About Clancy

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 New South Wales, base metal and tin projects in the Mount Read Volcanic Belt of Tasmania, Nadbuck near Broken Hill and Yalgoo adjacent to the Golden Grove mine in Western Australia.

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's joint venture partner in the Lachlan Fold Belt is Gold Fields Australasia Pty Ltd. 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.

The Lachlan Fold Belt is host to the Cadia Valley, Northparkes and Cowal mines as well as the recent McPhillamys discovery.

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

By continuing active and aggressive exploration programs, Clancy shareholders retain exposure to a substantial upside in valuation with exploration success.

Quarterly Activities Report

For the Period Ending 30 June 2010

The Board of Clancy Exploration Limited is pleased to release its Quarterly Activities report for the period ending 30 June 2010.

Highlights

- Significant 3D IP anomalies defined at **Orange East**. Diamond drilling to test the IP anomalies and follow-up previous rock chip results (**25.2g/t gold and 19.8% copper**) is underway.

- Encouraging rock chip results returned from **Cundumbul** and the **Wellington North JV**:
  - 5.49% and 1.1% copper (Cundumbul)
  - 11.95g/t gold and 2.2% copper (Wellington North JV)

- A total of 8,605m of drilling completed on the NSW projects.

- Significant intercepts achieved in the first RC hole drilled at the **Moorefield JV**:
  - 19m @ 1.28g/t gold; incl:
  - **4m @ 4.3g/t gold** and **1m @ 9.55g/t gold**

- At the **Myall JV**, a substantial 7 hole diamond drilling program is nearing completion at the Kingswood prospect with 2,522m completed to date. Most results are pending.

- Diamond drilling continued at the **Cowal East JV** on the Timberscombe and Eurowie prospects with 2,212m completed to date. Most results are pending.

- A fully underwritten renounceable rights issue was announced to raise $2.2 million (before issue costs) 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.

Clancy's Managing Director, Mr Mark Stewart, said that the quarter had seen a significant amount of exploration work undertaken, with the groundwork laid for a similar level of activity in the coming quarter.

"We have had drilling underway at three separate projects with significant gold intercepts from one program and results pending for another two. The IP surveys and other preliminary sampling undertaken during the quarter will also lead to further well targeted exploration programs in the coming quarter," said Mr Stewart.

"This will include a six hole program at Orange East, where we have targets bearing a strong similarity to the McPhillamy's deposit, which is 15km to the South," said Mr Stewart.

NSW Projects

Work completed on the 100% owned Clancy projects during the quarter included the completion of a 3D IP survey at Orange East, where a diamond drilling program is now underway, diamond drilling at Trundle, and mapping and rock-chip sampling at Cundumbul. Work completed on the Gold Fields JV and JV Option projects included diamond and aircore drilling at Myall and Cowal East, RC drilling at Moorefield and Condobolin and aircore drilling at Roseholme. A total of 8,605m of drilling was completed on the NSW projects during the quarter.

Orange East EL6181
(NSW, Clancy 100%)

EL6181 is located east of the city of Orange and contains several target styles including Ordovician porphyry copper-gold and post-Ordovician copper-gold targets. Numerous old workings occur in the area and many are focussed along regional-scale structures, such as the Lucknow and Godolphin faults. Work during the quarter included completion of a 3D IP survey and preparation for a diamond drilling program, which commenced in the second week of July.

An offset pole-dipole 3D IP survey using 50m dipoles over the Carangera South, Carangera and Pendarves prospects adjacent to the Godolphin Fault was completed. The survey covered an area of 2.6km by 800m and was conducted in order to detect electrically chargeable bodies that may represent unexposed mineralisation. The IP results were released to the market on May 24 2010. Several significant chargeable bodies were defined as shown in Figure 1.

