



29 January 2010

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

**Quarterly Report
Period Ending 31 December 2009**

Cloncurry Metals Limited is please to provide the following report on activities for the period ending 31 December 2009 and its Appendix 5B for the period.

Yours sincerely

Barry Casson
Company Secretary/Finance Director
Cloncurry Metals Limited

The information in this ASX release that relates to Exploration Results is based on information compiled by Mr G. M. Beere, who is Exploration and Development Manager for the Company and a Fellow of the Australian Institute of Mining and Metallurgy. Mr Beere 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" Mr Beere 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:

Simon Finnis
Managing Director
Mobile 0418 695 138
simon.finnis@cloncurrymetals.com.au

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

Head Office: Ground Floor
60 Kingsford Smith Drive
ALBION QLD 4010
PO Box 195 Fortitude Valley Qld 4006

P: 61 (0) 7 3862 6300
F: 61 (0) 7 3862 6355
E: info@cloncurrymetals.com.au



www.cloncurrymetals.com.au

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Quarterly Report

Period ending 31 December 2009



ASX Code: CLU

KEY POINTS

- Continued rationalisation of tenements in Queensland
- Three new tenement applications filed for ground around the abandoned Hadleigh Castle Mine (gold), 35km east of Charters Towers
- Three new tenements applications were granted in the Boulia area
- The acquisition of Global Resources Corporation Pty Ltd (GRC) and - as a result – the rights to an exclusive option over the El Rodeo Project in Mexico, announced in September 2009, has been proceeding to final approval stage with the Australian Securities and Investment Commission and Australian Securities Exchange. Three independent reports have been prepared for shareholder approval and have been reviewed by the regulators. Comments arising from the reviews have been incorporated, and the reports resubmitted. Final regulatory approval is expected in the very near future
- Preparations commenced for a small drilling and exploration program at El Rodeo Project in Mexico, due to commence in the March Quarter of 2010

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CORPORATE ACTIVITIES

The proposed acquisition of Global Resources Corporation Pty Ltd (GRC), a major shareholder in Cloncurry, was announced in late September 2009. As a related party transaction a number of independent reports have been prepared, which include:

- An Independent Expert's Report to advise on the fairness and reasonableness of the transaction
- An independent Valuation Report to confirm an objective valuation of the El Rodeo Project
- An independent Technical Report on the El Rodeo Project

Each of these reports will be included with a detailed Notice of Meeting for a general meeting of Cloncurry shareholders, which is to be called to allow shareholders to vote on approving the proposed acquisition of GRC and thus to take control of the El Rodeo Project.

Each of the reports and proposed Notice of Meeting were submitted to the Australian Securities Exchange (ASX) and Australian Securities & Investment Commission (ASIC) for approval. All documents were lodged with these regulatory bodies in mid October 2009. A number of comments have been received to date and a number of revisions made; although final approvals have yet to be received at the date of this report. The Company is confident of receiving all necessary approvals from the regulators in the very near future.

Once the regulatory approvals are received the Company will immediately announce the proposed date of the meeting of shareholders to approve this transaction.

Notwithstanding the delays to approvals, the Company has agreed to prepare for the recommended drill and exploration program as suggested by the independent writer of the Technical Report, Mr Ian Foreman of Foremost Geological Services based in Vancouver, Canada. The Company has agreed with GRC to provide funding assistance to allow this program of exploration to start before the end of the current exploration season. In turn, GRC has agreed to repay in full all such funds in the unlikely event the proposed transaction is not approved by shareholders.

During the December quarter Cloncurry also received a number of additional opportunities, both within Australia and elsewhere overseas, and the Company expects to continue to review opportunities as and when they become available.

EXPLORATION ACTIVITIES

1) Perisher Joint Venture Tenements (EPM12499 and EPM12656)

Ground EM surveys were completed at the Wallaby Prospect on EPM12656. Three traverses were completed for about 2 line km of surveys, with access difficulties encountered on all lines. Targets were Au anomalies revealed in soil geochemistry and drilling, and geophysical anomalies evident on magnetic and airborne EM data.

Two of the longer traverses outlined weak EM conductors, and further drilling is required to explain the source of the anomalies.

Annual technical reports for both EPM's were submitted to the Queensland Department of Mines and Energy.

2) Toolebuc Project (EPM 15944, EPM15945, and EPM 15946).

Annual technical reports were submitted to the Queensland Department of Mines and Energy.

TENEMENTS

Three new tenement applications (EPMA 18142, 18143, and 18421) totalling 98 sub-blocks were submitted to the Queensland DME for ground around the abandoned Hadleigh Castle Mine (gold), 35km east of Charters Towers.

Three tenements in the Boulia area (EPM 17115, 17116, and 17117) were granted during the quarter.

The status of all current Cloncurry Metals Limited Exploration Permits and applications is shown below, and all changes since the last quarter are set out in the accompanying Appendix 5B.

Tenement Reference	Title	Sub Blocks	Status 31/12/2009	Expiry
EPM 15944	Toolebuc (Brackenburgh)	46	Granted 20/11/07	19/11/2012
EPM 15945	Toolebuc (Brackenburgh North)	41	Granted 20/11/07	19/11/2012
EPM 15946	Toolebuc	57	Granted 20/10/08	19/10/2013
EPM 15947	Springvale	89	Granted 19/12/07	18/12/2012
EPM 19548	Kennedy Highway	60	Granted 20/11/07	19/11/2012
EPM 15952	Burdekin (Strathbogie)	21	Granted 14/12/07	13/12/2012

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EPM 15969	Burdekin (Edinburgh Castle)	58	Granted 21/06/07	20/06/2012
EPM 15971	Burdekin (Tondarra)	17	Granted 19/12/07	18/12/2012
EPMA 17115	Boulia (Lawson)	21	Granted 6/07/09	5/07/2012
EPMA 17116	Boulia (Macartney)	56	Granted 6/07/09	5/07/2012
EPMA 17117	Boulia (Lucknow)	53	Granted 2/11/09	1/11/2012
EPMA 17141	Boulia (Brighton)	20	Application	
EPMA 17142	Boulia (Verdun)	16	Application	
EPMA 17605	Mort River	3	Application	
EPMA 17745	Burdekin (Castleview)	51	Application	
EPMA 17749	Burdekin (Bogie)	30	Application	
EPMA17957	Mt Thomas	2	Competing Application	
EPMA 18412	Horse Creek	17	Application	
EPMA 18413	Broughton	7	Application	
EPMA 18421	Rishton	74	Competing Application	

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CORPORATE DIRECTORY

Directors

Mr Stephen Everett Non executive Chairman
Michael Arnett Non Executive Director
Barry Casson Finance Director
Simon Finnis Managing Director

Registered Office

Ground Floor, 60 Kingsford Smith Drive
Albion Queensland 4010
Telephone: (07) 3862 6300
Facsimile: (07) 3862 6355
Website: www.cloncurrymetals.com.au
Email: info@cloncurrymetals.com.au

Exploration Manager

Glenn Beere

Company Secretary

Barry Casson

Postal Address

PO Box 195
Fortitude Valley Queensland 4006

Auditors

KPMG
Level 16, 71 Eagle Street
Brisbane Queensland 4000

Share Registry

Computershare Investor Services
Level 19, 307 Queen Street
Brisbane Queensland 4000
Telephone: 1800 552 270 (Investor Enquiries)

Share Capital

58,340,050 shares
3,250,000 unlisted options, expiring 9 October
2012 at varying vesting dates and exercise
prices (ranging from \$0.25 to \$0.60)