



Clancy Exploration Limited

Wholly owned projects in NSW



Diggers and Dealers Forum

August 2010

Kalgoorlie



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The information in this material 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.



Corporate Snapshot

Capital structure

Ordinary shares on issue	82.1M
Options (unlisted)	9.4M

Listed on ASX in July 2007

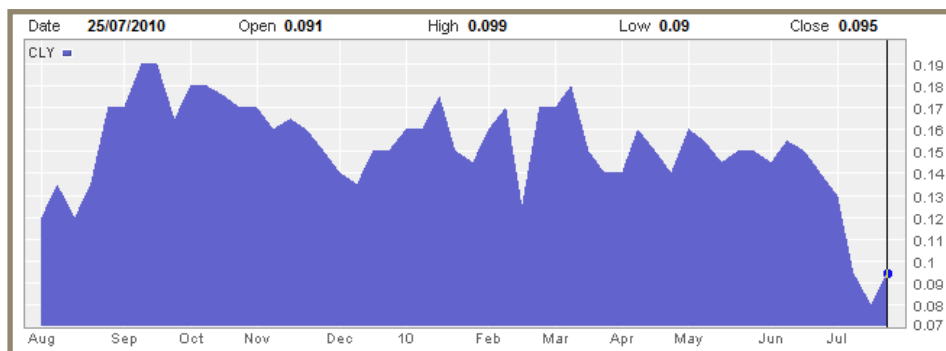
Spin-out from Geoinformatics
\$5M raised

Top 10 shareholders (5/05/2010)

Kiska Metals	34.7%
Arnold Getz	8.06%
Geologic Resource Fund	5.71%
Minc Wealth Management	5.00%
Gold Fields Limited	4.24%
Centaurus Resources	4.06%
Martin Place Securities	2.95%
Western Plains Resources	2.68%
Wythenshawe Pty Ltd	2.50%
Board and management	2.18%
Total	72.08%

Board and management

Dr James Macdonald	Non-exec Chairman
Mark Stewart	Managing Director
Mark Lester	Non-exec Director
Gordon Barnes	Exploration Manager
Rowan Caren	Company Secretary



Market Cap (20/07/2010) – \$8.1M

Cash in bank (30/06/2010) – \$1.14M
\$2.2M rights issue underway

Clancy – points of distinction

Innovative targeting strategy

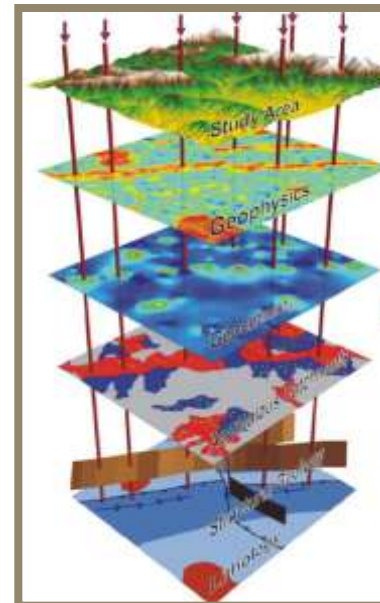
- Probabilistic approach, risk quantified
- Improve the odds of discovery

Exceptional focus

- Targeting porphyry Cu-Au systems
- Focus on highest-ranked targets (A-Class)

Aggressive target evaluation

- Committed JV partners , high spend rate
- Two exploration teams

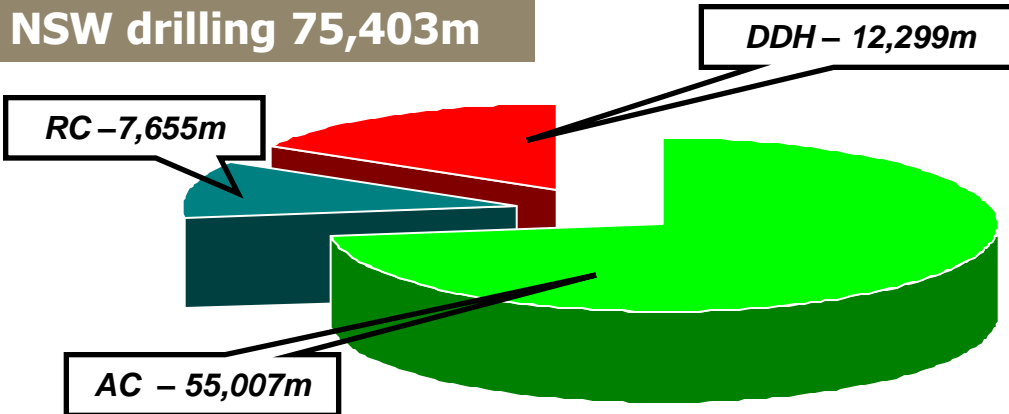


Data Processing



A-Class target

NSW drilling 75,403m



NSW JV partners
7 JV projects



The Clancy portfolio

Macquarie Arc Projects NSW:

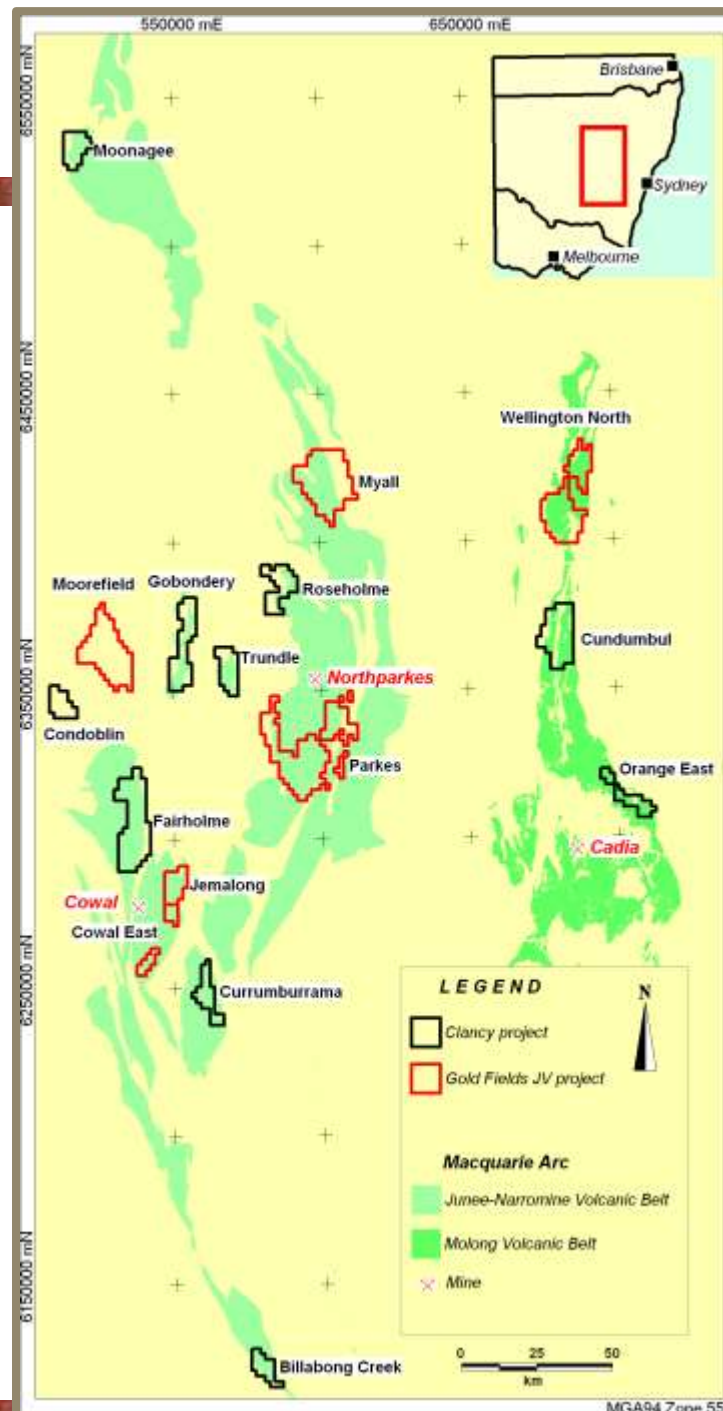
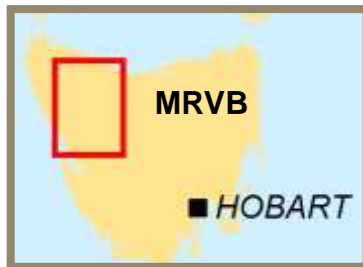
**Nine 100% owned projects :
Managed by Clancy**

**Seven joint venture projects:
Managed by Gold Fields**

NSW: 36 tenements 2,870km²

Other projects – NSW, WA, Tasmania:

**Five projects – four 100% owned & two JV's
with Bass Metals in Tasmania (MRVB)**





The Macquarie Arc

Ordovician arc 490-438Ma.
Split into four separate volcanic belts by post-Ordovician deformation. Highly productive porphyry Cu-Au terrain. Two important belts economically:

Junee-Narromine Volcanic Belt

Northparkes (Rio Tinto mine) >2.9 Moz Au >2.1 Mt Cu

Cowal (Barrick mine) > 4.5 Moz Au

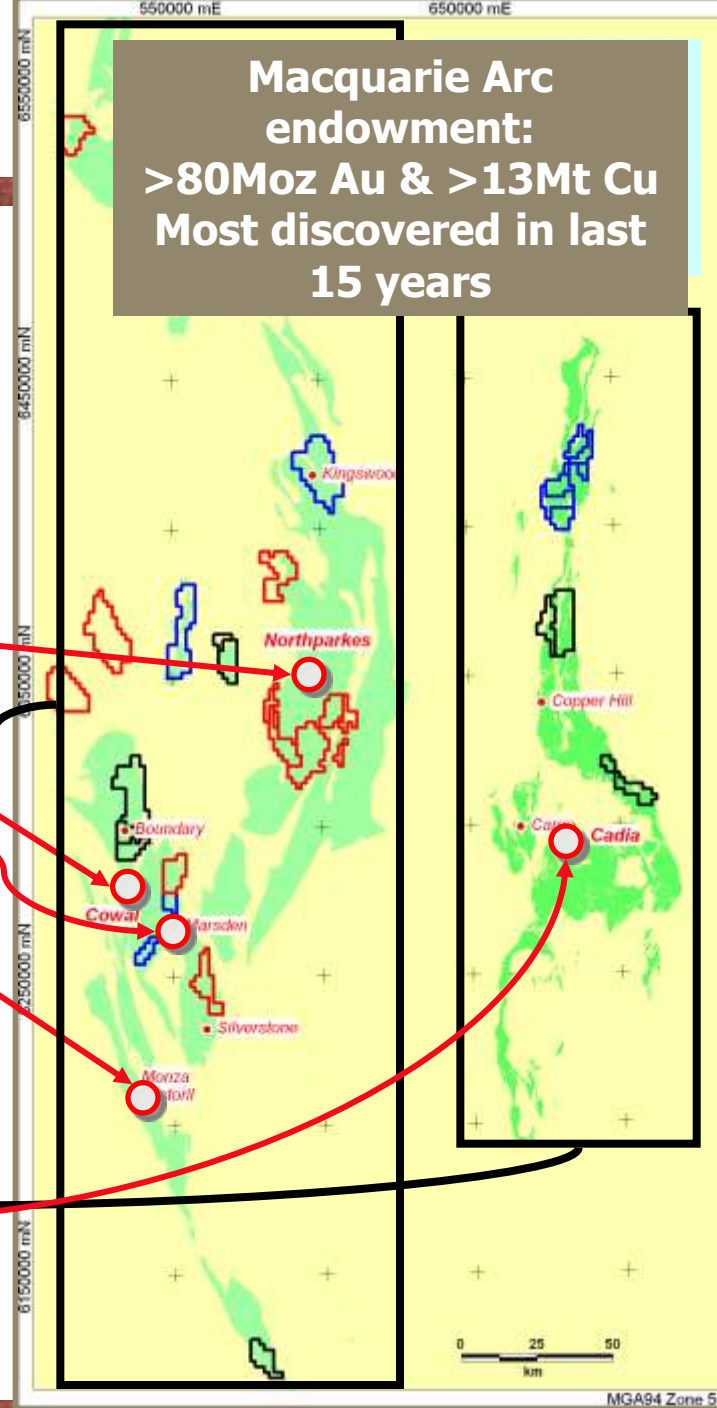
Marsden (Newcrest resource) 190 Mt @ 0.19g/t Au, 0.35% Cu

Temora (Goldminco) 150 Mt @ 0.41g/t Au 0.31% Cu

Molong Volcanic Belt

Cadia Valley (Newcrest mine) >67 Moz Au >10Mt Cu

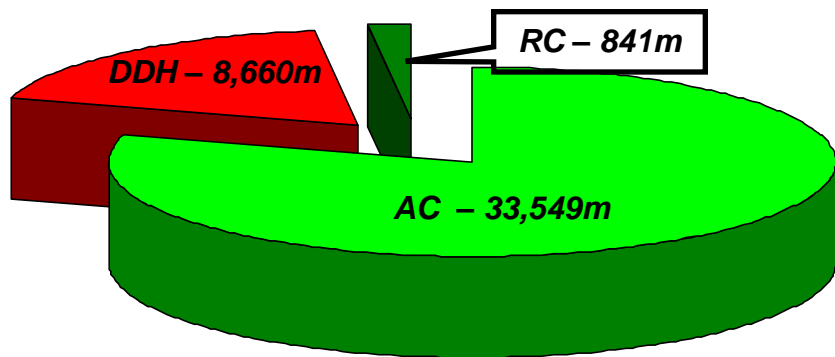
Macquarie Arc
endowment:
>80Moz Au & >13Mt Cu
Most discovered in last
15 years





Gold Fields – Aggressive JV drill campaign

JV drilling under Gold Fields management (May 2009 to June 2010):



Budgeted spend (Nov09 to Jun10): \$5.4M

Drilling to date: 43,049m

Diamond drilling in progress

Substantial drilling budget expected in 2010/2011

Public endorsement of prospectivity – Gold Fields quarterly reports:

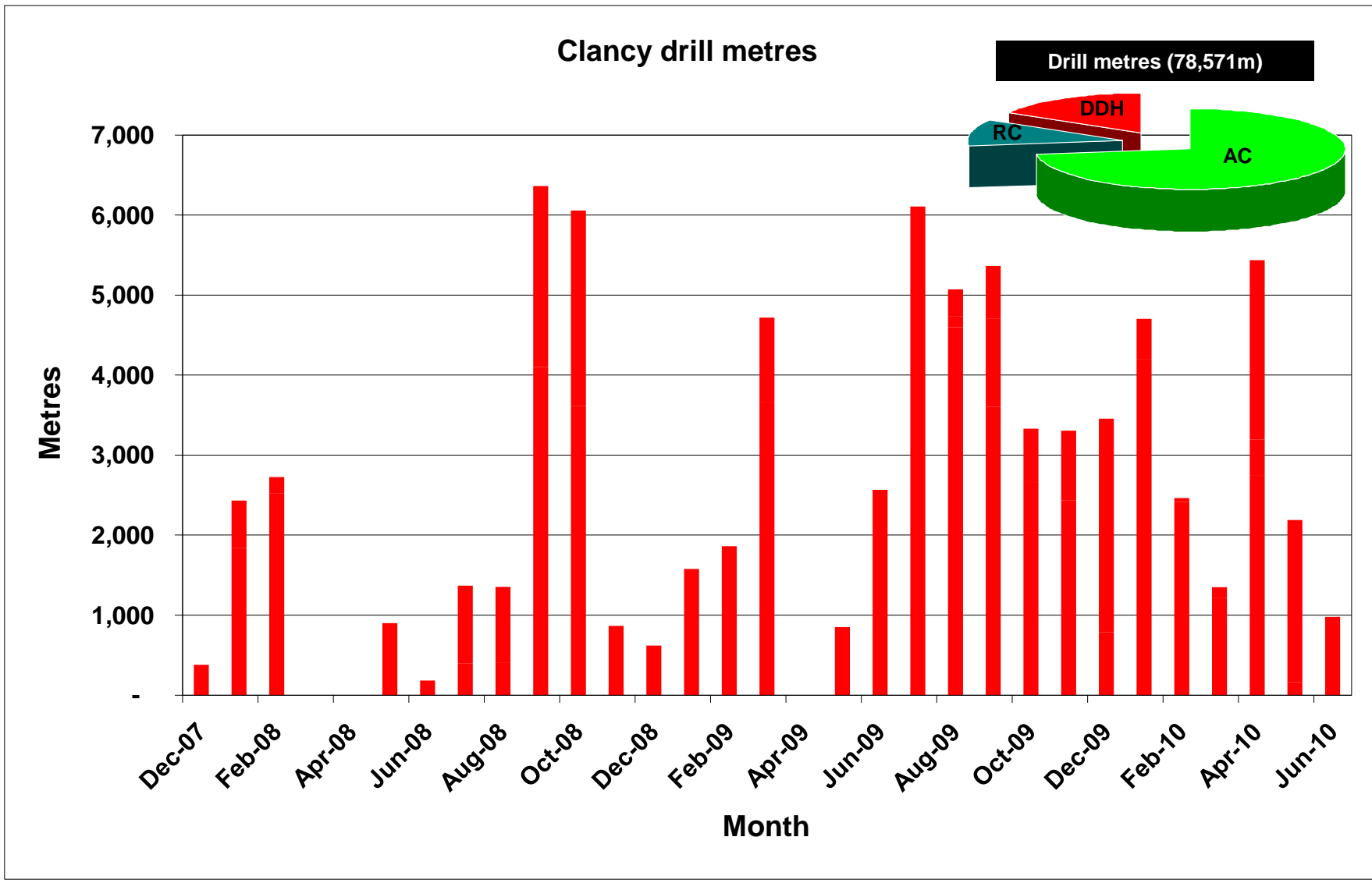
“... the targeting process is working and drilling is indicating the presence of large porphyry systems.” (Dec08)

“Aircore drilling at Myall has intersected strong alteration related to porphyry Cu-Au mineralisation ... budgets have been approved to fund an aggressive programme of additional ... drilling ... during the remainder of financial 2010.” (Sep09)

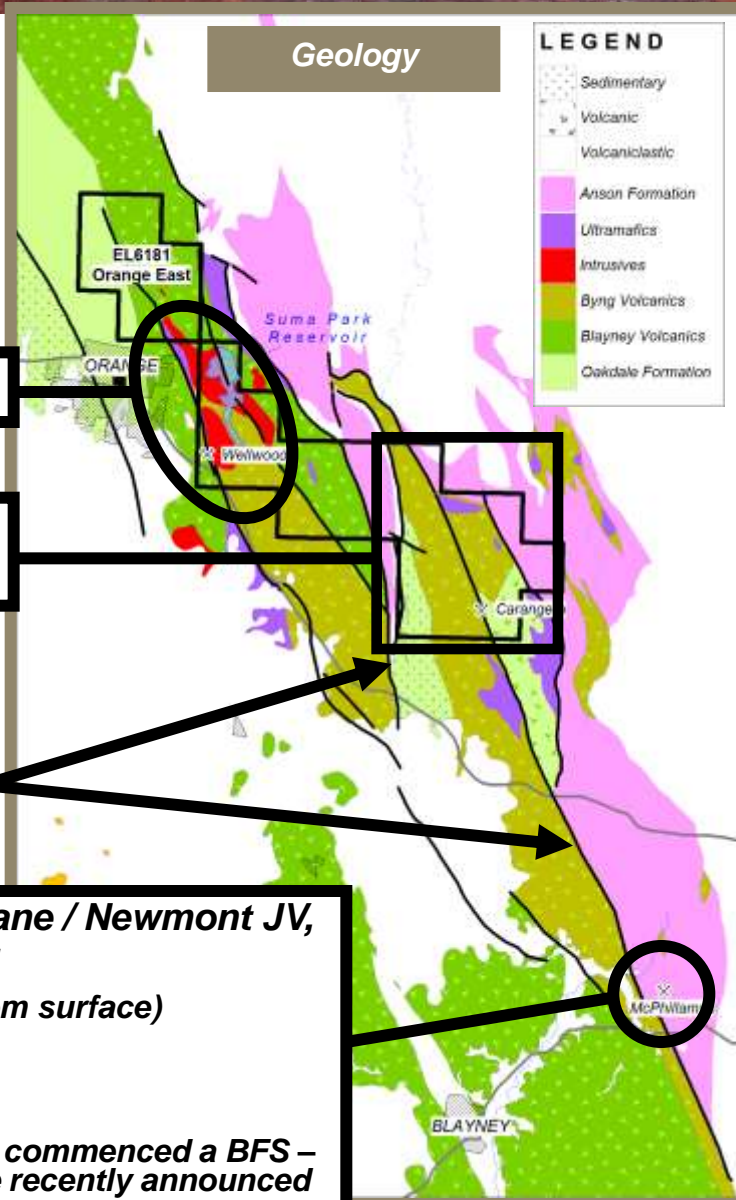
“...significant alteration ... at the Eurowie target ... is characteristic of the alteration present in the upper disseminated zone of the Cadia East porphyry Cu-Au deposit” (Dec09)



Monthly drill metres – 78,571m since Dec07



Orange East 100% owned

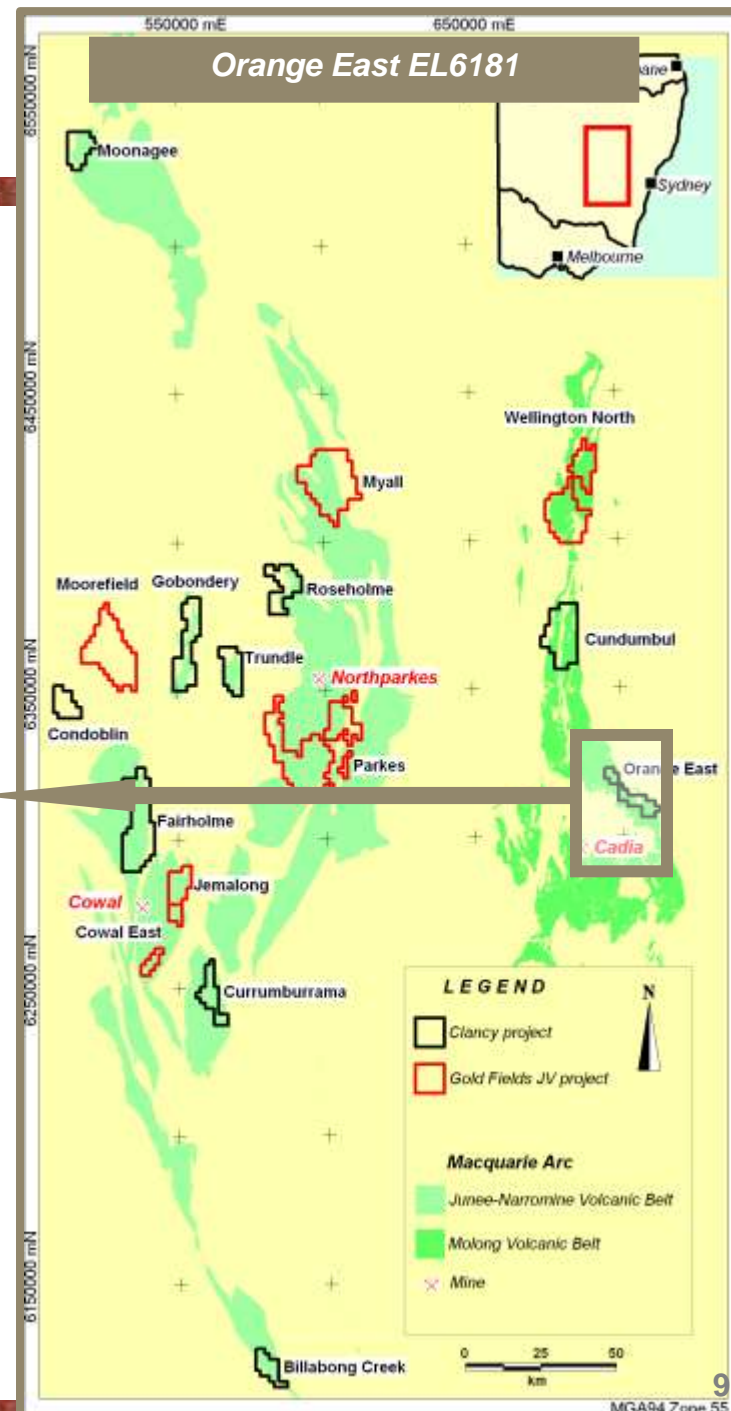


Porphyry target

McPhillamy's – style targets (next slide)

Godolphin Fault and related structures

McPhillamy's – Alkane / Newmont JV, discovered in 2006:
 123m @ 1.96g/t Au (from surface)
 Recent intercepts:
 366m @ 1.85g/t Au
 Newmont has recently commenced a BFS – 2.96Moz gold resource recently announced

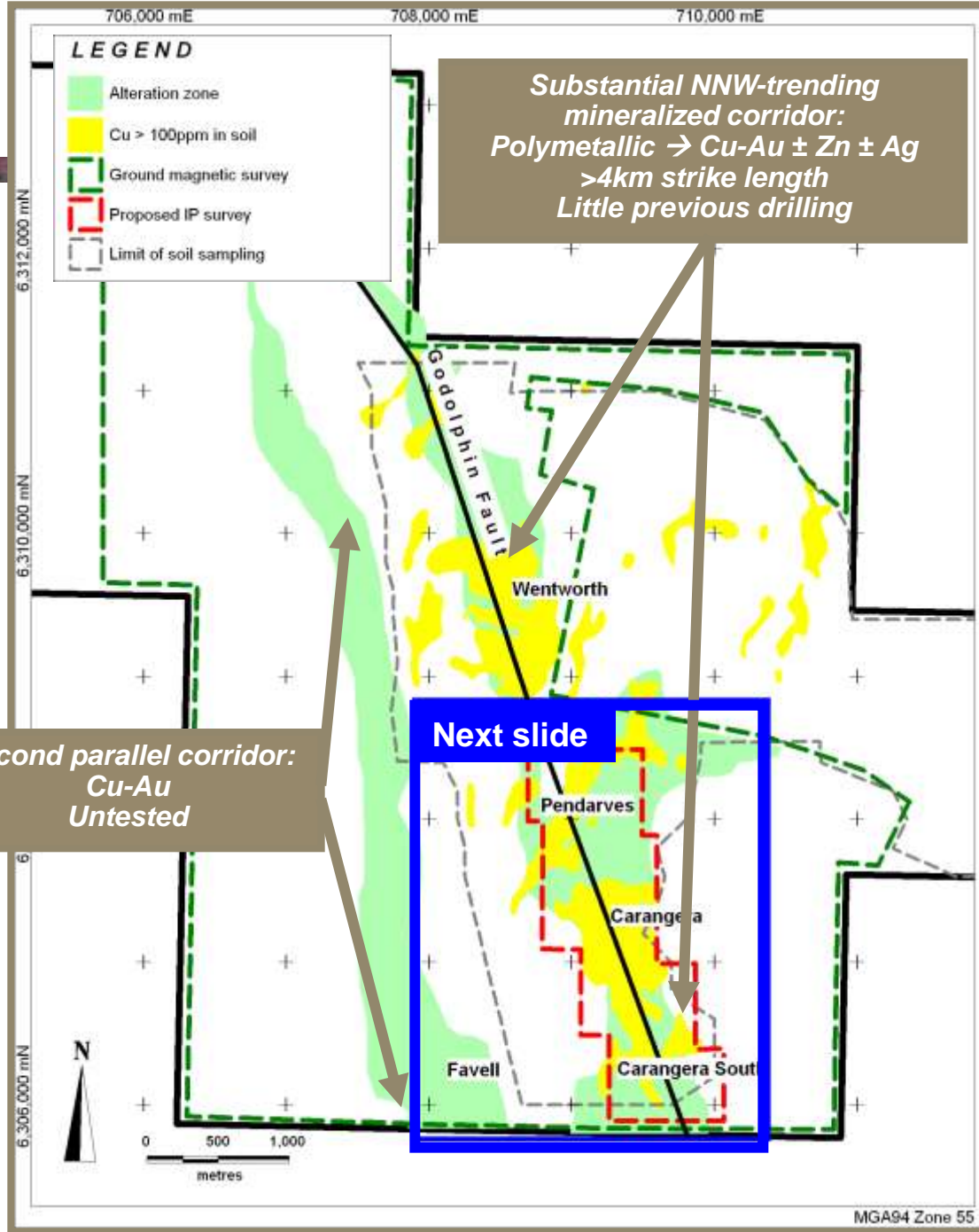




Orange East

Excellent potential

- **Two mineralized corridors**
 - Alteration zones
 - Abundant evidence of surface mineralization
 - High-grade copper and gold in rock chip samples
- **Relatively poorly explored, close to Orange**
 - Little previous drilling
- **Very good exposure**
 - Easy access
 - Cheap to explore
- **Similarities to McPhillamys**
 - Au – As ± Zn association
- **Also a separate copper-gold association?**





