

22 October 2010

Company Announcements Office
ASX Limited
Level 5, 123 Eagle Street
BRISBANE QLD 4000

Share Purchase Plan

Cloncurry Metals Limited confirms that it is launching a Share Purchase Plan (SPP) to raise approx. \$468,000. The SPP is being priced at 3.2 cents per share, a discount of 15.6% to trading in the 30 days to 19 October, 2010. The number of shares to be issued will be limited to 15% of the current issued capital of the Company.

Key dates of the SPP are set out in the attached documentation and shareholders are urged to read the terms and conditions carefully.

Yours faithfully



Barry J Casson
Company Secretary / Finance Director

Enquiries should be directed to:

Simon Finnis
Managing Director
(07) 3862 6300 or 0418 695 138
simon.finnis@cloncurrymetals.com.au

Barry Casson
Company Secretary/Finance Director
(07) 3268 5540 or 0411 546 360
barry.casson@cloncurrymetals.com.au



22 October 2010

Dear Shareholders

Your Management and Board have been considering the best strategy to re-capitalise the Company in this challenging market. As part of an overall funding strategy the Board has resolved to offer a Share Purchase Plan (SPP) to all eligible shareholders, as this offers existing shareholders the opportunity to subscribe for between \$500 and \$15,000 without brokerage and transactions costs at a reasonable discount to recent trading. Participation in the fund raising will allow shareholders continued exposure to the exciting possibilities at El Rodeo, as well as the considerable potential of an excellent portfolio of exploration tenements in Queensland, and any new acquisitions. Details of the SPP are contained in the accompanying booklet so please consider it all carefully.

At El Rodeo we have experienced extreme and unprecedented weather conditions that have delayed our geophysical and drilling programmes however we have used the time to carry out significant mapping and soil sampling programmes, to enhance our knowledge of the geology of the area.

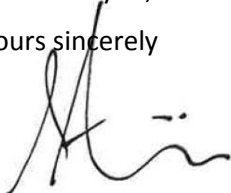
Recently, we also made safe, surveyed, mapped and sampled (via chip channelling), the existing underground workings at Espiritu Santo, which is a historic silver mine located in the northern part of our El Rodeo concessions. Internal reports on this work noted much thicker veining (ranging from 2.5m to 8m) than expected or apparent on the surface, which is approximately 1m thick. The minerals identified include chalcopryite, chalcocite, pyrite, malachite, azurite and magnetite as well as silver sulfosalts. If these veins are copper and silver bearing, as our geologists suspect, the magnetite and other iron bearing minerals will make it much easier to trace beneath the surface, and the recently completed ground magnetic survey will become an important tool as we design the drilling programme.

The chip-channel samples taken have been delivered to the Chemex assaying laboratory in Guadalajara City, Mexico, and we expect the results within the next four weeks.

I encourage you to read our most recent quarterly report, which provides an up-to-date summary of current activities and expectations. If you have any questions regarding it, or the prospects and strategy of the Company, please don't hesitate to call me on (07) 3862 6300 or email on simon.finnis@cloncurrymetals.com.au

We thank you, in advance, for your continued support.

Yours sincerely



Simon Finnis
Managing Director
Cloncurry Metals Limited





2010

CLONCURRY METALS LIMITED

SHARE PURCHASE PLAN

OFFER OPENS

26 October 2010

OFFER CLOSES

23 November 2010

The Share Purchase Plan offer does not take into account the individual investment objectives, financial situation or particular needs of each eligible shareholder. You should consider seeking independent financial and taxation advice before making a decision as to whether or not to accept the offer (particularly given the current volatility in financial markets).

22 October 2010

Dear Shareholder

Share Purchase Plan

The Board of Directors is pleased to give eligible shareholders an opportunity to subscribe for additional shares in Cloncurry Metals Limited (CLU) under the 2010 Share Purchase Plan (2010 SPP). Participation in the 2010 SPP is optional and is open to eligible shareholders who, at 7:00pm (AEDT) on Thursday, 21 October 2010 (the relevant record date), are holders of fully paid ordinary shares in CLU and whose registered address is in Australia or New Zealand.

The 2010 SPP will provide eligible ordinary shareholders with the opportunity to subscribe for up to A\$15,000 worth of CLU ordinary shares, without incurring brokerage or other transaction costs.

The 2010 SPP will be capped at A\$468,135 and CLU will scale back applications if they exceed A\$468,135 in aggregate. Full details of the 2010 SPP are set out in the attached SPP Terms and Conditions.

