

**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, 3 August 2018 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

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# CLANCY EXPLORATION LIMITED

ACN 105 578 756

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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, 3 August 2018 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, 1 August 2018 at 10.00 am (WST).

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

## AGENDA

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### 1. Resolution 1 - Approval to issue Earn-In Shares

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

*"That, subject to the other Interconditional Resolution being passed and pursuant to and in accordance with Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of up to 610,000,000 Shares to the Vendors (or their nominees) (Earn In Shares) on the terms and conditions set out in the Explanatory Memorandum."*

#### Voting Exclusion

The Company will disregard any votes cast in favour of these Resolutions by or on behalf of the Vendors (and their nominees), a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue of the Shares (except a benefit solely by reason of being a holder of ordinary securities in the Company), or any associates of those persons.

The Company will not disregard a vote if:

- (a) it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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## 2. Resolution 2 - Approval to issue Contacio Options

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

*"That, subject to the other Interconditional Resolution being passed and pursuant to and in accordance with Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of up to 10,000,000 unquoted Options to Contacio Cove Pty Ltd (Contacio) on the terms and conditions set out in the Explanatory Memorandum."*

### Voting Exclusion

The Company will disregard any votes cast in favour of these Resolutions by or on behalf of Contacio (and their nominees), a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue of the Shares (except a benefit solely by reason of being a holder of ordinary securities in the Company), or any associates of those persons.

The Company will not disregard a vote if:

- (a) it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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## 3. Resolution 3 - Approval of Employee Securities Incentive Plan

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 Listing Rule 7.2 exception 9(b) and for all other purposes, Shareholders approve the adoption of the employee securities incentive plan of the Company known as the "Clancy Exploration Limited Employee Securities Incentive Plan"(Plan) and the issue of securities under that plan, on the terms and conditions in the Explanatory Memorandum."*

### Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of any Director, other than any Director who is ineligible to participate in the Plan in relation to the Company, and any of their respective associates.

However, the Company need not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

### Voting Prohibition

In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either a member of the Key Management Personnel or a Closely Related Party of such member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel. Shareholders should note that the Chair intends to vote any undirected proxies in favour of this Resolution. In exceptional circumstances, the Chair may change his voting intention on this Resolution, in which case an ASX announcement will be made.

Shareholders may also choose to direct the Chair to vote against this Resolution or to abstain from voting.

If you purport to cast a vote other than as permitted above, that vote will be disregarded by the Company (as indicated above) and you may be liable for breaching the voting restrictions that apply to you under the Corporations Act.

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## 4. Resolution 4 - Approval to issue Performance Rights to Mr David Lenigas

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 Listing Rule 10.14 and for all other purposes, Shareholders approve the issue of up 400,000,000 Performance Rights to Mr David Lenigas (or his respective nominees) under the Plan on the terms and conditions in the Explanatory Memorandum."*

### Voting Exclusion

The Company will disregard any votes cast on this Resolution by any Director (and their respective nominees) who is eligible to participate in the Plan or any of their respective associates.

However, the Company need not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

### Voting Prohibition

In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either a member of the Key Management Personnel or a Closely Related Party of such member; and

- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel. Shareholders should note that the Chair intends to vote any undirected proxies in favour of this Resolution. In exceptional circumstances, the Chair may change his voting intention on this Resolution, in which case an ASX announcement will be made.

Shareholders may also choose to direct the Chair to vote against this Resolution or to abstain from voting.

If you purport to cast a vote other than as permitted above, that vote will be disregarded by the Company (as indicated above) and you may be liable for breaching the voting restrictions that apply to you under the Corporations Act.

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## 5. Resolution 5 - Approval to issue Performance Rights to Mr Scott Patrizi

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 Listing Rule 10.14 and for all other purposes, Shareholders approve the issue of up to 25,000,000 Performance Rights to Mr Scott Patrizi (or his respective nominees) under the Plan on the terms and conditions in the Explanatory Memorandum."*

### Voting Exclusion

The Company will disregard any votes cast on this Resolution by any Director (and their respective nominees) who is eligible to participate in the Plan or any of their respective associates.

However, the Company need not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

### Voting Prohibition

In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either a member of the Key Management Personnel or a Closely Related Party of such member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel. Shareholders should note that the Chair intends to vote any undirected proxies in favour of this Resolution. In exceptional circumstances, the Chair may change his voting intention on this Resolution, in which case an ASX announcement will be made.

Shareholders may also choose to direct the Chair to vote against this Resolution or to abstain from voting.

If you purport to cast a vote other than as permitted above, that vote will be disregarded by the Company (as indicated above) and you may be liable for breaching the voting restrictions that apply to you under the Corporations Act.

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## 6. Resolution 6 - Approval to issue Performance Rights to Mr Shaun Hardcastle

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 Listing Rule 10.14 and for all other purposes, Shareholders approve the issue of up to 25,000,000 Performance Rights to Mr Shaun Hardcastle (or his respective nominees) under the Plan on the terms and conditions in the Explanatory Memorandum."*

### Voting Exclusion

The Company will disregard any votes cast on this Resolution by any Director (and their respective nominees) who is eligible to participate in the Plan or any of their respective associates.

However, the Company need not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

### Voting Prohibition

In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either a member of the Key Management Personnel or a Closely Related Party of such member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel. Shareholders should note that the Chair intends to vote any undirected proxies in favour of this Resolution. In exceptional circumstances, the Chair may change his voting intention on this Resolution, in which case an ASX announcement will be made.

Shareholders may also choose to direct the Chair to vote against this Resolution or to abstain from voting.

If you purport to cast a vote other than as permitted above, that vote will be disregarded by the Company (as indicated above) and you may be liable for breaching the voting restrictions that apply to you under the Corporations Act.

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## **7. Resolution 7 - Approval to issue Performance Rights to Mr David Scoggin**

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 Listing Rule 10.14 and for all other purposes, Shareholders approve the issue of up to 12,000,000 Performance Rights to Mr David Scoggin (or his respective nominees) under the Plan on the terms and conditions in the Explanatory Memorandum."*

### **Voting Exclusion**

The Company will disregard any votes cast on this Resolution by any Director (and their respective nominees) who is eligible to participate in the Plan or any of their respective associates.