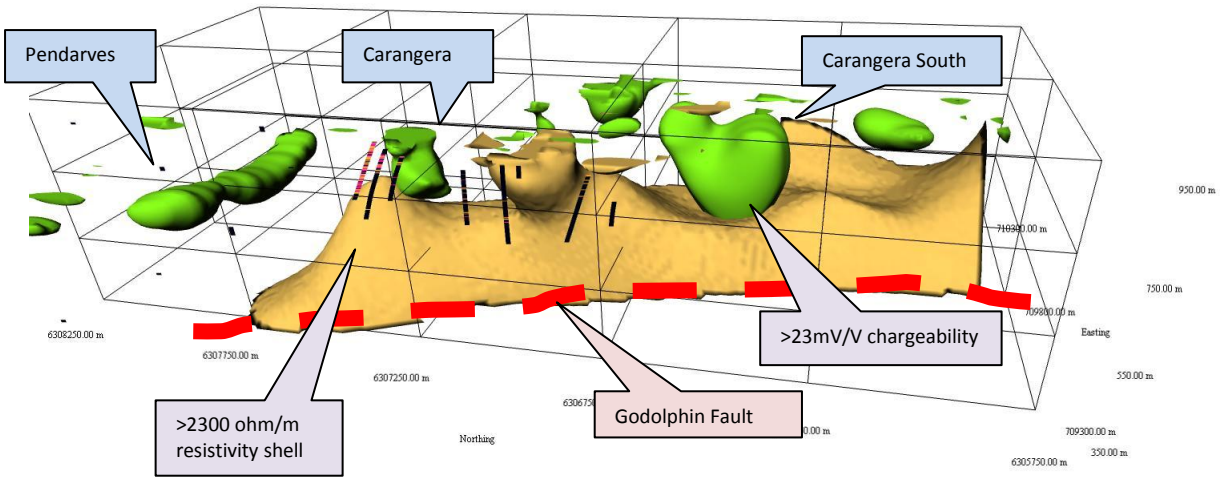

Figure 1- *Inverted 3D model of the IP data collected at Orange East, view looking east. The green bodies are the >23mV/V zones of chargeability and the orange shell is the corresponding >2300 ohm/m resistivity response. The Godolphin Fault lies along the western edge of the resistivity shell. Note the location of the drill strings (black) in the vicinity of the old copper workings. The strings are coloured by gold assay values; orange is >0.05 and pink is >0.1 g/t Au. Coordinates are in GDA94 Zone 55.*

Drilling by Clancy in late 2009 was targeted into the exposed potassic alteration zones encompassing the old copper workings at Carangera. The drilling intersected copper-gold mineralisation, but ground conditions and old mining voids made it difficult to drill the area where high-grade mineralisation was mined in the late 1800's. The chargeable anomalies lie near the old workings and potentially represent large mineralised bodies that are not exposed at surface and were therefore essentially invisible to historic miners.

Six diamond drill holes (~1200m) are planned to test the IP anomalies and anomalous rock chip results. The largest 3D IP anomaly has a 300m by 120m surface area at >23mV/V chargeability, and extends beyond 300m vertical (Figure 2). The IP anomalies that will be drill tested at Carangera and Carangera South have coincident quartz-sulphide tension vein arrays with up to 430ppm arsenic, 3% sulphur and up to 1.19g/t gold in surface rock chip samples. The hole planned for Carangera will attempt to intersect the historic high-grade copper zone not intersected in the 2009 drilling program. One drill target south of Carangera has **25g/t gold** in rock chips above a subtle 10 mV/V IP anomaly. All of these IP anomalies are east of the Godolphin Fault, in rock units interpreted to be part of the Anson Formation, which also hosts the McPhillamys gold deposit 15 km to the south. Other similarities to McPhillamys include strong sericite and biotite alteration, arsenic, zinc and copper anomalism and regional potassium highs in radiometric data. McPhillamys currently has a resource of 2.96 million ounces of gold[1].

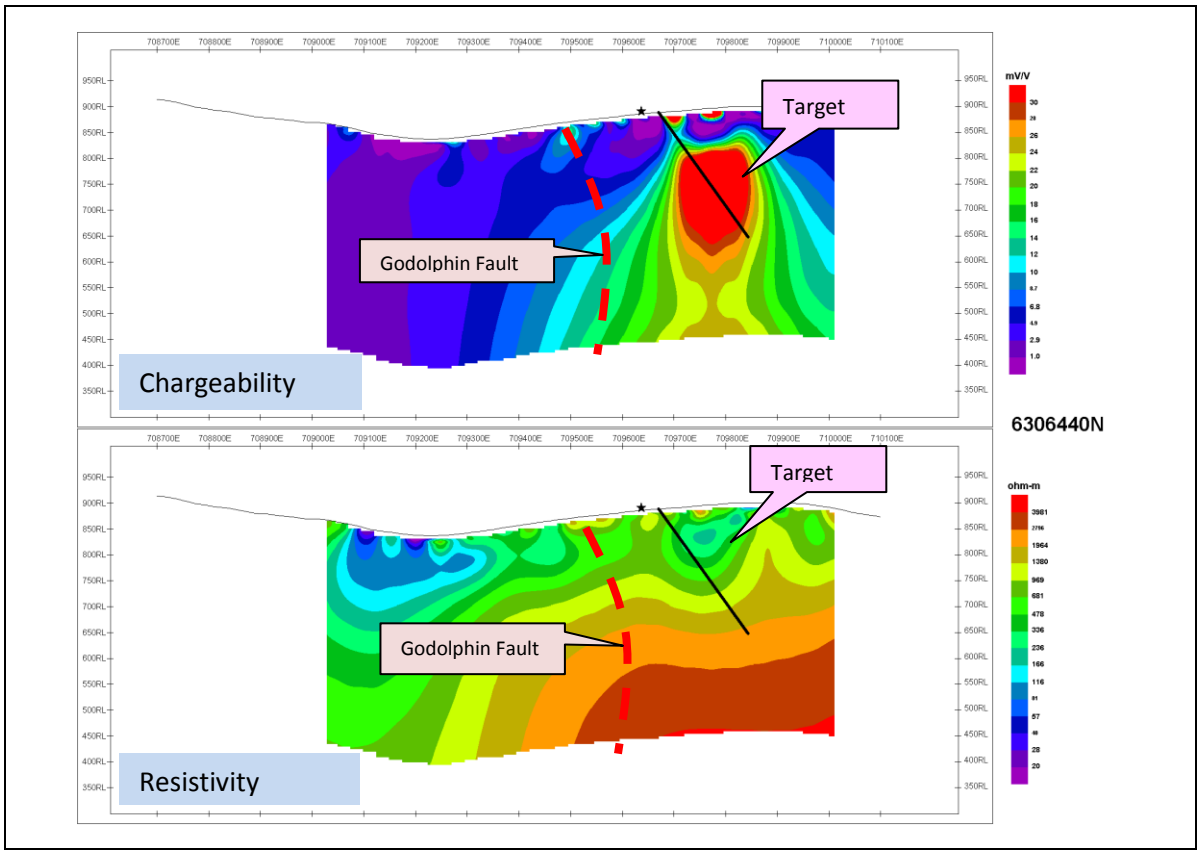

Figure 2- *Looking north at trace of proposed diamond drill hole into the Carangera South chargeability (top) and resistivity (bottom) anomaly along section line 6306440N (GDA94 Z55). Red in the chargeability section is >30mV/V response. * = location of road highlighting the ease of access to the site.*

