

MOROCCO COBALT ACQUISITION UPDATE

HIGHLIGHTS

- Clancy extends timeframe, by mutual agreement, by 30 days to close exclusive deal to acquire up to 100% of key cobalt licences immediately adjacent to the world famous Bou Azzer (also referred to as Bou Azzar) Cobalt mine in Morocco.
- Independent mining industry consultants, CSA Global Pty Ltd, have been contracted by Clancy to conduct an independent geological review of the Moroccan licences and advise on future exploration.
- Rock samples from Morocco have now arrived at SGS Laboratories in Perth for assay and thin section analysis and results are expected shortly.

David Lenigas, Clancy Exploration's Chairman, commented, "We have engaged CSA Global's Perth office to conduct an independent review of the Moroccan licences and this review will form an integral part of the disclosure when the deal is put to shareholders shortly. It was necessary to seek the extension of time from Atlas Managem so as to complete the necessary due diligence and allow sufficient time to obtain the assay results back from SGS Labs in Perth of the rock chip/grab samples collected by CSA Global from the project areas."

Clancy Exploration Limited (ASX: CLY) ("Clancy" or the "Company") announces that a letter agreement has been signed between the parties, extending the period of time by which Clancy may complete conditions relating to its agreement to acquire up to a 100% interest in 3 licences in Morocco ("Licences") ("Sale Agreement") through the staged acquisition of Atlas Managem S.A.R.L ("Atlas") ("Acquisition").



Figure 1: The Bou Azzer Cobalt Mine taken from the Bou Amzil Licence looking east.

On 10 April 2018, the Company announced the signing of the Sale Agreement, which provided Clancy with a period of 60 days to undertake due diligence on Atlas, its subsidiaries and the Licences to its satisfaction, and 90 days with which to obtain the requisite shareholder approvals for the Acquisition.

Clancy, by mutual agreement with Atlas, Cocam Pty Ltd and the shareholders of Atlas, has signed a letter agreement extending the period by which it may conduct exclusive due diligence and obtain shareholder approval by 30 days ("**Letter Agreement**"), such that Clancy will now have 90 days from the signing of the Sale Agreement to conduct due diligence and 120 days to obtain shareholder approval.

Clancy aims to circulate a notice of meeting to shareholders in respect of the Acquisition shortly.

Following a recent site investigation by CSA Global Pty Ltd, the initial rock chip program to provide samples for geochemical analysis was increased from six to sixteen. All samples were sent to Perth, Australia for analysis, arriving prior to the end of May and assay results are expected shortly.

MOROCCAN COBALT LICENCES

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

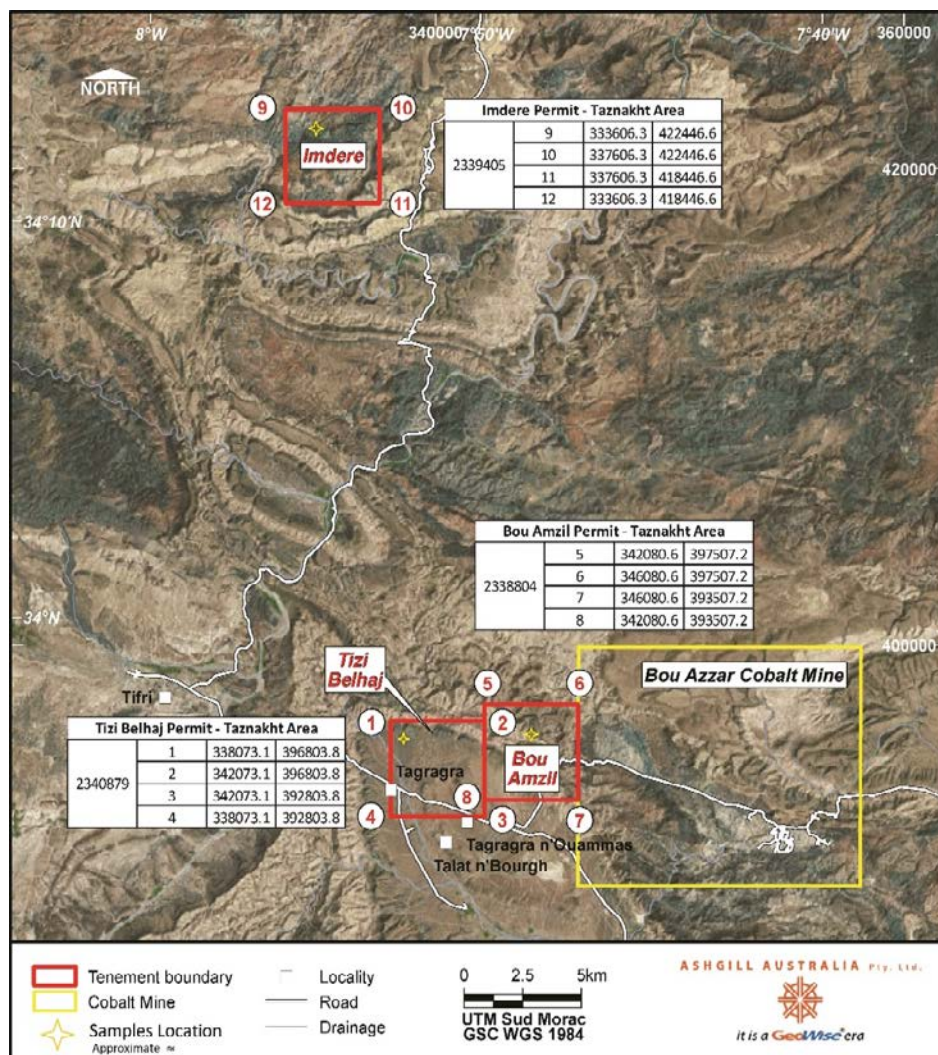


Figure 2: Location of the 3 licences to be acquired in Morocco with recent sampling locations marked.

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

- More than 50 deposits in the district, mined over 75 years with production of over 100kt of cobalt, 1,000's of tonnes of silver and tens of tonnes of gold;
- Current production of ~2ktpa of cobalt at an estimated head grade of 1.3% cobalt and up to ~3-4 g/t gold, total current resources and reserves of 17,800 tonnes of cobalt.¹

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

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

COMPETENT PERSONS' STATEMENTS

The information in this document that relates to Exploration Results in respect of the Cobalt Licenses in Morocco was reported by the Company in announcements released to ASX on 10 April 2018 and 20 April 2018. The Company confirms that it is not aware of any new information or data that materially affects these Exploration Results.

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