However, the Company need not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

### **Voting Prohibition**

In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either a member of the Key Management Personnel or a Closely Related Party of such member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and

- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel. Shareholders should note that the Chair intends to vote any undirected proxies in favour of this Resolution. In exceptional circumstances, the Chair may change his voting intention on this Resolution, in which case an ASX announcement will be made.

Shareholders may also choose to direct the Chair to vote against this Resolution or to abstain from voting.

If you purport to cast a vote other than as permitted above, that vote will be disregarded by the Company (as indicated above) and you may be liable for breaching the voting restrictions that apply to you under the Corporations Act.

**BY ORDER OF THE BOARD**



Ms Oonagh Malone  
**Company Secretary**  
**Clancy Exploration Limited**

Dated: 4 July 2018

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# CLANCY EXPLORATION LIMITED

ACN 105 578 756

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## EXPLANATORY MEMORANDUM

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### 8. 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, 3 August 2018 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 Resolutions will be voted.

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

Section 1	Action to be taken by Shareholders
Section 2	Conditional Resolutions
Section 3	Background to proposed Acquisition of Licences
Section 4	Resolution 1 - Approval to issue Earn-In Shares
Section 5	Resolution 2 - Approval to issue Contacio Options
Section 6	Resolution 3 - Approval of Employee Securities Incentive Plan
Section 7	Resolutions 4, 5, 6 and 7 - issue of Performance Rights to Directors under the Plan
Schedule 1	Definitions
Schedule 2	Terms and Conditions of the Contacio Options
Schedule 3	Summary of Employee Securities Incentive Plan
Schedule 4	Terms and Conditions of the Performance Rights

A Proxy Form is located at the end of the Explanatory Memorandum.

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### 1. Action to be taken by Shareholders

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

#### 1.1 Voting in person

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

## 1.2 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.

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## 2. Conditional Resolutions

The Interconditional Resolutions are inter-conditional, meaning that each of them will only take effect if all of them are approved by the requisite majority of Shareholders' votes at the Meeting. If any one of the Interconditional Resolutions is not approved at the Meeting, neither of the Interconditional Resolutions will take effect and the Acquisition and other matters contemplated by the Interconditional Resolutions will not be completed pursuant to this Notice.

For the avoidance of doubt, Resolutions 1 and 2 (inclusive) are referred to as the Interconditional Resolutions throughout this Notice.

The remaining Resolutions, being Resolutions 3, 4, 5, 6 and 7 are not Interconditional Resolutions.

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## 3. Background to proposed Acquisition of Licences

### 3.1 General background

On 10 April 2018, the Company announced that it had entered into a binding term sheet with the Vendors of the Licences (**Sale Agreement**), comprising key cobalt licences in Morocco, so that the Company may acquire up to a 100% interest in the Licences by way of a staged acquisition (**Acquisition**).

A summary of the material terms and conditions of the term sheet is set out in section 3.4.

This Notice of Meeting sets out the Resolutions necessary to complete the Acquisition.

Both of the Interconditional Resolutions are conditional upon the approval by Shareholders of the other Interconditional Resolution. The remaining Resolutions in this Notice of Meeting, are not Interconditional Resolutions. If either of the Interconditional Resolutions is not approved by Shareholders, both of the Interconditional Resolutions will fail and completion of the Acquisition (**Completion**) will not occur.

### 3.2 About the Licences

Each of the licences is 16 km<sup>2</sup> in size, two of which (the Bou Amzil and Tizi Belhaj licences) are located immediately to the west and adjacent to Managem Group's Bou Azzer Cobalt Mine. The third licence (the Imdere licence) is located approximately 20 km north-east of Bou Azzer.

The adjacent Bou Azzer in Morocco has cobalt nickel arsenide deposits with gold & silver and is currently one of the world's only operating primary cobalt mines:

- (a) more than 50 deposits in the district, mined over 75 years with production of over 100kt of cobalt,

- (b) 1,000's of tonnes of silver and tens of tonnes of gold;
- (c) 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.

### 3.3 Tenure

The licences are set out below (together the Licences):

Licence Number	Licence Name	Registered Holder	Expiry Date
234 08 79	Tizi Belhaj	Atlas Managem	23/07/2018
233 88 04	Bou Amzil	Chater Mines	16/04/2016
233 94 05	Imdere	Chater Mines	19/05/2014

### 3.4 Material Contracts

Atlas Managem SARL (Atlas) is the owner of research permit no. 23408 79 (Atlas Permit) and has an exclusive option to acquire up to 100% of the issued capital of Chater S.A.RL. (Chater) (Chater Option), which holds exploration licences 2338804 and 2339405 (Chater Licences). Atlas intends to exercise its right to acquire Chater, in order for Atlas to hold all 3 Licences.

Cocam an unrelated party to the Company, holds an exclusive option to acquire Atlas. The Company has entered into a share sale agreement to acquire 100% of the issued capital of Cocam and thereby an indirect interest to acquire Atlas (Cocam Acquisition).

In consideration for an exclusivity fee of \$25,000, Atlas has granted the Company a 60 day exclusivity period, from the execution of the Sale Agreement, to conduct due diligence on Atlas, Chater and the Licences. As announced on 6 June 2018, the due diligence period was extended for a further 30 days by way of a letter agreement.

Under the Sale Agreement, Atlas grants the Company 5 options to acquire (or be issued) interests equal to 20% of the Shares on issue in Atlas. In order to execute the various stages of the Acquisition, the Company must issue to the shareholders of Atlas and Cocam in aggregate, Shares and cash consideration as follows:

- (a) (Stage 1): US\$175,000 and 130,000,000 Shares within 125 days from the date of execution of the Sale Agreement, being 12 August 2018, in consideration for an interest in Atlas of 20%;
- (b) (Stage 2): US\$200,000 and 120,000,000 Shares within 6 months and 5 days from the completion of Stage 1, in consideration for a further interest in Atlas of 20%;
- (c) (Stage 3): US\$200,000 and 120,000,000 Shares within 6 months and 5 days from the completion of Stage 2, in consideration for a further interest in Atlas of 20%;

- (d) (Stage 4): US\$200,000 and 120,000,000 Shares within 6 months and 5 days from the completion of Stage 3, in consideration for a further interest in Atlas of 20%; and
- (e) (Stage 5): US\$200,000 and 120,000,000 Shares within 6 months and 5 days from the completion of Stage 4, in consideration for a further interest in Atlas of 20%, such that the Company (or its nominee) will have acquired or been issued a 100% interest in the share capital of Atlas at the completion of Stage 5,

(together, the Stages).

