

## ASX / MEDIA ANNOUNCEMENT

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# SIGNIFICANT GOLD AND BASE METALS INTERCEPTS AT CONDOBOLIN

## Four prospects drilled, four lodes intersected

RC drilling at **Clancy Exploration Limited's** (ASX: CLY) 100%-owned Condobolin project in central New South Wales has intersected high-grade gold, silver and base metal mineralisation, with multiple target zones remaining open at depth and along strike.

### Highlights

Two gold-copper-silver-lead lodes have been intersected beneath historic workings at the **Phoenix** prospect, confirming that mineralisation extends at depth and is open down dip and along strike:

- An upper lode of **>3g/t Gold** over a drilled width of 8m with a higher grade zone of **~10g/t Gold** was intersected by two RC holes with the following intercepts:
  - **8m @ 3.7g/t Gold**, 7.1g/t Silver, 0.62% Lead from 59m; including
    - **2m @ 9.8 g/t Gold**, 13.5 g/t Silver, 1.54% Lead from 64m
  - **8m @ 3.73g/t Gold**, 17g/t Silver, 0.47% Copper from 72m; including
    - **2m @ 10.35g/t Gold**, 10.75g/t Silver, 0.57% Lead, 0.64% Zinc from 76m; and
    - **2m @ 1.77g/t Gold, 33g/t Silver, 0.98% Copper** from 72m
- A lower lode with **2m @ 3.1g/t Gold**, 17.2g/t Silver, 0.85% Copper from 70m; including
  - **1m @ 4.08g/t Gold, 30g/t Silver, 1.56% Copper** from 70m

A silver-lead-zinc lode has been intersected at the **Potters** prospect within a broad zinc halo:

- **24m @ 0.9% Zinc, 0.8% Lead, 8.9g/t Silver** from 88m; including
  - **6m @ 2.7% Zinc, 2.7% Lead, 30g/t Silver** from 100m.

Broad, moderate-grade zinc-silver-lead-gold lode intersected at the **Mascotte** prospect:

- **18m @ 1.1% Zinc, 0.36g/t Gold, 3.5g/t Silver, 0.19% Lead** from 70m; including
  - **4m @ 3.7% Zinc, 1.3g/t Gold, 12g/t Silver, 0.64% Lead** from 76m

Copper-gold-silver mineralisation intersected distal to high-grade zone at **Bluebell** prospect:

- **4m @ 0.29g/t Gold, 1.14% Copper, 8.17g/t Silver** from 98m.

Clancy's Managing Director, Mr Gordon Barnes, said that the drilling results had exceeded expectations, confirming that high-grade materials sampled previously from surface are present at depth and open in all directions.

"Each of the four prospects drilled carries significant potential for further high grade mineralisation at depth and along strike. For a first pass program we couldn't have asked for better results, particularly at Phoenix where drilling confirmed that the width of mineralisation and gold grade are consistent with depth and extend beyond historic workings," said Mr Barnes.

"This program is just the first step in a broader, regional scale exploration program to test the potential of the Condobolin Mineral Field."

Clancy plans to commence a diamond drilling program at these prospects in the June quarter 2011.

## RC Drilling Program

The RC program was designed to follow up on the high-grade rock chip results returned during first pass exploration of the Phoenix, Mascotte, Bluebell and Potters prospects, which are the major prospects within the Condobolin Mineral Field, in October 2010.

Nineteen RC holes (1787m) were drilled to test whether the lodes mined historically are present at depth (Figure 1). All drill holes intersected hydrothermally altered slate and phyllite that hosts coarse sulphides within epithermal veins.

Drill hole CORC005 at the Phoenix prospect intersected two gold lodes adjacent to and below the old workings (Figure 2):

- **8m @ 3.7g/t gold**, 7.1g/t silver, 0.62% lead and 0.26% zinc from 59m, including
  - **2m @ 9.8g/t gold**, 13.5g/t silver, 1.54% lead, 0.4% Zinc from 64m
- **2m @ 3.1g/t gold**, 17.2g/t silver, 0.85% copper, 0.17% lead, 0.5% zinc from 70m; including
  - **1m @ 4.08g/t gold, 30g/t silver, 1.56% copper**, 0.2% lead, 0.62% zinc from 70m.

