



**CLANCY EXPLORATION LIMITED
ACN 105 578 756**

NOTICE OF GENERAL MEETING

The General Meeting of the Company will be held at the offices of the Company at Suite 23, 513 Hay Street, Subiaco, Western Australia on Friday, 2 August 2019 at 10.00 am (WST).

The Notice of General Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.

Should you wish to discuss any matter please do not hesitate to contact the Company Secretary by telephone on + 61 8 6143 6720

Shareholders are urged to attend or vote by lodging the proxy form attached to the Notice

CLANCY EXPLORATION LIMITED

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NOTICE OF GENERAL MEETING

Notice is hereby given that the general meeting of Shareholders of Clancy Exploration Limited (Company) will be held at the offices of the Company at Suite 23, 513 Hay Street, Subiaco, Western Australia on Friday, 2 August 2019 at 10.00 am (WST) (Meeting).

The Explanatory Memorandum provides additional information on matters to be considered at the Meeting. The Explanatory Memorandum and the Proxy Form form part of the Notice.

The Directors have determined pursuant to regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders of the Company on Wednesday, 31 July 2019 at 10.00 am (WST).

Terms and abbreviations used in the Notice are defined in Schedule 1.

AGENDA

1. Resolution 1 - Consolidation of Capital

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

"That, pursuant to and in accordance with section 254H of the Corporations Act and for all other purposes, the issued capital of the Company be consolidated on the terms and conditions in the Explanatory Memorandum, on the basis that:

- (a) every 25 Shares be consolidated into 1 Share; and
- (b) all Options and Performance Rights on issue be adjusted in accordance with Listing Rule 7.22,

and, where this Consolidation results in a fraction of a security being held, the Company be authorised to round that fraction up to the nearest whole security."

2. Resolution 2 - Approval to change Company name

To consider and, if thought fit, to pass with or without amendment, as a special resolution the following:

"That pursuant to and in accordance with section 157 of the Corporations Act and for all other purposes, approval is given for the name of the Company to be changed to "Sagon Resources Limited" with effect from the date that ASIC alters the details of the Company's registration."

BY ORDER OF THE BOARD



Ms Oonagh Malone
Company Secretary
Clancy Exploration Limited
Dated: 3 July 2019

CLANCY EXPLORATION LIMITED

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EXPLANATORY MEMORANDUM

1. Introduction

The Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting to be held at Suite 23, 513 Hay Street, Subiaco, Western Australia on Friday, 2 August 2019 at 10.00 am (WST).

The Explanatory Memorandum forms part of the Notice which should be read in its entirety. The Explanatory Memorandum contains the terms and conditions on which the Resolution will be voted.

The Explanatory Memorandum includes the following information to assist Shareholders in deciding how to vote on the Resolution:

Section 2	Action to be taken by Shareholders
Section 3	Resolution 1 - Consolidation of Capital
Section 4	Resolution 2 - Approval to change Company name
Schedule 1	Definitions

A Proxy Form is enclosed.

2. Action to be taken by Shareholders

Shareholders should read the Notice including the Explanatory Memorandum carefully before deciding how to vote on the Resolution.

2.1 Voting in person

To vote in person, attend the Meeting on the date and at the place set out above.

2.2 Proxies

(a) Voting by proxy

A Proxy Form is attached to the Notice. This is to be used by Shareholders if they wish to appoint a representative (a 'proxy') to vote in their place. All Shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend in person, sign and return the Proxy Form to the Company in accordance with the instructions thereon. Lodgement of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

Please note that:

- (i) a member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy;
- (ii) a proxy need not be a member of the Company; and

- (iii) a member of the Company entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

The enclosed Proxy Form provides further details on appointing proxies and lodging Proxy Forms.

(b) Proxy vote if appointment specifies way to vote

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, if it does:

- (i) the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed);
- (ii) if the proxy has 2 or more appointments that specify different ways to vote on the resolution - the proxy must not vote on a show of hands;
- (iii) if the proxy is the chair of the meeting at which the resolution is voted on - the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- (iv) if the proxy is not the chair - the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

(c) Transfer of non-chair proxy to chair in certain circumstances

Section 250BC of the Corporations Act provides that, if:

- (i) an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members;
- (ii) the appointed proxy is not the chair of the meeting;
- (iii) at the meeting, a poll is duly demanded on the resolution; and
- (iv) either of the following applies:
 - (A) the proxy is not recorded as attending the meeting; or
 - (B) the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

3. Resolution 1 - Consolidation of Capital

3.1 General

Resolution 1 seeks Shareholder approval for the Company to undertake a consolidation of its capital on a 1 for 25 basis (**Consolidation**).