Purpose of the SPP Offer

The purpose of the 2010 SPP is to provide additional working capital and provide flexibility to support our strategy of accessing additional project opportunities and to continuing to develop our existing portfolio. Having considered a range of capital raising alternatives, the Board believes the 2010 SPP retains an appropriate capital structure and allows all Australian and New Zealand registered CLU shareholders to participate in the equity raising.

Highlights of the SPP include

- the offer price is A\$0.032, being a discount of 15.6% to the volume-weighted average price of CLU shares traded in the ordinary course on the ASX during the 30 calendar days up to and including 19 October 2010
- no brokerage or other transaction costs payable by participants
- a minimum subscription of A\$500, and an election of amounts in multiples of \$500 ranging up to \$15,000
- a maximum subscription of A\$15,000

When to apply

The 2010 SPP will open at 9.00am (AEST) on Tuesday, 26 October 2010 and will remain open until 5.00pm (AEDT) on Tuesday, 23 November 2010. As soon as practicable after the close of the offer, CLU will make an ASX announcement as to the outcome of the 2010 SPP and the number of shares to be issued.

How to apply

To participate in the offer, please:

(a) return your Application Form, together with your cheque, bank draft or money order drawn on an Australian bank in Australian dollars; or

(b) for those eligible shareholders with an Australian bank account, pay directly via BPAY® on the internet or by telephone (for Australian shareholders only), so that the funds are received by no later than **5.00pm (AEST) on Tuesday, 23 November 2010.**

I encourage you to carefully read the attached SPP Terms and Conditions. Should you require further assistance, please do not hesitate to contact the Shareholder Information Line on 1300 030 504 (within Australia) or +61 3 9938 4374 (outside Australia), or visit the company website at www.cloncurrymetals.com.au. If you are a "custodian" you may be required to submit a custodian certificate to CLU in order to participate on behalf of any beneficiaries. Please see the attached SPP Terms and Conditions for further details.

The 2010 SPP offer does not take into account the individual investment objectives, financial situation or particular needs of each eligible shareholder. You should consider seeking independent financial and taxation advice before making a decision as to whether or not to accept the offer.

Yours sincerely

Simon Finnis
Managing Director
Cloncurry Metals Limited

Share Purchase Plan Terms And Conditions

1. OFFER TIMETABLE

- 1.1 The Offer is dated and taken to be made on 22 October 2010.
- 1.2 The Offer opens on 26 October 2010 (“**Opening Date**”), at which time the offer will be dispatched to shareholders.
- 1.3 Only those shareholder recorded in the Share Register as at 7.00pm on 21 October 2010 (“**Record Date**”) will be eligible to participate in the Plan.
- 1.4 It is intended that the Offer will close at 5.00pm (Eastern Standard Time) on 23 November 2010 (“**Closing Date**”) subject to clause 1.5.
- 1.5 In the event that the Offer generates greater than \$468,135.00 before the Closing Date Cloncurry, in its sole discretion may close the Offer early.
- 1.6 It is intended that Shares will be allotted on or about 30 November 2010 (“**Allotment Date**”) and application will be made to quote the shares on the ASX on or before that date.
- 1.7 Any Scaleback will be announced on or before the Allotment Date. The Company expects refund cheques in payment of any Scaleback amount will be despatched within 14 days of a Scaleback announcement (“**Scaleback Refund Date**”).
- 1.8 The Company has the discretion to change, at any time, any of these dates, regardless of whether the Offer has opened or Applications have been received. Such change will be notified by announcement on the ASX.

2. PARTICIPATION IN THE PLAN

- 2.1 Participation in the Plan is subject to these Rules. The Offer made under this Plan is made only to Eligible Shareholders.
- 2.2 The Offer is non-renounceable.
- 2.3 The Board may refuse to accept or may suspend or withdraw any Application if that Application might:
 - (a) Prejudice the effective operation of the Plan; or
 - (b) Give rise to breaches of applicable laws by the Company or its officers or by the Participants or their associates; AND
 - (c) May reject any Application if it has reason to believe that the Participant concerned may not be acting in good faith.
- 2.4 It is the responsibility of each Eligible Shareholder to obtain any necessary approvals to enable them to participate in the Plan and to seek their own advice on the Plan.
- 2.5 The Directors are entitled (but not obliged) to refuse an Application where an Eligible Shareholder has, in the opinion of the Directors, split a shareholding, or acquired Shares as part of such a split, in order to attempt to increase the number of Shares that

may be allotted under the Plan to that Eligible Shareholder or another person.