Drill hole CORC008, also at Phoenix, was drilled as a fence hole 15m below hole CORC005 and intersected the same lode:

- **8m @ 3.73 g/t gold**, 17 g/t silver, 0.47% copper, 0.35% lead, 0.42% zinc from 72m, including
  - **2m @ 1.77 g/t gold, 33 g/t silver, 0.98% copper**, 0.17% lead, 0.15% zinc from 72m
  - **2m @ 10.35 g/t gold**, 10.75 g/t silver, 0.14% copper, 0.57% lead, 0.64% zinc from 76m.

The 8m gold lode zone in hole CORC005 was also analysed by screen fire assay for coarse gold, the results from which demonstrate that there is approximately 10% coarse gold fraction at Phoenix. Further 1m sampling of mineralised zones at all prospects will be undertaken and the samples submitted for screen fire assay.

Hole CORC017 at the Potters prospect intersected a wide zinc halo around a massive silver-lead-zinc lode. This hole also intersected a 1m-wide stope situated near the bottom of the historic workings (96m):

- **24m @ 0.9% zinc, 0.8% lead, 8.9g/t silver** from 88m, including
  - **6m @ 2.7% zinc, 2.7% lead, 30g/t silver** from 100m.

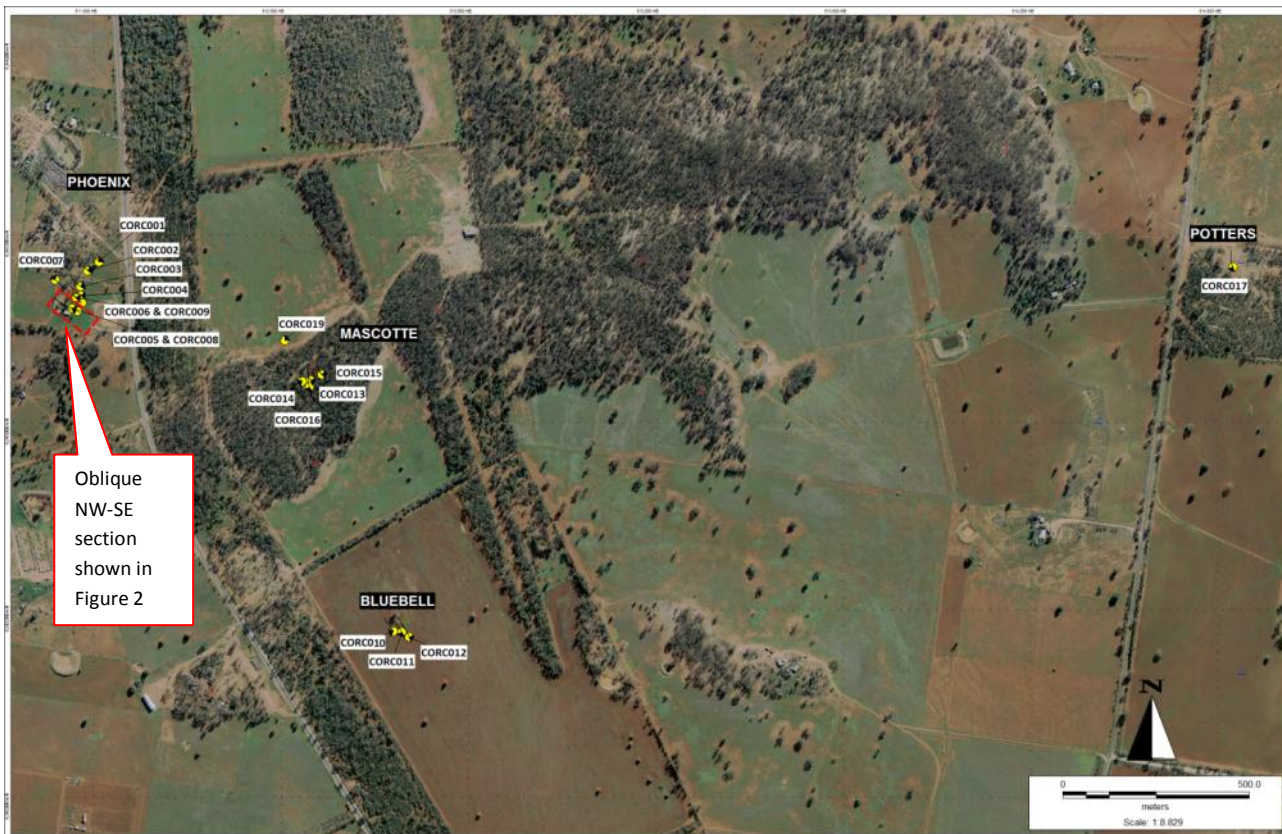
A wide, zinc halo was also intersected around higher-grade silver-lead-zinc-gold lenses at the Mascotte prospect, particularly in hole CORC015:

- **18m @ 1.1% zinc, 0.36g/t gold, 3.5g/t silver, 0.19% lead** from 70m, including
  - **4m @ 3.7% zinc, 1.3g/t gold**, 12g/t silver, 0.64% lead from 76m.