Resolution 1 is an ordinary resolution.

The Board recommends that Shareholders vote in favour of Resolution 1.

3.2 Legal requirements

Section 254H of the Corporations Act provides that a company may, by resolution passed in a general meeting, convert all or any of its shares into a larger or smaller number.

Listing Rule 7.22.1 requires that when a listed entity undertakes a consolidation of capital, the number of its options must be consolidated in the same ratio as the ordinary capital and the exercise price must be amended in inverse proportion to that ratio.

3.3 Fractional entitlements

Not all Security holders will hold that number of Securities (as the case may be) which can be evenly divided by 20. Where a fractional entitlement occurs, the Company will round that fraction up to the nearest whole Security.

3.4 Taxation

It is not considered that any taxation implications will exist for Security holders arising from the Consolidation. However, Security holders are advised to seek their own tax advice on the effect of the Consolidation and the Company accepts no responsibility for the individual taxation implications arising from the Consolidation.

3.5 Holding statements

From the date of the Consolidation, all holding statements for Securities will cease to have any effect, except as evidence of entitlement to a certain number of Securities on a post-Consolidation basis.

After the Consolidation becomes effective, the Company will arrange for new holding statements for Securities to be issued to holders of those Securities.

It is the responsibility of each Security holder to check the number of Securities held prior to disposal or exercise (as the case may be).

3.6 Effect on capital structure

The approximate effect which the Consolidation will have on the Company's current capital structure is set out in the table below. All numbers are subject to rounding.

Security	Pre-Consolidation	Post-Consolidation
Shares	3,504,387,675	140,175,507
Unquoted Options ¹	180,000,000	7,200,000
Performance Rights ²	62,000,000	2,480,000
TOTAL SECURITIES	3,746,387,675	149,855,507

Notes:

1. The Company currently has on issue:
 - (a) 120,000,000 unquoted Options (4,800,000 on a post-Consolidation basis) exercisable at \$0.004 (\$0.10 on a post-Consolidation basis) each which will expire on 31 May 2020 if not exercised into Shares prior to that date;
 - (b) 20,000,000 unquoted Options (800,000 on a post-Consolidation basis) exercisable at \$0.007 (\$0.175 on a post-Consolidation basis) each which will expire on 30 November 2020 if not exercised into Shares prior to that date;
 - (c) 30,000,000 unquoted Options (1,200,000 on a post-Consolidation basis) exercisable at \$0.0065 (\$0.163 on a post-Consolidation basis) each which will expire on 30 December 2020 if not exercised into Shares prior to that date; and
 - (d) 10,000,000 unquoted Options (400,000 on a post-Consolidation basis) exercisable at \$0.005 (\$0.125 on a post-Consolidation basis) each which will expire on 24 October 2020 if not exercised into Shares prior to that date.
2. The Company currently has on issue:

- (a) 15,500,000 Class A Performance Rights on issue, vesting on 3 August 2019, provided that the holder does not resign from the Board before the vesting date, expiring on 3 August 2019;
- (b) 15,500,000 Class B Performance Rights on issue vesting 12 months after the date that the 10 day VWAP for Shares on the ASX is \$0.01 (\$0.25 on a post-Consolidation basis) or higher within 3 years from the date of issue, provided that the holder does not resign from the Board before the vesting date, expiring on 20 August 2021;
- (c) 15,500,000 Class C Performance Rights on issue vesting 12 months after the date that the 10 day VWAP for Shares on the ASX is \$0.015 (\$0.375 on a post-Consolidation basis) or higher within 3 years from the date of issue, provided that the holder does not resign from the Board before the vesting date, expiring on 20 August 2021; and
- (d) 15,500,000 Class D Performance Rights on issue vesting 12 months after the date that the 10 day VWAP for Shares on the ASX is \$0.02 (\$0.50 on a post-Consolidation basis) or higher within 3 years from the date of issue, provided that the holder does not resign from the Board before the vesting date, expiring on 20 August 2021.

