

ASX / MEDIA ANNOUNCEMENT  
11 December 2017**EXPLORATION TO COMMENCE AT HONG KONG GOLD PROJECT  
-Pilbara Region, Western Australia-****Highlights:**

- Exploration program targeting conglomerate-hosted gold to commence immediately on Clancy's Hong Kong Gold Project.
- Work program has been designed to systematically assess the prospectivity and potential of the area to host conglomerate-hosted gold prior to drilling.
- Past mapping outlines the presence of highly prospective lower Fortescue Group lithologies, the host stratigraphy to several recent conglomerate-hosted gold discoveries in the region.
- Program will also test for Archaean lode-hosted gold and volcanic-hosted massive sulphide (VHMS) mineralisation across the Project tenure
- Granted licence tenure of 40km<sup>2</sup> carries a prospective strike length of over 5km of lower Fortescue Group rocks, which forms the priority focus for early exploration.

David Lenigas, Clancy's Chairman commented; *"I'm pleased we have started moving so quickly after acquisition of this prime exploration ground in the Western Pilbara, and I look forward to reporting initial exploration results and findings as soon as practicably possible. The area has a good history of gold occurrences<sup>1</sup> and we have a lot of prospective targets to roll up our sleeves and get stuck in to."*

Clancy Exploration Limited (ASX: CLY) ("Clancy") is pleased to announce the immediate start to its maiden exploration work program on its newly acquired Hong Kong Gold Project (the "Project") located in the Pilbara Region of Western Australia (Figure 1).

Clancy acquired 100% of the Hong Kong Project from Red Field Pty Ltd on 1 December 2017 (refer to ASX announcement "Acquisition of Highly Prospective Pilbara Gold Project" dated 1 December 2017).

An exploration program targeting conglomerate-hosted gold, lode gold and VHMS mineralisation is set to commence immediately. The two-phase program will include:

<sup>1</sup> Refer to Clancy's ASX announcement "Acquisition of Highly Prospective Pilbara Gold Targets" dated 1 December 2017 .

- Phase 1: Satellite imagery interpretation for regolith and landform analysis combined with a review of historical data to develop suitable and systematic exploration strategies for the identified environments.
- Phase 2: Surface exploration including metal detecting, geological mapping together with surface and stream geochemistry sampling along the exposed and highly prospective lower Fortescue Group that is the host stratigraphy to several recent conglomerate-hosted gold discoveries in the region.

The early focus will be concentrated along the exposed sections of the lower Fortescue Group.