The Company has the right to accelerate the exercise of any of the above Stages and, as such, has sought approval from shareholders to issue up to 610,000,000 Shares. This approval, if granted, will enable the Company to exercise one or more of Stages 2 to 5 within the 3 month period following shareholder approval and acquire up to a 100% interest in Atlas.

As at the date of this Notice, the Company has not yet completed due diligence on the Licences and has not yet formed a view on whether it may elect to exercise Stage 1 and accelerate the exercise of any of the remaining Stages.

In order to issue the Shares for a Stage not exercised within the 3 month period following Shareholder approval, the Company will be required to either:

- (a) seek shareholder approval pursuant to Listing Rule 7.1 in respect of the relevant Stage; or
- (b) issue Shares under its placement capacity under Listing Rule 7.1 (**Placement Capacity**), provided the Company has Placement Capacity at the date it resolves to exercise the relevant Stage.

The Company will also issue (subject to the approval of the Interconditional Resolutions), 10,000,000 Options with an exercise price of \$0.005 and an expiry date of 2 years from the date of issue to Contacio Pty Ltd (an unrelated party of the Company) for facilitating the Acquisition.

The Acquisition is subject to a number of conditions, as set out in Section 3.5.

### 3.5 Conditions Precedent

It is a condition precedent to the Acquisition that

- (a) Atlas exercises the Chater Option and acquires Chater;
- (b) the Company completes due diligence on Atlas, Chater and the Licences.
- (c) the Company obtains Shareholder approval for the Interconditional Resolutions;
- (d) the Company receives confirmation that no ministerial consent or regulatory approvals are required for the Acquisition; and
- (e) entry of Atlas, the Vendors and the Company into a shareholders' agreement.

### 3.6 Composition of the Board of Directors

Subject to the receipt of the above shareholder approvals, Mr David Lenigas, the Company's Chairman, will transition from Non-Executive Chairman to Executive Chairman of the Company, reflecting the increased role Mr Lenigas will take in all aspects of the Company's activities, and the increased commitment required due to the proposed Acquisition. Mr Lenigas, as Executive Chairman, will focus primarily on strategy, strategic relationships and the capital markets.

There are no other proposed board changes as a result of the Acquisition.

### 3.7 Pro forma capital structure

The pro forma capital structure of the Company following completion of the Acquisition, and the issue of the Earn-In Shares, Contacio Options and Performance Rights is set out below:

Proposed Capital Structure	Shares	Options	Performance Rights
Existing	3,124,385,675	1,907,866,179 <sup>1</sup>	0
Stage 1	130,000,000	0	0
Stage 2	120,000,000	0	0
Stage 3	120,000,000	0	0
Stage 4	120,000,000	0	0
Stage 5	120,000,000	0	0
Contacio Options - Resolution 2	0	10,000,000	0
Performance Rights - Resolution 4	0	0	462,000,000
<b>TOTAL</b>	<b>3,734,385,675</b>	<b>1,917,866,179</b>	<b>462,000,000</b>

Note:

1. 1,737,866,179 quoted Options exercisable at \$0.004 each on or before 9 May 2019, 120,000,000 unquoted Options with an exercise price of \$0.004 each expiring 31 May 2020, 20,000,000 unquoted Options with an exercise price of \$0.007 each expiring 30 November 2020 and 30,000,000 unquoted Options with an exercise price of \$0.0065 each and an expiry date of 30 December 2020.

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## 4. Resolution 1 - Approval to issue Earn-In Shares

### 4.1 General

Resolution 1 seeks shareholder approval for the issue of up to 610,000,000 Earn-In Shares to the Vendors in consideration for the Acquisition, which may include up to a 100% interest in Atlas.

Resolution 1 is an ordinary resolution and is subject to the approval of the other Interconditional Resolution.

The Chair will cast all available proxies in favour of Resolution 1

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

#### **4.2 Listing Rule 7.1**

Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more Equity Securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

The effect of Resolution 1 will be to allow the Company to issue the Earn-In Shares to the Vendors during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

#### **4.3 Technical information required by Listing Rule 7.3**

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to the proposed issue of the Earn-In Shares:

- (a) the maximum number of Earn-In Shares to be issued is 610,000,000;
- (b) the Earn-In Shares will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that the issue of the Earn-In Shares will occur on Completion, being the same date;
- (c) the Earn-In Shares will be issued for nil cash consideration as they are being issued in consideration for the Acquisition;
- (d) the Earn-In Shares will be issued to the Vendors, being Ashgill, Nouredine and Cocam (or their nominees) none of which are related parties of the Company;
- (e) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (f) no funds will be raised from the issue of the Earn-In Shares as they are being issued as consideration for the Acquisition; and
- (g) a voting exclusion statement is included in the Notice.

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## **5. Resolution 2 - Approval to issue Contacio Options**

### **5.1 General**

Resolution 2 seeks Shareholder approval for the issue of up to 10,000,000 Options at an issue price of \$0.005 each and an expiry date of 2 years from the date of issue to Contacio in consideration for ongoing consultancy services and facilitating the Acquisition.

Resolution 2 is an ordinary resolution and is subject to the approval of the other Interconditional Resolution.

The Chair will cast all available proxies in favour of Resolution 2.

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

## 5.2 Listing Rule 7.1

A summary of Listing Rule 7.1 is set out in Section 4.1 above.

The effect of Resolution 2 will be to allow the Company to issue the Contacio Options during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

## 5.3 Technical information required by Listing Rule 7.3

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to the Capital Raising:

- (a) the maximum number of Options to be issued is 10,000,000 Options;
- (b) the Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that the issue of the Options will occur on the same date;
- (c) the Options will be issued for nil cash consideration as they are being issued in consideration for services related to the Acquisition;
- (d) the Shares will be issued to Contacio Cove Pty Ltd, which is not a related party of the Company;
- (e) the Options proposed to be issued will be unquoted Options on the terms and conditions set out in Schedule 2 with an exercise price of \$0.005 and expiry date 2 years from the date issue;
- (f) no funds will be raised from the issue of the Earn-In Shares as they are being issued in consideration for ongoing consultancy services and facilitating the Acquisition; and
- (g) a voting exclusion statement is included in the Notice.

