

21 December 2010

Company Announcements Office  
Australian Securities Exchange  
Level 5, 123 Eagle Street  
**BRISBANE QLD 4000**

### **Further exciting Silver Results from El Rodeo – Jacal Prospect**

#### **Key Points**

Further high silver grades achieved from chip channel and grab samples of veins at the surface, with best results:

- 1.1m @ 1,580g/t Ag, 0.91% Cu,
- 2.1m @ 688g/t Ag, 0.64% Cu.

Jacal vein is un-mined, was sampled over 175m strike length and is open to the east and west,

Very similar veining and mineralisation to Espiritu Santo and El Carmen,  
Potential to find new veins, extensions and other associated mineralisation in high.

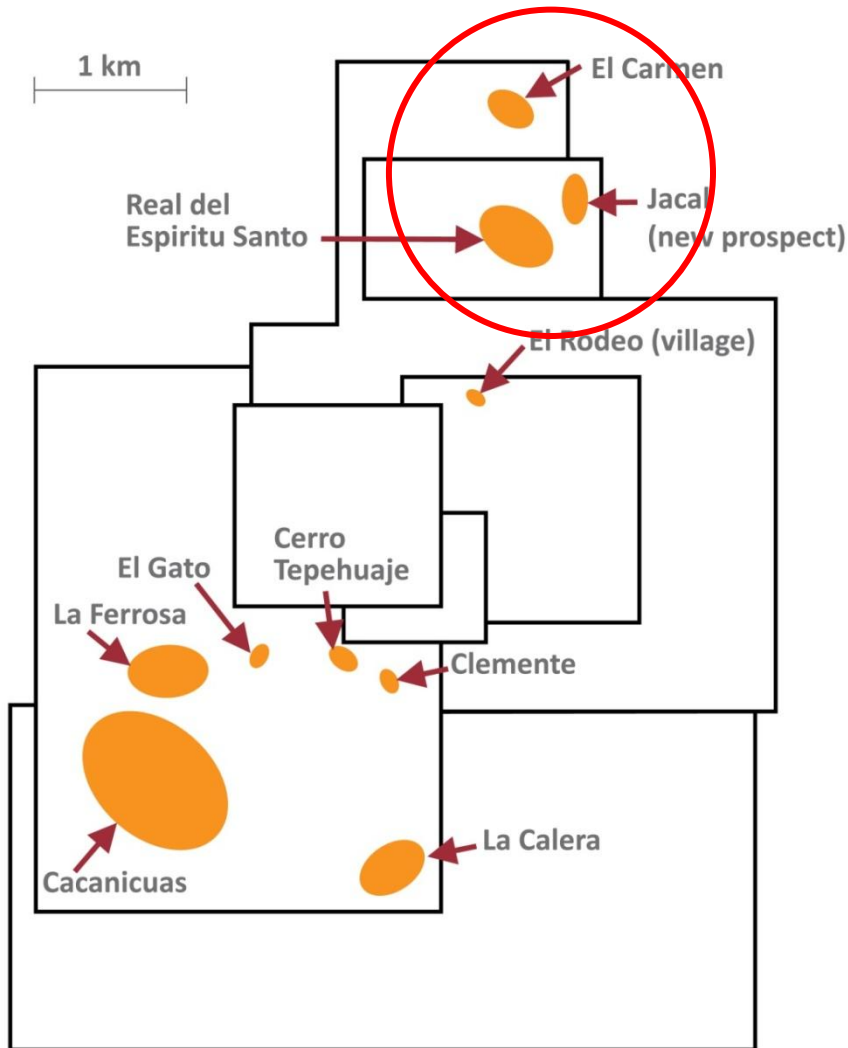
#### **Jacal**

Jacal is a prospect approximately 1km to the north east of Espiritu Santo and in the same general area as El Carmen. Having now confirmed that Jacal is also a high grade silver bearing vein, Company geologists have returned to the area to carry out further mapping and reconnaissance to try to locate further veining and expose the full extent of the Jacal vein. There is a strong possibility that further veining will be discovered at Jacal, and in between Jacal, El Carmen and Espiritu Santo. The veins of the three mineralised zones share similar mineralogy and have similar strikes, indicating that they are part of the same hydrothermal system. The recently mapped and sampled veins are only those that have been exposed by historical mining, or that outcrop. The real extent of the Jacal, Espiritu Santo and El Carmen veins is still to be determined. The potential to find new veins, extensions and other associated mineralisation in the area is considered to be high.

These results are very encouraging and show without doubt that the Espiritu Santo district (see figure 1) has a number of vein style prospects, with very high grade silver and good copper mineralisation, along with zinc at Espiritu Santo. Further work is required to try and understand the relationship between the various vein occurrences, however the vein systems alone are a definite opportunity for development, and the underlying potential for porphyry style mineralisation gives great hope for a further discovery. The company looks forward to the drill programme currently being finalised for Espiritu Santo as the next stage in exploring this exciting area.

