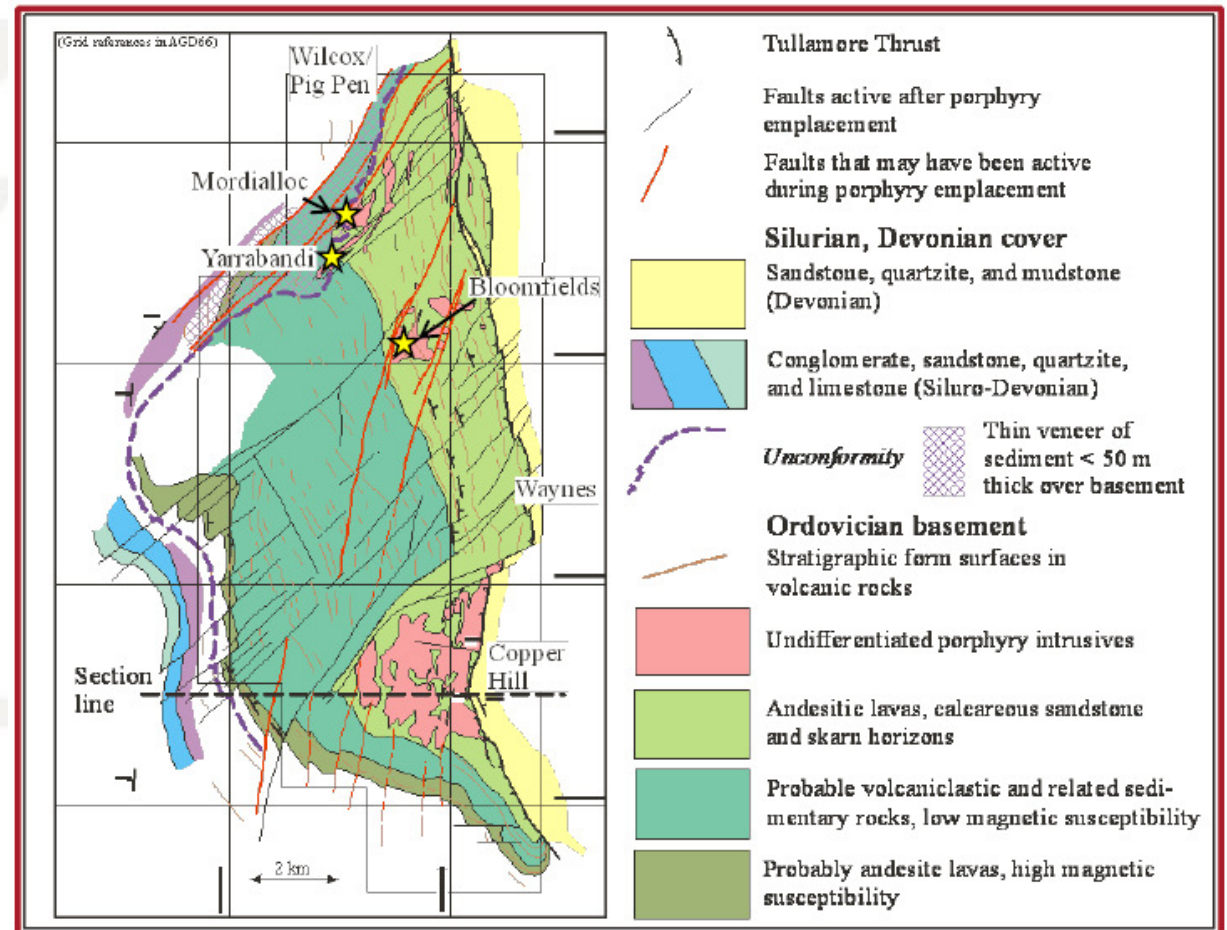
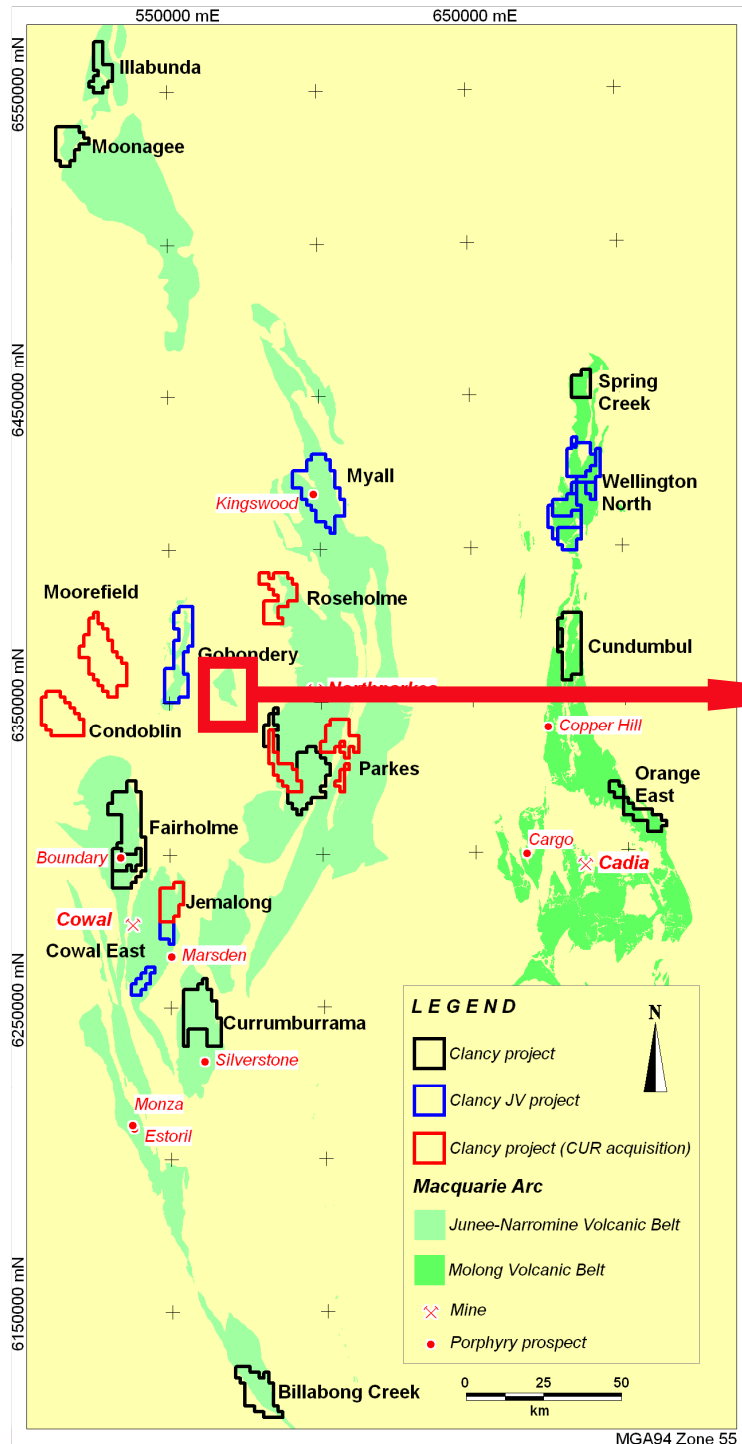


