CLANCY EXPLORATION

Annual Report
For the year ended 30 June 2018

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CORPORATE DIRECTORY

Directors	Mr David Lenigas Executive Chairman Mr Shaun Hardcastle Non-executive Director Mr Scott Patrizi Non-executive Director Mr David Scoggin Non-executive Director
Company Secretary	Ms Oonagh Malone
Registered Office	Suite 23, 513 Hay Street Subiaco WA 6008
Share Registry	Automic Registry Services Level 2, 267 St Georges Terrace Perth WA 6000 Tel: 1300 288 664
Auditor	Walker Wayland WA Audit Pty Ltd Level 3 1 Preston Street Como WA 6152
Securities Exchange Listing	Australian Securities Exchange Level 40, Central Park 152 – 158 St Georges Terrace Perth Western Australia 6000 Codes: CLY, CLYO

REVIEW OF OPERATIONS

MOROCCAN COBALT PROJECT

On 10 April 2018, Clancy Exploration Limited (**Clancy** or **the Company**) was pleased to announce the signing of an agreement to acquire, subject to shareholder and regulatory approvals, up to a 100% interest in 3 licences in Morocco through a staged acquisition of Atlas Managem SARL (**Acquisition**). Shareholder approval was received on 3 August 2018 and on 25 October 2018, the Company completed Stage 1 of the Acquisition for a 20% interest.

Each of the licences is 16 km^2 in size (highlighted in red in Figure 1), 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.

In addition, the Company signed an agreement on 23 July 2018 to acquire a newly approved exploration licence (EL 3842226) (highlighted in blue in Figure 1) in Morocco from local company Chater SARL (**Chater**) for a cash consideration of US$50,000 to increase the Company's land package in Morocco. EL 3842226 is adjacent to the Bou Amzil licence and has been granted for a period of 3 years through to 12 July 2021.

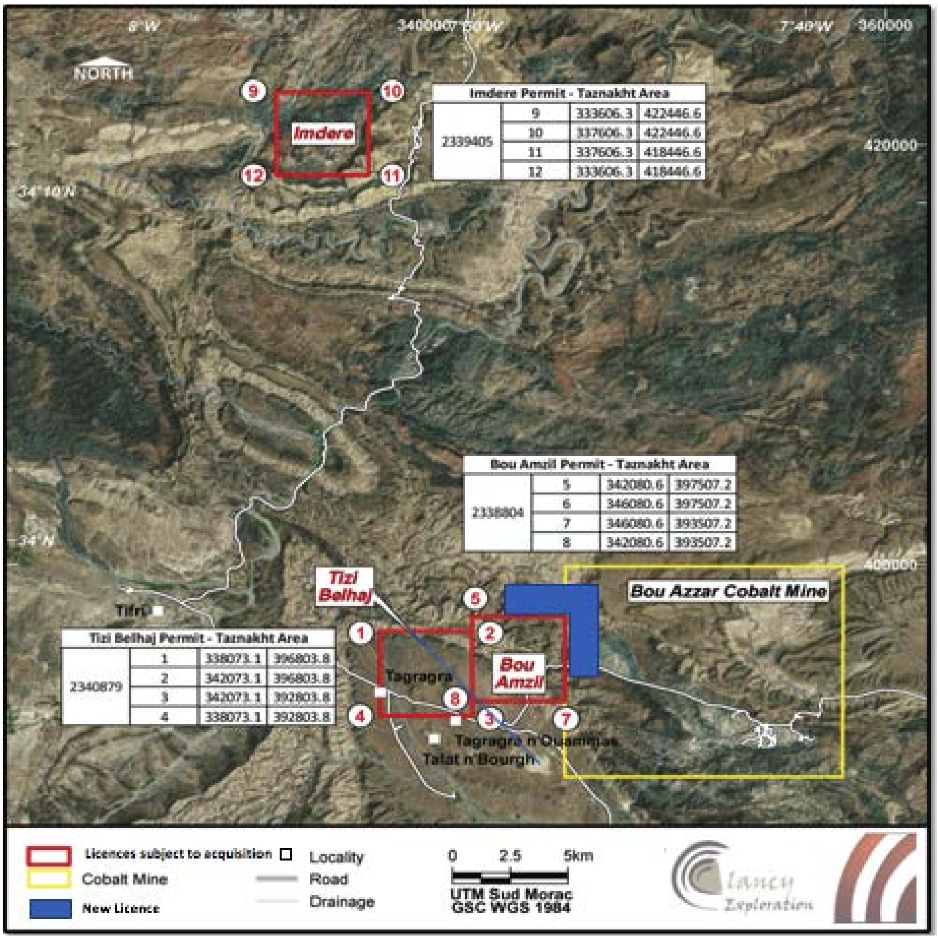

Figure 1: Location of the 3 Moroccan licences the subject of the Acquisition (red outline) and the additional newly granted licence (blue shading).