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**El Rodeo Project: Jacal Prospect Sampling Results**

**Figure 1 – Schematic of El Rodeo Project, with very prospective northern area circled**



**Geology and Geochemistry**

The Jacal vein is E-W in strike and on average, 1.8 m wide. The vein is in a normal fault of the same strike which dips 80° to the north with a horizontal displacement component. The vein is hosted in andesitic sedimentary breccia, greywacke, and limestone lenses that are Jurassic (?) to Cretaceous in age. The host rock has been silicified and displays propylitic alteration. The vein is composed of quartz, pyrite, rodocrosite, Ag-sulphosalts, bornite, argentiferous galena, galena, chalcopyrite, and chalcocite.

Granodiorite dikes and masses intrude the sedimentary rocks and a 2m thick mantle replaces limestone. It contains pyrite, chalcopyrite, calcite and rodocrosite. The outcropping rocks have been oxidised and display argillic alteration. Malachite and azurite are ubiquitous.

The vein has been identified over 200m and it is open both to the east and west. It is considered likely that other veins and replacement bodies may be present.

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#### Sampling Programme

The sampling programme at Jacal was undertaken on areas where the vein outcropped, and from minor historical excavations. Local company geologists took chip channel samples where possible and grab samples where chip channelling was impractical or would be inaccurate. Plastic tags and colour flags were left at the sampling sites. In total 15 samples were collected along the length of the vein. A further mapping and reconnaissance survey is currently underway on site and sampling will be undertaken as and where warranted.

As sampling was undertaken at the surface, in the oxidised zone, enrichment could be expected in some metals, depletion in others.

All sample results are included in Table 1 and the sampling plan in Attachment 1. It is noted that due to the scale of the plan, it is quite difficult to read. The Company directs you to its website ([www.cloncurrymetals.com.au](http://www.cloncurrymetals.com.au)) in the Latest News section where a detailed plan that can be enlarged is available for view.

#### Results

Assay results have been received for all samples and all the results are below, with the more interesting results highlighted. No top cut has been applied.

**Table 1 – Assay results from Jacal Sampling Programme**

Sample	Sample Length (m)	Sample Type	Au (g/t)	Ag (g/t)	Cu (%)	Zn (%)
JAR-1	1.7	Chip-Channel	0.02	66.5	0.38	0.01
JAR-2	1.0	Chip-Channel	0.01	35.4	0.16	0.03
JAR-3	1.6	Chip-Channel	0.01	12.9	0.09	0.00
JAR-4	0	Grab	0.09	1,400	1.46	0.07
JAR-5	0	Grab	0.01	192	0.30	0.03
JAR-6	1.1	Chip-Channel	0.05	1,580	0.91	0.02
JAR-7	2.1	Chip-Channel	0.03	688	0.64	0.01
JAR-8	2.0	Chip-Channel	0.03	130	0.10	0.02
JAR-9	1.0	Chip-Channel	0.02	19.6	0.09	0.00
JAR-10	0	Grab	0.00	2.5	0.01	0.00
JAR-11	0	Grab	0.02	6.7	0.11	0.00
JAR-12	1.5	Chip-Channel	0.01	78.3	0.47	0.02
JAR-13	0	Grab	0.04	138	0.34	0.05
JAR-14	0	Grab	0.04	251	0.54	0.05
JAR-15	0	Grab	0.01	75.3	0.26	0.02

#### Sample and Assaying Methods

The chip-channel samples were collected from in situ veins at the surface where the vein outcropped. Where the vein was fully exposed chip-channel samples were taken, where only partially exposed, grab samples were taken. The strike and dip of the vein sampled were recorded where possible. The chip-channel samples were approximately 10cm wide and 3cm in depth and the length of the samples varied between 1.0 and 2.1m. They were collected on the vein and were perpendicular to the strike of the veins. The samples were packed in plastic bags, and labelled while still on site.

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All samples were delivered to the ALS-Chemex laboratory in Guadalajara City, Mexico, where they were dried and split. The pulps were then sent to the ALS-Chemex laboratory in Vancouver, Canada for analysis. Gold was analysed by method AA23, and silver by the method GRA21 and a range of pathfinder elements was analysed by method ME-ICP41. The various assay methods and the detection limit details are tabled below.

Element	Method	Digestion and Determination
Au	AA23	30gm fire assay with AAS finish
Ag, (up to 100ppm)	ME-ICP41	Aqua regia digest with ICP-AES determination
Ag (100 ppm to 1,500ppm)	Ag – OG46	Aqua regia
Ag (>1,500ppm)	Ag – GRA21	30 g FA-GRAV finish WST-SIM
Zn (up to 10,000ppm)	ME-ICP41	Aqua regia digest
Pb	ME ICP41	Aqua regia ICP-AES
Cu (up to 10,000ppm)	ME ICP41	Aqua regia ICP-AES
Cu (>10,000ppm)	Cu – OG46	Aqua regia

#### Update to wider Exploration programmes

Cloncurry Metals has completed the IP survey over Espiritu Santo, La Calera and Cacanicuas and the data that was collected is currently being interpreted:

At Espiritu Santo the IP results will be used to help finalise the drilling plan and the team is on site this week finalising the pad locations and preparing for drilling. At this stage the six drilling pads are on schedule to be prepared just prior to drilling and a number of holes will be drilled from each pad, totalling in the order of 2,000m of diamond drill core. As an update on timing, the Company has been informed that a further delay has been experienced and that the rig will arrive on site in the first few days of January 2011, and will commence work shortly thereafter.