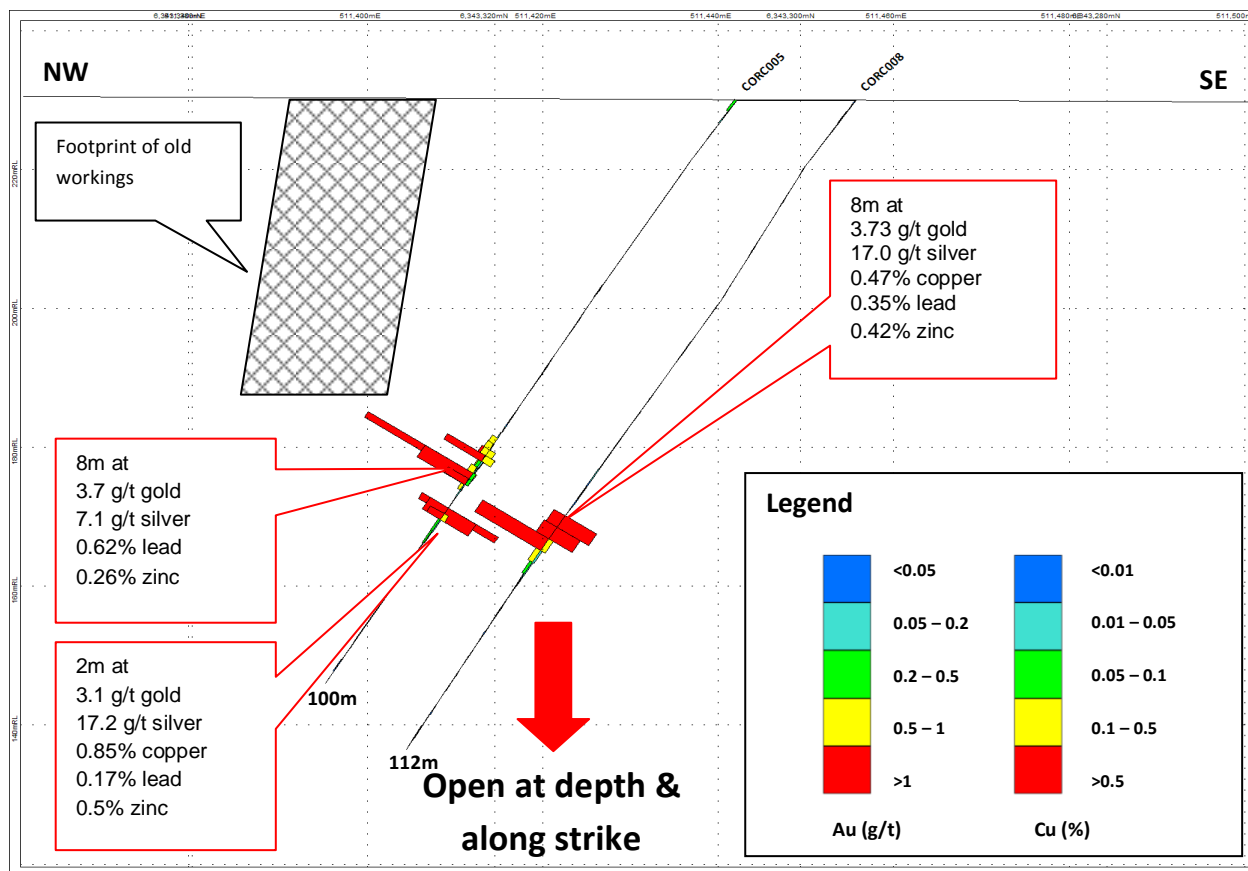
Drilling at the Bluebell prospect was cut short due to rain, however hole CORC012 intersected low- to moderate-grade mineralisation in the distal part of the Bluebell epithermal system:

- **4m @ 0.29g/t gold, 1.14% copper, 8.17g/t silver** from 98m.

A full list of significant intercepts is provided in Table 1.



**Figure 1** Collar and prospect locations on regional aerial photograph. All known mineral occurrences shown. Coordinates GDA94 Zone 55.