3.7 Effect on existing Options

- (a) At present, the Company has the following Options on issue:
 - (i) 120,000,000 unquoted Options exercisable at \$0.004 each which will expire on 31 May 2020 if not exercised into Shares prior to that date;
 - (ii) 20,000,000 unquoted Options exercisable at \$0.007 each which will expire on 30 November 2020 if not exercised into Shares prior to that date;
 - (iii) 30,000,000 unquoted Options exercisable at \$0.0065 each which will expire on 30 December 2020 if not exercised into Shares prior to that date; and
 - (iv) 10,000,000 unquoted Options exercisable at \$0.005 each which will expire on 24 October 2020 if not exercised into Shares prior to that date.
- (b) If Shareholders approve Resolution 1, the Options will be consolidated as follows:
 - (i) 4,800,000 unquoted Options exercisable at \$0.10 each which will expire on 31 May 2020 if not exercised into Shares prior to that date;
 - (ii) 800,000 unquoted Options exercisable at \$0.175 each which will expire on 30 November 2020 if not exercised into Shares prior to that date;
 - (iii) 1,200,000 unquoted Options exercisable at \$0.163 each which will expire on 30 December 2020 if not exercised into Shares prior to that date; and
 - (i) 400,000 unquoted Options exercisable at \$0.125 each which will expire on 24 October 2020 if not exercised into Shares prior to that date.

3.8 Effect on existing Performance Rights

At present, the Company has 62,000,000 Performance Rights on issue, of which, the Class B, C and D Performance Rights have vesting conditions which are satisfied upon the Shares having a 10 day VWAP of \$0.01, \$0.015 and \$0.02 or greater respectively, within 3 years from the date of issue, being 20 August 2018. In accordance with clause 13 of the Performance Rights, the vesting conditions of the Performance Rights will be amended as follows:

- (a) 620,000 Class B Performance Rights vesting 12 months after the date that the 10 day VWAP for Shares on the ASX is \$0.25 or higher within 3 years from the date of issue, provided that the holder does not resign from the Board before the vesting date;
- (b) 620,000 Class C Performance Rights vesting 12 months after the date that the 10 day VWAP for Shares on the ASX is \$0.375 or higher within 3 years from the date of issue, provided that the holder does not resign from the Board before the vesting date; and

- (c) 620,000 Class D Performance Rights vesting 12 months after the date that the 10 day VWAP for Shares on the ASX is \$0.50 or higher within 3 years from the date of issue, provided that the holder does not resign from the Board before the vesting date.

The Class A Performance Rights will consolidate into 620,000 Performance Rights. No change will be made to the vesting conditions of the Class A Performance Rights. Unvested Class A Performance Rights will expire on 3 August 2019.

The Class B, C and D Performance Rights will expire at 5pm (WST) on 20 August 2021.

3.9 Indicative timetable

Event	Day	Indicative Timing
Despatch of this Notice of Meeting to Shareholders		4 July 2019
Shareholder Meeting ASX notified whether Shareholders' approval has been granted for the Resolution	0	2 August 2019
Last day for trading in pre-reorganised securities	1	5 August 2019
Trading in the reorganised securities on a deferred settlement basis starts.	2	6 August 2019
Last day for entity to register transfers on a pre-reorganisation basis.	3	7 August 2019
First day for entity to send notice to each security holder.	4	8 August 2019
Issue Date	8	14 August 2019

This timetable is a proposed indicative timetable only and the Board reserves the right to vary the dates in accordance with the Listing Rules. The Company will lodge an Appendix 3A.3 - notification of reorganisation of capital, which will confirm the proposed Consolidation timetable, shortly after this Notice is distributed to shareholders.

4. Resolution 2 - Approval to change Company name

Section 157(1)(a) of the Corporations Act provides that a company may change its name if the Company passes a special resolution adopting a new name.

Resolution 2 seeks the approval of Shareholders for the Company to change its name to "Sagon Resources Limited".

The proposed name has been reserved by the Company with ASIC. If Resolution 2 is passed the change of name will take effect when ASIC alters the details of the Company's registration.

The Board proposes this change of name as part of a general corporate refresh.

Resolution 2 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

The Board recommends that Shareholders vote in favour of Resolution 2.

Schedule 1 - Definitions

In the Notice, words importing the singular include the plural and vice versa.