**Cu secondaries**



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

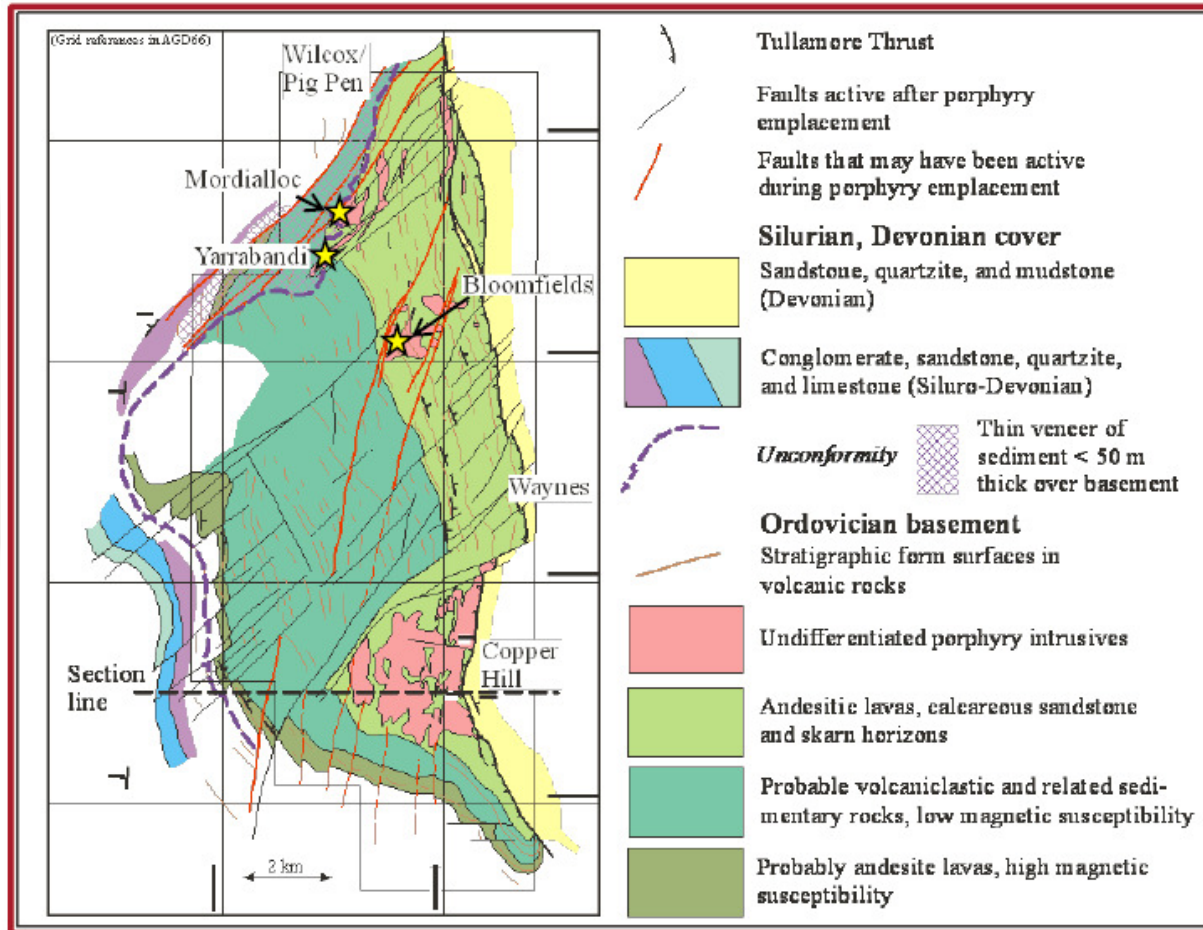
# Trundle Geology



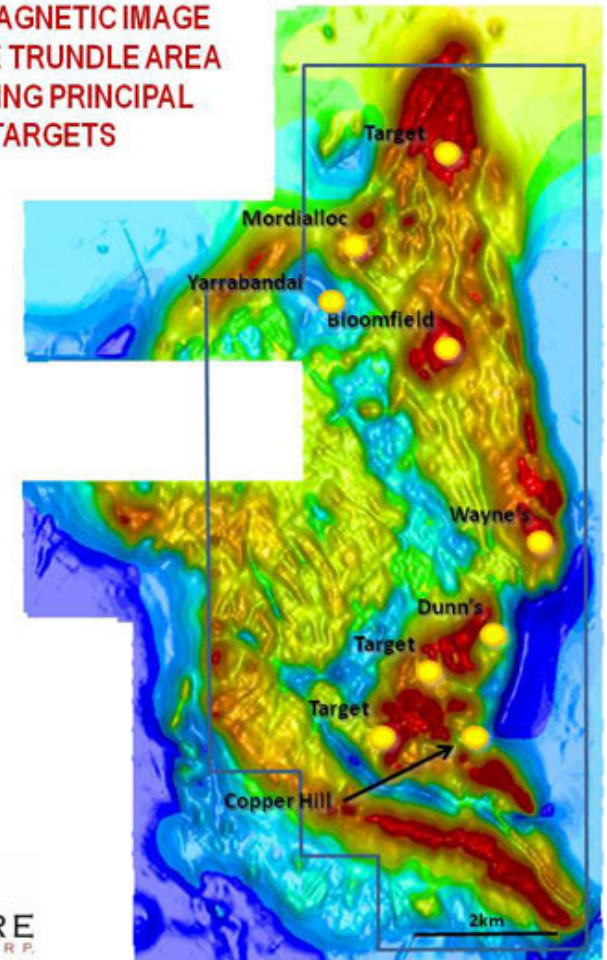
# Trundle Geology and Magnetics



## Trundle - Targets



AEROMAGNETIC IMAGE FOR THE TRUNDLE AREA SHOWING PRINCIPAL TARGETS

