

## GOLD FIELDS ENTERS INTO FOUR NEW JOINT VENTURES WITH CLANCY

### Additional \$4 Million to be funded over four projects

**Clancy Exploration Limited** (ASX: CLY) is pleased to announce that Gold Fields Australasia Pty Ltd, a subsidiary of Gold Fields Limited (JSE and NYSE: GFI, 'Gold Fields') has elected to exercise options granted in April 2009 in full taking up a further four new joint ventures with Clancy in New South Wales.

#### Highlights:

- Gold Fields to enter into four new JV agreements to spend \$4 million on exploration over the two Parkes projects and the Moorefield and Jemalong projects.
- The current \$5.4 million budgeted JV expenditure on the existing Gold Fields JV properties, managed and run by Gold Fields is on schedule with diamond drilling in progress at the Myall and Cowal East JV's.
- Clancy to continue its own aggressive exploration program over 100% owned projects, including Trundle and Orange East.
- Significant combined shareholder exposure to considerable ongoing exploration programs across the Lachlan Fold belt.

Under a major expansion of Clancy's partnership with Gold Fields announced in April 2009, Gold Fields was granted the option until 30 June 2010 to potentially form up to four new Joint Ventures with Clancy. After conducting reconnaissance exploration over the available JV projects, Gold Fields has elected to fully exercise its available options and enter into four new Joint Ventures with Clancy acquiring an 80% interest in each project.

Gold Fields is now committed to spend \$4 million in total over the four projects (\$1m each). This is in addition to the current \$5.4 million expenditure to June 30 2010 over the existing joint venture projects. The Gold Fields regional exploration team consists of eight geologists based at their office in Orange and is fully focused on the Clancy JV projects. Diamond drilling is currently in progress at the Myall and Cowal East JV's.

Clancy's Managing Director Mark Stewart said the decision by Gold Fields to take up its options in full was a further endorsement of the prospectivity of Clancy's ground holdings in New South Wales by one of the world's major gold miners.

"We are very pleased that Gold Fields has chosen to exercise these JV options and take up these additional exploration commitments. Clancy has one of the best porphyry ground holdings in New South Wales, a position not lost on Gold Fields, and with such an extensive portfolio of projects this move serves to add yet another level of exploration activity over our highly prospective tenements," said Mr Stewart

"The work to be undertaken by Gold Fields will sit exceptionally well alongside Clancy's exploration program over our 100% owned projects. This includes drilling recently completed at Trundle, where results are expected soon, and proposed for Orange East. In this way, our shareholders have exposure to an active exploration program run directly by Clancy, as well as a significant program run by one of the world's largest gold producers," said Mr Stewart.

## PROJECT PORTFOLIO

Clancy's portfolio approach is designed to maximise shareholder exposure to potential porphyry copper–gold discoveries in the Lachlan Fold Belt. This is achieved through a cost effective mix of fully funded internal exploration programs and jointly funded programs with one of the world's largest gold miners. By maximising the amount of exploration across the Lachlan Fold Belt for the most cost effective expenditure possible, Clancy increases the chances of exploration success for shareholders.

Clancy's exploration portfolio now consists of ten 100% owned projects in the Lachlan Fold belt and seven Joint Ventures with Gold Fields (see Figure 1). Additionally, Clancy holds the Nadbuck<sup>1</sup> and Yalgoo<sup>2</sup> tenements, two 100% owned tenements in Tasmania and one in joint venture with Bass Metals.

The seven Gold Fields JV projects will be managed and run by Gold Fields. Clancy has the option to contribute its share of exploration on each project once Gold Fields has spent the required amount, or choose to dilute with an ultimate potential interest of a 2.5% NSR royalty.

Clancy will continue its own aggressive exploration program over its 100% owned projects, with an emphasis on Trundle, Orange East, Fairholme and Cundumbul. Drilling has just been completed at Trundle (results pending) and is proposed for Orange East, targeting significant IP anomalies. Clancy retains the benefit of all data generated as part of the reconnaissance exploration undertaken by Gold Fields in its evaluation of the JV option projects. Clancy will now have an unencumbered interest in the balance of the JV option projects that Gold Fields has not taken up, namely Roseholme, Currumburrama, Condobolin and Moonagee (see Figure 1). In addition Gold Fields did not complete its earn in on Gobondery which once again becomes a 100% Clancy project.

## JOINT VENTURE DETAILS

At the four new Joint Ventures (Moorefield, Jemalong and the two Parkes projects), Gold Fields gets an immediate 80% interest in each project, with Clancy's 20% interest free carried on a deferred basis until \$1,000,000 has been spent in exploration on the project. After this expenditure has been reached, Clancy can either elect to:

- Pay back \$200,000 to retain a 20% share of the project; or
- Fund a lesser amount to retain an interest between 10% and 20%; or
- Dilute to a royalty interest in the form of a 2.5% NSR (Net Smelter Return).

At the Myall JV Gold Fields has earned a 51% interest in the project by expending \$3 million over three years, and has elected to continue to earn a total 80% interest by spending a further \$7.5 million over a further 6 years, with Clancy free carried to this stage.