Several >23 mV/V chargeability anomalies also occur in the chloritic mafic schists at Pendarves (Figure 1). One is associated with an old shaft and outcropping feldspar porphyry intrusives with rock chip samples that returned up to **19.8% copper and >100g/t silver**. A larger adjacent IP anomaly lies in mafic rocks with a coincident magnetic high. At surface, the rocks contain weathered sulphide that may represent the halo of a hitherto undiscovered copper lens at depth.

[1] Alkane release to the ASX 5 July 2010

The drilling was originally scheduled for June but due to issues with suitable rig availability, did not commence until the second week of July 2010. Drilling is currently in progress and results will be reported in the next quarter.

Trundle EL4512 and EL7187

(NSW, Clancy 100%)

Trundle consists of two exploration licences EL4512 and EL7187 and is located 25km west of the Northparkes copper-gold mine (Rio Tinto) and bears many similarities to Northparkes (Figure 3). It is separated from the Northparkes district by a north-south trending Devonian rift basin. Interpretation of geophysical data suggests that Trundle may have originally been part of the Northparkes complex, which was subsequently dismembered during development of the rift. Work during the quarter included drilling one diamond hole at Mordialloc to test a 3D IP anomaly and the completion of a 3D IP survey at Trundle Park. Re-logging of previous diamond holes at Trundle Park to assist with 3D geological and structural modelling was also completed.

At Mordialloc, one diamond hole (TERCD001, 517m) was completed, testing a 3D IP anomaly. The hole intersected a large body of fracture controlled and disseminated pyrite. The large pyrite halo and the sulphide distribution were accurately predicted by the 3D IP model, providing confidence in the results of the IP survey. Assay results, however, were subdued with only three samples assaying >0.1g/t gold and a peak result of 1m @ 0.77g/t gold from 285m. No significant copper results were returned.

Analysis of the geology at Mordialloc is focused on identifying the source of the large amount of sulphide identified via the IP survey and drilling. The magmatic source could be very close-by, possibly in the vicinity of the intercept in hole CTD006 (undertaken by a previous explorer), which tested the southern margin of the IP anomaly and hit porphyry-style veining and alteration. Drill hole CTD006 was drilled prior to the Clancy 3D IP survey and intersected the outer shell of the chargeable anomaly defined by the 3D IP survey. This hole intersected porphyry-style quartz veining and alteration within an intercept of 48m @ 0.12g/t gold, 0.14% copper and 40ppm molybdenum from 478m, with the grades increasing down hole. A re-entry of CTD006 to test for possible extensions of this zone will be considered after further structural modelling is completed.

At Trundle Park, several diamond holes drilled by previous explorers have been re-logged and this has significantly advanced the geological understanding of the prospect. Historically, the focus at Trundle Park was gold-bearing skarn mineralisation, however post-mineralisation faulting has complicated previous geological interpretations. The skarn is associated with a significant hydrothermal system and the recently completed 3D IP survey has assisted with the sub-surface definition of this system. When combined with the re-logging of previous diamond holes, the architecture of the fault array and the gold-bearing skarns can now be put into the appropriate spatial context. Of particular interest is the bottom of hole TD002 which intersected a monzonite intrusive with quartz-calcite-molybdenite-pyrite-chalcopyrite veins. The monzonite is interpreted to be the causative intrusive for the skarn mineralisation and is the current target at Trundle Park. Hole TD002 intersected 100m @ 34ppm molybdenum from 357m. Strong molybdenum mineralisation commonly forms a halo around porphyry copper-gold deposits. Work is underway on a 3D geological model to assist in targeting follow-up diamond holes with further diamond drilling planned for the next quarter.

Fairholme EL6552 and EL6915

(NSW, Clancy 100%)

The Fairholme project is located about 12 km NE of Burcher and 12km north of the Cowal gold mine (Figure 3). The project consists of two tenements, EL6552 and EL6915 that cover 287km^2 of the highly prospective Fairholme Igneous Complex. The geophysical characteristics of the Fairholme Igneous Complex are similar to the Cowal Complex to the south, which hosts the Cowal gold mine (Barrick) and the Marsden copper-gold prospect (Newcrest). A project-wide ground gravity survey was completed in the previous quarter and processing and modelling of the data has now been completed. Interpretation of the data suggests that the two key prospects at Fairholme, Boundary and Dungarvan, may be part of a single system that has been disrupted by post mineral faulting. A review of the down-hole metal trends to determine metal zonation and thus a potential source area is in progress.

