

**QUARTERLY ACTIVITIES AND CASHFLOW REPORTS
FOR QUARTER ENDED 31 DECEMBER 2018**

HIGHLIGHTS

- Clancy completes Stage 1 of the Moroccan licence acquisition by acquiring an initial 20% interest in Atlas Managem S.A.R.L, which holds three Moroccan licences adjacent to the famous Bou Azzer Cobalt Mine.
- Clancy, at its sole discretion, can acquire further interests of up to 100% of Atlas Managem.
- The Bou Azzer Cobalt Mine is famous for being a primary cobalt producer and high-quality cobalt cathode and has been in operation since the 1930's.
- Experienced in country team now in place.
- Joint venture agreement completed with Pacton Gold Inc. over the Hong Kong Gold Project.

COBALT PROJECT, MOROCCO

Clancy Exploration Limited (ASX: CLY) (Clancy or the Company) announced on 25 October 2018 that, further to the announcement of 10 April 2018 and the shareholder meeting of 3 August 2018, it has completed stage 1 of its acquisition of Atlas Managem S.A.R.L (Atlas Managem) by acquiring 20% of the fully paid issued capital in Atlas Managem (20% Interest). All details of the acquisition have been previously disclosed, and no new terms have been incorporated.

In consideration for the 20% Interest, Clancy has issued 60,000,000 fully paid ordinary shares and paid US\$175,000 to the vendors of Atlas Managem and issued with 70,000,000 fully paid ordinary shares to Cocam Pty Ltd, an entity which held an option to acquire Atlas Managem (together with the 60,000,000 shares, the Stage 1 Shares). The Stage 1 Shares were issued subject to the shareholder approval received on 3 August 2018.

Clancy can acquire up to a 100% indirect interest in the 3 licences in Morocco through a staged acquisition of Atlas Managem (Acquisition). The Company is also pleased to confirm the transition of Mr David Lenigas in to the Executive Chairman role as previously announced. For full details of the Acquisition (including Mr Lenigas's new appointment terms) see the Company's ASX announcement dated 10 April 2018.

Each of the licences is 16 km² in size, 2 of which (the Bou Amzil and Tizi Belhaj licences) are located immediately to the west and adjacent to the famous Bou Azzer Cobalt Mine. The third licence (the Imdere licence) is located approximately 20 km northwest of Bou Azzer.

The adjacent Bou Azzer Cobalt Mine has Co-Ni Arsenide deposits with Au & Ag and is currently one of the world's only operating primary cobalt mines with:

- More than 50 deposits in the district, mined over 75 years with production of over 100kt of cobalt, 1,000's of tonnes of silver and tens of tonnes of gold;



- Current production of ~2ktpa of cobalt at an estimated head grade of 1.3% cobalt and up to ~3-4 g/t gold, total current resources and reserves of 17,800 tonnes of cobalt.¹

Information on the Bou Azzer Cobalt Mine is available on Managem's website at www.managemgroup.com.

In addition, the Company has also lodged a transfer with the government with respect to a 100% interest over additional ground known as the Bou Amzil Extension which is pending completion (ASX: 23 July 2018).

During the quarter, the Company established a local office in Morocco and recruited an experienced in country team to manage exploration and local administration activities. The team has commenced on site activities including boundary surveying, mapping of the licence areas and scouting locations for future drill program. Desktop activities have included a review of the GIS database and commencement of a review and reinterpretation of the geophysics.

HONG KONG GOLD PROJECT, PILBARA REGION, WESTERN AUSTRALIA

On 11 October 2018, Clancy announced it had entered into a binding Letter of Intent 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 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 resulting in the issue of 3,780,613 shares to Clancy.

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.

On 26 November 2018, Clancy announced the formal Tenement Sale and Purchase Agreement (**Agreement**) was signed and further advised on 7 December 2018 that the TSX Venture Exchange had accepted the Agreement for filing, being the final condition precedent under the Agreement.