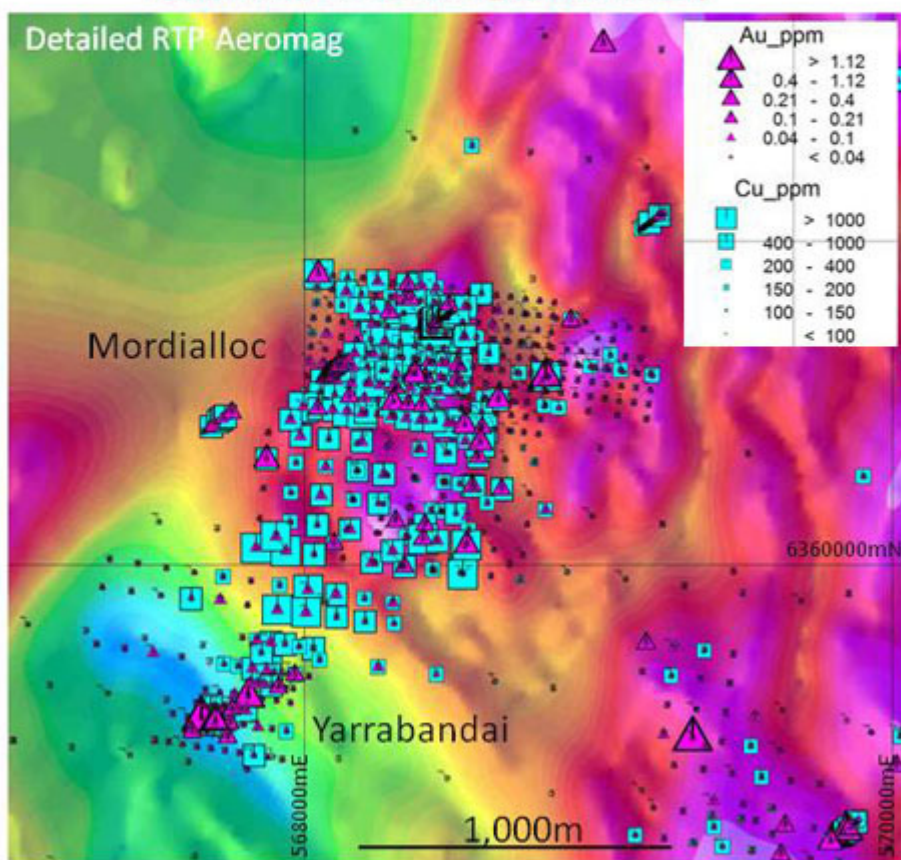


# Trundle – similarities to Northparkes

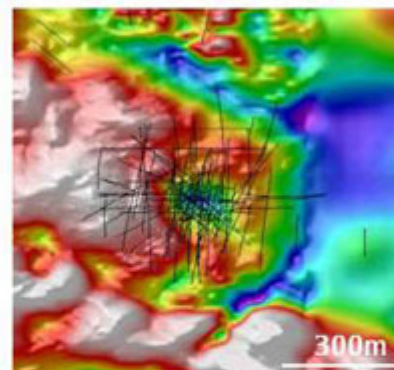
## Trundle – Northern Targets



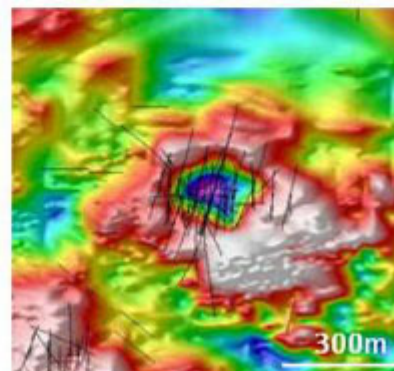
Bottom of RAB hole geochemistry



Similarities to Northparkes



Endeavour 22



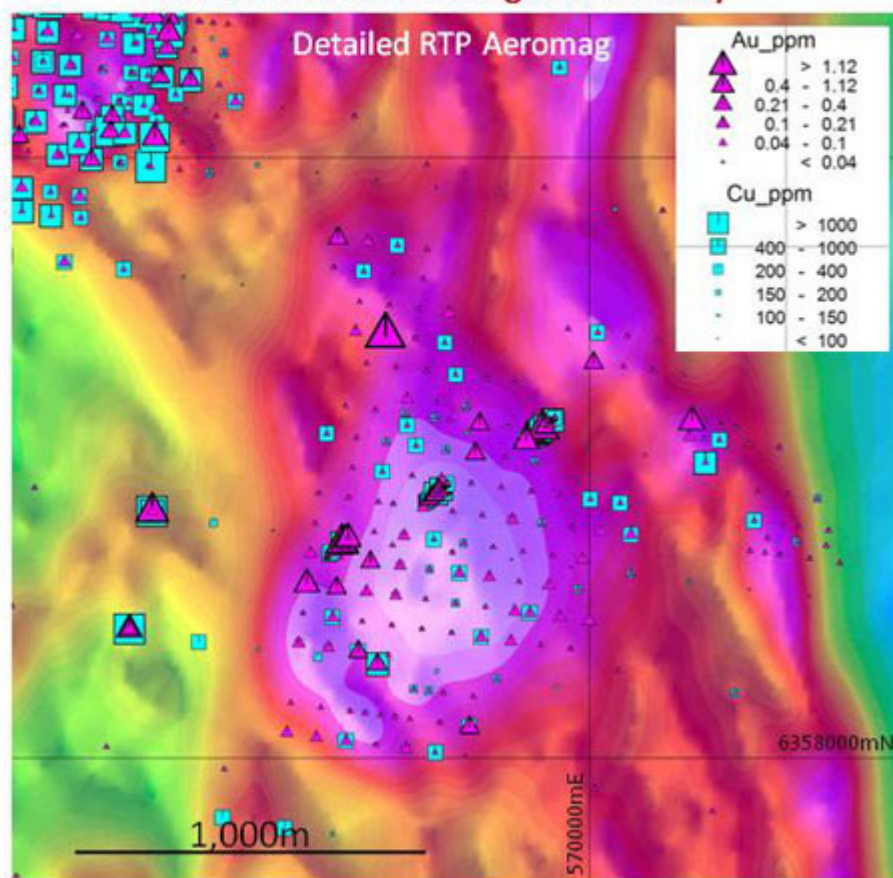
Endeavour 27