**Figure 2-** Oblique NW-SE section for Phoenix prospect, holes CORC005 & CORC008. Gold (left) and copper (right) histograms on drill hole traces. See Figure 1 for section location.

**Table 1 – Significant intercepts for Condobolin RC drilling (holes CORC001 to CORC012)**

Hole ID	Interval (m)	Au (g/t)	Cu %	Ag (g/t)	Pb%	Zn%	From (m)
CORC001 <sup>1</sup>	4	0.5		4.1	0.25		22
including <sup>1</sup>	2	0.81		6.85	0.4		22
CORC002 <sup>1</sup>	8	0.2			0.11		12
including <sup>1</sup>	4	0.24			0.18		16
CORC002 <sup>1</sup>	2	0.16		3.95	0.35		48
CORC003 <sup>1</sup>	4	0.12	0.1	2.39			30
CORC003 <sup>1</sup>	2	0.1					86
CORC004 <sup>1</sup>	8	0.32					46
including <sup>1</sup>	2	0.2	0.16				48
CORC005 <sup>1</sup>	8*	3.7		7.1	0.62	0.26	59
including <sup>1</sup>	2*	9.8		13.5	1.54	0.4	64
CORC005 <sup>1</sup>	2*	3.1	0.85	17.2	0.17	0.5	70
including <sup>1</sup>	1*	4.08	1.56	30	0.2	0.62	70
CORC006 <sup>1</sup>	2	0.2		5.9	0.4		46
CORC006 <sup>1</sup>	2	0.2				0.1	50
CORC008 <sup>1</sup>	8	3.73	0.47	17	0.35	0.42	72
including <sup>1</sup>	2	10.35	0.14	10.75	0.57	0.64	76
including <sup>1</sup>	2	1.77	0.98	33	0.17	0.15	72
CORC008 <sup>1</sup>	2	0.11					64
CORC008 <sup>1</sup>	2	0.34					80
CORC008 <sup>2</sup>	8				0.13	0.3	98
CORC008 <sup>2</sup>	2				0.12	0.2	104
CORC009 <sup>1</sup>	2	0.6		3.94	0.15		72
CORC010 <sup>1</sup>	12		0.15				18
including <sup>1</sup>	2	0.18	0.1				18
CORC010 <sup>1</sup>	2	0.4					32
CORC010 <sup>1</sup>	2	0.17					42
CORC010 <sup>1</sup>	2		0.12				60
CORC010 <sup>1</sup>	2		0.11				66
CORC011 <sup>1</sup>	4		0.2				34
CORC011 <sup>1</sup>	8	1.12	0.1				42
Including <sup>1</sup>	2	3.14	0.2	5.1			44
CORC012 <sup>1</sup>	4	0.29	1.14	8.17			98
CORC012 <sup>1</sup>	10	0.16					80
CORC012 <sup>1</sup>	4		0.13				28
CORC012 <sup>1</sup>	2	0.28					38
CORC012 <sup>1</sup>	2		0.21				70
CORC012 <sup>1</sup>	2		0.11				110
CORC012 <sup>1</sup>	2	0.21					118

**Table 1 (contd) – Significant intercepts for Condobolin RC drilling (holes CORC013 to CORC017)**

Hole ID	Interval (m)	Au (g/t)	Cu %	Ag (g/t)	Pb%	Zn%	From (m)
CORC013 <sup>1</sup>	6	0.23		4.82	0.47		38
including <sup>1</sup>	<b>2</b>	<b>0.32</b>		<b>9.5</b>	<b>1.08</b>		<b>38</b>
including <sup>1</sup>	2	0.32		3.9	0.26		42
CORC013 <sup>1</sup>	2	0.18					32
CORC013 <sup>2</sup>	38					0.3	44
including <sup>2</sup>	<b>4</b>	<b>0.5</b>		<b>3.35</b>	<b>0.27</b>	<b>0.56</b>	<b>78</b>
including <sup>2</sup>	<b>2</b>	<b>0.11</b>				<b>1.08</b>	<b>74</b>
CORC014 <sup>1</sup>	2	0.22					30
CORC014 <sup>2</sup>	2				0.25	0.17	36
CORC015 <sup>2</sup>	18	0.36		3.5	0.19	1.1	70
including <sup>2</sup>	<b>4</b>	<b>1.3</b>		<b>12</b>	<b>0.64</b>	<b>3.7</b>	<b>76</b>
CORC015 <sup>2</sup>	4				0.22	0.1	38
CORC015 <sup>2</sup>	2	0.1					42
CORC016 <sup>2</sup>	22					0.37	44
including <sup>2</sup>	2	0.18			0.12	1.5	50
CORC016 <sup>2</sup>	28				0.12	0.28	72
including <sup>2</sup>	10	0.17		3.9	0.26	0.43	88
CORC017 <sup>2</sup>	<b>24</b>			<b>8.9</b>	<b>0.8</b>	<b>0.9</b>	<b>88</b>
including <sup>2</sup>	<b>6</b>			<b>30</b>	<b>2.7</b>	<b>2.7</b>	<b>100</b>
CORC017 <sup>1</sup>	2	0.14					26
CORC017 <sup>2</sup>	12					0.13	34
CORC017 <sup>2</sup>	2					0.13	50
CORC017 <sup>2</sup>	12					0.13	66
including <sup>2</sup>	2				0.14	0.13	70
CORC017 <sup>2</sup>	2			2.06	0.21	0.38	82

