

**ASX / MEDIA ANNOUNCEMENT
11 OCTOBER 2018**

PACTON GOLD TO BUY 70% OF HONG KONG GOLD PROJECT

Pilbara, Western Australia

Clancy Exploration Limited (ASX: CLY) (“Clancy” or the “Company”) is pleased to announce that it has entered into a binding Letter of Intent (“LOI”) with Canadian listed Pacton Gold Inc (“**Pacton**”) which, on closing and subject to certain conditions, will provide for Pacton to acquire a 70% equity interest in Clancy’s Hong Kong Project in the Pilbara (Exploration Licence E47/3566 covering 40.15 km²).

Under the transaction, Pacton will pay a total consideration of CAD\$1.7 million (AUD\$1.85m) comprising:

- CAD\$25,000 non-refundable deposit.
- CAD\$175,000 at completion.
- Clancy receiving CAD\$1,500,000 worth of Pacton shares based on a 10 day VWAP on as of 11 October 2018.

(Total consideration valued on exchange rate of 1.09)

Upon completion of the acquisition, Pacton and Clancy will enter into a joint venture, with Pacton acting as operator of the Hong Kong Project. A minimum of CAD\$500,000 must be spent by Pacton on Hong Kong within two years of completion of the transaction. Clancy will be free carried with respect to joint venture expenditure until a decision to mine is made unanimously by both parties.

This transaction is subject to Pacton obtaining final acceptance of the transaction from the TSX Venture Exchange, any approvals required by law being obtained and the Exploration Licence being in good standing.

The transaction is also conditional on the parties entering into a formal sale and joint venture agreement within 45 days of the date of the LOI, failing which either party may terminate the LOI.

David Lenigas, Clancy’s Chairman commented;

“This is an excellent deal for Clancy. Pacton are aggressively exploring the Pilbara for gold, having accumulated a very significant land package in the region, and Pacton will be an excellent partner for Clancy on Hong Kong. This deal will allow Clancy to focus on its new and exciting Moroccan cobalt strategy.”

About Pacton Gold

Pacton Gold (PAC: TSXV; PACXF: US) is a well-financed Canadian listed company with key strategic partners focused on the exploration and development of conglomerate-hosted gold properties located in the district-scale Pilbara gold rush in Western Australia.

Please direct enquiries to:

David Lenigas/Scott Patrizi
Phone: +61 8 6143 6720
Email: info@clancyexploration.com
Web: www.clancyexploration.com