CORPORATE ACTIVITIES

The annual general meeting of shareholders was held on 30 November 2018 and all resolutions put to the meeting were passed on a show of hands.

On 29 October 2018, Clancy advised the appointment of Automic Registry Services to act as the Company's share registry.

¹ ASX news release by Blackstone Minerals dated 27 March 2018 – Investor Presentation – Goldman Sachs Battery Day



During December 2018, Clancy sold the net smelter royalties (**NSRs**) granted to the Company over the Myall Project, Wellington North Project, Parkes East Project and Moorefield Projects to Magmatic Resources Limited. The NSRs ranged from 2.0 – 2.5% royalty payable out of gross revenue, minus allowable charges related to production. No production has commenced on the projects to date.

Forward-looking Statements and Disclaimer

Forward-looking statements are statements that are not historical facts. Words such as “expect(s)”, “feel(s)”, “believe(s)”, “will”, “may”, “anticipate(s)” and similar expressions are intended to identify forward-looking statements. These statements include, but are not limited to statements regarding future production, resources or reserves and exploration results. All of such statements are subject to certain risks and uncertainties, many of which are difficult to predict and generally beyond the control of Clancy, that could cause actual results to differ materially from those expressed in, or implied or projected by, the forward-looking information and statements. These risks and uncertainties include, but are not limited to: (i) those relating to the interpretation of drill results, the geology, grade and continuity of mineral deposits and conclusions of economic evaluations, (ii) risks relating to possible variations in reserves, grade, planned mining dilution and ore loss, or recovery rates and changes in project parameters as plans continue to be refined, (iii) the potential for delays in exploration or development activities or the completion of feasibility studies, (iv) risks related to commodity price and foreign exchange rate fluctuations, (v) risks related to failure to obtain adequate financing on a timely basis and on acceptable terms or delays in obtaining governmental approvals or in the completion of development or construction activities, and (vi) other risks and uncertainties related to Clancy’s prospects, properties and business strategy. Our audience is cautioned not to place undue reliance on these forward-looking statements that speak only as of the date hereof, and we do not undertake any obligation to revise and disseminate forward-looking statements to reflect events or circumstances after the date hereof, or to reflect the occurrence of or non-occurrence of any events.

Appendix 1: Clancy Exploration Limited Interests in Mining Tenements

The following information is provided pursuant to Listing Rule 5.3.3 for the quarter ended 31 December 2018.