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## 6. Resolution 3 - Approval of Employee Securities Incentive Plan

### 6.1 General

Resolution 3 seeks Shareholder approval for the adoption of a new employee incentive plan titled "Clancy Exploration Limited Employee Securities Incentive Plan" in accordance with Listing Rule 7.2 exception 9(b).

The Board recommends that Shareholders vote in favour of Resolution 3.

Resolution 3 is an ordinary resolution.

The Chair intends to exercise all available proxies in favour of Resolution 3.

## 6.2 Listing Rule 7.1 and Listing Rule 7.2, exception 9(b)

A summary of Listing Rule 7.1 is in Section 4.1 above.

Listing Rule 7.2, exception 9(b) provides an exception to Listing Rule 7.1 such that issues of Equity Securities under an employee incentive scheme are exempt for a period of 3 years from the date on which shareholders approve the issue of Equity Securities under the scheme as an exception to Listing Rule 7.1.

If Resolution 3 is passed, the Company will be able to issue Equity Securities under the Plan to eligible participants over a period of 3 years without impacting on the Company's ability to issue up to 15% of its total ordinary securities without Shareholder approval in any 12 month period.

Shareholders should note that the Plan has not previously been approved by Shareholders and no Securities have previously been issued under the Plan.

Pursuant to the Listing Rules, Shareholders must re-approve the Plan and all unallocated Securities issuable pursuant thereto every 3 years.

The objective of the Plan is to attract, motivate and retain key Directors, employees and contractors and it is considered by the Company that the adoption of the Plan and the future issue of Equity Securities under the Plan will provide selected participants with the opportunity to participate in the future growth of the Company.

Any future issues of Equity Securities under the Plan to a related party or a person whose relation with the Company or the related party is, in ASX's opinion, such that approval should be obtained will require additional Shareholder approval under Listing Rule 10.14 at the relevant time.

A summary of the key terms and conditions of the Plan is set out in Schedule 3. In addition, a copy of the Plan is available for review by Shareholders at the registered office of the Company until the date of the Meeting. A copy of the Plan can also be sent to Shareholders upon request to the Company Secretary (Ms Oonagh Malone). Shareholders are invited to contact the Company if they have any queries or concerns.

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## 7. Resolutions 4, 5, 6 and 7 - Issue of Performance Rights to Directors under the Plan

### 7.1 Background

Mr David Lenigas, the Company's Chairman, will transition from Non-Executive Chairman to Executive Chairman of the Company, reflecting the increased role Mr Lenigas will take in all aspects of the Company's activities, and the increased commitment required due to the proposed Acquisition. Mr Lenigas, as Executive Chairman, will focus primarily on strategy, strategic relationships and the capital markets.

As part of the remuneration package for Mr Lenigas, the Company agreed to issue Performance Rights to Mr Lenigas (or his nominee), subject to the receipt of prior Shareholder approval.

Resolution 4 seeks Shareholder approval for the issue of these Performance Rights to Mr Lenigas.

The issue of a further 62,000,000 Performance Rights will be made to the remaining board members.

Resolutions 5, 6 and 7 seeks Shareholder approval for the issue of these Performance Rights to Messrs Scott Patrizi, Shaun Hardcastle and David Scoggin respectively.

## **7.2 Chapter 2E of the Corporations Act**

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The grant of the Performance Rights constitutes giving a financial benefit and Messrs Lenigas, Patrizi, Hardcastle and Scoggins are related parties of the Company by virtue of being Directors.

The Directors consider that the granting of the Performance Rights to each of the directors constitutes reasonable remuneration to them given both the Company's circumstances and the responsibilities involved in each of the directors' role on the board. On this basis, as the provision of such a benefit is expressly permitted by section 211(1) of the Corporations Act, the Board does not consider the Company is required to seek Shareholder approval for the purposes of Chapter 2E of the Corporations Act in order to give each of the directors the financial benefit that is inherent in the issue of the Performance Rights.

## **7.3 Listing Rule 10.14**

Listing Rule 10.14 requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities under an employee incentive scheme to a director of the entity, an associate of the director, or a person whose relationship with the entity, director or associate of the director is, in ASX's opinion, such that approval should be obtained.

Resolutions 4, 5, 6 and 7 are being put to Shareholders to seek approval for the issue of the Performance Rights to the Directors pursuant to Listing Rule 10.14.

## **7.4 Specific information required by Listing Rule 10.15**

Pursuant to, and in accordance with the requirements of Listing Rule 10.15, the following information is provided in relation to the proposed issue of Performance Rights:

- (a) the Performance Rights will be issued under the Plan to the following Directors:
  - (i) Mr David Lenigas;
  - (ii) Mr Scott Patrizi;
  - (iii) Mr Shaun Hardcastle; and

(iv) Mr David Scoggin.

(b) The maximum number of Performance Rights to be issued is 462,000,000, comprising:

Resolution	Class A	Class B	Class C	Class D	TOTAL
4	100,000,000	100,000,000	100,000,000	100,000,000	400,000,000
5	6,250,000	6,250,000	6,250,000	6,250,000	25,000,000
6	6,250,000	6,250,000	6,250,000	6,250,000	25,000,000
7	3,000,000	3,000,000	3,000,000	3,000,000	12,000,000
Total	115,500,000	115,500,000	115,500,000	115,500,000	462,000,000

(c) The Performance Rights will be issued for nil cash consideration as the Performance Rights are being issued as reasonable remuneration for Director services.

(d) No securities have previously been issued under the Plan.

(e) the persons referred to in Listing Rule 10.14 entitled to participate in the Plan are all of the current Directors, namely, Messrs Lenigas, Patrizi, Hardcastle and Scoggin.

(f) no loan has been provided to any of the Directors in relation to the issue of the Performance Rights;

(g) the Performance Rights will be issued no later than 12 months after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules); and

(h) a voting exclusion statement is included in the Notice.