3. APPLICATION TO PARTICIPATE

- 3.1 An Eligible Shareholder may apply to the Company to participate in the Plan by:
 - (a) Completing the Application Form and returning it together with a cheque, bank draft or money order to the Share Registry; or
 - (b) Making payment by BPAY before the Closing Date by following the instructions on the Application Form, so that the payment is received by no later than the Closing Date.
- 3.2 Application under 3.1(a) must specify the dollar amount for the number of Shares applied for, in a dollar amount which can be divisible evenly by \$500.00.
- 3.3 Shares issued under the Plan will be issued at the Issue Price and credited as fully paid.
- 3.4 The Issue Price is \$0.032 per Share which represents a discount of 15.6% on the average closing price over the previous 30 calendar days before the date of this Offer and less than the closing price for the previous 5 days. Shareholders should be aware that the market price for the Shares may change between the Opening Date and the Allotment Date.
- 3.5 The Shares on offer will be fully paid ordinary shares.
- 3.6 You may apply for one of the following parcels of Shares to a maximum of A\$15,000 in value:

Option	Shares	Issue Price per Share (A\$)	Total Amount to be Paid (A\$)
A	15,625	0.032	500
B	46,875	0.032	1,500
C	78,125	0.032	2,500
D	156,250	0.032	5,000
E	234,375	0.032	7,500
F	312,500	0.032	10,000
G	390,625	0.032	12,500
H	468,750	0.032	15,000

- 3.7 No shareholder is entitled to accept more than \$15,000.00 worth of Shares under this offer, or any other similar nor a beneficial interest in shares held by a Custodian under this Plan or a similar Plan, Offer in the 12 months prior to the Opening Date.

4. ACKNOWLEDGE BY SHAREHOLDER

- 4.1 An eligible Shareholder who elects to participate in the Plan shall be deemed to have:
- (a) Certified, in relation to all Shares applied for by him or her under the Plan does not exceed \$15,000 worth of Shares in the Company including any Shares acquired under a Share Purchase Plan in the previous 12 months; and
 - (b) Agreed to be bound by the Company's Constitution in respect of all the Shares issued to the Eligible Shareholder under the Plan.
- 4.2 The market price of the Company's shares may change between the Opening Date and the Allotment Date which may either increase or decrease the market value of the Shares which the Eligible Shareholder will be issued.
- 5. SHARES ISSUED UNDER THE PLAN**
- 5.1 Shares issued under the Plan will rank equally in all respects with existing Shares.
- 5.2 Shares issued to Eligible Shareholders under the Plan will be registered on the Share Register.
- 5.3 The Company will promptly, following the allotment and issue of Shares under the Plan:
- (a) Apply to the ASX for admission at to the Official List; and
 - (b) Send an allotment notice to the relevant Shareholder at his or her Registered Address.
- 6. CUSTODIANS**
- 6.1 If an Eligible Shareholder under this Plan is a Custodian the Custodian must certify in writing to the issuer, that the following conditions have been met:
- (a) The Custodian holds Shares on behalf of one or more beneficiaries ("participating beneficiaries") that are not custodian; and/or
 - (b) Another custodian ("downstream custodian") holds beneficial interest in Shares on behalf of another beneficiary and the Custodian holds the shares on behalf of that downstream custodian as at the Record Date.
 - (c) Each beneficiary has instructed the Custodian or the downstream custodian to apply for shares on their behalf.
 - (d) The number of participating beneficiaries;
 - (e) The name, and address of each participating beneficiary;
 - (f) In respect of each participating beneficiary:
 - (i) the number of Shares the Custodian holds on their behalf; and
 - (ii) the number of Shares to which the beneficial interest relates.
 - (g) The dollar amount of shares they are instructed by the beneficiary or the downstream custodian to apply for; and
 - (h) A written offer document has given by the Custodian to each participating beneficiary, the name and address where this was given.
- 6.2 There are no participating beneficiaries in respect of which the total application price for the following exceeds \$15,000.00:
- (a) Shares applied for by the Custodian under this Plan;
 - (b) Other Shares issued to the custodian in the 12 months before the application under a similar arrangement to the Plan.
- 7. COST TO PARTICIPANTS**
- 7.1 Subject to sub-clause 6.2 no brokerage, commission or other transaction costs will be payable by an Eligible Shareholder in respect of Shares issued under the Plan.
- 7.2 In the event of a change in legislation so that at the date of any allotment any tax or duty is payable in respect thereof, the amount of such tax or duty shall be paid by the Eligible Shareholder to whom the Shares are issued and, in respect of each such Share, included in the calculation of the Issue Price.
- 8. NON-PARTICIPATION**
- 8.1 Participation in the Plan is voluntary. It shall be a matter for each Eligible Shareholder to determine whether or not they make an Application for Shares under the Plan.
- 9. SCALEBACK**
- 9.1 The Company may, in its absolute discretion, undertake a Scaleback to the extent and in the manner it sees fit, including for the purpose of complying with Listing Rule 7.2, Exception 15.
- 9.2 If the Company undertakes a Scaleback, the difference between the value of the Shares allotted and the application amount will be refunded by cheque mailed on the Scaleback Refund Date.
- 10. APPLICATIONS AND NOTICES**
- 10.1 Applications made using the BPAY facility do not require a return of forms or notices.
- 10.2 Applications and notices will take effect on and from the date on which they are received by the Share Registry provided that an application to participate in the Plan is not effective until it has been accepted by the Board.
- 10.3 The Company has an absolute discretion:
- (a) To accept and treat as valid an Application Form which does not satisfy the provisions of clause 9.1; and
 - (b) To reject and treat as invalid an Application Form where the Directors have determined acceptance of the application form would or might prejudice the effective operation of the Plan or would or might otherwise be contrary to the laws of any country.
- 10.4 The Company will be under no obligation to correct or amend defective Application Forms on behalf of Shareholders.

