



31 July 2009

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

**Quarterly Report
Period Ending 30 June 2009**

Cloncurry Metals Limited is please to provide the following report on activities for the period ending 30 June 2009 along with 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 the full time 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.

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Quarterly Report

Period ending 30 June 2009



ASX Code: CLU

KEY POINTS

- Exploration drilling at the Wallaby Prospect on EPM12656 (Farm-in with Fusion Resources Ltd) intersected moderate widths of low grade Au mineralisation.
- All arrangements regarding the withdrawal from the Option Agreement with Pegmont Mines Limited have been completed.
- The Company is progressing farm out arrangements for its deep drilling prospects on several fronts.
- The search for prospects continues with several outstanding opportunities being reviewed in Mexico.

CORPORATE ACTIVITIES

Given the disappointment of the Pegmont arrangement being terminated, coupled with the precipitous decline in base metals pricing rendering the deep drilling strategy too risky, the Board decided to review the Company strategy in its entirety.

That review is complete and has determined that the Company should farm out those assets that are considered too risky for a junior explorer in this financial climate and concentrate on alternative opportunities more in tune with the world appetite.

Several prospects within Australia had been identified by Management and the Board agreed that those recommendations had merit, however our attempts to secure these opportunities have, thus far, been unsuccessful.

In recent times the focus has been on several outstanding opportunities in Mexico. The Company sees Mexico as an excellent place for mining the assets being reviewed - which are precious metals and copper opportunities - and certainly have the potential to be developed as stand alone mining operations.

While these opportunities are not at a stage where more information is relevant to be divulged we are confident that at least one of these opportunities can be secured and the robust cash holding of the Company puts us in a good position to fund the advancement of these prospects.

At the end of the quarter the Company had cash reserves of approximately \$3.5 million.

EXPLORATION ACTIVITIES

1) Perisher Joint Venture Tenements (EPM12499 and EPM12656)

Exploration work during the quarter was focused on the Wallaby prospect (EPM12656) which is a combined geochemical and geophysical anomaly known to host gold mineralisation. The geophysical anomaly comprises a large (3km long) EM anomaly with a bulls-eye magnetic anomaly towards the north end. Previous work in 1997 revealed gold anomalism coincident with the EM, and previous shallow RC drilling (max 154m) returned a best intersection of 12m at 1.2g/t Au (Arimco 1997 WARC01).

Work completed during the quarter included ground magnetic surveys, soil geochemical surveys, cultural heritage surveys, reconnaissance geological mapping, drill site preparation, and shallow percussion RC drilling.

Eleven percussion RC holes were completed in three separate parts of the Wallaby prospect area, targeting geochemical and combined geochemical- magnetic anomalies. In total 1,046m was drilled with hole locations and drilling specifications given in Attachment 1.

Drilling intersected moderate widths of low grade Au mineralisation of similar tenor to that intersected in earlier drilling. Better intersections occurred in the South Wallaby prospect area with intersections of 3m @ 0.82 g/t Au from 7m in WBRC01, and 3m @ 0.95 g/t Au from 49m in WBRC03. All intersections of >6m thickness and >0.1 ppm Au are presented in Attachment 1.

Holes were drilled with a percussion RC rig using a face sampling hammer with drill cuttings collected in plastic sample bags at 1m intervals. Drill cuttings were sub-sampled for laboratory assaying using a PVC spear and composited in 3m intervals with each sample weighing between 3-4kg. Duplicates of the composites, and standards of known metal content, were inserted in the field sample stream at a rate of 1 in 30 samples. All drill holes have been qualitatively geologically logged, and magnetic susceptibility measurements have been taken on each metre interval.

Samples were analysed by SGS Laboratories in Townsville; sample dissolution was achieved using an aqua regia digest; Au was analysed by graphite furnace AAS (method ARL155), and a range of pathfinder and base elements were determined by ICPAES (method ICP40Q). Duplicates and standards have returned acceptable assay results.

All holes are located on a GDA94 grid, and were set out using a hand held GPS with an accuracy of +/- 5m.

All data has yet to be fully compiled and analysed, and further work will depend on the pending geological interpretation.

TENEMENTS

The Company continued to review its exploration tenements, with further relinquishment of lower priority target areas resulting in the reduction of tenement rental commitments. The status of all current Cloncurry Metals Limited Exploration Permits and applications is shown below. Changes due to relinquishment and abandonments are set out in the accompanying Appendix 5B.

Tenement Reference	Title	Sub Blocks	Status	Expiry
EPMA 15944	Toolebuc (Brackenburgh)	46	Granted 20/11/07	19/11/2012
EPMA 15945	Toolebuc (Brackenburgh North)	41	Granted 20/11/07	19/11/2012
EPMA 15946	Toolebuc	57	Granted 20/10/08	19/10/2013
EPMA 15947	Springvale	89	Granted 19/12/07	18/12/2012
EPMA 15948	Kennedy Highway	90	Granted 20/11/07	19/11/2012
EPMA 15952	Burdekin (Strathbogie)	21	Granted 14/12/07	13/12/2012
EPMA 15969	Burdekin (Edinburgh Castle)	58	Granted 21/06/07	20/06/2012
EPMA 15971	Burdekin (Tondarra)	17	Granted 19/12/07	18/12/2012
EPMA 17115	Boulia (Lawson)	21	Application	
EPMA 17116	Boulia (Macartney)	56	Application	
EPMA 17117	Boulia (Lucknow)	53	Application	
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	Application	

CORPORATE DIRECTORY

Directors

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

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Exploration Manager

Glenn Beere

Company Secretary

Barry Casson

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Auditors

KPMG
Level 16, 71 Eagle Street
Brisbane Queensland 4000

Share Registry

Computershare Investor Services
Level 19, 307 Queen Street
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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)

CLONCURRY METALS LIMITED – QUARTERLY REPORT FOR JUNE 2009

ATTACHMENT 1 – Wallaby Prospect - Drillhole Specifications and Assay Results.

Hole_ID	Prospect	GDA_E	GDA_N	GDA_AZ	Dip	TD(m)	Au Intersection (>6m thickness at >0.1g/t Au)
WBRC01	South Wallaby	455164	7594520	235	-60	121	19m @ 0.27 g/t from 3m including 3m @ 0.82 g/t from 7m; 12m @ 0.15 g/t from 28m; 6m @ 0.19 g/t from 58m; 21m @ 0.18 g/t from 79m; and 6m @ 0.24 g/t from 106m
WBRC02	South Wallaby	455123	7594573	235	-60	94	15m @ 0.1 g/t from 28m
WBRC03	South Wallaby	455085	7594543	235	-60	112	6m @ 0.13 g/t from 22m; 21m @ 0.3 g/t from 49m including 3m @ 0.95 g/t from 49m; 9m @ 0.18 g/t from 103m.
WBRC04	South Wallaby	455031	7594740	235	-60	82	15m @ 0.11 g/t from 43m.
WBRC05	South Wallaby	455000	7594720	235	-60	67	7m @ 0.30 g/t from surface, and 12m @ 0.15 g/t from 16m.
WBRC06	South Wallaby	455071	7594657	235	-60	94	12m @ 0.28 g/t from 7m.
WBRC07	South Wallaby	455037	7594626	235	-60	70	No intersection
WBRC08	Central Wallaby	455126	7595577	235	-60	124	No intersection
WBRC09	Central Wallaby	455058	7595533	235	-60	80	No intersection
WBRC10	North Wallaby	455603	7596728	270	-60	102	9m @ 0.4 g/t from 61m.
WBRC11	North Wallaby	455458	7596558	235	-60	100	No intersection