Samples are 2m composite riffle split RC samples, unless marked with a “\*” which are intercepts generated from 1m riffle split samples. <sup>1</sup> - Intercepts based on 0.1g/t Au cutoffs with a maximum internal dilution of 2 times the minimum sample (4m). <sup>2</sup> - Intercepts based on 0.1% Zn cutoffs with a maximum internal dilution of 2 times the minimum sample (4m). Intercepts >0.5 g/t Au or >0.5% Cu or >0.5% Pb or >0.5%Zn in bold text. Au was analysed by ALS Orange by fire assay (1m riffle splits by screen fire assay) / AAS finish, and for the other elements by ALS Brisbane by four acid digest ICP AES/OES. Standards and duplicates are inserted into the sample stream to monitor laboratory performance. Refer to Table 2 for collar location data.

**Table 2 – Condobolin EL6939 drill hole collars.**

Hole ID	Easting (m)	Northing (m)	RL(m ASL)	Dip(Deg)	Azimuth - Mag (Deg)	Depth (m)
CORC001	511514	6343428	230	60	318	70
CORC002	511484	6343404	230	60	303	78
CORC003	511464	6343362	230	60	303	90
CORC004	511465	6343339	230	60	298	100
CORC005	511442	6343304	230	55	283	100
CORC006	511452	6343333	230	65	293	78
CORC007	511397	6343380	230	60	118	78
CORC008	511456	6343297	230	55	283	112
CORC009	511469	6343319	230	60	293	81
CORC010	512300	6342443	209	60	318	80
CORC011	512322	6342441	209	60	318	85
CORC012	512342	6342428	210	65	320	120
CORC013	512078	6343112	235	65	318	97
CORC014	512056	6343109	234	65	318	42
CORC015	512108	6343127	233	65	313	97
CORC016	512075	6343095	235	65	338	109
CORC017	514540	6343415	236	75	318	120
CORC018	513060	6347375	246	90	0	100
CORC019	512009	6343219	232	90	0	150

Coordinates are MGA94 Zone 55.

--ENDS--

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The information in this document 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.

**About Condobolin**

Located north of the township of Condobolin, NSW, EL6939 spans two target styles including narrow structurally-hosted high grade gold-base metals, as well as epithermal gold-copper. Numerous old workings cross the area in a general north-east oriented trend. The area has been mined at various times since the early 1890's, producing high-grade gold, copper, silver, lead and zinc.

**About Clancy Exploration**

Clancy Exploration (ASX: CLY) is an Australian-focused copper, gold, base metals and tin explorer. The Company's portfolio consists of copper-gold projects in the Lachlan Fold Belt of NSW, base metal and tin

projects in the Mount Read Volcanic Belt of Tasmania, Nadbuck near Broken Hill in NSW and Yalgoo, adjacent to the Golden Grove mine in Western Australia.

In NSW, Clancy has 12 wholly owned and managed projects and 7 joint venture projects which are managed by Gold Fields Australasia Pty Ltd. In Tasmania, Clancy has 2 base metal joint venture projects with Bass Metals and 2 tin joint venture projects with TNT Mines Pty Ltd (a wholly owned subsidiary of Minemakers Ltd). The Tasmanian projects are managed by Clancy's joint venture partners. This mix of Clancy and joint venture project funding allows a high level of exploration activity to be maintained, whilst prudently managing Clancy's financial resources. Details of Clancy's projects can be found at the Company's website: [www.clancyexploration.com](http://www.clancyexploration.com)