At the Cowal East and Wellington North JV's, Gold Fields has earned an 80% interest and Clancy is currently funding its 20% share of project expenditure.

Gold Fields retains the right to buy back into the Gobondery project that is reverting to Clancy, if Clancy completes a pre-feasibility study on the project which delineates more than 2Moz of gold or gold equivalent. The buy-back requires Gold Fields to pay Clancy twice its exploration expenditure on Gobondery and to complete a Bankable Feasibility Study to earn a 60% interest. Gold Fields can move to a 75% interest by procuring funding for Clancy's share of expenditure until commencement of commercial production. Clancy's remaining 100% owned projects are free of any clawback or royalty rights with Gold Fields.

<sup>1</sup> The Nadbuck project is 25km west of the Broken Hill mine and covers numerous old copper workings that have not been subjected to modern exploration

<sup>2</sup> The Yalgoo project comprises a large tenement area (210.7km<sup>2</sup>) adjacent to Minmetals' Golden Grove base metals operations and hosts potentially similar rock types hidden beneath alluvial cover.

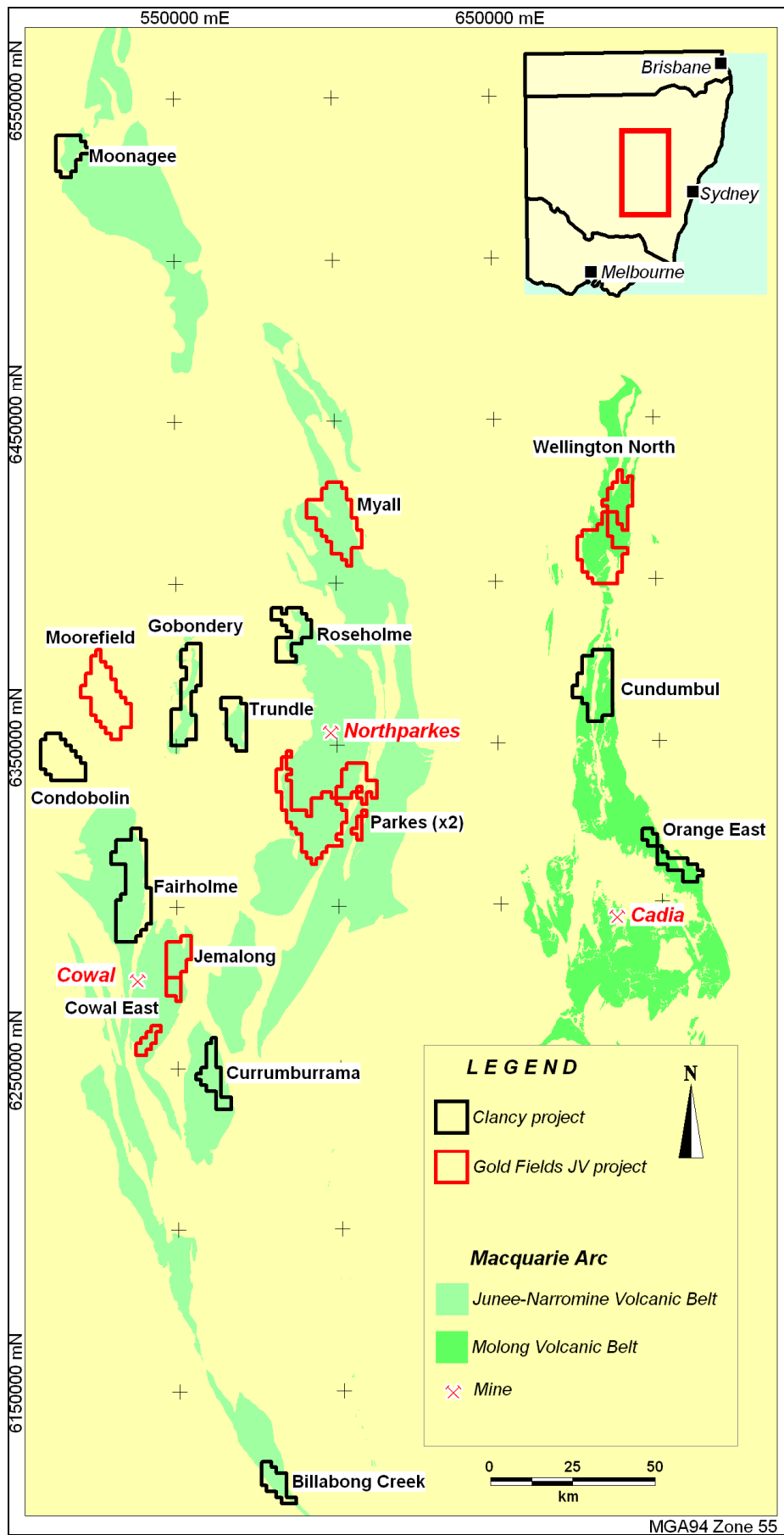


Figure 1- Location of 100% Clancy projects and Gold Fields JV projects in the Macquarie Arc, Lachlan Fold Belt, NSW

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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 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 (~2700km<sup>2</sup>), and the innovative use of digital geological and geophysical data in probability based targeting.