## Schedule 1 Definitions

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

**\$ or A\$** means Australian Dollars.

**Acquisition** means the acquisition by the Company of the Project from the Vendors, as set out in Section 3.

**Ashgill** means Ashgill Australia Limited ACN 149 785 106.

**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.

**Atlas** means Atlas Managem SARL inscrite au register du commerce de Ouarzazate sous numéro 2281.

**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.

**Chater** means Chater S.A.RL.

**Cocam** means Cocam Pty Ltd ACN 613 586 708.

**Company** means Clancy Exploration Limited ACN 105 578 756.

**Contacio** means Contacio Cove Pty Ltd ACN 612 587 461.

**Contacio Option** means 10,000,000 unquoted Options to be issued to Contacio with an exercise price of \$0.005 and an expiry date 2 years from the date of issue, on the terms and conditions set out in Schedule 2.

**Completion** means completion of the Acquisition.

**Consultant** means Ashgill.

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

**Director** means a director of the Company.

**Earn-In Shares** means the 610,000,000 Shares to be issued to the Vendors.

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

**Explanatory Memorandum** means the explanatory memorandum which forms part of the Notice.

**g/t** means grams per tonne.

**Interconditional Resolutions** means Resolutions 1 and 2 (inclusive).

**ktpa** means kilo tonnes per annum.

**Licences** means the Licences set out in Section 3.3.

**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.

**Noureddine** means Mr Alouani Noureddine and Mme Alouani Jamila.

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

**Optionholder** means an optionholder of the Company.

**Plan** means the Clancy Exploration Limited Employee Securities Incentive Plan.

**Proxy Form** means the proxy form attached to the Notice.

**Resolution** means a resolution referred to in the Notice.

**Sale Agreement** means the binding term sheet between the Company, Atlas and the Vendors relating to the Acquisition.

**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.

**Stage** means any one of Stages 1, 2, 3, 4 of 5 of the Acquisition, as the case may be.

**US\$** means United States dollar.

**Vendors** means Ashgill, Noureddine and Cocam.

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

## Schedule 2 Terms and Conditions of the Contacio Options

### 1. Entitlement

Each Option entitles the holder to subscribe for one fully paid ordinary share in the capital of the Company (**Share**) upon exercise of the Option.

### 2. Exercise Price and Expiry Date

The Options have an exercise price of \$0.005 (**Exercise Price**) and an expiry date of 5:00pm (WST) on the date that is 2 years from the date of issue (**Expiry Date**).

An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

### 3. Exercise Period

The Options are exercisable at any time and from time to time on or prior to the Expiry Date.

### 4. Quotation of the Options

The Options will be unquoted.

### 5. Transferability of the Options

The Options are not transferable, except with the prior written approval of the Company.

### 6. Notice of Exercise

The Options may be exercised by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

Any Notice of Exercise of an Option received by the Company will be deemed to be a notice of the exercise of that Option as at the date of receipt.

### 7. Lodgement Instructions

Cheques shall be in Australian currency made payable to the Company and crossed "Not Negotiable". The application for Shares on exercise of the Options with the appropriate remittance should be lodged at the Company's Registry.

### 8. Shares Issued on Exercise

Shares issued on exercise of the Options rank equally with the Shares of the Company.

### 9. Quotation of Shares on Exercise

Application will be made by the Company to ASX, on the Business Day the Shares are issued, for quotation of the Shares issued upon the exercise of the Options.

## 10. Timing of Issue of Shares

- (a) Subject to paragraph 10(b) below, within 3 Business Days after receipt of a Notice of Exercise given in accordance with these terms and conditions and payment of the Exercise Price for each Option being exercised, the Company must:
- (i) issue the Shares pursuant to the exercise of the Options;
  - (ii) give ASX a notice that complies with section 708A(5)(e) of the Corporations Act; and
  - (iii) apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.
- (b) If the Company is not then permitted to issue a cleansing notice under section 708A(5)(e) of the Corporations Act, the Company must either:
- (i) issue a prospectus on the date that the Shares are issued under paragraph (a) above (in which case the date for issuing those Shares may be extended to not more than 25 Business Days after the receipt of the Exercise Notice, to allow the Company time to prepare that prospectus); or
  - (ii) issue a prospectus before the date that the Shares are issued under paragraph (a) above, provided that offers under that prospectus must still be open for acceptance on the date those Shares are issued,
- in accordance with the requirements of section 708A(11) of the Corporations Act.

## 11. Participation in New Issues

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 3 business days after the issue is announced. This will give the holders of Options the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.

## 12. Adjustment for Bonus Issues of Shares

If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment):

- (a) the number of Shares which must be issued on the exercise of an Option will be increased by the number of Shares which the Optionholder would have received if the Optionholder had exercised the Option before the record date for the bonus issue; and
- (b) no change will be made to the Exercise Price.

## 13. Adjustment for Entitlements Issue

If the Company makes an issue of Shares pro rata to existing Shareholders (other than as a bonus issue, to which paragraph 12 will apply) there will be no adjustment of the

Exercise Price of an Option or the number of Shares over which the Options are exercisable.

**14. Adjustments for Reorganisation**

If there is any reorganisation of the issued share capital of the Company, the rights of the Optionholders will be varied in accordance with the Listing Rules.

## Schedule 3 Summary of Employee Securities Incentive Plan

The Company has established an employee securities incentive plan (**Plan**). The full terms of the Plan may be inspected at the registered office of the Company during normal business hours. A summary of the terms of the Plan is set out below.

### 1. Eligible Participant

Eligible Participant means a person that:

- (a) is an "eligible participant" (as that term is defined in ASIC Class Order 14/1000) in relation to the Company or an Associated Body Corporate (as that term is defined in ASIC Class Order 14/1000); and
- (b) has been determined by the Board to be eligible to participate in the Plan from time to time.

### 2. Purpose

The purpose of the Plan is to:

- (a) assist in the reward, retention and motivation of Eligible Participants;
- (b) link the reward of Eligible Participants to Shareholder value creation; and
- (c) align the interests of Eligible Participants with shareholders of the Group (being the Company and each of its Associated Bodies Corporate), by providing an opportunity to Eligible Participants to receive an equity interest in the Company in the form of Securities.

### 3. Plan administration

The Plan will be administered by the Board. The Board may exercise any power or discretion conferred on it by the Plan rules in its sole and absolute discretion. The Board may delegate its powers and discretion.