Austrian Tenement Schedule – Leogang - Clancy First Priority			
Designation	Reference Meridian	Cadastral Municipalities	
		Centre in the Cadastral Municipality	Other Cadastral Municipality Concerned
51/17/S (CLY-LEOG-003)	M 31	Schwarzleo	
56/17/S (CLY-LEOG-008)	M 31	Schwarzleo	Sonnberg, Pirzbichl
57/17/S (CLY-LEOG-009)	M 31	Schwarzleo	Grießen
58/17/S (CLY-LEOG-010)	M 31	Schwarzleo	Grießen
64/17/S (CLY-LEOG-016)	M 31	Schwarzleo	Grießen
68/17/S (CLY-LEOG-020)	M 31	Grießen	
71/17/S (CLY-LEOG-023)	M 31	Grießen	
74/17/S (CLY-LEOG-026)	M 31	Grießen	Hoch filzen
78/17/S (CLY-LEOG-030)	M 31	Schwarzleo	
79/17/S (CLY-LEOG-031)	M 31	Schwarzleo	Saalbach
80/17/S (CLY-LEOG-032)	M 31	Schwarzleo	Saalbach
81/17/S (CLY-LEOG-033)	M 31	Schwarzleo	Grießen, Hoch filzen, Fieberbrunn
82/17/S (CLY-LEOG-034)	M 31	Schwarzleo	Saalbach
83/17/S (CLY-LEOG-035)	M 31	Schwarzleo	Fieberbrunn
84/17/S (CLY-LEOG-036)	M 31	Schwarzleo	Fieberbrunn, Saalbach
85/17/S (CLY-LEOG-037)	M 31	Fieberbrunn	
86/17/S (CLY-LEOG-038)	M 31	Fieberbrunn	Hoch filzen
87/17/S (CLY-LEOG-039)	M 31	Fieberbrunn	
88/17/S (CLY-LEOG-040)	M 31	Fieberbrunn	
89/17/S (CLY-LEOG-041)	M 31	Fieberbrunn	
90/17/S (CLY-LEOG-042)	M 31	Fieberbrunn	Saalbach
91/17/S (CLY-LEOG-043)	M 31	Fieberbrunn	
92/17/S (CLY-LEOG-044)	M 31	Fieberbrunn	
93/17/S (CLY-LEOG-045)	M 31	Fieberbrunn	
94/17/S (CLY-LEOG-046)	M 31	Fieberbrunn	
95/17/S (CLY-LEOG-047)	M 31	Fieberbrunn	Saalbach
96/17/S (CLY-LEOG-048)	M 31	Fieberbrunn	
98/17/S (CLY-LEOG-050)	M 31	Fieberbrunn	
99/17/S (CLY-LEOG-051)	M 31	Fieberbrunn	Saalbach
101/17/S (CLY-LEOG-053)	M 31	Fieberbrunn	
103/17/S (CLY-LEOG-055)	M 31	Fieberbrunn	
104/17/S (CLY-LEOG-056)	M 31	Fieberbrunn	
105/17/S (CLY-LEOG-057)	M 31	Fieberbrunn	
106/17/S (CLY-LEOG-058)	M 31	Fieberbrunn	
107/17/S (CLY-LEOG-059)	M 31	Fieberbrunn	
108/17/S (CLY-LEOG-060)	M 31	Fieberbrunn	
109/17/S (CLY-LEOG-061)	M 31	Fieberbrunn	
110/17/S (CLY-LEOG-062)	M 31	Fieberbrunn	
111/17/S (CLY-LEOG-063)	M 31	Fieberbrunn	
112/17/S (CLY-LEOG-064)	M 31	Fieberbrunn	
114/17/S (CLY-LEOG-066)	M 31	Fieberbrunn	
115/17/S (CLY-LEOG-067)	M 31	Fieberbrunn	
116/17/S (CLY-LEOG-068)	M 31	Fieberbrunn	
117/17/S (CLY-LEOG-069)	M 31	Fieberbrunn	
118/17/S (CLY-LEOG-070)	M 31	Fieberbrunn	
119/17/S (CLY-LEOG-071)	M 31	Fieberbrunn	
120/17/S (CLY-LEOG-072)	M 31	Fieberbrunn	



121/17/S (CLY-LEOG-073)	M 31	Fieberbrunn	
122/17/S (CLY-LEOG-074)	M 31	Fieberbrunn	
123/17/S (CLY-LEOG-075)	M 31	Fieberbrunn	
124/17/S (CLY-LEOG-076)	M 31	Fieberbrunn	
125/17/S (CLY-LEOG-077)	M 31	Fieberbrunn	
126/17/S (CLY-LEOG-078)	M 31	Fieberbrunn	
127/17/S (CLY-LEOG-079)	M 31	Fieberbrunn	
128/17/S (CLY-LEOG-080)	M 31	Fieberbrunn	
129/17/S (CLY-LEOG-081)	M 31	Fieberbrunn	
130/17/S (CLY-LEOG-082)	M 31	Fieberbrunn	
131/17/S (CLY-LEOG-083)	M 31	Fieberbrunn	
132/17/S (CLY-LEOG-084)	M 31	Fieberbrunn	
133/17/S (CLY-LEOG-085)	M 31	Fieberbrunn	
134/17/S (CLY-LEOG-086)	M 31	Fieberbrunn	
135/17/S (CLY-LEOG-087)	M 31	Fieberbrunn	
136/17/S (CLY-LEOG-088)	M 31	Fieberbrunn	
137/17/S (CLY-LEOG-089)	M 31	Fieberbrunn	Aurach
138/17/S (CLY-LEOG-090)	M 31	Fieberbrunn	Aurach
139/17/S (CLY-LEOG-091)	M 31	Fieberbrunn	
140/17/S (CLY-LEOG-092)	M 31	Fieberbrunn	
141/17/S (CLY-LEOG-093)	M 31	Fieberbrunn	Saalbach
142/17/S (CLY-LEOG-094)	M 31	Fieberbrunn	
143/17/S (CLY-LEOG-095)	M 31	Hochfilzen	Grießen
144/17/S (CLY-LEOG-096)	M 31	Hochfilzen	Grießen
145/17/S (CLY-LEOG-097)	M 31	Fieberbrunn	Saalbach
146/17/S (CLY-LEOG-098)	M 31	Fieberbrunn	
147/17/S (CLY-LEOG-099)	M 31	Fieberbrunn	
148/17/S (CLY-LEOG-100)	M 31	Fieberbrunn	

