

## FULLY UNDERWRITTEN RIGHTS ISSUE

Clancy Exploration Limited ("Clancy") is pleased to announce a fully underwritten renounceable rights issue to raise approximately \$2.2 million (before issue costs).

The rights issue will be offered on the basis of one new share and one free attaching option for every three shares held, at an application price of 8 cents per share. The free attaching options have an exercise price of 15 cents each and will expire on 31 July 2013.

The Company will apply for quotation of the new shares and the new options on ASX.

Patersons Securities Limited has been appointed as Lead Manager and Underwriter.

The funds raised will be used principally to continue the Company's exploration and development programs, in particular drilling programs at the Company's key exploration projects. The 1,200 metre diamond drilling program at Clancy's 100% owned Orange East project, planned for later this month to test several significant IP anomalies, has been brought forward and is now due to commence tomorrow (Friday 9 July 2010).

The Prospectus relating to this Rights Issue is expected to be lodged with ASIC and ASX later today and will be available after lodgement on the ASX website [www.asx.com.au](http://www.asx.com.au) and also on the Company's website [www.clancyexploration.com](http://www.clancyexploration.com).

Details of the timetable will be announced in due course. Should you have any questions in relation to the above matters, please contact the Company on telephone (08) 9481 8241 or at [info@clancyexploration.com](mailto:info@clancyexploration.com).

-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 Clancy Exploration

Clancy Exploration (ASX: CLY) is an Australian-focused copper, gold and base metals explorer. The Company's portfolio has been built up over a number of years and consists of highly prospective copper-gold projects in the Lachlan Fold Belt of NSW, base metal projects in the Mount Read Volcanic Belt of Tasmania, Nadbuck near Broken Hill and Yalgoo adjacent to the Golden Grove mine in Western Australia.

Details of Clancy's projects can be found at the website - [www.clancyexploration.com](http://www.clancyexploration.com)

The Company's objective is to advance its properties to a stage of commercial development by applying faster, less expensive and more reliable analytical methods to resource exploration.

Clancy has seven joint venture option projects with Gold Fields Australasia Pty Ltd in the Lachlan Fold belt. Exploration is advanced through a mix of joint venture projects now managed by Gold Fields and 100% owned projects managed by Clancy. This mix of Joint Venture and Clancy project funding allows a high level of exploration activity to be maintained, whilst prudently managing Clancy's financial resources.

Clancy's competitive advantages also include having one of the largest ground positions of any explorer in the prospective Macquarie Arc (~2800km<sup>2</sup>), and the innovative use of digital geological and geophysical data in probability based targeting.

## About Orange East

Located northeast of the township of Orange, NSW, EL 6181 spans several target styles including Ordovician porphyry and Silurian copper-gold targets. Numerous old workings criss-cross the area and many are focussed along regional-scale structures, such as the Lucknow and Godolphin faults, part of the Mullions Range Imbricate Zone. The area has been mined since the early 1850's, first producing copper, then gold and silver.

The McPhillamys Project lies 15 km south southeast of the tenement on the Godolphin Fault and has intersections such as 123 metres grading 1.96g/t gold from the surface and was identified by >100ppb gold in soil anomalism along with other coincident trace elements. It has a recently announced indicated and inferred resource of 2.96Moz of gold (see ASX release by Alkane Resources Ltd on 5 July 2010). The tenement is also 8 km south of the Lewis Ponds Project which has an indicated and inferred resource of 6.6 million tonnes at 1.5 g/t Au, 69 g/t Ag, 2.4% Zn, 0.2% Cu and 1.4% Pb at >3.0% ZnEq. This resource consists of two mineralised bodies, the Main Zone and Tom's Zone in Silurian volcanoclastic rocks of the Anson Formation.

### Clancy Exploration Limited

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