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

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

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

Figure 2: The Bou Azzer Cobalt Mine taken from the Bou Amzil Licence looking east.

Initial Field Work Program Overview

During the quarter, an initial field work program was completed aimed at providing an understanding of the logistics in terms of conducting field-based exploration programs across each site and identifying the significance of outcropping and subsurface mineralisation and its continuation to the depth of the basement rocks that contain Serpentine, the main cobalt host rocks.

Identified outcrops contain Malachite/Azurite (Copper Carbonates) and Chalcopyrite (Copper Sulphide) mineralisation at surface. In the adjacent Bou Azzer mine area, the cobalt mineralised structures being mined are expressed at surface as copper-rich zones, such as have been identified and sampled in the Clancy reconnaissance trip.

Where evident, mineralised outcrops were photographed, geologically described and six grab samples were collected from historical trenches (four samples from Tizi Belhaj trenches, one sample from Bou Amzil trench and one from a trench at Imeder). The trenches averaging 2m in depth. The sample from Imeder was collected from an outcropping vein.

Clancy appointed independent mining industry consultants, CSA Global Pty Ltd (**CSA Global**) to conduct an independent geological review of the Moroccan licences and advise on future exploration. As part of this review process, CSA Global's Tony Donaghy conducted a 5-day site visit to the Bou Amzil, Tizi Belhaj and Imdere tenements between 25 and 30 April 2018.

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

As part of the site visit review, particular attention was paid to visiting the sites of surface copper mineralisation previously reported by Clancy on 20 April, 2018[1] to try to understand their geological context. Samples were taken at all sites visited and sent to the SGS laboratory in Perth, Australia, for analysis. Of the fifteen sampled analysed, 9 returned copper grades above 1%[2]. The key results of the analyses are presented in Table 1 below and full details are set out in the Company's announcement dated 25 June 2018.

Table 1. Whole rock analytical results for reconnaissance rock samples collected, Bou Amzil, Tizi Belhaj and Imdere

		UTM WGS 84 Z29N		Ca	Fe	S	Cu	Ni	Pb	Zn	Au	Ag	As	Co
Sample	**Tenement**	**East**	**North**	**%**	**%**	**%**	**%**	**%**	**%**	**%**	**ppb**	**ppm**	**ppm**	**ppm**
BKBMZ-1	Bou Amzil	691324	3381332	12.40	2.68	0.11	1.90	-	0.05	0.04	37	2.63	134	11
BKMDR-1A	Imdere	679982	3406576	0.36	5.31	0.02	4.70	-	-	0.02	36	1.96	450	32
BKMDR-1B	Imdere	679982	3406576	0.28	4.71	0.02	4.72	-	-	0.01	26	1.24	297	27
BKMDR1-TS2	Imdere	679303	3406861	0.24	4.14	0.01	7.48	-	-	0.02	92	1.16	397	17
BKMDR-2A	Imdere	679490	3406796	0.22	30.60	0.01	0.55	-	-	-	8	0.96	16	39
BKMDR-2B	Imdere	679490	3406796	0.27	23.70	0.01	0.62	-	-	-	9	1.51	18	36
BKMRD-TD1	Imdere	679303	3406861	0.35	26.50	0.02	4.39	-	-	-	14	1.04	48	15
BKMRD-TD2	Imdere	679303	3406861	0.07	28.90	0.01	0.52	-	-	-	3	1.08	16	21
MDR-GS-TSA	Imdere	680021	3406529	0.25	8.50	0.01	2.91	0.01	-	0.04	17	1.43	267	85
TDMDR-TSX1	Imdere	679303	3406861	0.18	37.00	0.01	0.15	-	-	-	9	0.28	30	25
TDMDR-TSX2	Imdere	679303	3406861	0.23	11.60	0.01	0.21	0.03	-	-	4	0.19	36	61
BKZTR-XA	Tizi Belhaj	684303	3382077	4.35	3.55	0.32	5.68	-	-	-	13	1.18	12	27
BKZTR-XB	Tizi Belhaj	684303	3382077	6.38	4.78	0.18	17.00	-	-	-	14	0.47	52	59
BKZTR-XC	Tizi Belhaj	684303	3382077	7.29	4.05	0.01	0.71	-	-	-	7	0.21	11	22
BKZTR-XD	Tizi Belhaj	684303	3382077	6.45	11.70	0.21	8.90	-	-	-	11	1.22	18	49