# Trundle – similarities to Northparkes

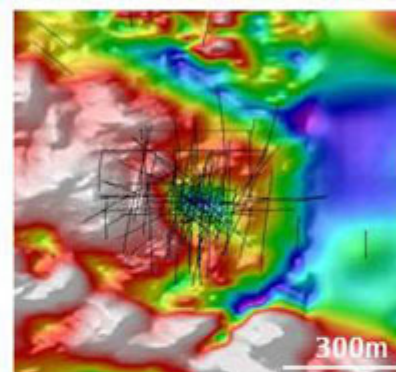
## Trundle – Bloomfield Target



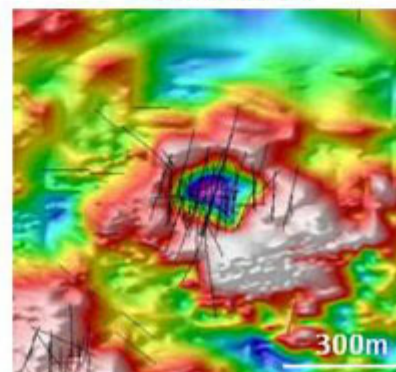
Bottom of RAB hole geochemistry



Similarities to Northparkes



Endeavour 22



Endeavour 27

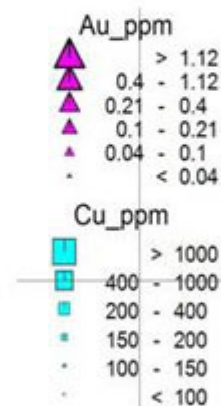
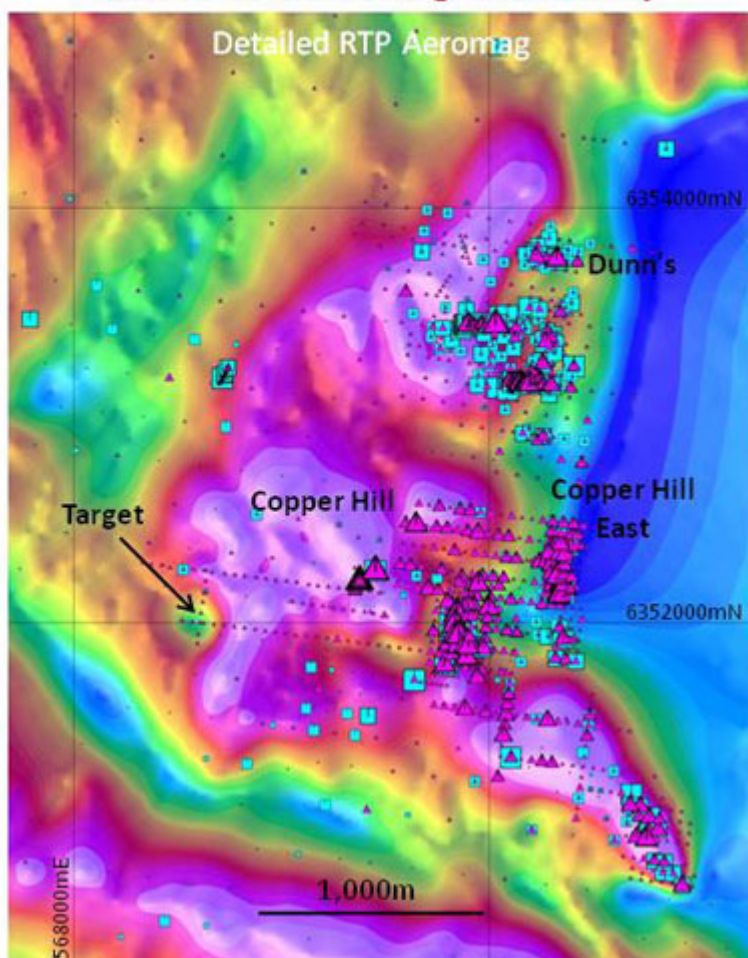