Orange East

Surface mineralisation

19.8% Cu & 3.95g/t Au

3.4% Cu, 2.27% Cu

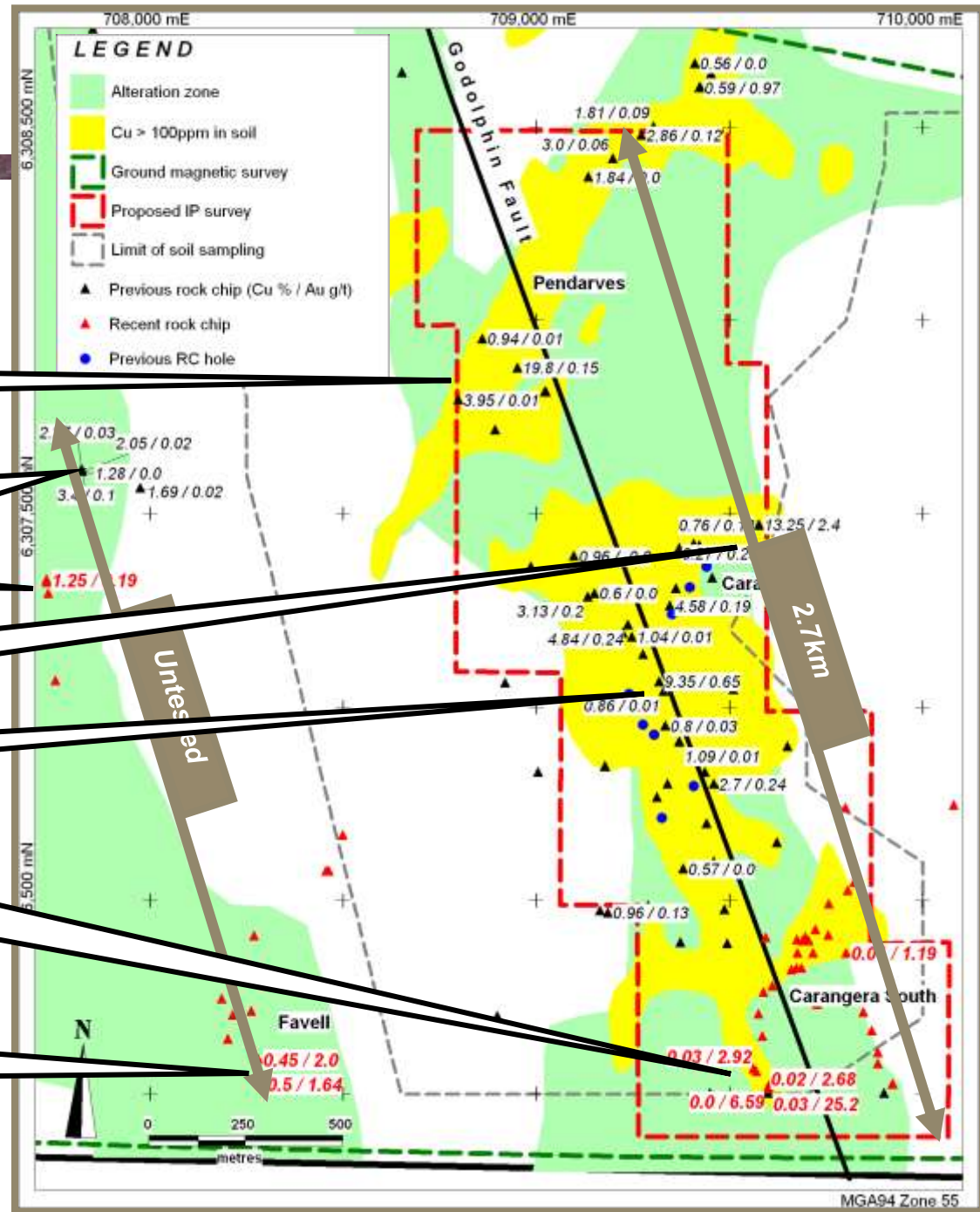
1.25% Cu, 0.19g/t Au

13.25% Cu, 2.4g/t Au

9.35% Cu, 0.65g/t Au

25.2g/t Au & 6.50g/t Au & 2.92g/t Au

0.5% Cu, 1.64g/t Au & 0.45% Cu, 2.0g/t Au





Orange East – rock chip samples

Carangera South

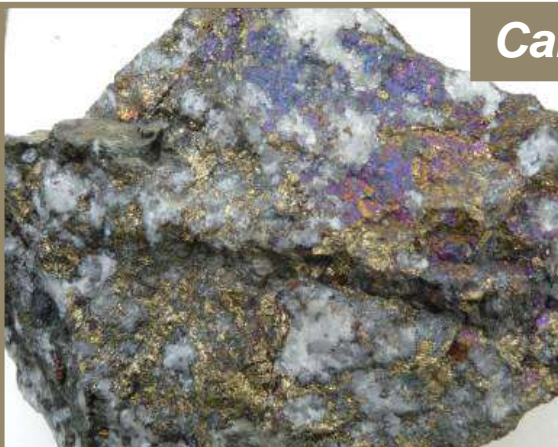


*Quartz-sulphide veins and breccias; Quartz-sphalerite stockwork veins.
Surface: 1.2g/t Au, 380ppm As
Workings: 25.2g/t Au, 24.7g/t Ag & 0.24% Zn*

25.2g/t Au, 24.7g/t Ag & 0.24% Zn

- **Carangera historic workings**
 - High-grade copper mined 1850's to 1908
 - Estimate 14% Cu grade
 - Old timers did not test for gold
- **Not drilled until Clancy RC drilling in 2009**
 - High water flows
 - Voids around old workings
- **IP and ground magnetic surveys completed**
- **New targets defined**
- **Now being tested with diamond drilling**

Carangera

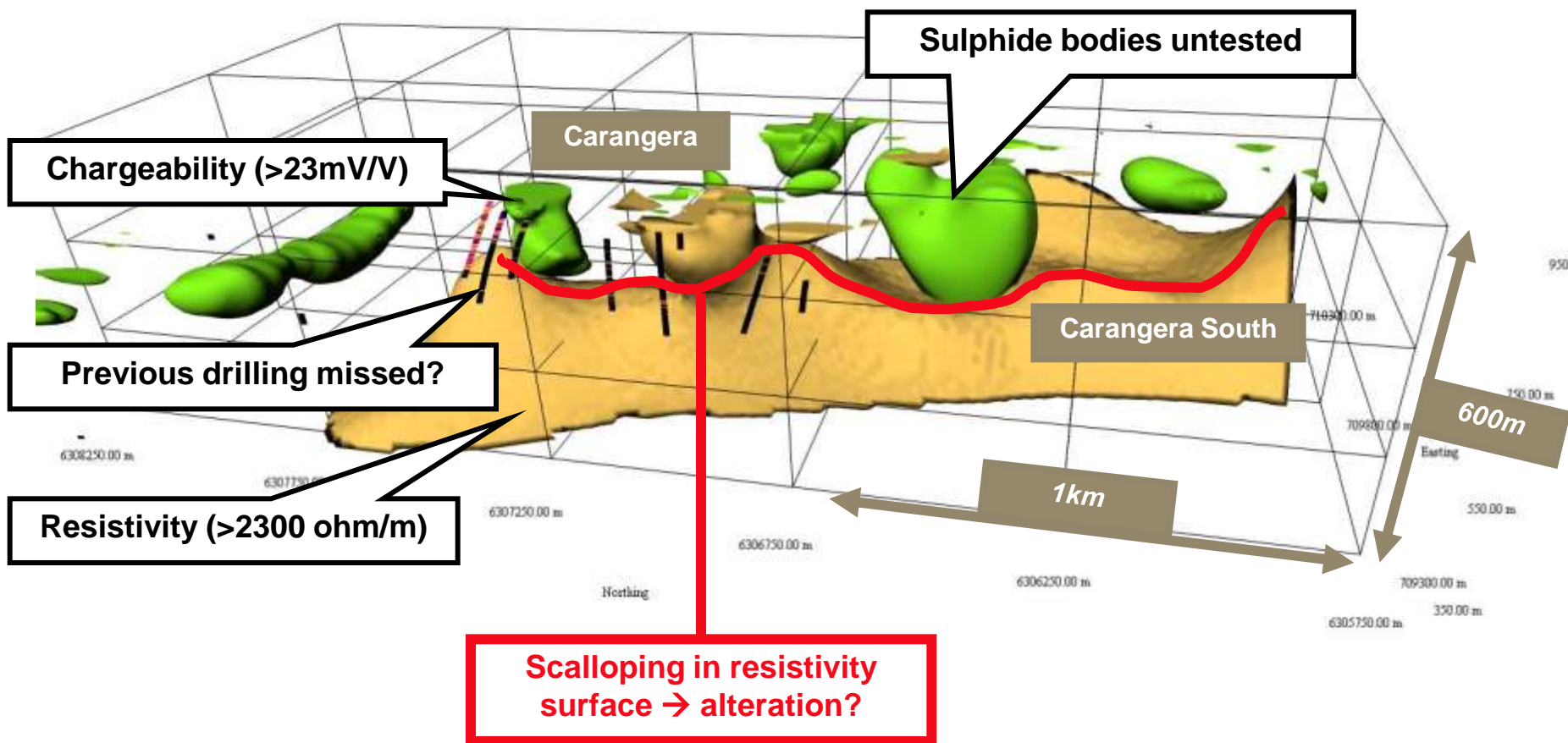


*Old shaft: Quartz-bornite-chalcopyrite-silver veins
Abundant malachite and azurite at surface
Surface: 0.65g/t Au, 9.35% Cu
Workings: Estimate 14% Cu based on material mined (not analysed for Au!)*



Orange East – 3D IP Survey results

Chargeability and resistivity 3D inversion models (View looking east)



Diamond drilling in progress now!



Orange East – drilling

Diamond drilling in progress:

- Commenced July 9th 2010
- Six holes ~1200m planned
- Expected completion early August 2010
- Highly encouraging rock types and alteration intersected
- Results pending



*FIRST HOLE CURRENT PROGRAM CARANGERA SOUTH (OECD011) - results pending:
Following up 25.2g/t Au rock chip and subtle chargeable IP anomaly*



Cross-cutting quartz-pyrite & quartz-arsenopyrite veins in sericite altered volcaniclastic sandstone (77.5m)



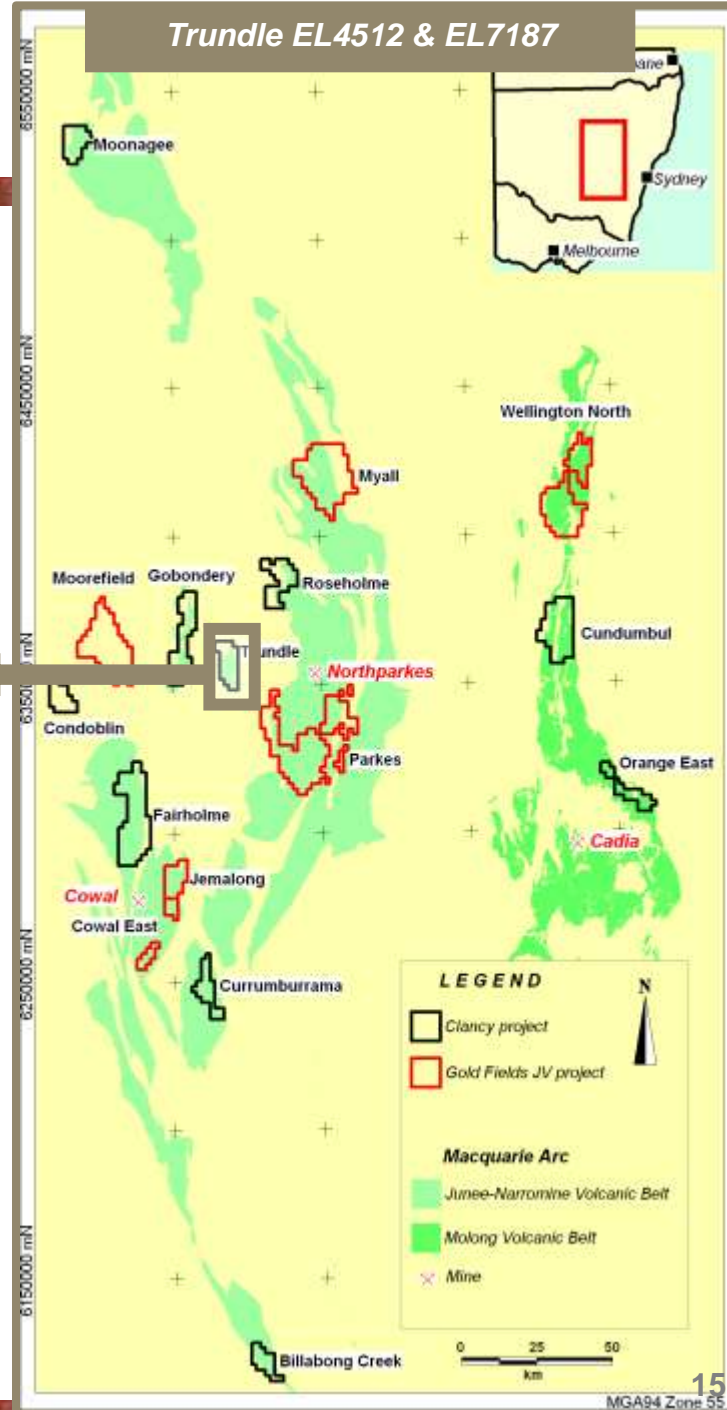
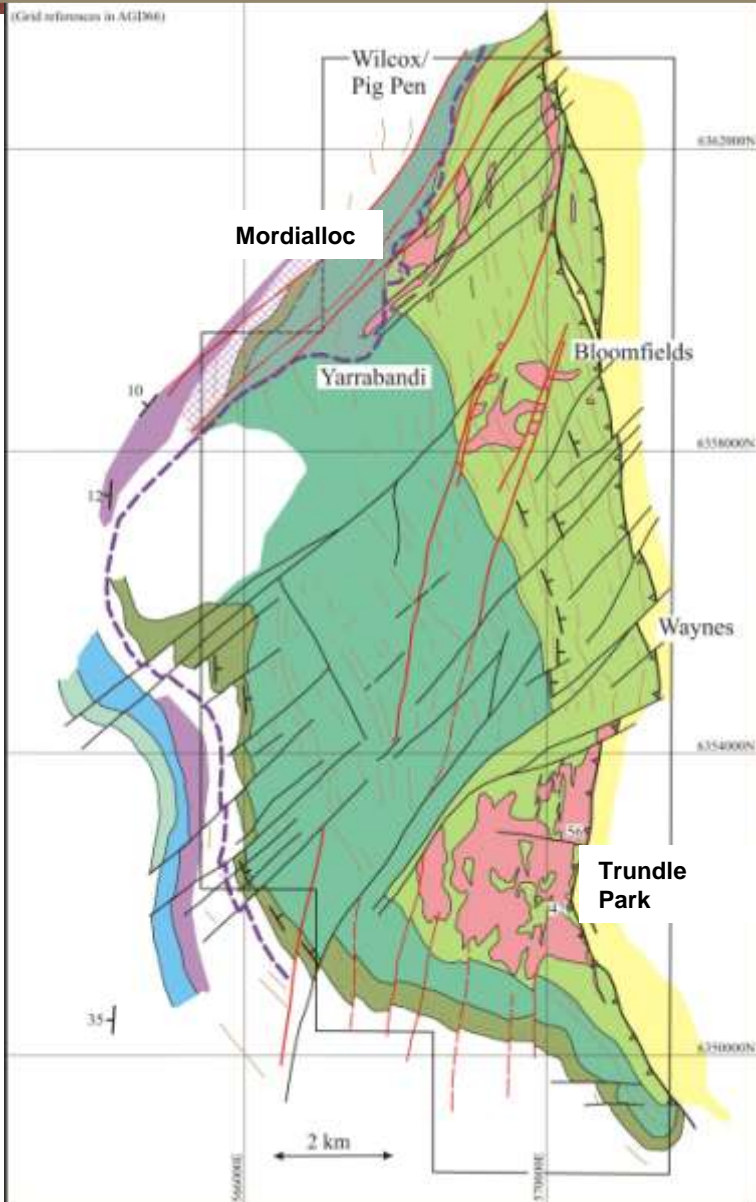
Cross-cutting pyrite-pyrrhotite veins in silica-albite altered volcaniclastic (104.7m)