Austrian Tenement Schedule – Kitzbuhel - Clancy First Priority

Designation	Reference Meridian	Cadastral Municipalities	
		Centre in the Cadastral Municipality	Other Cadastral Municipality Concerned
38/17/T (CLY- KITZ-001)	M 31	Fieberbrunn	
39/17/T (CLY- KITZ -002)	M 31	Fieberbrunn	
40/17/T (CLY- KITZ -003)	M 31	Fieberbrunn	
41/17/T (CLY- KITZ -004)	M 31	Fieberbrunn	
42/17/T (CLY- KITZ-005)	M 31	Fieberbrunn	
43/17/T (CLY- KITZ-006)	M 31	Fieberbrunn	
44/17/T (CLY- KITZ -007)	M 31	Fieberbrunn	
45/17/T (CLY- KITZ -008)	M 31	Fieberbrunn	
46/17/T (CLY- KITZ -009)	M 31	Fieberbrunn	
47/17/T (CLY- KITZ-010)	M 31	Fieberbrunn	
48/17/T (CLY- KITZ -011)	M 31	Fieberbrunn	
49/17/T (CLY- KITZ-012)	M 31	Fieberbrunn	
50/17/T (CLY- KITZ-013)	M 31	Fieberbrunn	
51/17/T (CLY- KITZ-014)	M 31	Fieberbrunn	
52/17/T (CLY- KITZ -015)	M 31	Fieberbrunn	
53/17/T (CLY- KITZ -016)	M 31	Fieberbrunn	
54/17/T (CLY- KITZ -017)	M 31	Fieberbrunn	
55/17/T (CLY- KITZ -018)	M 31	Fieberbrunn	
56/17/T (CLY- KITZ-019)	M 31	Fieberbrunn	
57/17/T (CLY- KITZ-020)	M 31	Fieberbrunn	
58/17/T (CLY- KITZ-021)	M 31	Fieberbrunn	
59/17/T (CLY- KITZ-022)	M 31	Fieberbrunn	
60/17/T (CLY- KZTZ-023)	M 31	Fieberbrunn	Aurach
61/17/T (CLY- KITZ-024)	M 31	Fieberbrunn	Aurach



