

22 December 2008

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

Negotiations with BHP Billiton regarding the Pegmont Project

The Board of Cloncurry Metals Limited wishes to advise that BHP Billiton have terminated negotiations with Cloncurry Metals citing world uncertainty, diminishing commodity prices, and self imposed spending restrictions.

The Company has advised Pegmont Mines Limited of this development and that, given all current circumstances, the Company is now highly unlikely to exercise the Pegmont Option Agreement, which requires a decision by the Company to exercise by 31 December 2008.

Yours sincerely

Barry Casson
Company Secretary/Finance Director
Cloncurry Metals Limited