Trundle 100% owned

Geology Legend

- Thrust
- Late Fault
- Fault
- Devonian sediment
- Silurian sediment
- Unconformity
- Ordovician Basement**
- Porphyritic intrusive
- Andesite with skarn
- Volcaniclastic rocks
- Andesite lava

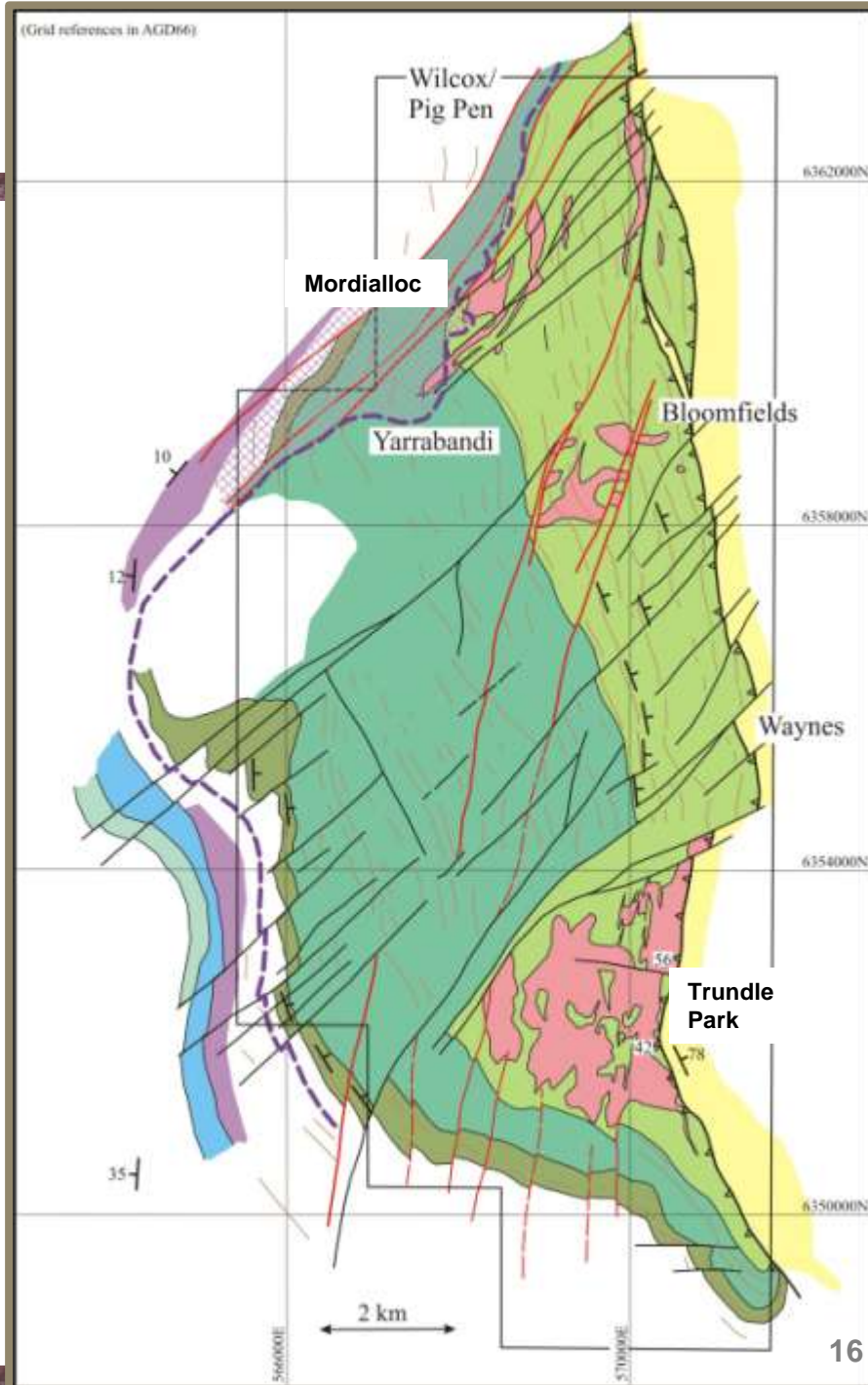




Trundle potential

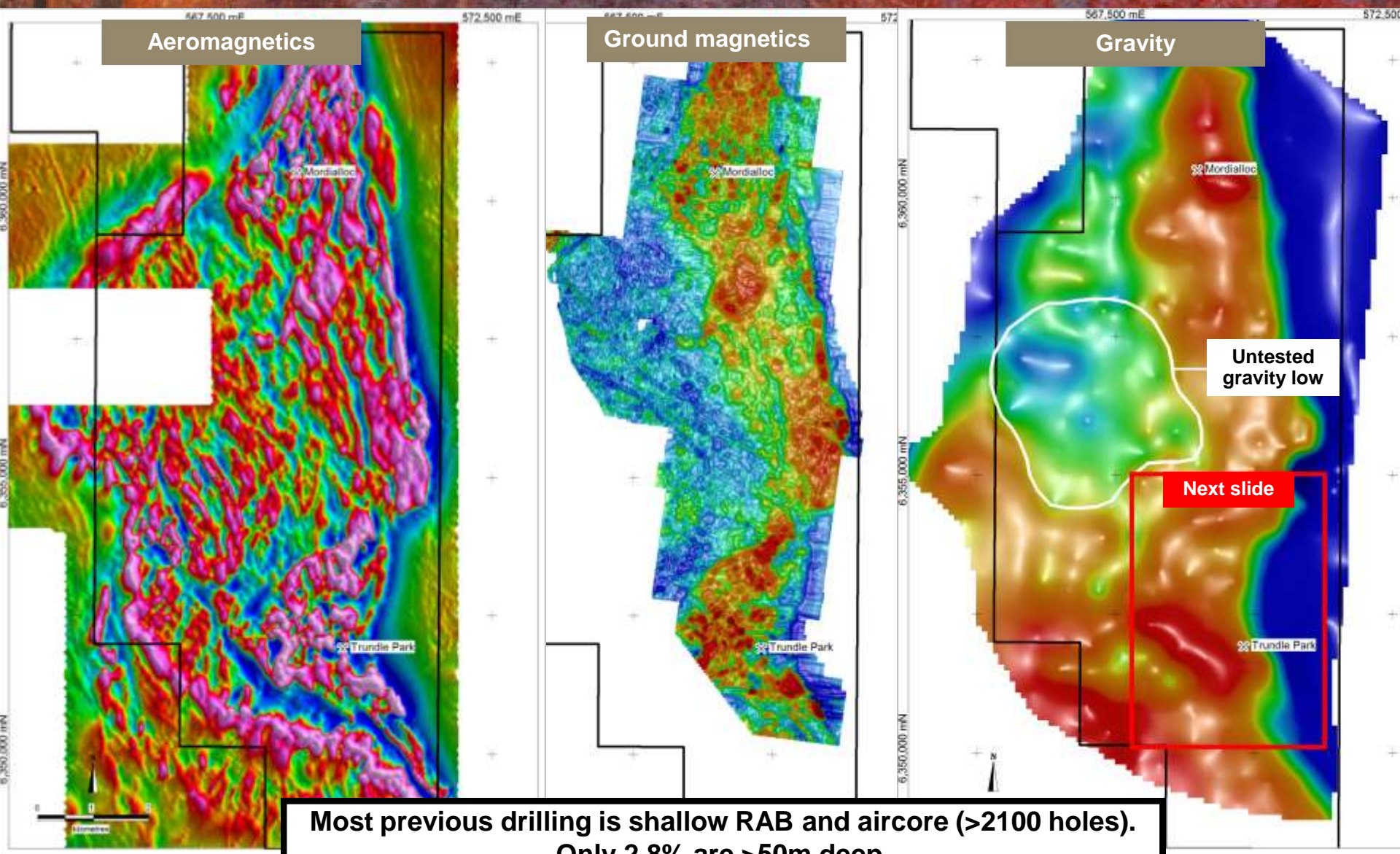
The Trundle project is located in an arc fragment that was rifted west off the Northparkes Igneous Complex.

- Extensive evidence of porphyry and skarn-style copper-gold mineralisation associated with several Ordovician intrusive centres
- Most previous drilling is shallow RAB or RC, only 2.8% of the previous holes are deeper than 50m
- Several targets have similarities to the Endeavour 22, 27 and Veedas porphyry deposits at Northparkes, many of which remain undrilled
- Excellent potential for significant porphyry copper-gold mineralisation in an area that is relatively easy to explore





Trundle – Magnetics and Gravity



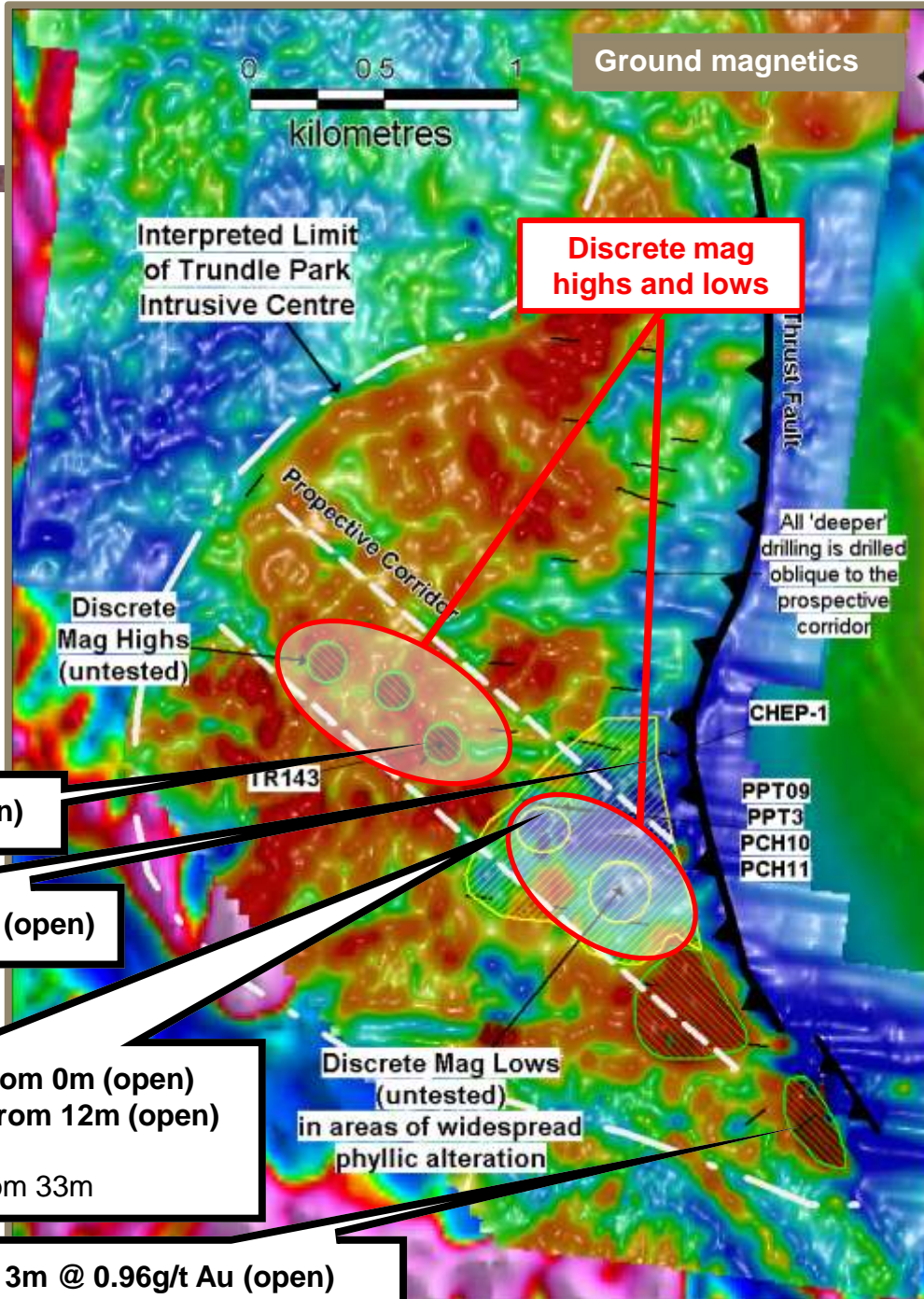
**Most previous drilling is shallow RAB and aircore (>2100 holes).
Only 2.8% are >50m deep.**



Trundle Park

Numerous shallow drill intercepts in skarn most of which have never been followed up.