62/17/T (CLY-KITZ-025)	M 31	Fieberbrunn	Aurach
63/17/T (CLY-KITZ-026)	M 31	Fieberbrunn	Aurach
64/17/T (CLY-KITZ-027)	M 31	Fieberbrunn	Aurach
65/17/T (CLY-KITZ-028)	M 31	Fieberbrunn	
66/17/T (CLY-KITZ-029)	M 31	Fieberbrunn	
67/17/T (CLY-KITZ-030)	M 31	Fieberbrunn	
68/17/T (CLY-KITZ-031)	M 31	Fieberbrunn	Aurach
69/17/T (CLY-KITZ-032)	M 31	Fieberbrunn	Aurach
70/17/T (CLY-KITZ-033)	M 31	Aurach	
71/17/T (CLY-KITZ-034)	M 31	Fieberbrunn	
72/17/T (CLY-KITZ-035)	M 31	Fieberbrunn	
73/17/T (CLY-KITZ-036)	M 31	Fieberbrunn	
74/17/T (CLY-KITZ-037)	M 31	Fieberbrunn	
75/17/T (CLY-KITZ-038)	M 31	Fieberbrunn	
76/17/T (CLY-KITZ-039)	M 31	Fieberbrunn	
77/17/T (CLY-KITZ-040)	M 31	Fieberbrunn	
78/17/T (CLY-KITZ-041)	M 31	Kitzbüchel Land	Fieberbrunn
79/17/T (CLY-KITZ-042)	M 31	Kitzbüchel Land	Fieberbrunn
80/17/T (CLY-KITZ-043)	M 31	Fieberbrunn	
81/17/T (CLY-KITZ-044)	M 31	Fieberbrunn	
82/17/T (CLY-KITZ-045)	M 31	Fieberbrunn	
83/17/T (CLY-KITZ-046)	M 31	Kitzbüchel Land	Fieberbrunn
84/17/T (CLY-KITZ-047)	M 31	Kitzbüchel Land	
85/17/T (CLY-KITZ-048)	M 31	Kitzbüchel Land	Fieberbrunn
86/17/T (CLY-KITZ-049)	M 31	Kitzbüchel Land	Fieberbrunn
87/17/T (CLY-KITZ-050)	M 31	Fieberbrunn	
88/17/T (CLY-KITZ-051)	M 31	Kitzbüchel Land	Fieberbrunn, Aurach
89/17/T (CLY-KITZ-052)	M 31	Aurach	
90/17/T (CLY-KITZ-053)	M 31	Aurach	
91/17/T (CLY-KITZ-054)	M 31	Kitzbüchel Land	Aurach
92/17/T (CLY-KITZ-055)	M 31	Aurach	
93/17/T (CLY-KITZ-056)	M 31	Aurach	
94/17/T (CLY-KITZ-057)	M 31	Kitzbüchel Land	Aurach
95/17/T (CLY-KITZ-058)	M 31	Aurach	
96/17/T (CLY-KITZ-059)	M 31	Kitzbüchel Land	Aurach
97/17/T (CLY-KITZ-060)	M 31	Kitzbüchel Land	Aurach
98/17/T (CLY-KITZ-061)	M 31	Kitzbüchel Land	Aurach
99/17/T (CLY-KITZ-062)	M 31	Kitzbüchel Land	
100/17/T (CLY-KITZ-063)	M 31	Kitzbüchel Land	
101/17/T (CLY-KITZ-064)	M 31	Kitzbüchel Land	Aurach
102/17/T (CLY-KITZ-065)	M 31	Aurach	
103/17/T (CLY-KITZ-066)	M 31	Kitzbüchel Land	Aurach
104/17/T (CLY-KITZ-067)	M 31	Kitzbüchel Land	
105/17/T (CLY-KITZ-068)	M 31	Kitzbüchel Land	Aurach
106/17/T (CLY-KITZ-069)	M 31	Kitzbüchel Land	Aurach
107/17/T (CLY-KITZ-070)	M 31	Kitzbüchel Land	
108/17/T (CLY-KITZ-071)	M 31	Kitzbüchel Land	
109/17/T (CLY-KITZ-072)	M 31	Kitzbüchel Land	
110/17/T (CLY-KITZ-073)	M 31	Kitzbüchel Land	
111/17/T (CLY-KITZ-074)	M 31	Kitzbüchel Land	
112/17/T (CLY-KITZ-075)	M 31	Kitzbüchel Land	
113/17/T (CLY-KITZ-076)	M 31	Kitzbüchel Land	
114/17/T (CLY-KITZ-077)	M 31	Kitzbüchel Land	
115/17/T (CLY-KITZ-078)	M 31	Kitzbüchel Land	
116/17/T (CLY-KITZ-079)	M 31	Kitzbüchel Land	
117/17/T (CLY-KITZ-080)	M 31	Kitzbüchel Land	
118/17/T (CLY-KITZ-081)	M 31	Kitzbüchel Land	



