

ASX/ Media Announcement
16 December 2009



CLANCY ACQUIRES 25% INTEREST IN NEW TENEMENT PROSPECTIVE FOR HIGH GRADE COPPER

Clancy Exploration Limited (ASX: CLY) is pleased to announce that it has secured a 25% interest in a highly prospective Tasmanian tenement via the Tasmanian Alliance Agreement with Bass Metals (ASX: BSM).

Under the Tasmanian Alliance Agreement, Clancy and Bass will take respective 25% and 75% shares in the Lake Margaret Exploration Licence (EL 28/2009). The 59 km² licence covers approximately 12 kilometres of the geological unit that hosts the nearby Mt Lyell (copper-gold) and Henty (gold) deposits.

Bass Metals considers that the ground is very prospective for high grade copper mineralisation such as found at the nearby North Lyell deposit. Full details are contained in the attached Bass ASX release.

Clancy Managing Director, Mark Stewart, said that he was very pleased to see Bass Metals win the tender for the Lake Margaret Exploration Licence.

"We had previously identified an A class exploration target in the Lake Margaret lease area, so we are very pleased to see Bass pick up this ground. I look forward to Bass commencing exploration on the lease, utilising the same high calibre exploration team and techniques that have proven successful at their Hellyer and Que River leases," said Mr Stewart.

Under the Tasmanian Alliance Agreement, Clancy's 25% interest in the exploration licence is free carried until completion of a pre feasibility study on any of the Clancy / Bass Metals joint venture tenements held under the Tasmanian Alliance Agreement.

-ENDS-

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16 December 2009

The Manager Companies
Australian Stock Exchange
20 Bridge Street
SYDNEY NSW 2000

Dear Sir

NEW TENEMENT PROSPECTIVE FOR HIGH GRADE COPPER DEPOSITS

Highlights

- **Bass wins tender for prospective 59 km² Exploration Licence located between the giant Mt Lyell Copper-Gold Mine and the +1 million ounce Henty Gold Mine.**
- **Tenement contains large boulder grading 5.6 % copper, 0.6 g/t gold and 29 g/t silver – interpreted to originate from a source with similar grades and mineralogy to the nearby North Lyell Deposit.**
- **Prospective copper horizon has not been previously drilled, though significant historic drilling for Henty/Rosebery style VMS mineralisation provides an excellent drill core library for Bass to apply its new exploration techniques to fast track target generation.**

Bass Metals Ltd (ASX:BSM) has been successful in its tender submission for the Lake Margaret Exploration Licence (EL 28/2009). The 59 km² licence covers approximately 12 kilometres of the geological unit that hosts the nearby Mt Lyell (copper-gold) and Henty (gold) deposits and is interpreted as the equivalent geology to the ore host horizon at its Hellyer-Que River leases. This regional trend is illustrated in Figure 1, which also highlights the close proximity of the licence area to several large-scale, high grade deposits in the region.

The tenement is prospective for three separate styles of mineralisation:

- *North Lyell high grade copper deposits.*
The North Lyell deposits are part of the giant Mt Lyell copper-gold mining district which has been mined for the past 120 years. They comprise a discrete mineralised zone with historic recorded production of 4.9 million tonnes grading 5.4 % copper, 0.45 g/t gold and 34 g/t silver.
- *Henty style gold*
This is a plus 1 million ounce high grade gold deposit, in production and owned by Bendigo Mining Ltd.
- *Polymetallic VMS (Hellyer/Rosebery style) deposits*
Bass is currently mining and exploring for this high grade, polymetallic deposit style on its Hellyer-Que River regional leases.

Bass considers that the ground is very prospective for high grade copper mineralisation such as found at North Lyell. The North Lyell mineralisation occurs at the contact between volcanic rocks and the Owen Conglomerate – a geological horizon that has not been tested in this area by any previous exploration drilling.

Bass geologists have examined a very large boulder, transported by glaciers (termed a "glacial erratic") which contains "ore grade" copper mineralisation. A review of Mineral Resources Tasmania (MRT) reports by Bass revealed that previous rock chip sampling yielded average assays of 5.6% copper, 0.6 g/t gold and 29 g/t silver from three samples. Furthermore, the mineralogy of this erratic – an intensely silicified rock with pyrite and various copper sulphide minerals, is very similar to the mineralogy found at the North Lyell deposit. Based on initial interpretations of glacial movements and topography the boulder could not originate from the North Lyell area and due to its size and shape is not likely to have been transported far. Recent mapping by Bass has confirmed the presence of many more mineralised looking rocks and boulders in this vicinity.

The licence has received significant exploration focus in the past for the Henty and VMS deposit styles including approximately 20,000 metres of drilling. Bass' exploration team is excited about accessing the historic drill core and utilising its new exploration techniques as applied on its Hellyer – Que River leases to fast track target generation work.

The licence is expected to be granted by MRT within 3 months to Bass 75% and Clancy Exploration Ltd 25% consistent with the terms of the Tasmanian Alliance Agreement between the two parties. The area is traversed by the sealed Lake Anthony access road and, by Tasmanian standards, access is considered to be good throughout the prospective areas.

I look forward to reporting on further exploration results as they come to hand.

Yours Sincerely



Mike Rosenstreich
Managing Director

Competent Person

The information within this report that relates to exploration results is based on information compiled by Mr Kim Denwer and Mr Mike Rosenstreich who are both full time employees of the Company. Mr Rosenstreich is a Member of The Australasian Institute of Mining and Metallurgy and Mr Denwer is a Member of the Australian Institute of Geoscientists. They both, individually have sufficient experience relevant to the styles of mineralisation and types of deposits under consideration and to the activities currently being undertaken to qualify as a Competent Person(s) as defined in the 2004 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves and they consent to the inclusion of this information in the form and context in which it appears in this report.

Technical Detail

This Report aims to provide a high level summary of various technical aspects of the Company's projects. For more details on the underlying technical parameters the reader is referred to the ASX Reports on the Bass Metals' website, www.bassmetals.com.au.

Forward-Looking Statements: *This document includes forward-looking statements. Forward-looking statements include, but are not limited to, statements concerning Bass Metals Ltd's planned development and exploration programmes and other statements that are not historical facts. When used in this document, the words such as "could," "plan," "estimate," "expect," "intend," "may," "potential," "should," and similar expressions are forward-looking statements. Although Bass Metals Ltd believes that its expectations reflected in these forward-looking statements are reasonable, such statements involve risks and uncertainties and no assurance can be given that actual results will be consistent with these forward-looking statements.*

Figure 1. Tenement location plan and schematic geology