- Previous drill direction is oblique to the prospective corridor → sub-optimal
- NW-trending corridor with significant open copper-gold anomalism
- Discrete magnetic highs and lows in corridor → similar to Northparkes



11m @ 1.24g/t Au 0.36% Cu from 3m (open)

25.5m @ 0.71g/t Au from 15m (open)

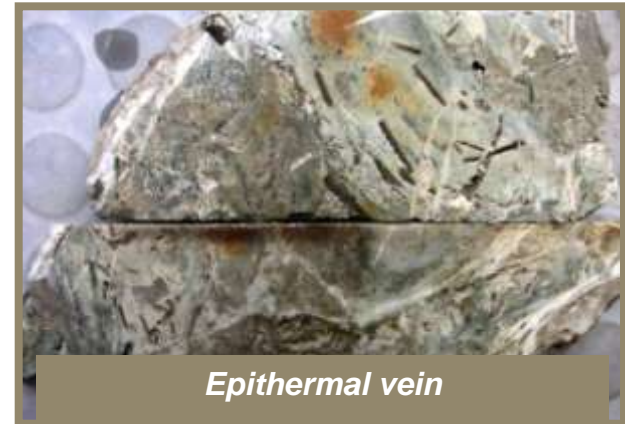
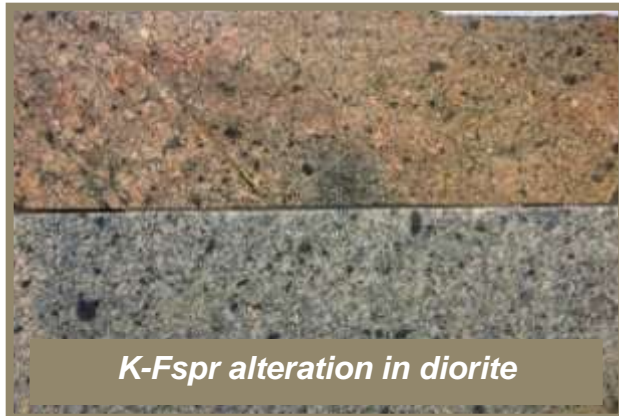
39m @ 0.55g/t Au 0.14% Cu from 0m (open)
 35m @ 0.59g/t Au 0.25% Cu from 12m (open)
 60m @ 0.54g/t Au from 1m
 51m @ 0.58g/t Au 0.14% Cu from 33m

3m @ 0.96g/t Au (open)

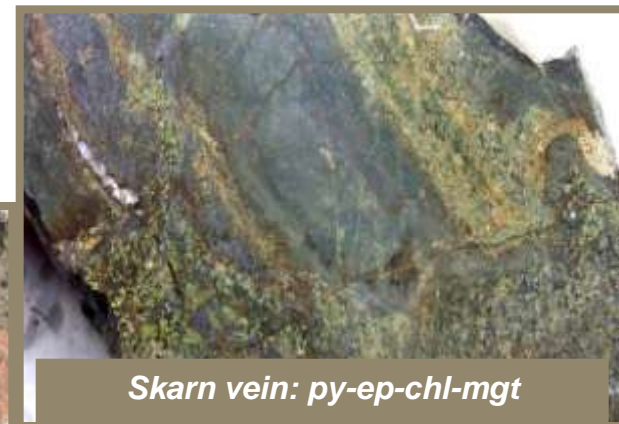
3D modelling in progress, follow-up drilling planned



Trundle – similarities to Northparkes



Classic "brick-red" alteration

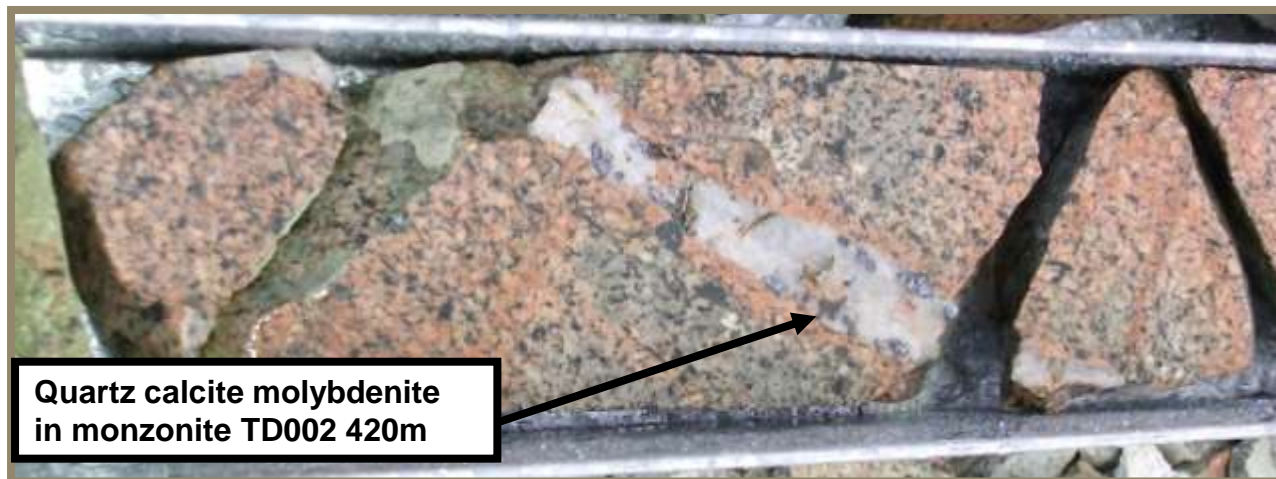




Trundle Park – porphyry mineralisation

Historical focus on skarn mineralisation – however monzonite with porphyry-style mineralisation is present at depth and peripherally e.g. Big Cadia skarn near Cadia-Ridgeway

- **Large hydrothermal system widespread phyllic alteration**
- **Previous copper and gold intercepts are associated with magnetite skarn**
- **Alteration trends suggest skarn is peripheral to a nearby causative intrusion**
- **Monzonite in TD002 could be the causative intrusion**
- **Hole TD002 intersected 100m @ 34ppm molybdenum from 357m**
- **Strong molybdenum mineralisation commonly forms a halo around porphyry copper-gold deposits**
- **Work in progress on a 3D geological model to assist in targeting follow-up diamond holes**

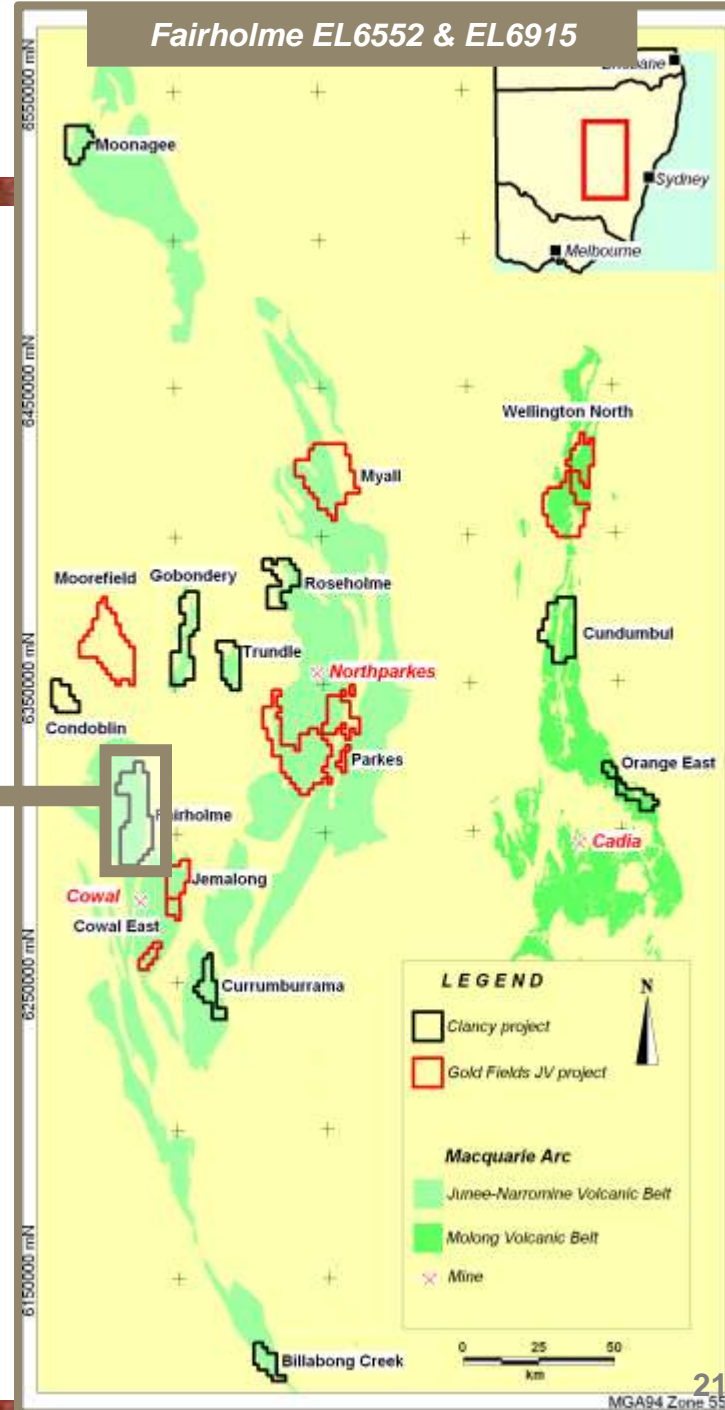
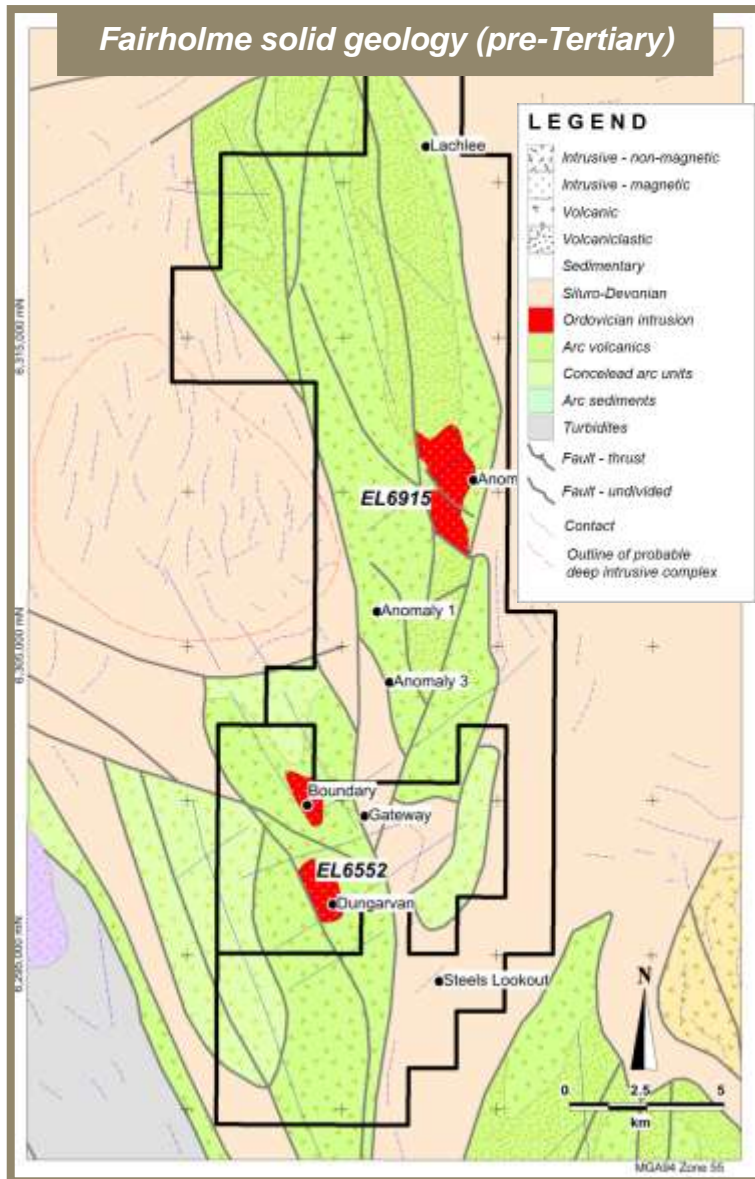