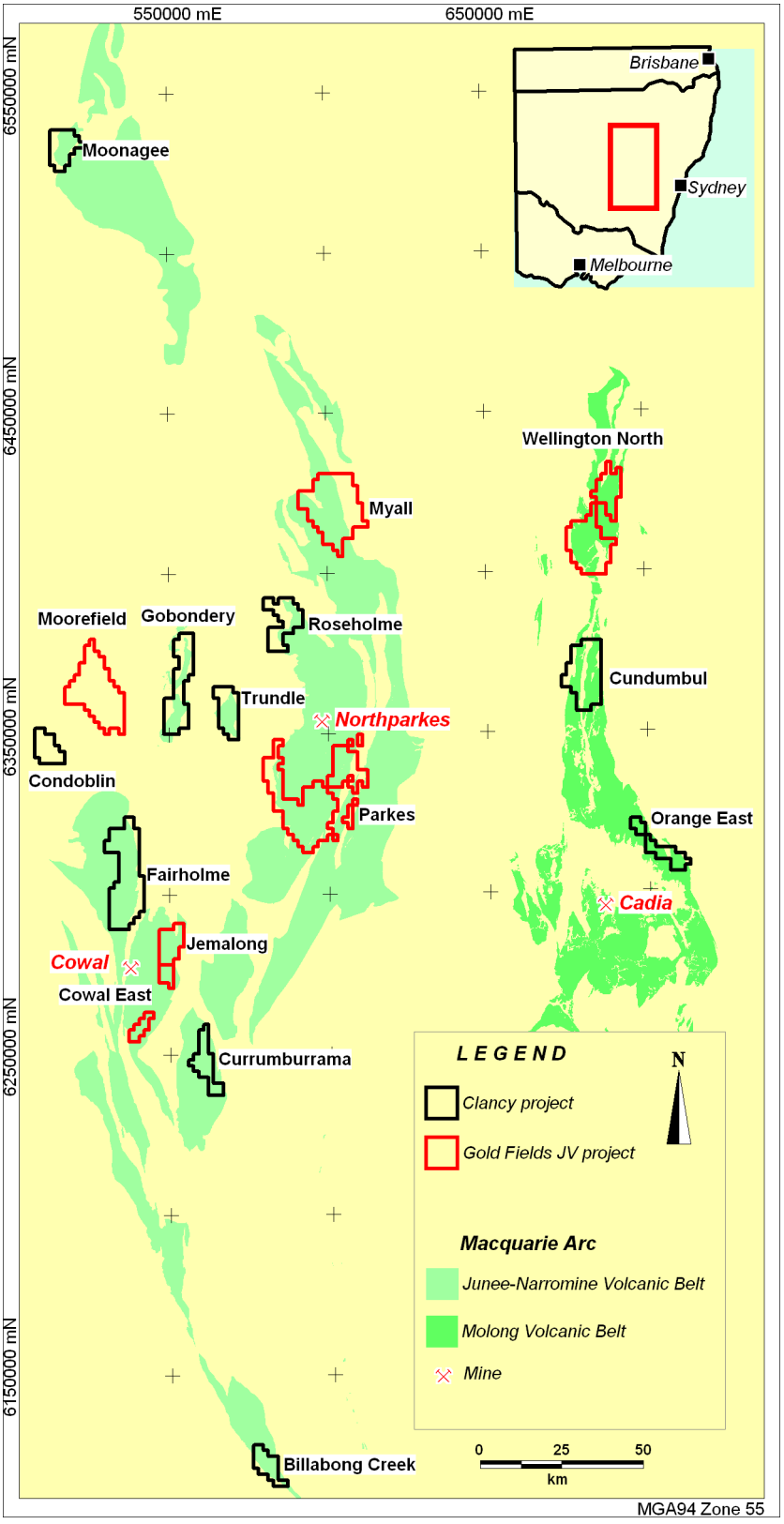

Figure 3 – *Map showing the Clancy projects in the Macquarie Arc of Lachlan Fold Belt. Inset – the location within NSW.*

Cundumbul EL6661 and EL7399
(NSW, Clancy 100%)

The Cundumbul project covers 204.9km^2 of prospective arc units in the Molong Volcanic Belt between Molong and Wellington (Figure 3). The Molong Volcanic Belt is host to the giant Cadia porphyry Cu-Au deposits (Newcrest) south of Orange that have a combined endowment of >65Moz Au and 10.6Mt Cu. There are numerous monzonite complexes at Cundumbul that have anomalous copper and/or gold associated with them. Geological mapping and rock chip sampling was undertaken at Mehruda and Bellandre and is in progress at Naroogal. Mehruda and Naroogal were highlighted by previous gradient IP surveys completed by Clancy.

At Mehruda, high chargeability gradient IP anomalies are associated with major NW-trending faults, strong quartz-sericite-pyrite alteration and quartz-carbonate veining. Mapping has identified a thick sequence of Ordovician volcaniclastic conglomerate and sandstone with at least two phases of strong to intense hydrothermal alteration. Early pervasive chlorite-magnetite-silica-epidote ± carbonate alteration is overprinted by quartz-sericite-pyrite and patchy K-feldspar alteration. Historic workings at Mehruda are hosted by felsic to intermediate lapilli tuff and dacitic to andesitic lava. Fossiliferous limestone stratigraphically above and below the volcanic rocks suggest a probable Silurian age. Secondary copper mineralisation (malachite and azurite) is disseminated throughout the host rocks and also occurs on fracture surfaces. Recent rock chip samples from the host sequence returned up to 5.49% copper (see below). A few boulders of jasper containing quartz veins are present however, their relationship to the host sequence and mineralisation is uncertain. The presence of jasper confirms the presence of magmatic fluids in the area. Intrusive rocks including rhyodacite/dacite, granodiorite and mafic to intermediate feldspar and quartz-feldspar porphyry are present, and intensely altered intrusive rocks at the Mehruda workings may be monzonite, however petrology is required to confirm this.

