

## QUARTERLY ACTIVITIES REPORT

### For the period ending 31 March 2016

The Board of Clancy Exploration Limited is pleased to release its Quarterly Activities report for the period ending 31 March 2016.

### Summary

- Clancy seeking new partners for Trundle, Condobolin and Fairholme after the withdrawal of partners.
- David Scoggin appointed a non-executive director.
- Underwritten capital raising process launched.

### Exploration

Clancy's joint venture partners at the Trundle, Condobolin and Fairholme projects all withdrew during the quarter. Clancy is now seeking new partners for these projects.

#### Trundle EL8222

(NSW, Clancy 100%)

The Trundle project consists of a single exploration licence EL8222 located 25km west of the Northparkes copper-gold mine. There is extensive evidence of porphyry and skarn-style copper-gold mineralisation similar to the Cadia Valley and Northparkes. The project was formerly a joint venture with High Power Exploration Inc (HPX).

Results were received for the diamond hole completed in the December 2015 quarter at the Mordialloc NE IP chargeability anomaly. The hole intersected a thick sequence of andesitic volcanoclastic rocks at the top of the hole followed by a series of gently dipping garnet-rich calc-silicate skarn and silica hornfels horizons intruded by a porphyritic monzonite dyke. The rocks are crosscut by abundant carbonate-sulphide bearing veins. Disseminated sulphides are also present in the matrix, with the dominant sulphide being pyrite. These sulphides are likely to be the source of the IP chargeability anomaly. Unfortunately no significant results were returned. Several other IP chargeability anomalies remain to be tested including at Trundle Park where previous drilling has identified significant gold and copper mineralisation such as 2m @ 20g/t Au, 6.97% Cu and 81g/t Ag from 64m and 58m @ 0.44g/t Au, 0.17% Cu from 22m<sup>1</sup>.

Clancy received notice from HPX that it was withdrawing from the joint venture and the project has now reverted to 100% Clancy ownership.

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<sup>1</sup> See ASX release dated 28 February 2011 for further details

## Condobolin EL7748

(NSW, Clancy 100%)

Condobolin EL7399 is located in the central west of NSW immediately north of the Condobolin township. Condobolin has a substantial mining history, predominantly as a base metals field (lead, zinc and copper), as well as gold. The mineralisation is hosted in epithermal-style quartz veins within the metasedimentary units of the Ordovician Girilambone Group, associated with pyrite, sphalerite, galena, chalcopyrite, arsenopyrite and free gold. The project was formerly a joint venture with Ramelius Resources Ltd (Ramelius). Narrow high-grade gold was intersected in previous drilling by Clancy at the Meritilga prospect with intercepts such as 4m @ 20 g/t Au from 75m<sup>2</sup> and 10m @ 5.78 g/t Au from 80m<sup>3</sup> which remain to be followed up.

Ramelius withdrew from the joint venture at quarter end and the project has now reverted to 100% Clancy ownership.

## Fairholme EL6552 & EL6915

(NSW, Clancy 100%)

The Fairholme project is located in the Fairholme Igneous Complex 12km north of the Cowal gold mine. 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 porphyry copper-gold deposit (Newcrest). The project was formerly a joint venture with Kaizen Discovery Inc (Kaizen). The Kaizen joint venture focused on the porphyry copper-gold potential and a number of IP chargeability anomalies were drill tested with disappointing results. Other potential targets such as epithermal Cowal-style gold systems and porphyry copper-gold targets in areas where the IP survey did not penetrate into the basement due to conductive overburden, remain to be followed up.

During the quarter Kaizen withdrew from the joint venture and the project has now reverted to 100% Clancy ownership.

## Corporate

During the quarter Mr Gordon Barnes resigned as Managing Director of the Company and Mr David Scoggin was appointed as Non-Executive Director. Subsequent to the end of the quarter Mr Nathan Featherby was appointed Chairman of the Company.

Mr Scoggin is a native of Santa Barbara, California and received his Bachelor of Arts from Princeton University, majoring in international relations and finance. He started his career in Tokyo and Hong Kong working as a proprietary trader for both Credit Agricole Indosuez and ING Barings. In 2000, he relocated to Australia where he started a 12 year period as a portfolio manager/senior trader managing hedge funds for Susquehanna International Group and Evolution Financial Group. He specializes in risk assessment, mergers and acquisition analysis, and has held several corporate advisory roles.

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<sup>2</sup> Detailed drill results are contained in ASX release dated 20 March 2012

<sup>3</sup> Detailed drill results are contained in ASX release dated 17 June 2013

The Company will shift its administrative office from Orange to Perth in coming weeks. Clancy no longer has any executive personnel in Orange and is looking to reduce its operating cost base to a minimum whilst it focuses attention on identifying and acquiring a project to secure the Company's future.

Subsequent to the end of the quarter, the Company launched a capital raising process to raise a total of \$2.1m, comprising a placement to raise \$38,000 and a fully underwritten renounceable rights issue to raise \$2.06 million. The rights issue is offered on the basis of seven new shares for every one share held at an issue price of \$0.001, together with one free attaching option for every three shares subscribed. The Rights issue is fully underwritten by Patersons Securities Limited. Proceeds from the capital raisings, after deduction of the costs, will be applied to the exploration of existing projects, the search for a new project and working capital.