# Trundle – similarities to Northparkes

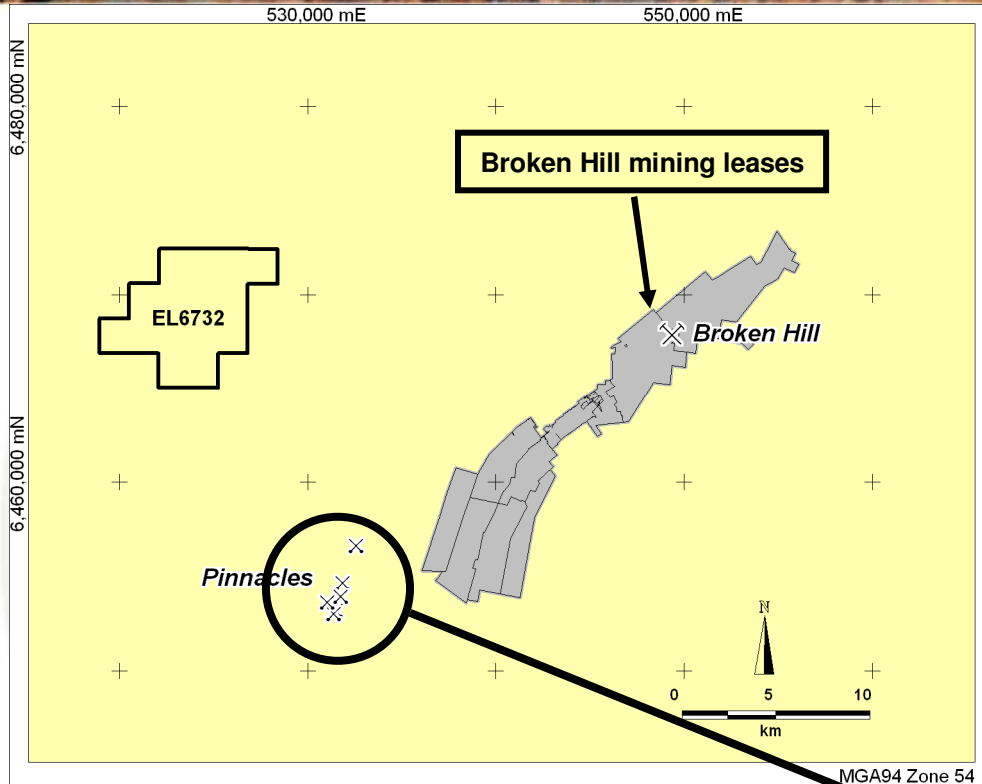
## Trundle – Copper Hill Area



Bottom of RAB hole geochemistry



# Nadbuck, NSW



## Broken Hill Block – 25km W of Broken Hill

- 100% owned by Clancy
- EL6732, 43km<sup>2</sup>
- Shallow alluvial cover – very little outcrop
- No significant modern exploration
- Historical Cu and Pb-Zn workings
- Abundant Cu secondaries in surface float
- Prospective for:
  - Broken Hill Type (BHT) Pb-Zn-Ag deposits
  - Vein-style, discordant Cu + Pb-Zn ± Au mineralisation → different to Broken Hill?