Historic workings are also present at Bellandre and mapping has identified intensely silicified, thick Late Ordovician (?), fine-grained sequence of sandstone, siltstone and mudstone. Quartz veins with sericite selvages are abundant throughout the sequence and numerous quartz blows are present in the area. Abundant quartz mullock is present around the workings and the host sequence has pervasive sericite alteration and has been metamorphosed to slate. Weathered disseminated sulphides are present in the host rocks. An outcrop of jasper similar to that found at Mehruda with sheeted quartz veins and oxidized sulphide is present NW of the Bellandre workings.

Results have been received for rock chip sampling at Mehruda and Bellandre and include the following significant results:

- CNR0054 (Mehruda): **5.49% Cu**, 31ppm Ag, 0.544% Ba, 340ppm Sb & 287ppm As
- CNR0053 (Mehruda): **1.1% Cu**
- CNR0055 (Mehruda): 0.478% Ba & 644ppm Cu
- CNR0048 (Bellandre): 0.2 g/t Au

Samples CNR0054 and CNR0053 are argillic altered porphyritic dacite with disseminated malachite and azurite. Samples CNR0055 and CNR0048 are jasper with quartz veins containing weathered sulphide. Results for other rock chip samples are pending and mapping is currently in progress at Naroogal. Work will continue into the next quarter.

Former Gold Fields JV Option or JV projects
Condobolin, Roseholme, Currumburrama, Moonagee and Gobondery
(NSW, Clancy 100%)

Former JV option projects: Condobolin, Moonagee, Roseholme, and Currumburrama, and one former JV project, Gobondery, have now been returned to Clancy. The location of these projects is shown in Figure 3. Gold Fields conducted first pass drilling at the Roseholme and Condobolin projects during the quarter as part of the JV Option evaluation.

Roseholme (EL6822) is located at the northern end of the Northparkes Igneous Complex 29km NNW of Rio Tinto's Northparkes copper-gold mine (Figure 3). Five aircore holes were attempted to test

basement targets, however only one hole successfully reached basement due to the unconsolidated boulder conglomerate cover sequence, which makes drilling problematic. No significant results were returned from the successful hole. Alternative drilling techniques will be investigated for this project.

Condobolin (EL6939) is located in the central west of NSW immediately north of the Condobolin township (Figure 3). Gold Fields drilled two RC holes at the Mascotte prospect, where previous explorers had intersected significant gold intercepts in shallow RC drilling such as **6m @ 4.59 g/t Au** from 25m and **5m @ 2.05 g/t Au** from 28m. The Gold Fields drilling planned to test the down-dip position of the shallow RC intercepts. The first hole (MARC001) was abandoned due to drilling difficulties and the second hole (MARC002) deviated significantly due to the strong penetrative foliation in the country rocks. Mineralisation in MARC002 is patchy, occurring in four intervals: 76-80m, 89-98m, 110-136m and 165-171m, and is characterised by 1-5% pyrite with traces of galena, disseminated within Ordovician host phyllite and quartz veins. Some narrow low-grade gold intercepts were returned from MARC002:

- 1m @ 0.31g/t Au from 96m
- 1m@ 0.32g/t Au from 118m
- 1m @ 0.21g/t Au from 128m
- 1m @ 0.67g/t Au from 155m

Given the very large hole deviation experienced in the recent Gold Fields drilling, it seems unlikely that the previous shallow RC drilling (generally <50m deep) was straight. There is no record of the earlier holes being properly surveyed, suggesting that the geometry of the gold mineralisation has not been adequately defined. At this stage it is unclear if MARC002 has adequately tested the down-dip potential of previous intercepts (6m @ 4.59 g/t Au and 5m @ 2.05 g/t Au). Further work to constrain the geometry of the gold mineralisation is planned, along with an assessment of the broader potential within the Condobolin project area.

Gold Fields Managed JV Projects

Gold Fields made JV elections on the following former JV option projects during the June quarter: Parkes (x2), Jemalong and Moorefield. The total number of Clancy-Gold Fields JV projects now stands at seven (Figure 3).

Drilling continued on the Myall and Cowal East JV's and was completed at the former JV option projects Condobolin, Moorefield and Roseholme. A total of 8,087m of drilling (4,734m of diamond, 2,977m of aircore and 442m of RC) was completed by Gold Fields in the June 2010 quarter.

Myall EL6913

(NSW, Gold Fields 51%, Clancy 49%, Gold Fields earning 80%)

Myall (EL6913) is located 25km southwest of Narromine at the northern end of the Junee-Narromine Volcanic Belt of the Macquarie Arc (Figure 3). A substantial 7 hole diamond drilling program is nearing completion at Kingswood and aircore drilling continued in the Calais, Gemini and Kingswood areas (Figure 4). A total of 2,522m of diamond drilling and 1,509m of aircore drilling was completed at Myall in the June 2010 quarter.