119/17/T (CLY-KITZ-082)	M 31	St. Johann in Tirol	Kitzbühel Land
121/17/T (CLY-KITZ-084)	M 31	Kitzbühel Land	Fieberbrunn
122/17/T (CLY-KITZ-085)	M 31	St. Johann in Tirol	Kitzbühel Land
123/17/T (CLY-KITZ-086)	M 31	St. Johann in Tirol	Kitzbühel Land
124/17/T (CLY-KITZ-087)	M 31	St. Johann in Tirol	Kitzbühel Land, Fieberbrunn
125/17/T (CLY-KITZ-088)	M 31	St. Johann in Tirol	
126/17/T (CLY-KITZ-089)	M 31	St. Johann in Tirol	
127/17/T (CLY-KITZ-090)	M 31	St. Johann in Tirol	
128/17/T (CLY-KITZ-091)	M 31	St. Johann in Tirol	
129/17/T (CLY-KITZ-092)	M 31	St. Johann in Tirol	
130/17/T (CLY-KITZ-093)	M 31	St. Johann in Tirol	Kitzbühel Land
131/17/T (CLY-KITZ-094)	M 31	St. Johann in Tirol	
132/17/T (CLY-KITZ-095)	M 31	St. Johann in Tirol	
133/17/T (CLY-KITZ-096)	M 31	St. Johann in Tirol	
135/17/T (CLY-KITZ-098)	M 31	Kitzbühel Land	
137/17/T (CLY-KITZ-100)	M 31	Aurach	

Austrian Tenement Schedule – Leogang - Clancy Second Priority in at least 50% of the licence area

Designation	Reference Meridian	Cadastral Municipalities	
		Centre in the Cadastral Municipality	Other Cadastral Municipality Concerned
49/17/S (CLY-LEOG-001)	M 31	Schwarzleo	Sonnberg
50/17/S (CLY-LEOG-002)	M 31	Schwarzleo	
52/17/S (CLY-LEOG-004)	M 31	Schwarzleo	
53/17/S (CLY-LEOG-005)	M 31	Schwarzleo	
54/17/S (CLY-LEOG-006)	M 31	Schwarzleo	
55/17/S (CLY-LEOG-007)	M 31	Schwarzleo	
59/17/S (CLY-LEOG-011)	M 31	Schwarzleo	
60/17/S (CLY-LEOG-012)	M 31	Schwarzleo	
61/17/S (CLY-LEOG-013)	M 31	Schwarzleo	Grießen
62/17/S (CLY-LEOG-014)	M 31	Schwarzleo	
63/17/S (CLY-LEOG-015)	M 31	Schwarzleo	
65/17/S (CLY-LEOG-017)	M 31	Schwarzleo	Grießen
66/17/S (CLY-LEOG-018)	M 31	Schwarzleo	
67/17/S (CLY-LEOG-019)	M 31	Schwarzleo	
69/17/S (CLY-LEOG-021)	M 31	Schwarzleo	
70/17/S (CLY-LEOG-022)	M 31	Schwarzleo	Grießen
72/17/S (CLY-LEOG-024)	M 31	Schwarzleo	
73/17/S (CLY-LEOG-025)	M 31	Schwarzleo	Grießen
75/17/S (CLY-LEOG-027)	M 31	Schwarzleo	
76/17/S (CLY-LEOG-028)	M 31	Schwarzleo	
77/17/S (CLY-LEOG-029)	M 31	Schwarzleo	
97/17/S (CLY-LEOG-049)	M 31	Fieberbrunn	
100/17/S (CLY-LEOG-052)	M 31	Fieberbrunn	
102/17/S (CLY-LEOG-054)	M 31	Fieberbrunn	
113/17/S (CLY-LEOG-065)	M 31	Fieberbrunn	

Austrian Tenement Schedule – Kitzbuhel - Clancy Second Priority in at least 50% of licence area