\$ or A\$ means Australian Dollars.

ASIC means the Australian Securities and Investments Commission.

ASX means the ASX Limited ABN 98 008 624 691 and where the context permits the Australian Securities Exchange operated by ASX Limited.

Board means the board of Directors of the Company.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

Chair means the person appointed to chair the Meeting of the Company convened by the Notice.

Company means Clancy Exploration Limited ACN 105 578 756.

Consolidation means the proposed 25 for 1 consolidation of the Company's Securities as set out in Resolution 1.

Corporations Act means the *Corporations Act 2001* (Cth).

Director means a director of the Company.

Equity Security has the same meaning as in the Listing Rules.

Listing Rules means the listing rules of ASX.

Meeting has the meaning given in the introductory paragraph of the Notice.

Notice means this notice of general meeting.

Option means an option which entitles the holder to acquire a Share.

Performance Rights means performance rights which will convert into a Share upon the satisfaction of the vesting condition relevant to that class of performance right.

Proxy Form means the proxy form enclosed with the Notice.

Resolution means a resolution referred to in the Notice.

Schedule means a schedule to the Notice.

Section means a section of the Explanatory Memorandum.

Securities mean all Equity Securities of the Company.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a shareholder of the Company.

VWAP means volume weighted average price.

WST means Western Standard Time, being the time in Perth, Western Australia.

If you are attending the meeting in person, please bring this with you for Securityholder registration.

Holder Number:

Vote by Proxy: CLY

Your proxy voting instruction must be received by **10.00am (WST) on Wednesday, 31 July 2019**, being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

SUBMIT YOUR PROXY VOTE ONLINE

Vote online at <https://investor.automic.com.au/#/loginsah>

Login & Click on 'Meetings'. Use the Holder Number as shown at the top of this Proxy Voting form.

- ✓ **Save Money:** help minimise unnecessary print and mail costs for the Company.
- ✓ **It's Quick and Secure:** provides you with greater privacy, eliminates any postal delays and the risk of potentially getting lost in transit.
- ✓ **Receive Vote Confirmation:** instant confirmation that your vote has been processed. It also allows you to amend your vote if required.



SUBMIT YOUR PROXY VOTE BY PAPER

Complete the form overleaf in accordance with the instructions set out below.

YOUR NAME AND ADDRESS

The name and address shown above is as it appears on the Company's share register. If this information is incorrect, and you have an Issuer Sponsored holding, you can update your address through the investor portal: <https://investor.automic.com.au/#/home> Shareholders sponsored by a broker should advise their broker of any changes.

VOTING UNDER STEP 1 - APPOINTING A PROXY

If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that Individual or body corporate. A proxy need not be a Shareholder of the Company. Otherwise if you leave this box blank, the Chairman of the Meeting will be appointed as your proxy by default.

DEFAULT TO THE CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote these proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Voting Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by marking one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF SECOND PROXY

You may appoint up to two proxies. If you appoint two proxies, you should complete two separate Proxy Voting Forms and specify the percentage or number each proxy may exercise. If you do not specify a percentage or number, each proxy may exercise half the votes. You must return both Proxy Voting Forms together. If you require an additional Proxy Voting Form, contact Automic Registry Services.

SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided

Individual: Where the holding is in one name, the Shareholder must sign.

Joint holding: Where the holding is in more than one name, all of the Shareholders should sign.

Power of attorney: If you have not already lodged the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Voting Form when you return it.

Companies: To be signed in accordance with your Constitution. Please sign in the appropriate box which indicates the office held by you.

Email Address: Please provide your email address in the space provided.

By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible) such as a Notice of Meeting, Proxy Voting Form and Annual Report via email.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate 'Appointment of Corporate Representative' should be produced prior to admission. A form may be obtained from the Company's share registry online at <https://automic.com.au>.

ATTENDING THE MEETING

Completion of a Proxy Voting Form will not prevent individual Shareholders from attending the Meeting in person if they wish. Where a Shareholder completes and lodges a valid Proxy Voting Form and attends the Meeting in person, then the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the Meeting.

POWER OF ATTORNEY

If a representative as power of attorney of a Shareholder of the Company is to attend the Meeting, a certified copy of the Power of Attorney, or the original Power of Attorney, must be received by the Company in the same manner, and by the same time as outlined for proxy forms.