**Quartz calcite molybdenite
in monzonite TD002 420m**

**Drilling planned
September 2010**



Fairholme 100% owned



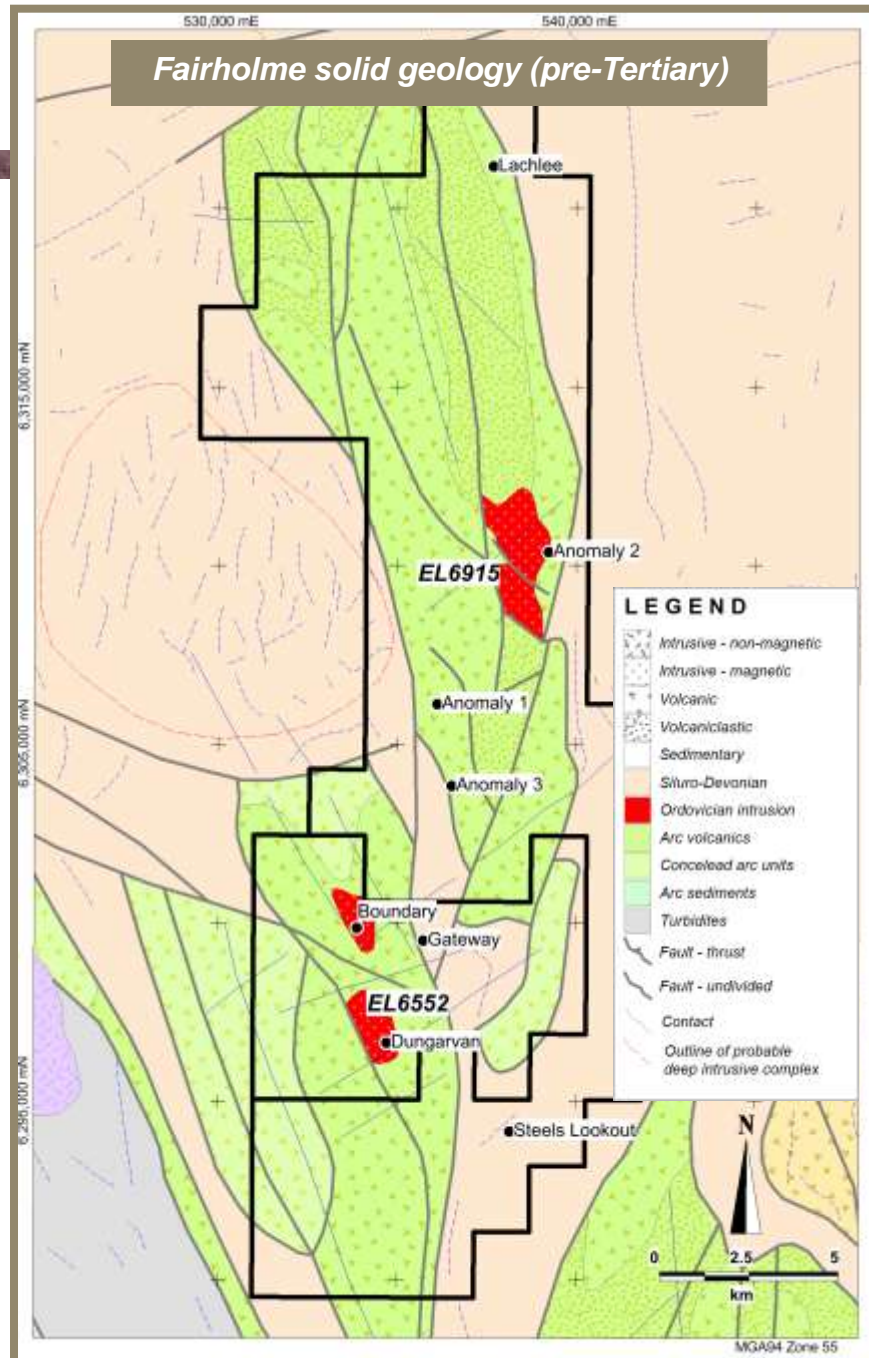


Fairholme geology

Fairholme Igneous Complex

No Ordovician outcrop, variable cover, generally flat terrain over the arc units

- Quaternary and Tertiary cover (clay and sand) 3m to 128m deep
- Average depth of cover based on previous aircore drilling:
 - EL6915 – 47m
 - EL6552 – 21m
- Approximately 50m of Ordovician saprolite beneath cover
- Ordovician basement consists of:
 - basaltic to andesitic volcanic, volcanoclastic and sedimentary rocks
 - High-K calc-alkaline to shoshonitic intrusive rocks – monzodiorite to granodiorite composition
- Igneous rocks are chemically similar to the well mineralized Northparkes complex
 - Some Fairholme intrusives have shoshonitic composition
 - Shoshonitic magmatism is associated with economic Cu-Au mineralisation at Cadia and Northparkes

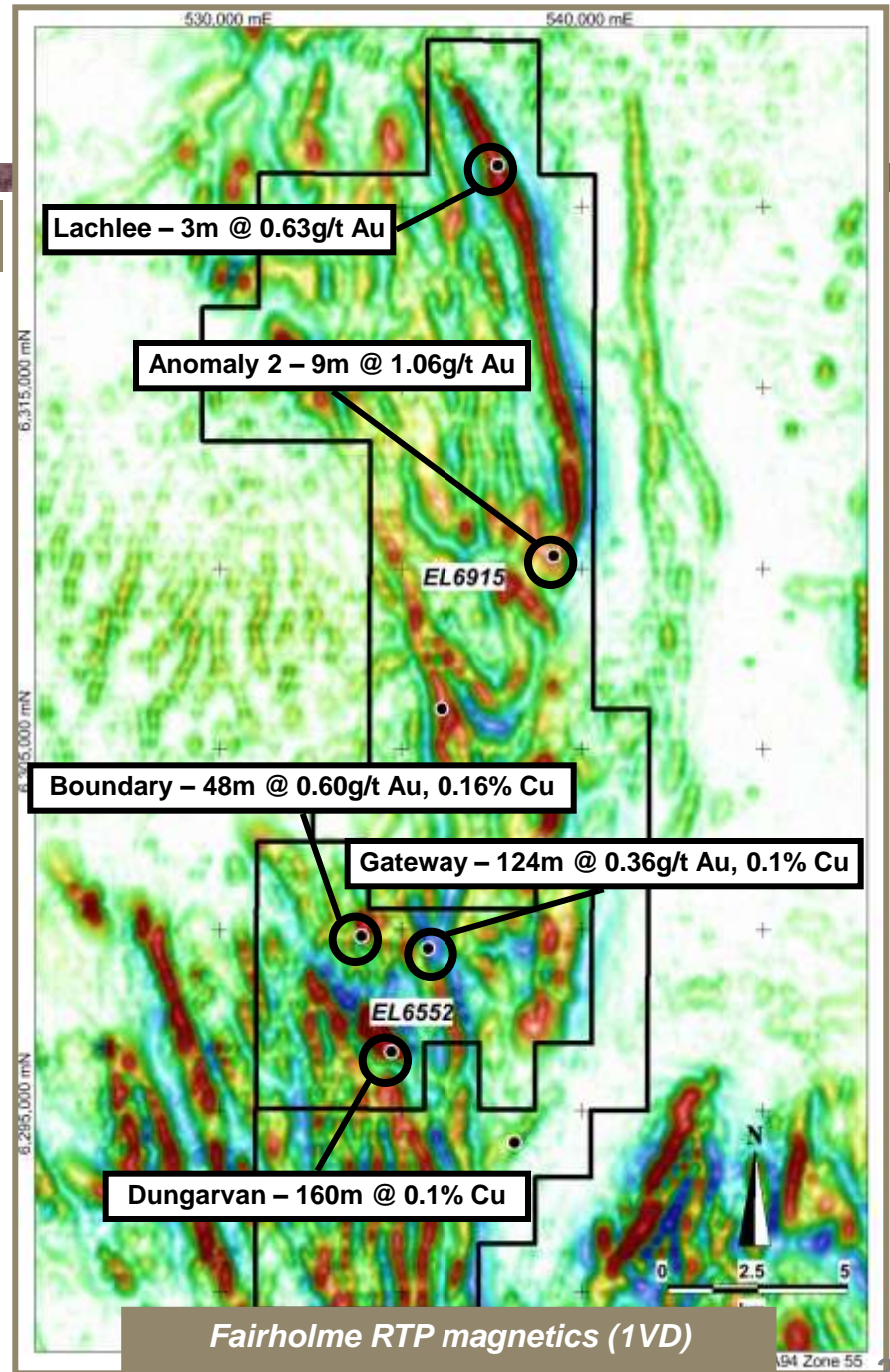




Fairholme potential

Former Newcrest project, active 1994 to 2002.

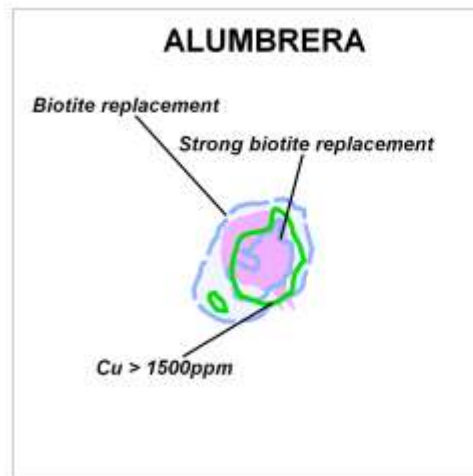
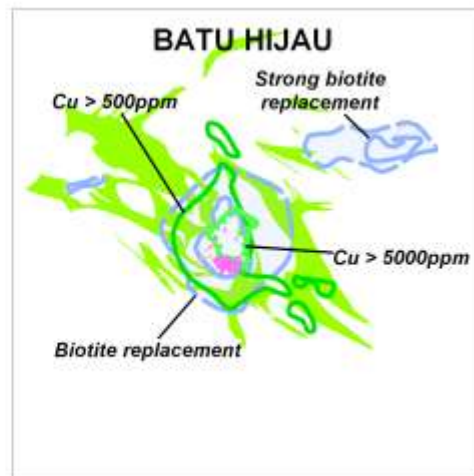
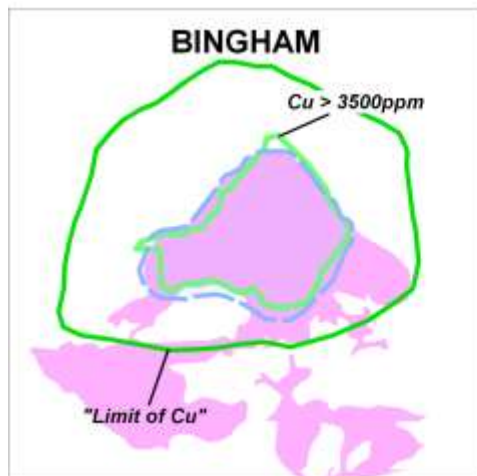
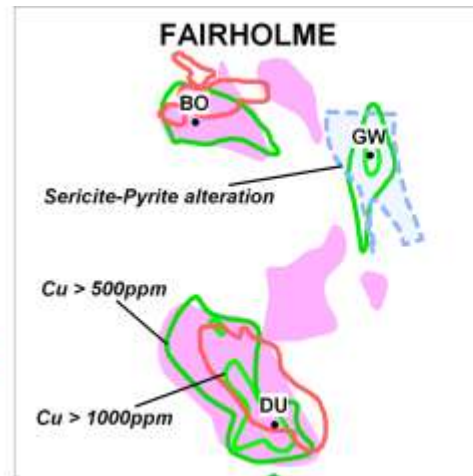
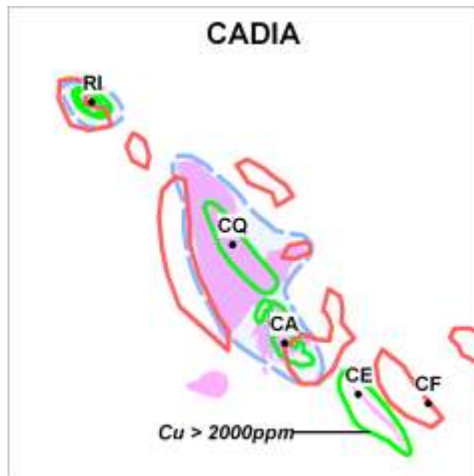
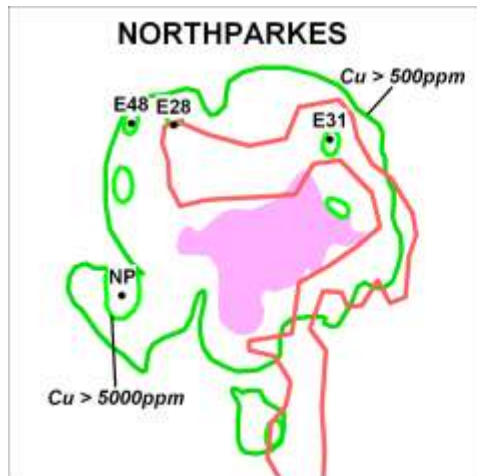
- **Substantial drilling database – Newcrest:**
 - 701 aircore holes (55,614m)
 - 30 RC holes (4,810m)
 - 17 DD holes (6,575m)
- **Most aircore drilling is regional in nature**
 - up to 1km spacing in EL6915
 - Many aircore anomalies remain to be followed-up
- **DD and RC drilling confined to Boundary, Gateway and Dungarvan prospects in EL6552**
- **Significant drill intercepts at several prospects:**
 - 48m @ 0.60g/t Au, 0.16% Cu at Boundary
 - 160m @ 0.1% Cu at Dungarvan
 - 124m @ 0.36g/t Au, 0.1% Cu at Gateway
- **Regional aircore intercepts on targets that require follow up:**
 - 9m @ 1.06g/t Au
 - 3m @ 0.63g/t Au





Fairholme footprint

Comparison of Fairholme footprint with other porphyry systems



LEGEND

- Argillic alteration
- Potassic alteration (unless otherwise stated)
- Intrusive
- Copper contour
- 1VD magnetic anomaly

Deposit / prospect abbreviations

- NP - Northparkes (E26)
- E28F - Endeavour 28 Forest
- E48 - Endeavour 48
- E28NE - Endeavour 28 NE
- E31 - Endeavour 31

- RI - Ridegeway
- CQ - Cadia Quarry
- CA - Cadia Hill
- CE - Cadia East
- CF - Cadia Far East