***Pinnacles – recent discovery (Perilya):***

***Second largest known BHT system in the region.***

***Gold-rich and older than Broken Hill.***

***>14 Mt of moderate grade Ag, Pb-Zn ore with Au and Cu credits.***

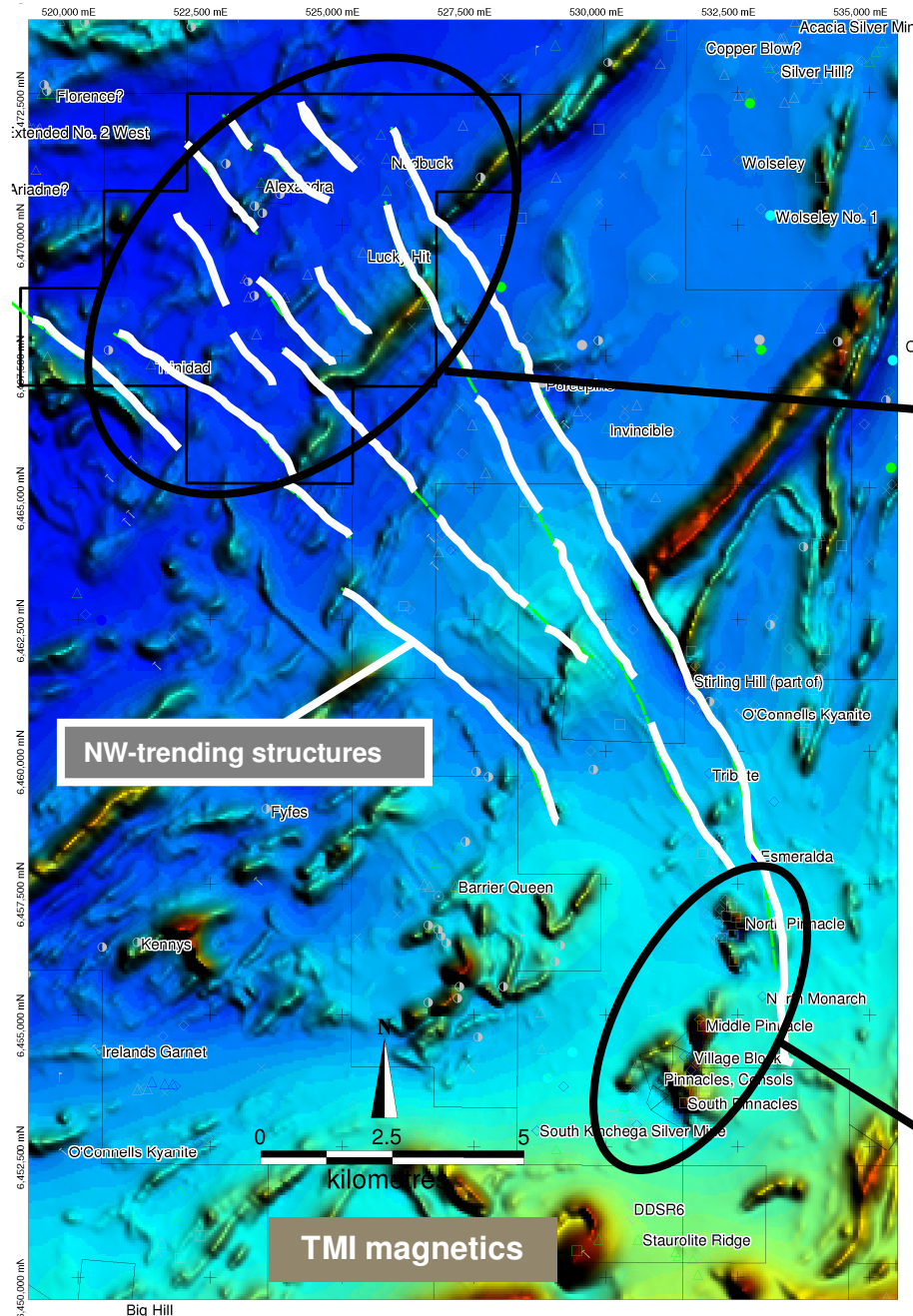
***Recent intercepts:***

***6.4m at 11.6% Zn, 1.38% Pb and 0.63g/t Au***

***2.5m at 12.58 g/t Au***



# Nadbuck potential



## Nadbuck area:

Splayed fault pattern → strain distributed over wide area

Suggests shear zone terminates in lease area

Trap for mineralising fluids in discordant settings

## NW-trending structures:

De-magnetized retrograde mica shear zones

Offset stratigraphy (sinistral)

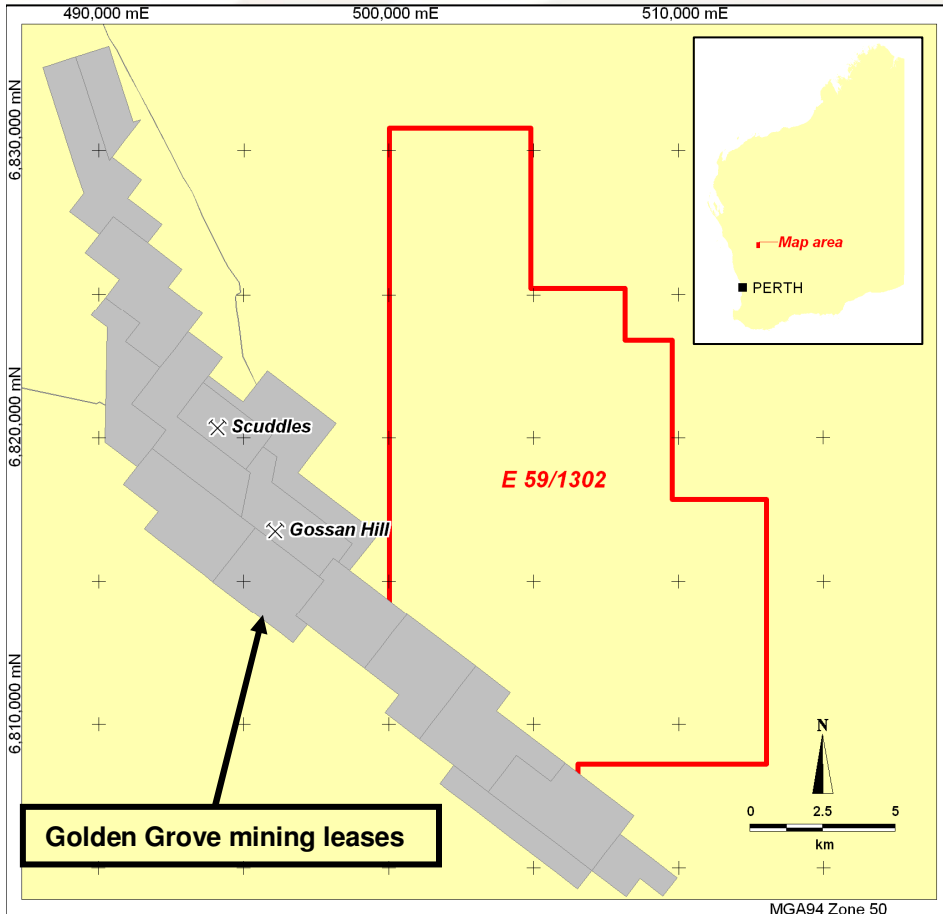
Multiple Cu and Pb-Zn occurrences associated with subsidiary structures → conduit for mineralising fluids