Designation	Reference Meridian	Cadastral Municipalities	
		Centre in the Cadastral Municipality	Other Cadastral Municipality Concerned
120/17/T (CLY-KITZ-083)	M 31	Kitzbühel Land	
134/17/T (CLY-KITZ-097)	M 31	St. Johann in Tirol	Kitzbühel Land
136/17/T (CLY-KITZ-099)	M 31	Kitzbühel Land	



Australian Tenement Schedule				
State	Project	Lease No	Clancy interest	Note
WA	Hong Kong	EL 47/3566	30%	
NSW	Condobolin	EL 7748	100%	
NSW	Genaren	EL 7927	100%	
NSW	Cundumbul	EL 6661	100%	
NSW	Fairholme	EL 6552	100%	
NSW	Fairholme	EL 6915	100%	
NSW	Orange East	EL 8442	100%	Alkane earning 60%
NSW	Trundle	EL 8222	100%	
NSW	Jemalong	EL 8502	100%	

Moroccan Tenement Schedule				
Licence Name	Licence No	Clancy interest	Note	
Tizi Belhaj	234 08 79	20%	Earning up to 100%	
Bou Amzil	233 88 04	20%	Earning up to 100%	
Imdere	233 94 05	20%	Earning up to 100%	
Bou Amzil Extension	PR 384 22 26	-	100% on completion	

During the quarter:

- the Company completed Stage 1 of a staged acquisition of Atlas Managem SARL giving the Company a 20% interest in its 3 exploration licences in Morocco;
- lodged a transfer for a 100% interest over the Bou Amzil Extension (pending completion) and
- entered into a joint venture agreement with Pacton Gold Inc. over the Hong Kong Gold Project and reduced its interest from 100% to 30%.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

Clancy Exploration Limited

ABN

65 105 578 756

Quarter ended ("current quarter")

31 December 2018

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation	(148)	(322)
(b) development		
(c) production		
(d) staff costs	(62)	(108)
(e) administration and corporate costs	(152)	(282)
1.3 Dividends received (see note 3)		
1.4 Interest received	1	2
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Research and development refunds		
1.8 Other (provide details if material)		
1.9 Net cash from / (used in) operating activities	(361)	(710)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment		
(b) tenements (see item 10)	(247)	(247)
(c) investments		
(d) other non-current assets		

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment		
	(b) tenements (see item 10)	208	208
	(c) investments		
	(d) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other – disposal of net smelter royalty	100	65
2.6	Net cash from / (used in) investing activities	61	26

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	750
3.2	Proceeds from issue of convertible notes		
3.3	Proceeds from exercise of share options		
3.4	Transaction costs related to issues of shares, convertible notes or options	(4)	(56)
3.5	Proceeds from borrowings		
3.6	Repayment of borrowings		
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material)		
3.10	Net cash from / (used in) financing activities	(4)	694

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	784	470
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(361)	(710)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	61	26
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(4)	694
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	480	480

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	480	784
5.2 Call deposits		
5.3 Bank overdrafts		
5.4 Other (provide details)		
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	480 #	784 #
# Excludes \$130,000 of restricted cash.		

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Current quarter \$A'000
93
-

Payments to directors/director associates for director fees and legal fees.

7. Payments to related entities of the entity and their associates

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

Current quarter \$A'000

Mining exploration entity and oil and gas exploration entity quarterly report

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities		
8.2 Credit standby arrangements		
8.3 Other (please specify)		
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

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9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	136
9.2 Development	-
9.3 Production	-
9.4 Staff costs	38
9.5 Administration and corporate costs	40
9.6 Other	-
9.7 Total estimated cash outflows	214

10. Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	EL47/3566, Western Australia	Disposal of 70% interest to Pacton Gold Inc	100%	30%
10.2 Interests in mining tenements and petroleum tenements acquired or increased	Leases # 2339405, 2338804, 2340879, Morocco	Acquisition of a 20% interest in Atlas Managem SARL which holds these licences	Nil	20%

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here:


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Company Secretary

Date: 31 January 2019

Print name: Oonagh Malone

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.