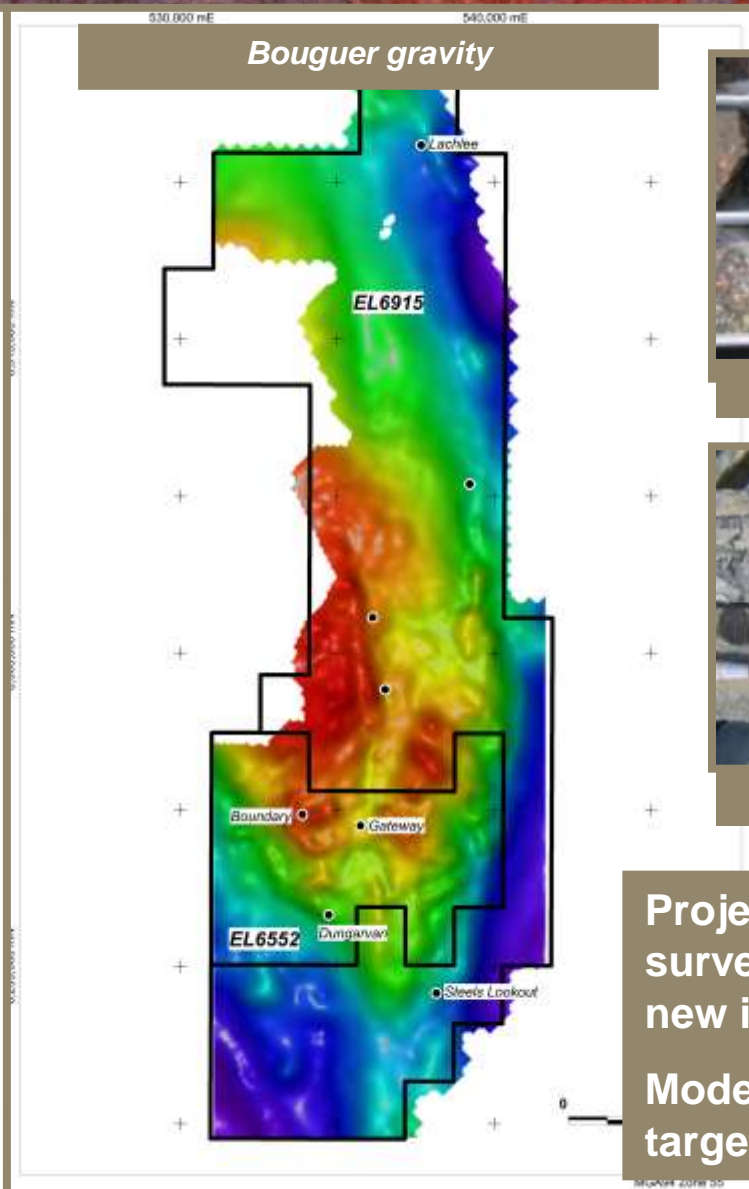
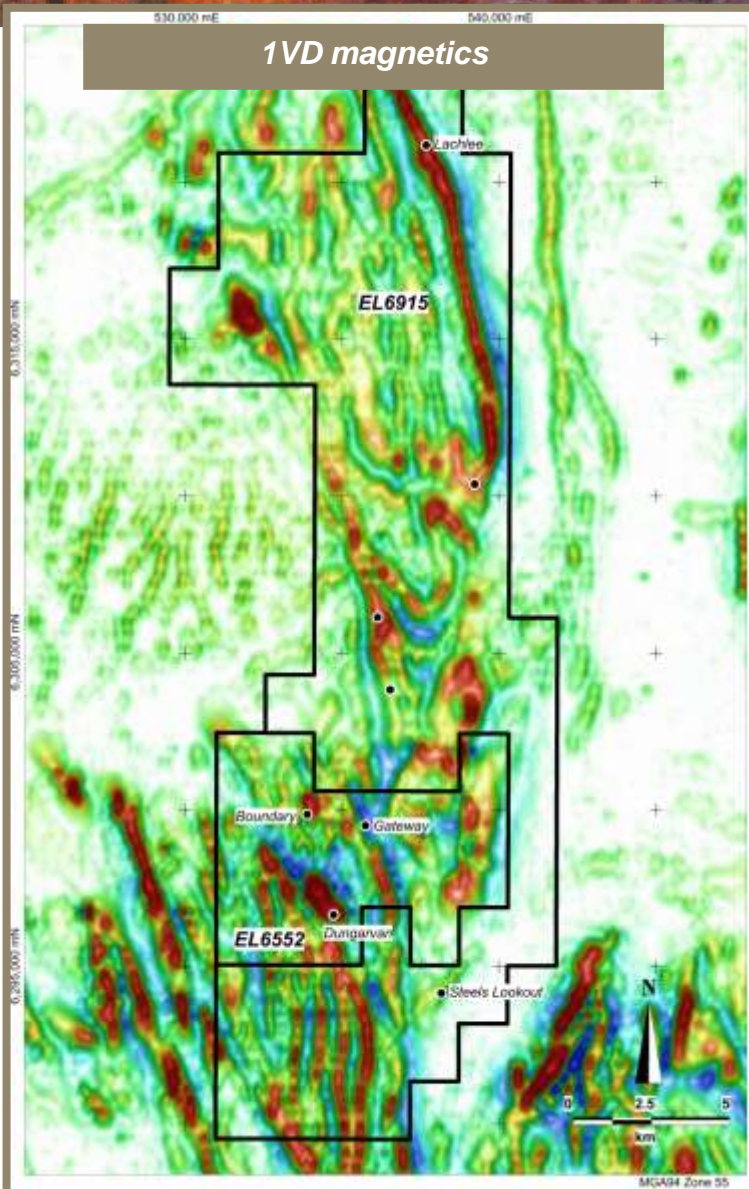
- BO - Boundary
- GW - Gateway
- DU - Dungarvan



All maps are the same scale - 5 x 5km



Fairholme – magnetics and gravity



Monzodiorite



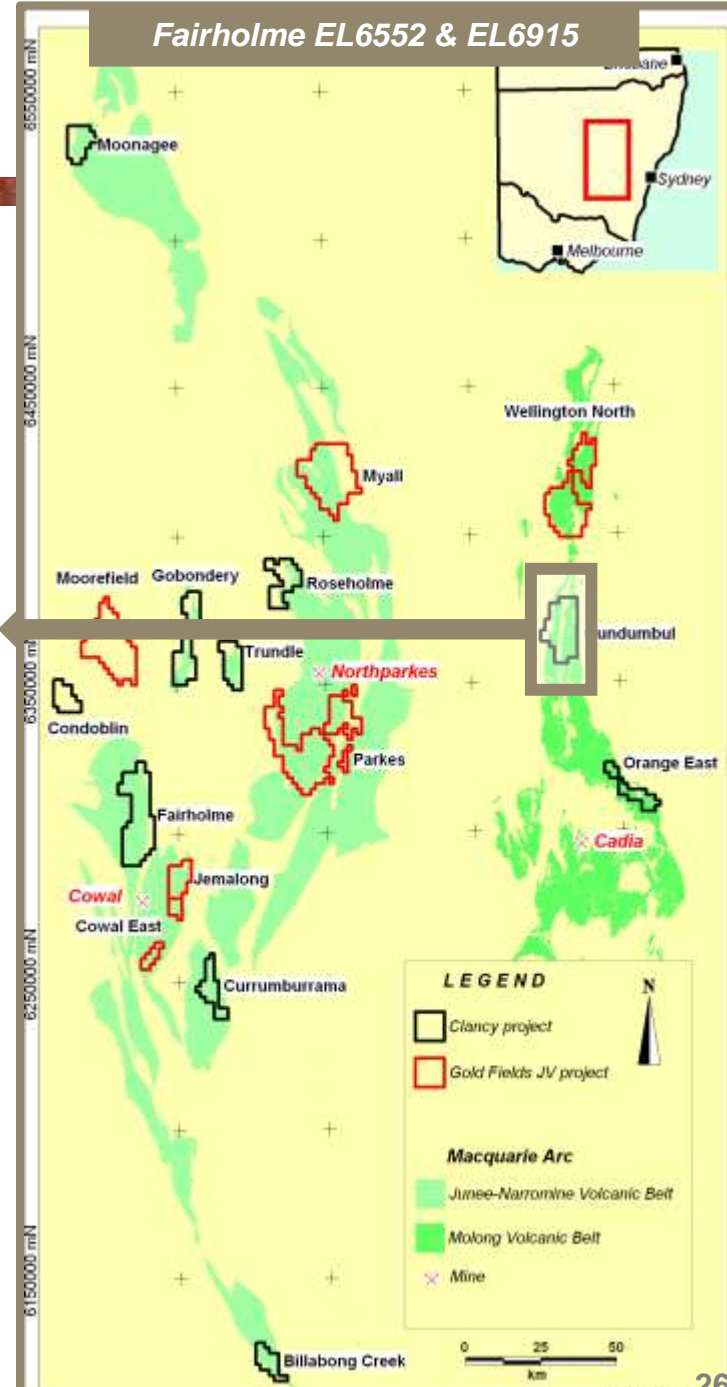
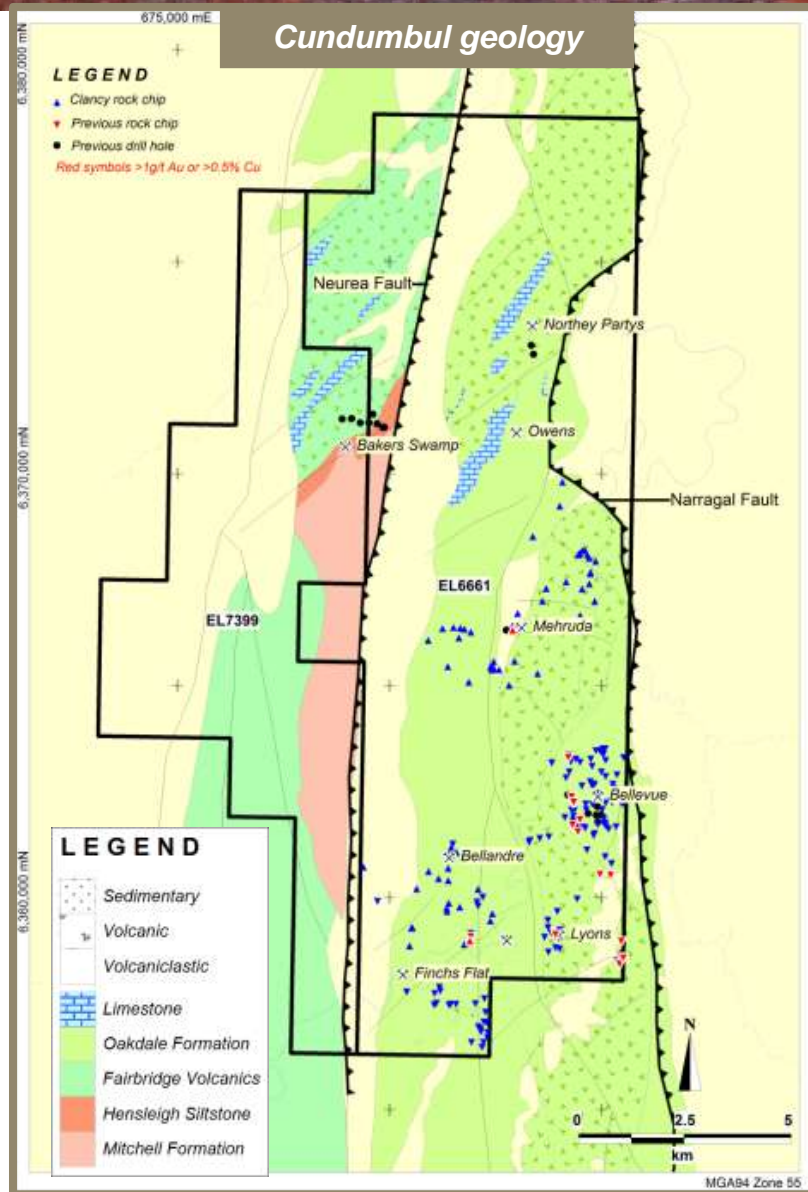
Tourmaline breccia

Project-wide gravity survey has provided new insights.

Modelling and drill targeting in progress.



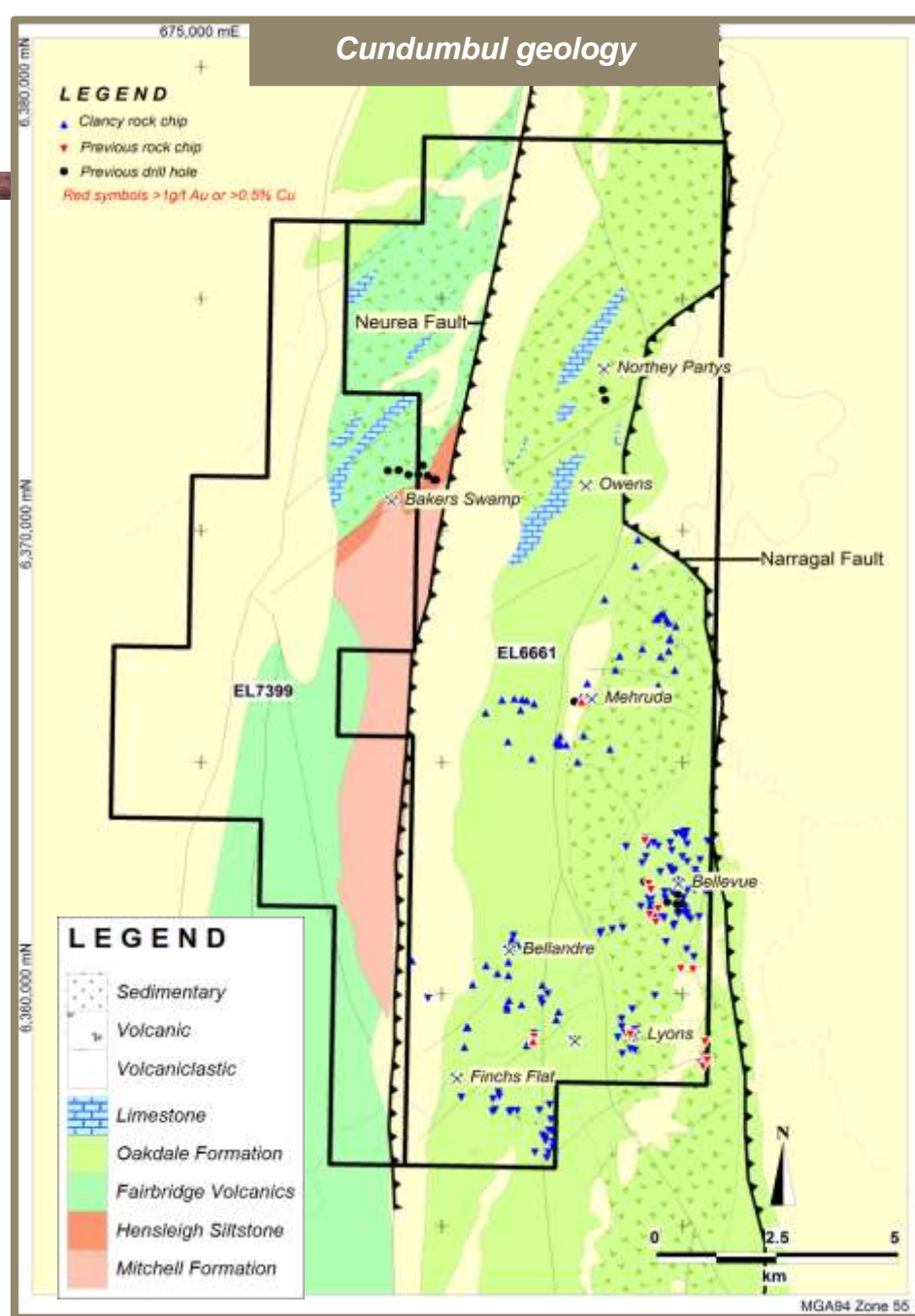
Cundumbul 100% owned



Cundumbul geology

Northern part of Molong Volcanic Belt
 Dominant arc units – Oakdale Formation
 and Fairbridge Volcanics