### 4. Eligibility, invitation and application

- (a) The Board may from time to time determine that an Eligible Participant may participate in the Plan and make an invitation to that Eligible Participant to apply for Securities on such terms and conditions as the Board decides.
- (b) On receipt of an Invitation, an Eligible Participant may apply for the Securities the subject of the invitation by sending a completed application form to the Company. The Board may accept an application from an Eligible Participant in whole or in part.
- (c) If an Eligible Participant is permitted in the invitation, the Eligible Participant may, by notice in writing to the Board, nominate a party in whose favour the Eligible Participant wishes to renounce the invitation.

### 5. Grant of Securities

The Company will, to the extent that it has accepted a duly completed application, grant the Participant the relevant number of Securities, subject to the terms and conditions set out in the invitation, the Plan rules and any ancillary documentation required.

## 6. Terms of Convertible Securities

Each 'Convertible Security' represents a right to acquire one or more Shares (for example, under an option or performance right), subject to the terms and conditions of the Plan.

Prior to a Convertible Security being exercised a Participant does not have any interest (legal, equitable or otherwise) in any Share the subject of the Convertible Security by virtue of holding the Convertible Security. A Participant may not sell, assign, transfer, grant a security interest over or otherwise deal with a Convertible Security that has been granted to them. A Participant must not enter into any arrangement for the purpose of hedging their economic exposure to a Convertible Security that has been granted to them.

## 7. Vesting of Convertible Securities

Any vesting conditions applicable to the grant of Convertible Securities will be described in the invitation. If all the vesting conditions are satisfied and/or otherwise waived by the Board, a vesting notice will be sent to the Participant by the Company informing them that the relevant Convertible Securities have vested. Unless and until the vesting notice is issued by the Company, the Convertible Securities will not be considered to have vested. For the avoidance of doubt, if the vesting conditions relevant to a Convertible Security are not satisfied and/or otherwise waived by the Board, that Convertible Security will lapse.

## 8. Exercise of Convertible Securities and cashless exercise

To exercise a Convertible Security, the Participant must deliver a signed notice of exercise and, subject to a cashless exercise of Convertible Securities (see below), pay the exercise price (if any) to or as directed by the Company, at any time prior to the earlier of any date specified in the vesting notice and the expiry date as set out in the invitation.

An invitation may specify that at the time of exercise of the Convertible Securities, Participant may elect not to be required to provide payment of the exercise price for the number of Convertible Securities specified in a notice of exercise, but that on exercise of those Convertible Securities the Company will transfer or issue to the Participant that number of Shares equal in value to the positive difference between the Market Value of the Shares at the time of exercise and the exercise price that would otherwise be payable to exercise those Convertible Securities.

**Market Value** means, at any given date, the volume weighted average price per Share traded on the ASX over the 5 trading days immediately preceding that given date, unless otherwise specified in an invitation.

A Convertible Security may not be exercised unless and until that Convertible Security has vested in accordance with the Plan rules, or such earlier date as set out in the Plan rules.

## 9. Delivery of Shares on exercise of Convertible Securities

As soon as practicable after the valid exercise of a Convertible Security by a Participant, the Company will issue or cause to be transferred to that Participant the number of Shares to which the Participant is entitled under the Plan rules and issue a substitute certificate for any remaining unexercised Convertible Securities held by that Participant.

## 10. Forfeiture of Convertible Securities

Where a Participant who holds Convertible Securities ceases to be an Eligible Participant or becomes insolvent, all unvested Convertible Securities will automatically be forfeited by the Participant, unless the Board otherwise determines in its discretion to permit some or all of the Convertible Securities to vest.

Where the Board determines that a Participant has acted fraudulently or dishonestly, or wilfully breached his or her duties to the Group, the Board may in its discretion deem all unvested Convertible Securities held by that Participant to have been forfeited.

Unless the Board otherwise determines, or as otherwise set out in the Plan rules:

- (a) any Convertible Securities which have not yet vested will be forfeited immediately on the date that the Board determines (acting reasonably and in good faith) that any applicable vesting conditions have not been met or cannot be met by the relevant date; and
- (b) any Convertible Securities which have not yet vested will be automatically forfeited on the expiry date specified in the invitation.

## 11. Change of control

If a change of control event occurs in relation to the Company, or the Board determines that such an event is likely to occur, the Board may in its discretion determine the manner in which any or all of the Participant's Convertible Securities will be dealt with, including, without limitation, in a manner that allows the Participant to participate in and/or benefit from any transaction arising from or in connection with the change of control event.

## 12. Rights attaching to Plan Shares

All Shares issued under the Plan, or issued or transferred to a Participant upon the valid exercise of a Convertible Security, (**Plan Shares**) will rank *pari passu* in all respects with the Shares of the same class. A Participant will be entitled to any dividends declared and distributed by the Company on the Plan Shares and may participate in any dividend reinvestment plan operated by the Company in respect of Plan Shares. A Participant may exercise any voting rights attaching to Plan Shares.

## 13. Disposal restrictions on Plan Shares

If the invitation provides that any Plan Shares are subject to any restrictions as to the disposal or other dealing by a Participant for a period, the Board may implement any procedure it deems appropriate to ensure the compliance by the Participant with this restriction.

For so long as a Plan Share is subject to any disposal restrictions under the Plan, the Participant will not:

- (a) transfer, encumber or otherwise dispose of, or have a security interest granted over that Plan Share; or
- (b) take any action or permit another person to take any action to remove or circumvent the disposal restrictions without the express written consent of the Company.

#### **14. Adjustment of Convertible Securities**

If there is a reorganisation of the issued share capital of the Company (including any subdivision, consolidation, reduction, return or cancellation of such issued capital of the Company), the rights of each Participant holding Convertible Securities will be changed to the extent necessary to comply with the Listing Rules applicable to a reorganisation of capital at the time of the reorganisation.

If Shares are issued by the Company by way of bonus issue (other than an issue in lieu of dividends or by way of dividend reinvestment), the holder of Convertible Securities is entitled, upon exercise of the Convertible Securities, to receive an allotment of as many additional Shares as would have been issued to the holder if the holder held Shares equal in number to the Shares in respect of which the Convertible Securities are exercised.