Six diamond holes (MYACD181 and MYACD183 to MYACD187) for a total of 2,522m (inclusive of aircore precollars) have been completed to date at Kingswood. The drilling program is testing the western margin of a granodiorite porphyry dyke where significant porphyry-style quartz veining, native copper and hydrothermal alteration associated with anomalous copper and molybdenum geochemistry has been defined by aircore drilling. Results for the aircore precollars for MYACD181 and MYACD183 have been received and broad intervals of low-grade copper mineralisation are present at the bottom of both precollars:

- MYACD181: 11m @ 0.1% Cu from 132m (open)
- MYACD182: 34.5m @ 0.17% Cu from 130m (open)

The diamond drilling program at Kingswood will be completed soon and results for the remaining core intervals and diamond holes will be reported in the next quarter.

Results have also been received for aircore drilling completed around the Kingswood, Gemini and Calais prospects. Encouraging alteration in diorite, quartz diorite, tonalite and quartz monzodiorite was intersected in a number of holes. Native copper, disseminated pyrite and quartz-chlorite veins were also noted in some holes. Significant results from the aircore drilling include the following bottom of hole intercepts:

- MYAC170: 19m @ 0.14% Cu from 112m (BOH)
- MYAC173: 34m @ 0.16% Cu from 75m (BOH)

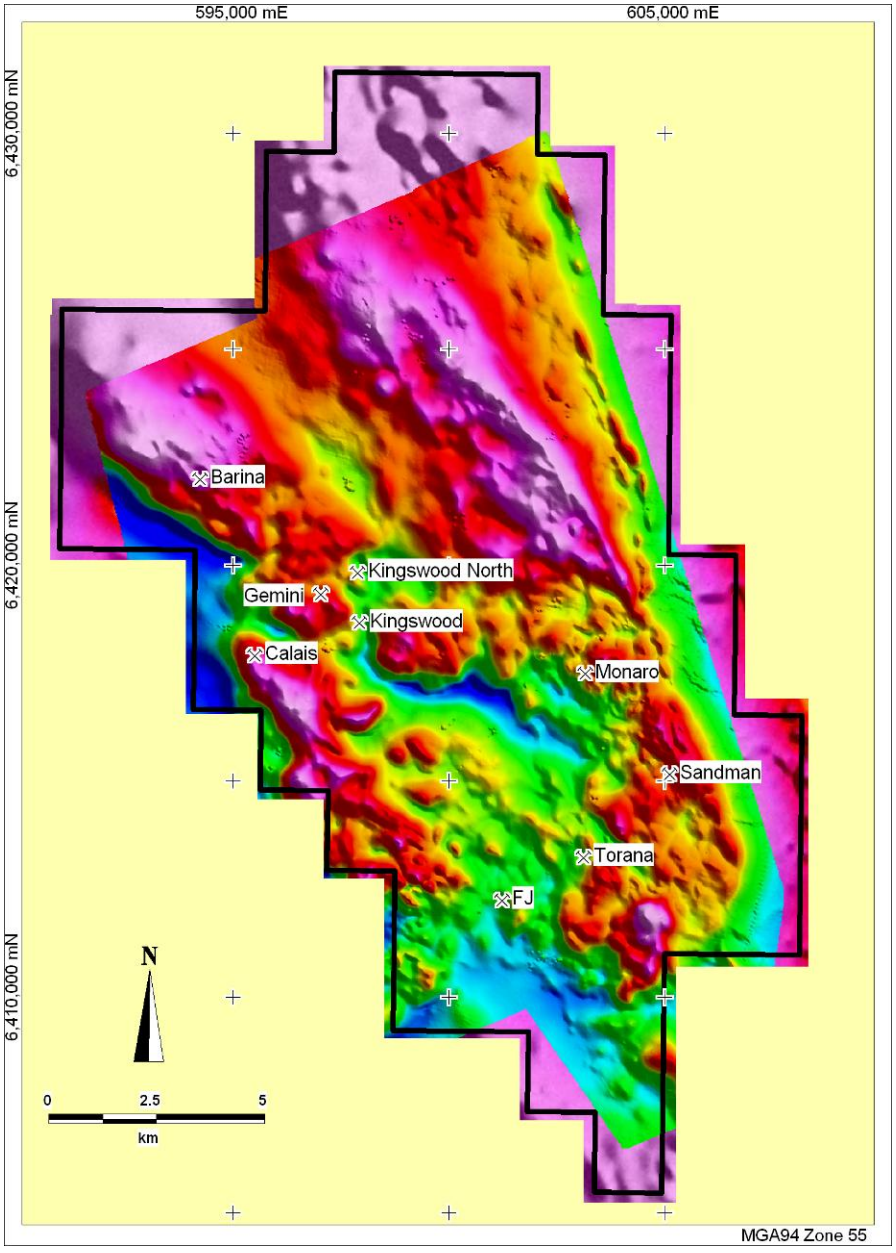

***Figure 4** – Myall JV EL6913 – showing prospect locations over RTP aeromagnetic image*

Cowal East EL6553 and EL6554

(NSW, Gold Fields 80%, Clancy 20%)

The Cowal East project consists of two tenements, Koobah EL6553 and Wyrra EL6554, located in the Cowal Igneous Complex, east of the Cowal gold mine and north and south of the Marsden copper-gold prospect (Figure 3). Drilling was completed at Timberscombe and is in progress at Eurowie, both of which are in the Wyrra (EL6554) tenement (Figure 5). A total of 2,212m of diamond drilling (inclusive of aircore precollars) and 1,204m of aircore drilling was completed during the quarter.