## Pinnacles area:

*Second largest BHT system in region*

*>14 Mt of moderate grade Ag, Pb-Zn ore with Au and Cu credits*

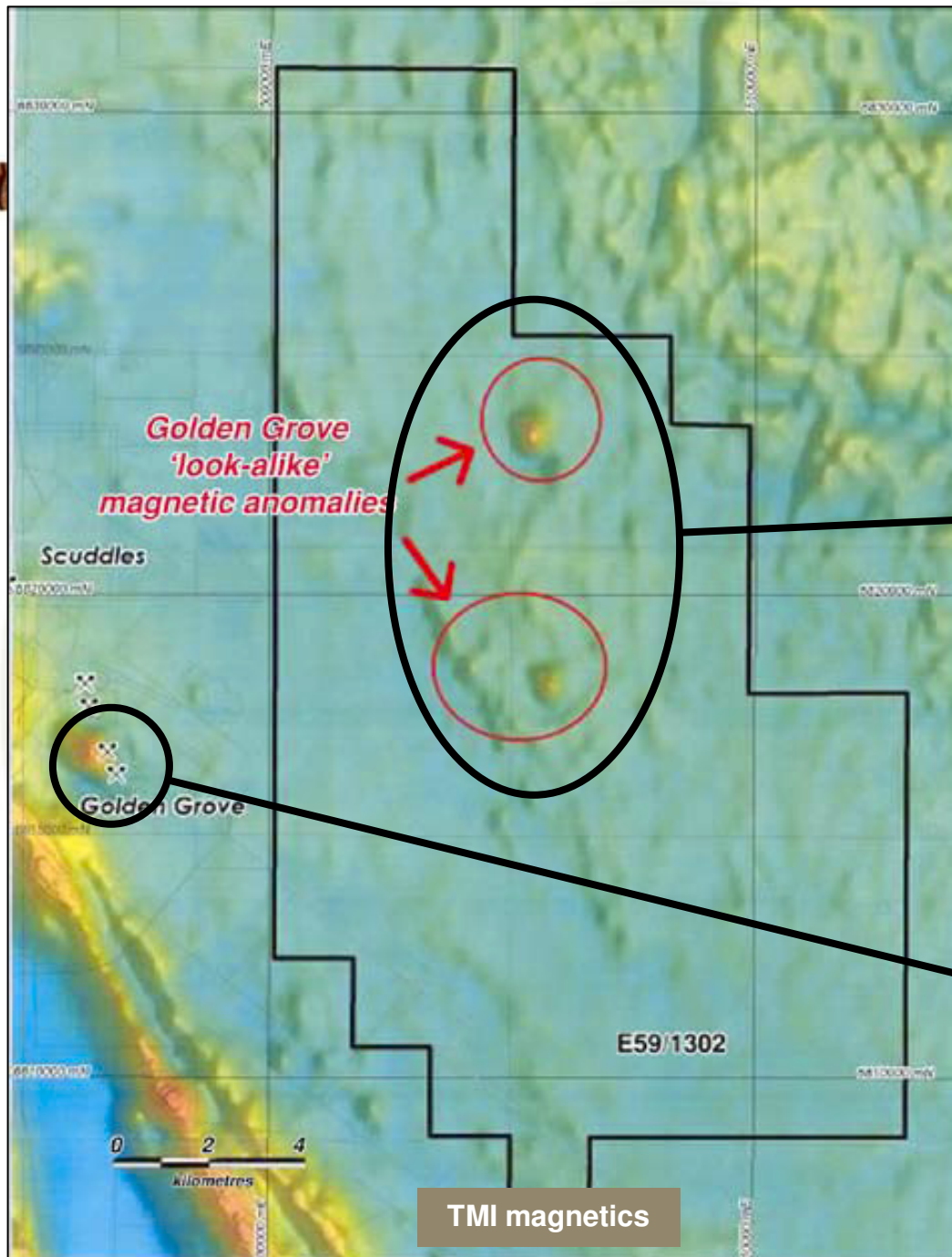
# Yalgoo, WA



## Murchison Province – 370km NNE of Perth

- 100% owned by Clancy
- E59/1302, 211km<sup>2</sup>
- Adjacent to OZ Minerals Golden Grove Zn-Cu-Pb-Au-Ag mine
- Two main deposits
  - Scuddles and Gossan Hill
- Golden Grove Resource (Dec 2004):
  - 17Mt at 5.9% Zn, 1.9% Cu, 0.9% Pb, 64g/t Ag and 1.3g/t Au
  - Contained metal – 1.26Mt Zn, 587Kt Cu, 41Moz Ag and 811Koz Au
- Golden Grove depth potential below existing resources:
  - Scuddles: 45.7m @ 2.4% Cu and 6.5m @ 26.6% Zn
  - Gossan Hill: 51m @ 6.5% Cu, 1.8% Zn, 1.1g/t Au & 52g/t Ag

# Yalgoo potential



## Gossan Hill look-alike anomalies:

The anomalies are blind and lie untested beneath younger alluvial cover.

Similar scale and tenor to the Gossan Hill magnetic anomaly.

Scuddles was also a small bulls-eye magnetic anomaly.

Field checking required, followed by ground magnetics and drilling.

## Gossan Hill:

Discrete magnetic anomaly → pyrrhotite within massive sulphide?

# NSW JV Option Projects



## Eight projects (managed by Gold Fields)

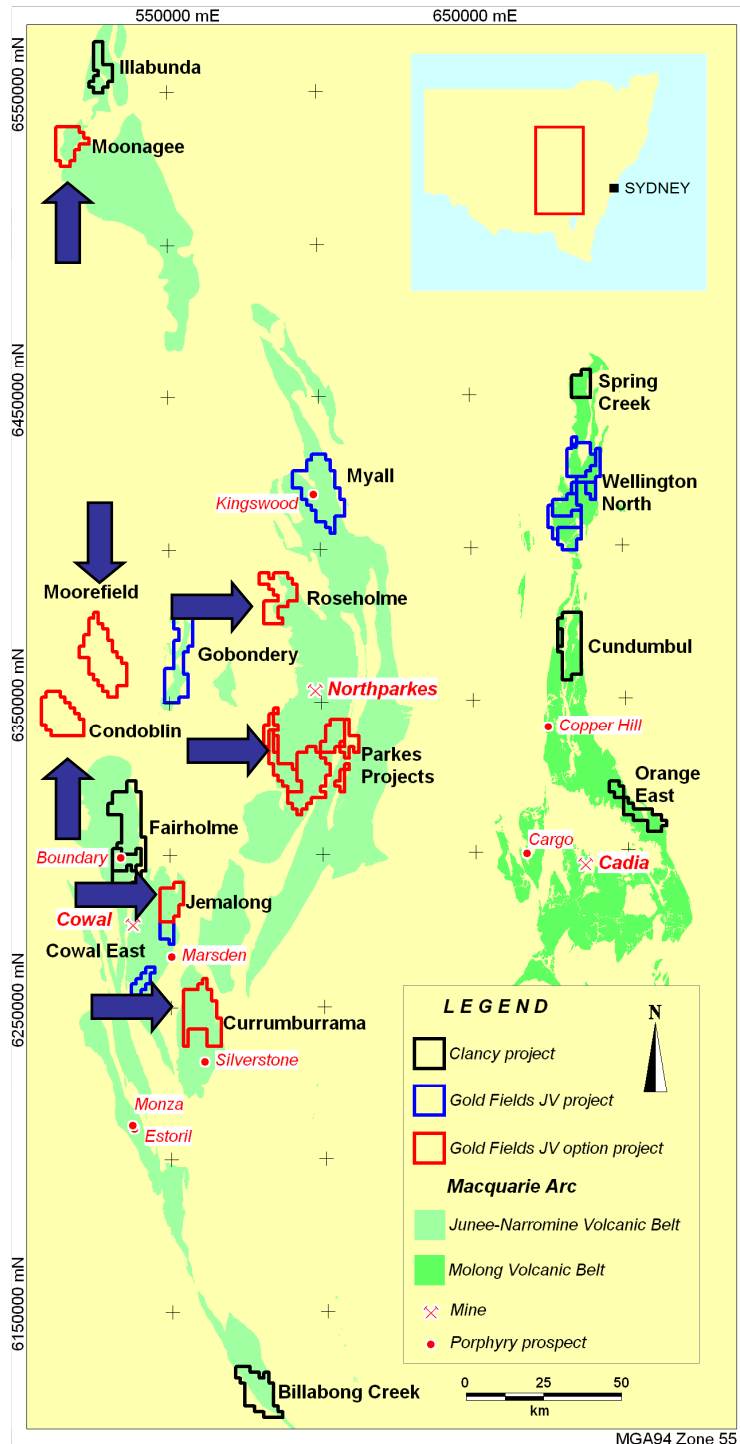
Gold Fields will conduct 12 months reconnaissance program.