Unless otherwise determined by the Board, a holder of Convertible Securities does not have the right to participate in a pro rata issue of Shares made by the Company or sell renounceable rights.

#### **15. Participation in new issues**

There are no participation rights or entitlements inherent in the Convertible Securities and holders are not entitled to participate in any new issue of Shares of the Company during the currency of the Convertible Securities without exercising the Convertible Securities.

#### **16. Amendment of Plan**

Subject to the following paragraph, the Board may at any time amend any provisions of the Plan rules, including (without limitation) the terms and conditions upon which any Securities have been granted under the Plan and determine that any amendments to the Plan rules be given retrospective effect, immediate effect or future effect.

No amendment to any provision of the Plan rules may be made if the amendment materially reduces the rights of any Participant as they existed before the date of the amendment, other than an amendment introduced primarily for the purpose of complying with legislation or to correct manifest error or mistake, amongst other things, or is agreed to in writing by all Participants.

#### **17. Plan duration**

The Plan continues in operation until the Board decides to end it. The Board may from time to time suspend the operation of the Plan for a fixed period or indefinitely, and may end any suspension. If the Plan is terminated or suspended for any reason, that termination or suspension must not prejudice the accrued rights of the Participants.

If a Participant and the Company (acting by the Board) agree in writing that some or all of the Securities granted to that Participant are to be cancelled on a specified date or on the occurrence of a particular event, then those Securities may be cancelled in the manner agreed between the Company and the Participant.

## Schedule 4 Terms and Conditions of the Performance Rights

The following terms and conditions apply to the Performance Rights:

### 1. Entitlement

Subject to the terms and conditions set out below, each Performance Right, once vested, entitles the holder, on exercise, to the issue of one fully paid ordinary share in the capital of the Company (**Share**).

### 2. Vesting Conditions

Subject to these terms and conditions, the vesting of a Performance Right subject to the satisfaction of the relevant Vesting Condition specified below and the holder remaining employed by the Company at the time the relevant Vesting Condition is satisfied.

Class	Number	Vesting Condition - vesting will occur:
A	115,500,000	12 months after the date that shareholders approve the Acquisition, provided that the holder does not resign from the Company's board ( <b>Board</b> ) before the vesting date
B	115,500,000	12 months after the date that the 10 day VWAP for the shares on the ASX is A\$0.01 or higher within 3 years from the date of issue, provided that the holder does not resign from the Board before the vesting date
C	115,500,000	12 months after the date that the 10 day VWAP for the shares on the ASX is A\$0.015 or higher within 3 years from the date of issue, provided that the holder does not resign from the Board before the vesting date
D	115,500,000	12 months after the date that the 10 day VWAP for the shares on the ASX is A\$0.02 or higher within 3 years from the date of issue, provided that the holder does not resign from the Board before the vesting date

### 3. Change of Control

Upon:

- (a) a takeover bid under Chapter 6 of the Corporations Act having:
  - (i) been made in respect of the Company;
  - (ii) received acceptances for not less than 50.1% of the Company's shares on issue; and
  - (iii) been declared unconditional by the bidder; or
- (b) a Court granting orders approving a compromise or arrangement for the purposes of or in connection with a scheme of arrangement for the reconstruction of the Company or its amalgamation with any other company or companies,

then, to the extent the Performance Rights have not vested due to satisfaction of the Vesting Condition, the Performance Rights automatically vest to that number of Shares which when issued together with all Shares issued under any other class of Performance Rights then on issue, is equal to the lesser of one Share per Performance Right and 10% of the total Shares on issue in the Company at that time. Performance Rights that are not vested and converted into Shares will continue to be held by the holder on the same terms and conditions.

#### **4. Expiry of Performance Rights**

A Performance Right will lapse upon the earlier to occur of:

- (a) the Vesting Condition becoming incapable of satisfaction due to the cessation of the holder's employment with the Company;
- (b) the Vesting Condition not being satisfied on or before the date that is 4 years after the issue date.

#### **5. Shares Issued on Exercise**

Shares issued on the exercise of a Performance Rights rank equally with the then Shares of the Company.

#### **6. No cash consideration**

The Performance Rights will be issued for nil cash consideration and no consideration will be payable upon the issue of Shares after vesting.

#### **7. Timing of issue of Shares**

- (a) As soon as practicable after the vesting of a Performance Right, the Company shall give written notice of the vesting to the holder.
- (b) Within 15 business days after the later of the following:
  - (i) vesting of a Performance Right; and
  - (ii) excluded information in respect to the Company (as defined in section 708A(7) of the Corporations Act) (if any) ceasing to be excluded information,the Company will:
  - (iii) issue the Shares pursuant to the exercise of the Performance Rights;
  - (iv) give ASX a notice that complies with section 708A(5)(e) of the Corporations Act; and
  - (v) apply for official quotation on ASX of Shares issued pursuant to the exercise of the Performance Rights.

#### **8. Quotation**

- (a) The Company will not apply for quotation of the Performance Rights on ASX.
- (b) Application will be made by the Company to ASX, on the business day the Shares are issued, for quotation of the Shares issued upon the exercise of the Performance Rights.

**9. Transferability of Performance Rights**

The Performance Rights are not transferable, except with the prior written approval of the Company.

**10. Participation in New Issues**

There are no participation rights or entitlements inherent in the Performance Rights and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of unvested Performance Rights.

**11. Adjustment for Bonus Issues of Shares**

If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment), the number of Shares which must be issued on the vesting of a Performance Right will be increased by the number of Shares which the holder would have received if the Performance Right had vested before the record date for the bonus issue.

**12. Adjustment for Entitlements Issue**

If the Company makes an issue of Shares pro rata to existing Shareholders (other than as a bonus issue, to which paragraph 11 will apply) there will be no adjustment to the number of Shares which will be issued upon the vesting of a Performance Right.

**13. Adjustments for Reorganisation**

If there is any reorganisation of the issued share capital of the Company, the rights of the holders of Performance Rights will be varied in accordance with the Listing Rules.