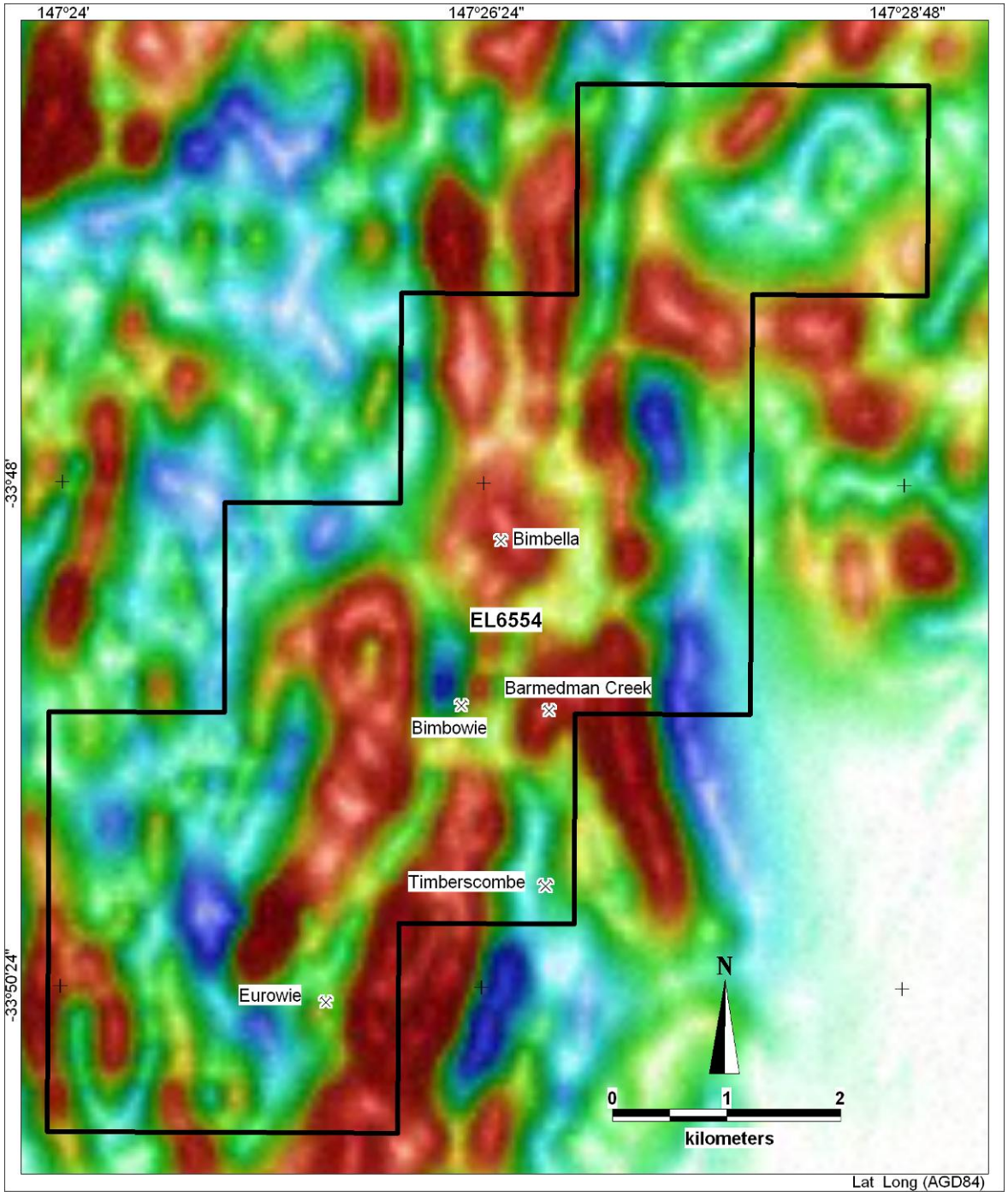

***Figure** 5 - Cowal East JV, Wyrra EL6554 showing prospect locations over 1VD aeromagnetic image*

At Eurowie, two holes (WYACD012, 651.4m and WYACD013, 648.8m) were completed and a third (WYACD014) is in progress following up the previously reported anomalous copper-gold intercepts in WYACD006: 57m @ 0.13% Cu from 170m; 27m @ 0.27% Cu & 0.15g/t Au from 362m, including 14m @ 0.44% Cu & 0.25g/t Au from 374m. WYACD012 and WYACD013 were collared 200m to the south and west of WYACD006 respectively, to test the along strike and down dip extensions of copper-gold mineralisation. Strong phyllic, propylitic and potassic alteration and zones of magnetite-pyrite veins ± quartz-chalcopyrite, and numerous low-angle faults have been intersected. Results have been received for the upper 451m of WYACD012 and several narrow intervals of low-grade copper and gold are present and a broader zone of low-grade copper mineralisation is currently open at depth, as shown below:

- 27m @ 0.1% Cu from 424m (open)

Results for the bottom part of WYACD012 (451 to 651.4m) and WYACD013 are pending. A third hole (WYACD014) is currently in progress and will be completed shortly. One hole was also completed at the Timberscombe prospect (WYACD011, 649m). Propylitic altered granodiorite with zones of quartz-carbonate-chalcopyrite-molybdenite veins have been intersected. Full results will be reported in the next quarter.