At La Calera the survey showed very strong anomalies, coincident with the ground magnetic survey carried out earlier in the year. These anomalies are evident beneath the sediment cover, and indicate extensions to the gossanous material that is encountered on the surface at La Calera. Further analysis of the geophysics is in progress, however it is anticipated that further drilling is warranted at La Calera in 2011.

At Cacanicuas, the survey is complete but the data has not been received. No problems were encountered during the survey and it is anticipated that the work will add significant knowledge on the distribution and abundance of mineralised stockwork at the Cacanicuas Cu-Mo porphyry.

Yours sincerely



Barry Casson  
Company Secretary/Finance Director  
**Cloncurry Metals Limited**

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## EI Rodeo Project: Jacal Prospect Sampling Results

### Competent Person Statement

*The information in this ASX release that relates to Exploration Results is based on information compiled by Dr Alex Losada-Calderon, an Australian Geologist who is employed by TAE Resources, a company associated with him and retained by the Company to provide specialist geological services. Dr Losada-Calderon is Member of the AusIMM and has in excess of 5 years' experience which is relevant to the styles of mineralisation and types 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". Dr Losada-Calderon consents to the inclusion in this ASX release of the matters based on this information in the form and context in which it appears."*

Enquiries should be directed to:

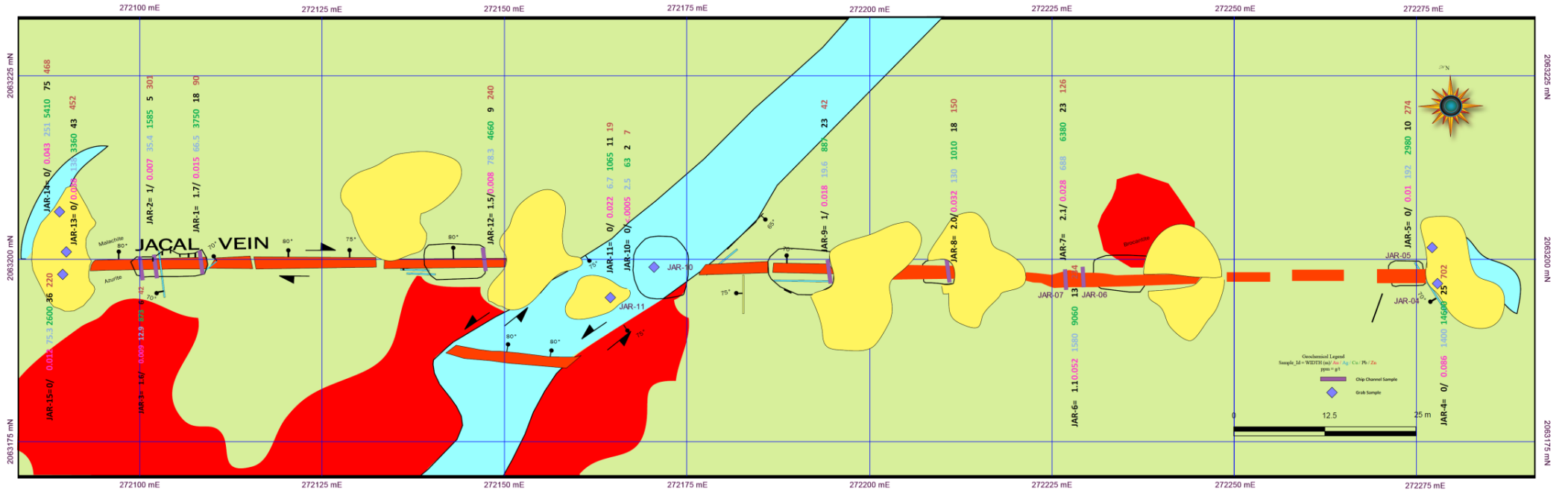
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

## EI Rodeo Project: Jacal Prospect Sampling Results

### Attachment 1 – Jacal Vein Sampling Plan and Symbology



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**SYMBOLOLOGY**

	Granodiorite
	Dump
	Volcaniclastic Breccia
	Exoskarn after Limestone
	Vein
	Veinlet. Quartz, Sericite, Kaolinite
	Veinlet. Chalcocite
	Veinlet. Manganese oxide
	Veinlet. Hematite
	Strike-Sliple/ Normal Fault
	Pit
	Shaft