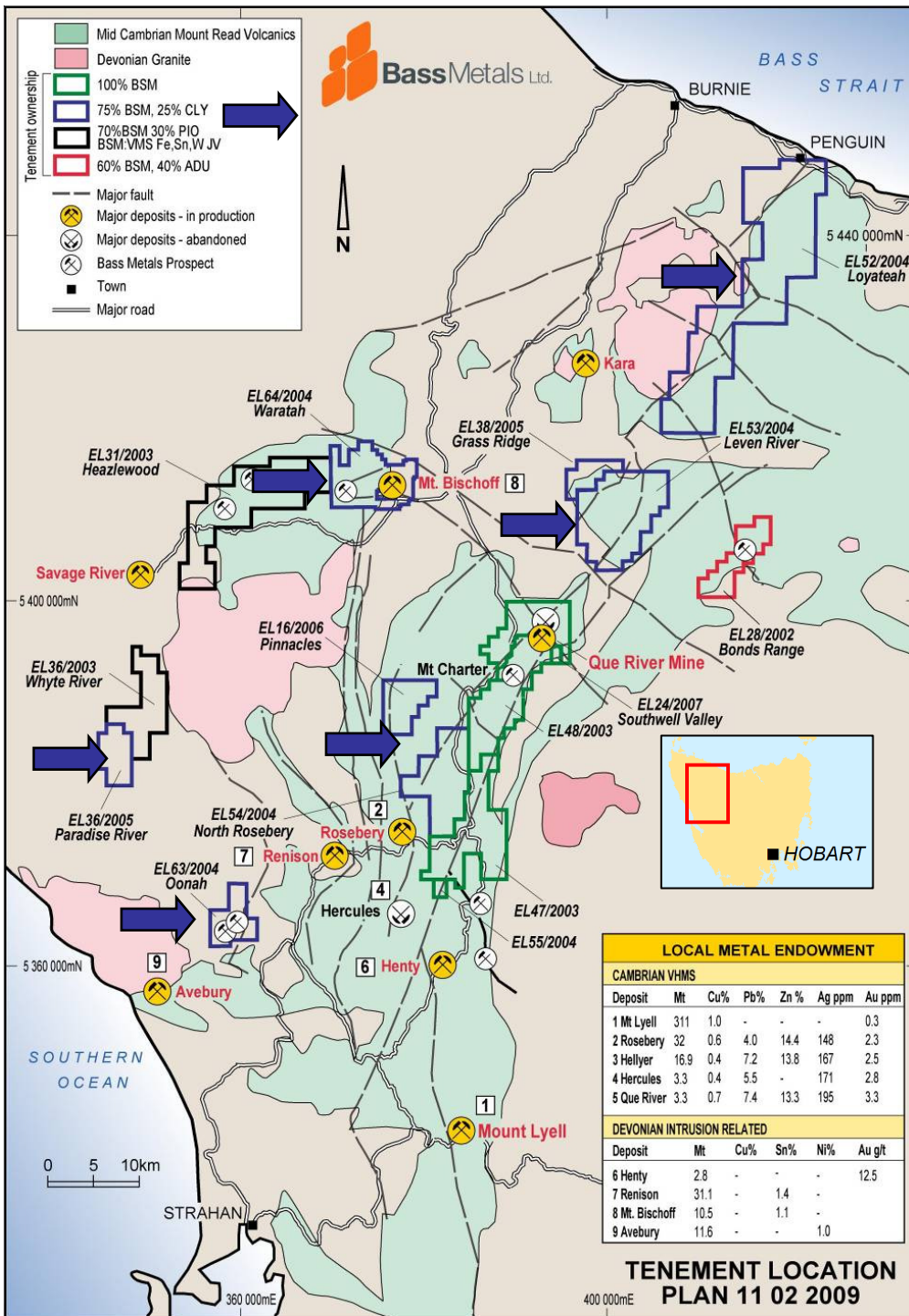
Gold Fields have the option to form JV's on a maximum of 4 projects (to earn 80%).

Remaining projects returned to Clancy, freed from clawback rights.

JV options projects kept in good standing by Gold Fields during option period.

Potentially up \$4M exploration spend before Clancy has to contribute.





# Tasmania Projects



## Mount Read Volcanic Belt – NW Tasmania

- World class base metal and tin province
- >100 years of continuous mining (Mt Lyell)
- Bass Metals managing and earning 75% in 6 CLY projects, 7 EL's – 481 km<sup>2</sup>
- Cambrian VHMS (Zn, Cu, Au, Ag) targets:
  - Loyateah, Leven River, North Rosebery
- Devonian intrusive-related (Pb-Zn, Sn) targets:
  - Waratah and Oonah
- Orogenic Au target:
  - Paradise River

### Recent activity:

*MMI anomalies defined at North Rosebery.*

*Prospective host VHMS host stratigraphy identified at Leven River.*

*VTEM anomaly at Loyateah.*

*DDH and RC drilling at Waratah and Oonah.*

# Wrap up



Strategic approach to targeting and aggressive exploration campaign underway

Projects are in highly mineralised terrain – excellent potential (from surface)

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

Increased pace of exploration – consistent and sustained news flow

Looking forward to reporting even more positive results

Substantial upside in valuation with exploration success



# Contact Details



Thank you

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