Aircore drilling has been completed north and south of the Eurowie prospect. Diamond tails were added to two aircore holes where encouraging alteration or mineralisation was observed (WYACD009 & WYACD010). Results have been received and include the following significant intercepts:

- WYAC202: 24m @ 0.11% Cu from 96m (BOH)
- WYAC206: 7m @ 0.16% Cu from 130m (BOH)
- WYACD009: 2m @ 0.14% Cu from 160m (diamond tail)
- WYAC211: 12m @ 0.33g/t Au from 98m (BOH 111m)

The aircore intercept in WYAC211 is 330m southeast of the high-grade intercept drilled previously by Clancy (WYD003: 1m @ 18 g/t Au from 344m). WYAC211 includes a higher grade interval of 6m @ 0.54 g/t Au from 100m, demonstrating that elevated gold levels are associated with the large hydrothermal system at Eurowie.

Wellington North EL6178, EL6328, EL6662, EL7200 and EL7440

(Gold Fields 80%, Clancy 20%)

The Wellington North project covers approximately 30km of strike length of the Molong Volcanic Belt immediately north of Wellington (Figure 3). Data processing of the aeromagnetic and gravity surveys undertaken in the previous two quarters was completed. Mapping and rock chip sampling on targets defined by the geophysical surveys is in progress. Several significant results have been received from the rock chip sampling:

- GWR00028: **11.95g/t Au**, **2.2% Cu**, 34.2ppm Ag, 0.3% Zn & 0.2% Pb
- GWR00015: 1.25g/t Au & 1.3% Cu
- GWR00016: 1.53g/t Au & 0.6% Cu
- GWR00017: 1.36g/t Au & 1.4% Cu

Sample GWR00028 is a silicified sulphide breccia and samples GWR00015-017 are three mullock samples from historic workings. Follow-up rock chip and soil sampling is in progress.

Moorefield EL6938 and ELA3999

(Gold Fields 80%, Clancy 20%)

Moorefield covers 285km^2 between Fifield and Condobolin in the central west of New South Wales (Figure 3). It is a former JV option project that Gold Fields has now elected as a JV project. One RC hole was drilled at the Boxdale prospect, an historic mining area within the Moorefield project. Previous rock chip samples around the workings assay up to 10.9% copper and 6.15g/t gold. The prospect had been diamond drilled in the early 1970's and returned low copper grades but was not assayed for gold. The old Boxdale mine was historically prospected for gold and silver in the 1950s and 1960s. It is reported that 14 tons of copper, 40 ounces of gold and 1.3 ounces of silver were extracted from a 10m deep open cut. Mineralisation reportedly consists of stratiform copper-pyrite-quartz-gold associated with quartz gossans, striking ENE and dipping steeply to the north.

The drill hole (BDRC001, 150m) intersected quartz veins that have semi massive and disseminated pyrite-arsenopyrite, with minor chalcopyrite, sphalerite and galena. A strong gold-arsenic-silver association is evident which supports earlier observations from previous explorers of shear-related gold mineralisation. The following significant intercepts were returned from BDRC001, which were released to the market on 9 June 2010:

- 19m @ 1.28g/t Au from 114m ; including
    - **4m at 4.30g/t Au** from 120m
    - **1m at 9.55g/t Au** from 123m

- 3m at 1.46g/t gold from 129m

The above intervals were re-assayed and the results show a good correlation with original assays and confirm the strong arsenic-gold association, suggesting that the gold is not significantly nuggety. Follow-up soil sampling and aeromagnetic interpretation is in progress.

Parkes EL6824, EL7199, EL7271, EL6823, EL6987, ELA4003 and ELA4004
(Gold Fields 80%, Clancy 20%)

The Parkes project covers 474km^2 of the highly prospective Northparkes Igneous Complex. Rio Tinto's Northparkes copper-gold mine is located approximately 15km to the north of the Parkes project (Figure 3). It covers two former JV option projects that Gold Fields has now elected as two JV projects, which are collectively referred to as the Parkes project. The JV exploration is at a very early stage, however a significant amount of previous exploration has been conducted on the Parkes project since the mid 1960's and a detailed data compilation and validation exercise is underway for target definition. Most of the project has only shallow cover (<50m) and a significant amount of outcrop is present in many areas.

Jemalong EL6937
(Gold Fields 80%, Clancy 20%)

The Jemalong project is adjacent to the Koobah tenement (EL6553) of the Cowal East JV in the Cowal Igneous Complex, ENE of the Cowal gold mine (Figure 3). It is a former JV option project that Gold Fields has now elected as a JV project. Exploration is at an early stage and target definition will continue into the next quarter.

Corporate

Capital Raising
A fully underwritten renounceable rights issue was announced to raise $2.2 million (before issue costs) 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 expire on 31 July 2013. Patersons Securities Limited is the Lead Manager and Underwriter. The issue closes on 6 August 2010.

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Footnote:
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.