11. BOARD'S POWERS IN RELATION TO THE ADMINISTRATION, VARIATION, SUSPENSION OR TERMINATION OF THE PLAN

11.1 The Plan will be administered by the Directors who have the power to:

(a) Determine appropriate procedures for administration and implementation of the Plan consistent with the Plan Rules of the Plan and to settle any difficulty which may arise generally or in a particular case, in regard to the Plan as the Directors think fit and their determination will bind all shareholders and other persons to whom the determination relates;

(b) Resolve conclusively all questions of fact or interpretation in connection with the Plan; and

(c) Delegate to any one or more persons for such period and on such conditions as they may determine, the exercise of their powers or discretions arising under the Plan, but not including any powers under clause 11.4.

11.2 The Company and its officers and employees will not be held responsible or liable for any error or omission which occurs in the administration of the Plan.

11.3 The Board may vary administration procedures to be followed in respect of the implementation of the Plan. The procedures may be varied at any time by the Board having regard to the ASX or ASIC requirements.

11.4 The Board may:

(a) At any time modify, vary or amend the Plan;

(b) Suspend the operation of the Plan from time to time for any period; or

(c) Terminate the Plan at any time without any need for giving advance notice to shareholders.

12. TAXATION

12.1 The Company makes no representations or warranties in respect of, and accepts no responsibility for, the liability of Eligible Shareholders to pay income tax in respect of any issue of Shares, payment or other transaction pursuant to this Plan.

13. DEFINITIONS AND INTERPRETATIONS

13.1 When used in the Rules, the words listed will, except to the extent that the context otherwise requires, have the following meanings:

"Application" means an application for Shares under this Plan.

"Application Form" means a personalised application form pursuant to which Eligible Shareholders may apply for Shares under the Plan.

"ASIC" means the Australian Securities and Investments Commission.

"ASX" means the Australian Stock Exchange Limited.

"Board" means the board of directors of Cloncurry Metals Limited.

"Company" means Cloncurry Metals Limited ACN 122 162 396.

"Constitution" means the constitution or the memorandum and articles of association of Cloncurry Metals Limited.

"Custodian" has the meaning in ASIC Class Order CO 09/425.

"Eligible Shareholder" means a shareholder in the Cloncurry Metals Limited as at the Record Date with a Registered Address in Australia.

"Issue Price" means the price at which new Shares will be allotted in accordance with subclause 3.4.

"Offer" means the offer to acquire shares under this Plan.

"Offer Period" means the period beginning on the Opening Date and ending at 5.00pm (Eastern Standard Time) on the Closing Date.

"Plan Rules" or **"Rules"** means these rules.

"Plan" means the Cloncurry Metals Limited Share Purchase Plan.

"Registered Address" means the address of an Eligible Shareholder as shown in the Share Register.

"Scaleback" means the acceptance of less than all the shares subscribed for by the shareholders under the Plan on a pro rata basis.

"Share Register" means the register of all shareholders maintained by the Share Registry.

"Share Registry" means Computershare Investor Services Pty Limited.

"Share" means a fully paid ordinary share in the Company.

13.2 Words importing the singular include the plural and vice versa, words importing any gender include other genders and "person" includes a corporation.

13.3 Headings are for convenience only and do not affect the interpretation.

13.4 Any reference to time shall mean the Eastern Standard Time in Australia.

SHARE PURCHASE PLAN TERMS AND CONDITIONS

SPP KEY DATES

EVENT	DATE
Record Date	21 October 2010
Offer Opens	26 October 2010
Offer Closes	23 November 2010
Allotment Date	30 November 2010
Dispatch of Holding Statements/Confirmation Advice	2 December 2010