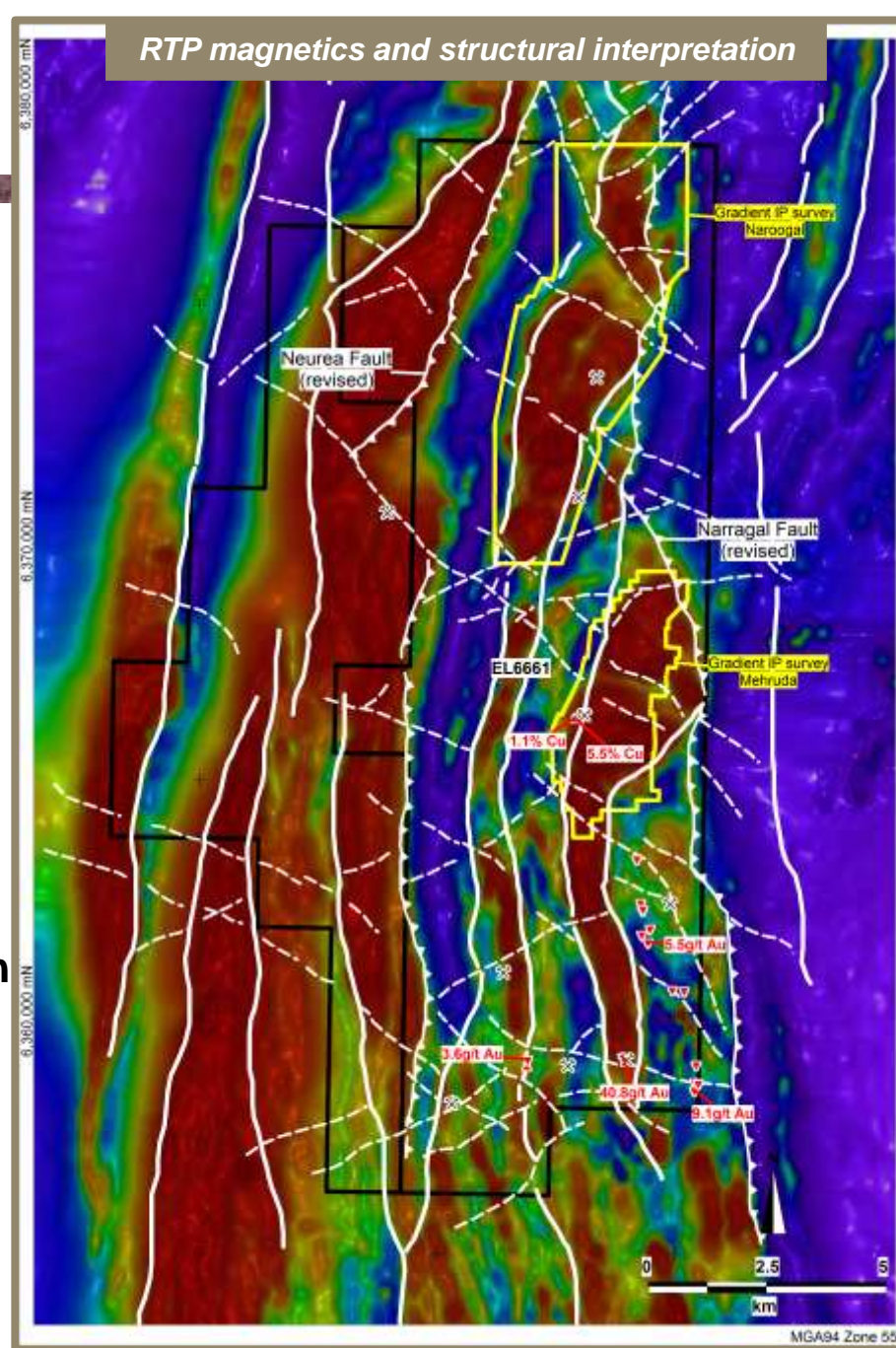
- Shallow or very little cover, generally well-exposed volcanic arc units
- Fairbridge Volcanics – basaltic andesite, shoshonitic lava and high-level intrusives, volcanoclastic sediment and limestone
- Oakdale Formation – andesite, latite lava, high-level intrusives, volcanoclastic sediment, siltstone and limestone
- Fault-bounded Silurian units interleaved with the arc – east-dipping thrusts of regional extent
- Intrusives, including monzonite and monzonite porphyry, with anomalous copper and/or gold present at a number of prospects



Cundumbul potential

Located in central part of Molong Volcanic Belt which hosts the giant Cadia porphyry deposits (>80Moz Au endowment)

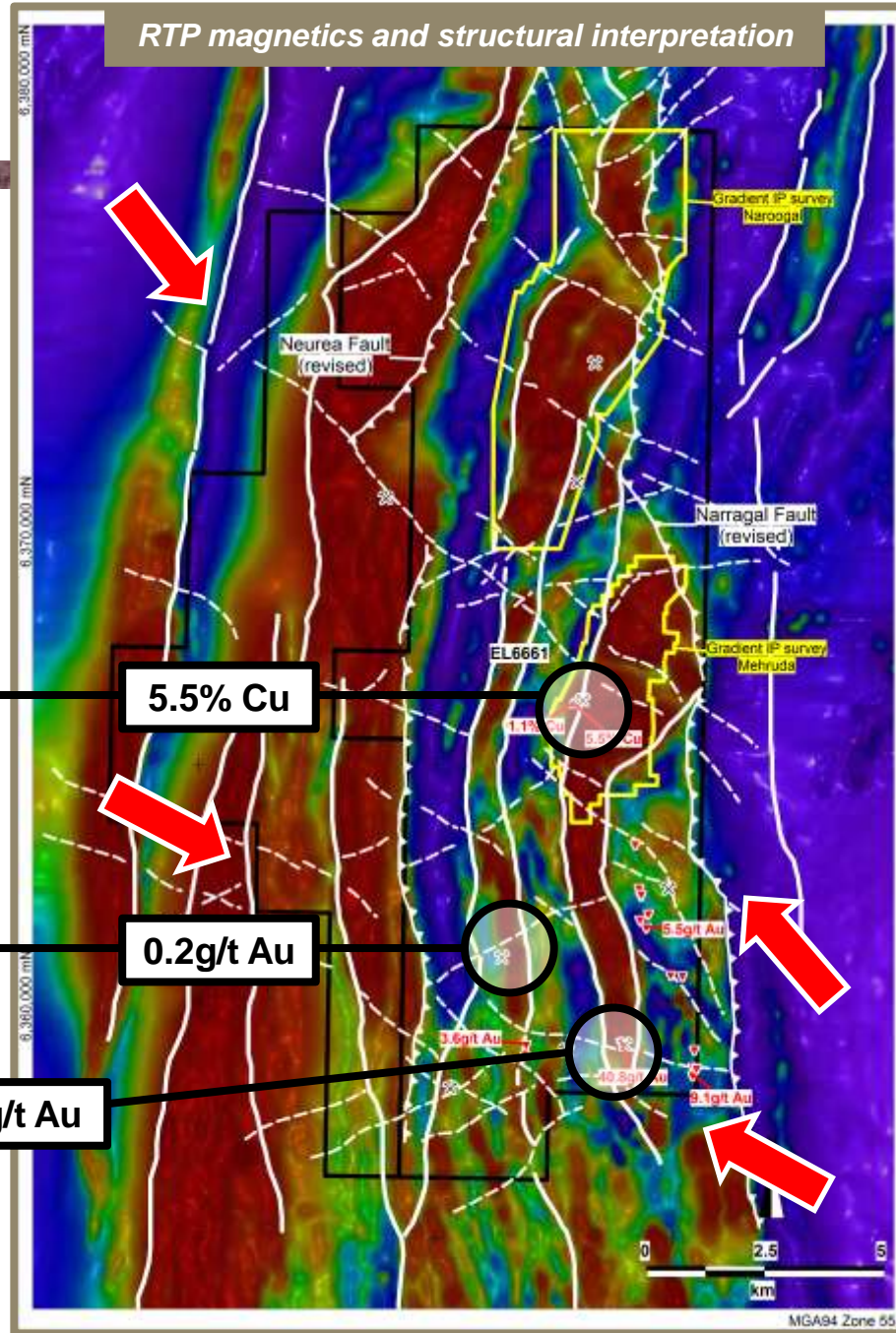
- Excellent potential for porphyry, epithermal and structurally controlled copper-gold deposits
- Shallow cover, good outcrop, easy access
- Extensive evidence of hydrothermal alteration identified by mapping
- Only 24 drill holes in project area, 205km²
 - Most drilling at the Bellevue and Bakers Swamp prospects
 - Average depth 119m
- Extensive evidence of surface mineralisation
 - Many historic workings with multiple shafts
 - >20 rock chips with >1g/t Au
 - Copper secondaries
 - Assays up to 40.8g/t Au and 5.5% Cu
- Substantial gradient array IP anomalies defined



Cundumbul potential

Geological mapping and revised structural interpretation have provided new insights

- NW-trending cross-cutting structures → structural corridors
- Primary control on copper and gold mineralisation?



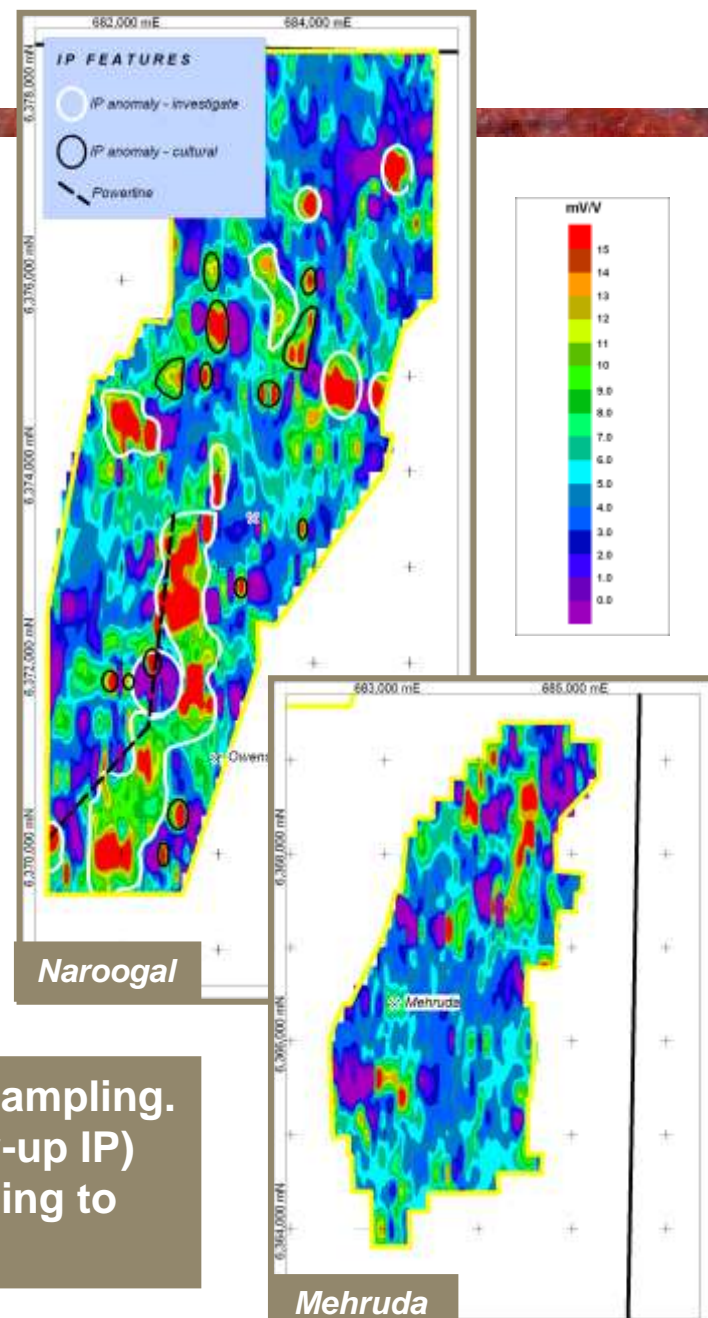
Cundumbul – IP results

Gradient array IP – substantial chargeable IP anomalies defined

- Significant +4km long anomaly (>20mV/V) at Naroogal
- Some anomalies attributed to cultural effect
- Other anomalies have intense alteration and visible disseminated pyrite consistent with phyllic-style alteration
- Moderate anomaly at Mehruda associated with rock-chips up to 5.5% Cu
- None of the IP anomalies have been drill tested yet



Field follow-up in progress → mapping and rock chip sampling. Further geophysics (helimagnetics and possibly follow-up IP) will assist with refinement of the structural model, leading to drill testing in the later part of 2010.





Wrap up

The Macquarie Arc is an exceptionally well endowed terrain → CLY has an enviable ground position in this highly prospective terrain (~2870km²)

Aggressive exploration campaign → well funded → two teams

Managed and strategic approach to targeting → mix of 100%-owned and JV projects

Highly significant results achieved to date → the strategy is bearing fruit

Work programs accelerated on 100% owned Orange East, Trundle, Fairholme and Cundumbul projects → proceeds from \$2.2M rights issue (underway)

Active program, lots of drilling → plenty of news flow over the next few months



Further information



Exploration, geology and technical queries

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