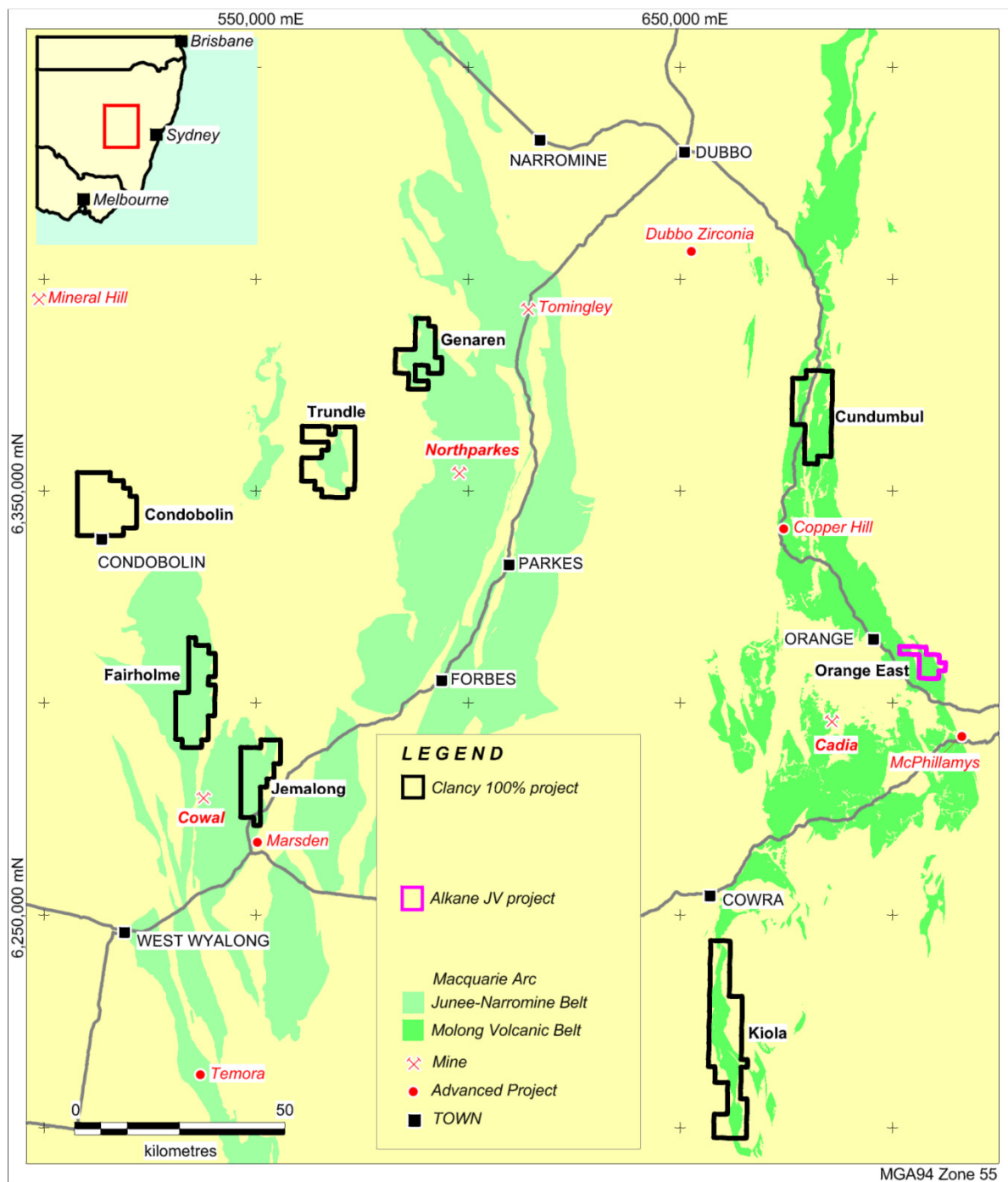


Figure 1 – Map showing location of Clancy projects in central NSW.

## Clancy Tenement Listing

(As at 31 March 2016)

State	Project	Lease No	Status	JV Project	Manager	Clancy interest	Area (km2)	Note
NSW	Condobolin	EL7748	Renewed	No	Clancy	100%	181.5	
NSW	Genaren	EL7927	Renewed	No	Clancy	100%	95.4	
NSW	Cundumbul	EL6661	Renewed	No	Clancy	100%	141.4	
NSW	Cundumbul	EL7399	Renewed	No	Clancy	100%	26.0	
NSW	Fairholme	EL6552	Renewal pending	No	Clancy	100%	54.5	
NSW	Fairholme	EL6915	Renewed	No	Clancy	100%	114.7	
NSW	Kiola	EL8151	Granted	No	Clancy	100%	284.2	
NSW	Orange East	ELA5243	Application	Yes	Alkane	100%	40.2	Alkane earning 60%
NSW	Trundle	EL8222	Granted	No	Clancy	100%	167.2	
NSW	Jemalong	EL8302	Granted	No	Clancy	100%	28.6	
NSW	Jemalong	ELA5218	Application	No	Clancy	100%	80.1	

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The information in this announcement that relates to Initial Exploration Results is based on information compiled by Mr Gordon Barnes who is a Member of the Australian Institute of Geoscientists. Mr Barnes is a consultant to 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 2012 edition of the "Australasian Code for Reporting 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 and gold explorer. The Company's portfolio consists of copper-gold projects in the Lachlan Fold Belt of NSW where it has seven wholly owned and managed projects and one joint venture projects with Alkane Resources Ltd (ASX: ALK). Details of Clancy's projects can be found at the Company's website: [www.clancyexploration.com](http://www.clancyexploration.com)