

## ADVANCES IN TASMANIAN JOINT VENTURE EXPLORATION

Clancy Exploration (ASX: CLY) is pleased to refer shareholders to an announcement made by Bass Metals (ASX: BSM) dated 15 May 2008 in respect of an update on its exploration and development activities in north-west Tasmania.

### HIGHLIGHTS

- Geophysical targets generated from a recent aerial survey of 3 Clancy exploration licences in Tasmania
- Bass is earning a 75% interest in these licences by free carrying Clancy to completion of pre-feasibility.
- Clancy also holds a substantial economic interest in Bass Metals which currently comprises 1,161,250 shares and 56,250 options. This shareholding will increase incrementally in tranches of 250,000 shares for every 500,000 ounces gold equivalent discovered within the alliance area up to a maximum of 5 million shares.

The following information has been extracted from the Bass Metals announcement:

Interpretation of data collected by the aerial VTEM time domain system geophysical survey flown for Bass Metals by Geotech Airborne Pty Ltd during March has generated conductive electromagnetic (EM) targets on each of the project areas flown including:


- *Waratah near Mt Bischoff Tin Mine* – possible extensions to the north-east of the Mt Bischoff tin mineralisation.
- *Wilnot (base metal target)* – a cluster of three unexplained discrete late-time anomalies potentially indicating massive sulphide mineralisation.
- *Loyetea (base metal targets)* – several EM responses, in particular two considered to represent potential conductive bodies related to granite skarn style mineralisation.

These are preliminary results and further geophysical data and processing has been requested. Overall the survey generated "clean" reliable data and has clearly highlighted several areas on the tenements which may represent bodies of mineralisation which warrant further work.

Additionally, Bass Metals has advised that it has established a feasibility study timetable for the Fossey and Upper Hellyer Resource of 18 months to reach a decision to mine stage. The feasibility study includes the concept of early Fossey development with a 60,000 to 100,000 tonne trial sample to expedite development, possibly within 12 months.

In 2005 Clancy's major shareholder, Geoinformatics, completed probabilistic targeting on behalf of Bass Metals for VHMS systems, intrusive-related systems and orogenic gold systems in north-west Tasmania. The targeting generated numerous highly-ranked targets that are being explored by Bass Metals, including the targets that are now being tested and yielding such exciting results.

Clancy's portfolio of targets in the Lachlan Fold Belt in New South Wales was generated by the same targeting method and is also showing promising initial exploration results.



Clancy has an extensive interest in the outcome of exploration on the Fossey and Upper Hellyer tenements, through both its direct shareholding in Bass Metals and the operation of the Clancy/Bass Metals alliance. Under the alliance arrangement, Clancy's shareholding in Bass may increase by up to a maximum of 5 million shares if a significant discovery is made by Bass Metals within the Clancy/Bass Metals alliance area, which includes the Fossey and Upper Hellyer tenements. Fossey and Upper Hellyer are not directly held as part of the Clancy free carried joint venture.

This entitlement to additional shares is to be determined on the basis of 250,000 shares for every new 500,000 ounces gold equivalent discovered by Bass Metals, up to a maximum 10 million ounces gold equivalent. The quantum of discovery contemplated provides some indication as to the potential that Clancy and Bass Metals see in this district.

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