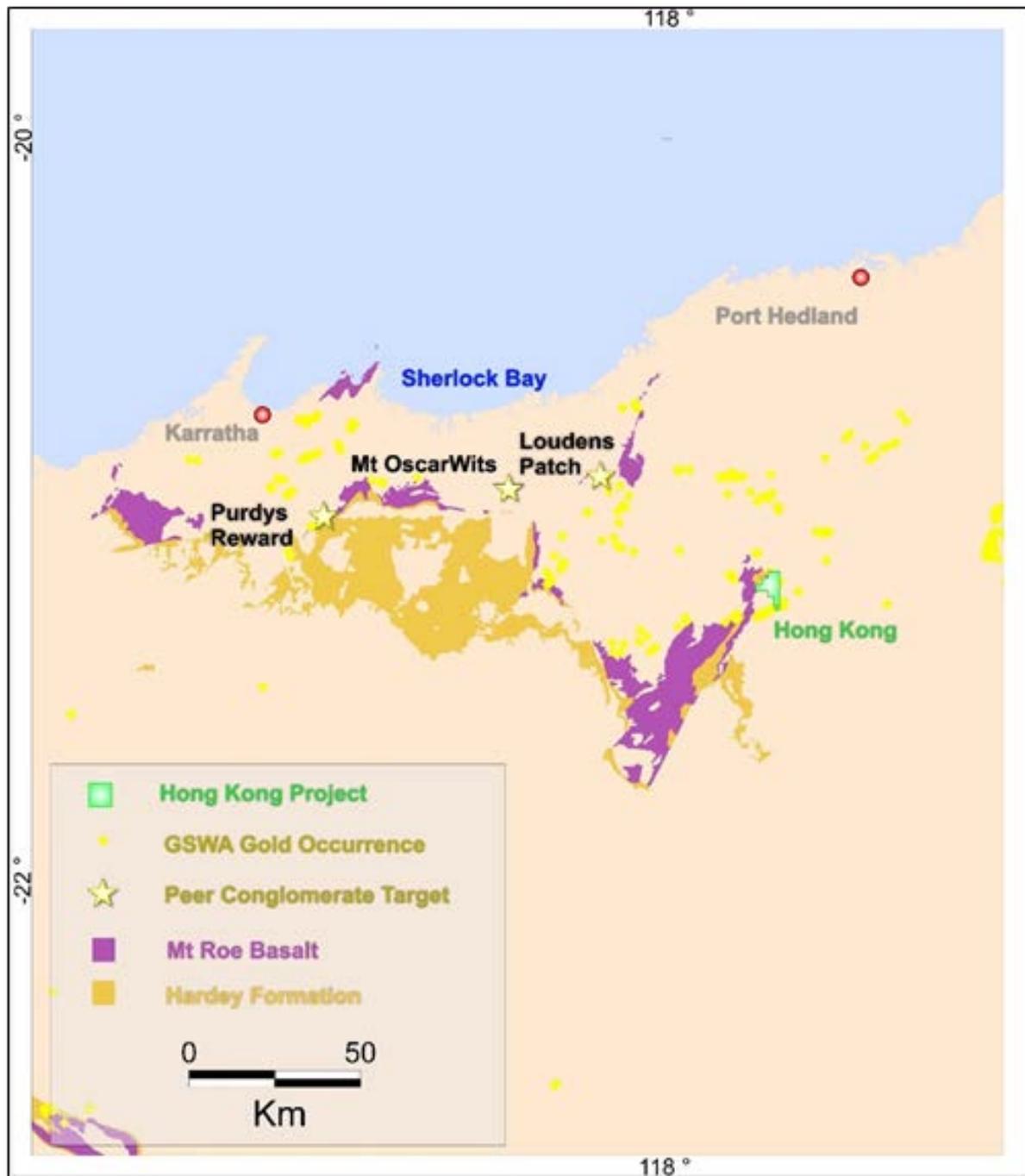


Figure 1: Location of Clancy's Hong Kong Exploration Licence E47/3566

The exploration program will be expanded to include Archaean lode hosted gold mineralisation and VHMS mineralisation on the Project. The overall objective of this programs is to define targets for RC (reverse circulation) or diamond drilling.

**Hong Kong Project Summary:**

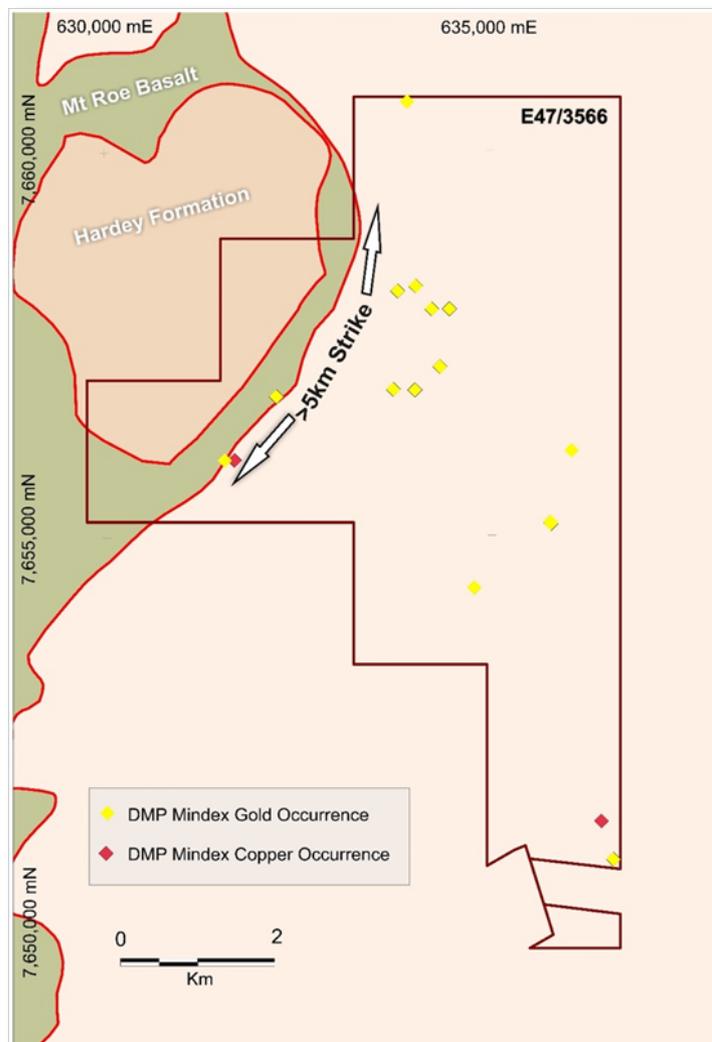
The Hong Kong Gold Project is comprised of one granted exploration licence (E47/3566), which covers 40 km<sup>2</sup> and expires on 19 July 2022 (**Exploration Licence**).

Mapping of the Project by Geological Survey of Western Australia has outlined a highly prospective >5km strike length of the basal contact between the Mt Roe Basalt and older Archaean Basalt that is the host stratigraphy to several recent conglomerate-hosted gold discoveries in the region. The Project contains numerous historical bedrock and alluvial gold workings. The latter noticeably exist along creeks draining from the conglomerate.

The Project is located 100km south-southwest of Port Hedland in the Western Pilbara Goldfield of Western Australia. Access to the Project is via the sealed Great Northern Highway for 100km south of Port Hedland thereafter via good quality graded roads.

The Exploration Licence is located wholly within the Yandeyarra Aboriginal Reserve.

**Figure 2: Location of prospective strike length of the basal contact of the Mt Roe Basalt**



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**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 the Company, 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 the Company’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.*