# CLANCY EXPLORATION LIMITED

ACN: 105 578 756

REGISTERED OFFICE:

SUITE 23  
513 HAY STREET  
SUBIACO WA 6008

SHARE REGISTRY:

Security Transfer Australia Pty Ltd

All Correspondence to:

PO BOX 52  
Collins Street West VIC 8007  
Suite 913, Exchange Tower  
530 Little Collins Street  
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T: 1300 992 916 F: +61 8 9315 2233

E: registrar@securitytransfer.com.au

W: www.securitytransfer.com.au

«EFT\_REFERENCE\_NUMBER»

«Company\_code» «Sequence\_number»

«Holder\_name»  
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«Address\_line\_3»  
«Address\_line\_4»  
«Address\_line\_5»

Code:

CLY

Holder Number:

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## PROXY FORM

THIS DOCUMENT IS IMPORTANT. IF YOU ARE IN DOUBT AS TO HOW TO DEAL WITH IT, PLEASE CONTACT YOUR STOCK BROKER OR LICENSED PROFESSIONAL ADVISOR.

**VOTE  
ONLINE**

Lodge your proxy vote securely at [www.securitytransfer.com.au](http://www.securitytransfer.com.au)

1. Log into the Investor Centre using your holding details.
2. Click on "Proxy Voting" and provide your Online Proxy ID to access the voting area.

«ONLINE

### SECTION A: Appointment of Proxy

I/We, the above named, being registered holders of the Company and entitled to attend and vote hereby appoint:

The meeting chairperson

OR

or failing the person named, or if no person is named, the Chairperson of the meeting, as my/our Proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the Proxy sees fit) at the General Meeting of the Company to be held at 10.00 am WST on Friday, 3 August 2018 at Suite 23, 513 Hay Street, Subiaco, Western Australia and at any adjournment of that meeting.  
IMPORTANT FOR RESOLUTIONS 3, 4, 5, 6 AND 7: If the Chairperson is your proxy, either by appointment or by default, and you have not indicated your voting intention below, you expressly authorise the Chairperson to exercise the proxy in respect of Resolutions 3, 4, 5, 6 and 7, even though these Resolutions are connected directly or indirectly with the remuneration of the Company's Key Management Personnel.

### SECTION B: Voting Directions

Please mark "X" in the box to indicate your voting directions to your Proxy. The Chairperson of the Meeting intends to vote undirected proxies in FAVOUR of all the resolutions. In exceptional circumstances, the Chairperson of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

#### RESOLUTION

1. Approval to issue Earn-In Shares
2. Approval to issue Contacio Options
3. Approval of Employee Securities Incentive Plan
4. Approval to issue Performance Rights to Mr David Lenigas
5. Approval to issue Performance Rights to Mr Scott Patrizi
6. Approval to issue Performance Rights to Mr Shaun Hardcastle
7. Approval to issue Performance Rights to Mr David Scoggin

For Against \*Abstain

For	Against	*Abstain
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If no directions are given my proxy may vote as the proxy thinks fit or may abstain. \* If you mark the Abstain box for a particular item, you are directing your Proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

### SECTION C: Signature of Security Holder(s)

This section must be signed in accordance with the instructions overleaf to enable your directions to be implemented.

Individual or Security Holder

Security Holder 2

Security Holder 3




Sole Director & Sole Company Secretary

Director

Director/Company Secretary

Proxies must be received by Security Transfer Australia Pty Ltd no later than 10.00 am WST on Wednesday, 1 August 2018

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My/Our contact details in case of enquiries are:

Name:

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Number:

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### 1. NAME AND ADDRESS

This is the name and address on the Share Register of the Company. If this information is incorrect, please make corrections on this form. Shareholders sponsored by a broker should advise their broker of any changes. Please note that you cannot change ownership of your shares using this form.

### 2. APPOINTMENT OF A PROXY

If the person you wish to appoint as your Proxy is someone other than the Chairperson of the Meeting please write the name of that person in Section A. If you leave this section blank, or your named Proxy does not attend the meeting, the Chairperson of the Meeting will be your Proxy. A Proxy need not be a shareholder of the Company.

### 3. DIRECTING YOUR PROXY HOW TO VOTE

To direct the Proxy how to vote place an "X" in the appropriate box against each item in Section B. Where more than one Proxy is to be appointed and the proxies are to vote differently, then two separate forms must be used to indicate voting intentions.

### 4. APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two (2) persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second Proxy, an additional Proxy form may be obtained by contacting the Company's share registry or you may photocopy this form.

To appoint a second Proxy you must:

- a) On each of the Proxy forms, state the percentage of your voting rights or number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each Proxy may exercise, each Proxy may exercise half of your votes; and
- b) Return both forms in the same envelope.

### 5. SIGNING INSTRUCTIONS

**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 must sign.

**Power of Attorney:** to sign under Power of Attorney you must have already lodged this document with the Company's share registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** where the Company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the Company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director may sign alone. Otherwise this form must be signed by a Director jointly with either another Director or Company Secretary. Please indicate the office held in the appropriate place.

If a representative of the corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be lodged with the Company before the meeting or at the registration desk on the day of the meeting. A form of the certificate may be obtained from the Company's share registry.

### 6. LODGEMENT OF PROXY

Proxy forms (and any Power of Attorney under which it is signed) must be received by Security Transfer Australia Pty Ltd no later than the date and time stated on the form overleaf. Any Proxy form received after that time will not be valid for the scheduled meeting.

The proxy form does not need to be returned to the share registry if the votes have been lodged online.

#### Security Transfer Australia Pty Ltd

<b>Online</b>	www.securitytransfer.com.au
<b>Postal Address</b>	PO BOX 52 Collins Street West VIC 8007
<b>Street Address</b>	Suite 913, Exchange Tower 530 Little Collins Street Melbourne VIC 3000
<b>Telephone</b>	1300 992 916
<b>Facsimile</b>	+61 8 9315 2233
<b>Email</b>	registrar@securitytransfer.com.au

### PRIVACY STATEMENT

Personal information is collected on this form by Security Transfer Australia Pty Ltd as the registrar for securities issuers for the purpose of maintaining registers of security holders, facilitating distribution payments and other corporate actions and communications. Your personal details may be disclosed to related bodies corporate, to external service providers such as mail and print providers, or as otherwise required or permitted by law. If you would like details of your personal information held by Security Transfer Australia Pty Ltd or you would like to correct information that is inaccurate please contact them on the address on this form.