[1] Clancy Exploration Limited ASX news release dated 20 April 2018 - MULTIPLE MINERALISED OUTCROPS DISCOVERED ACROSS MOROCCAN LICENCES – the Company is not aware of any new information or data that materially affects the information included in the market announcement.

[2] Clancy Exploration Limited ASX news release dated 25 June 2018 - HIGH GRADE COPPER RESULTS RECEIVED FROM MOROCCAN LICENCES - – the Company is not aware of any new information or data that materially affects the information included in the market announcement.

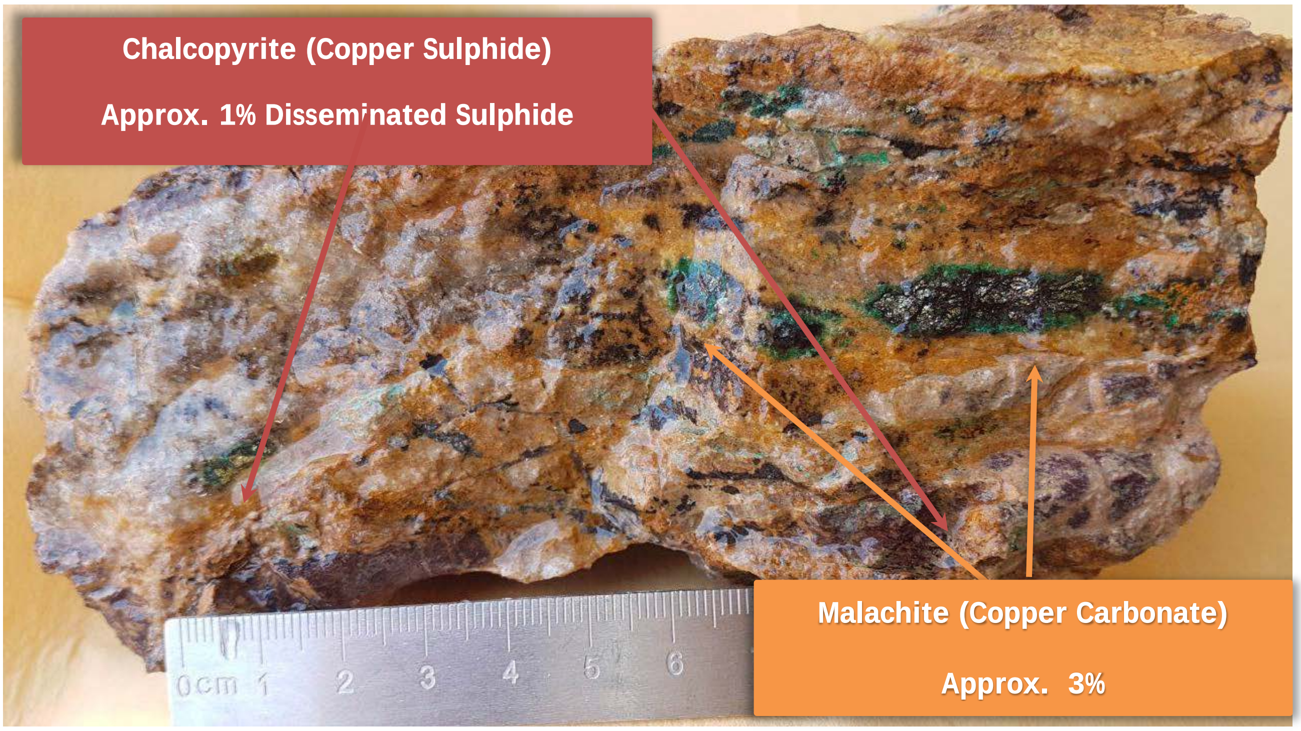


Figure 3: Bou Amzil - Sub-Surface Sample - Chalcopyrite & Malachite Mineralisation (691,646mE, 3,381,877mN)

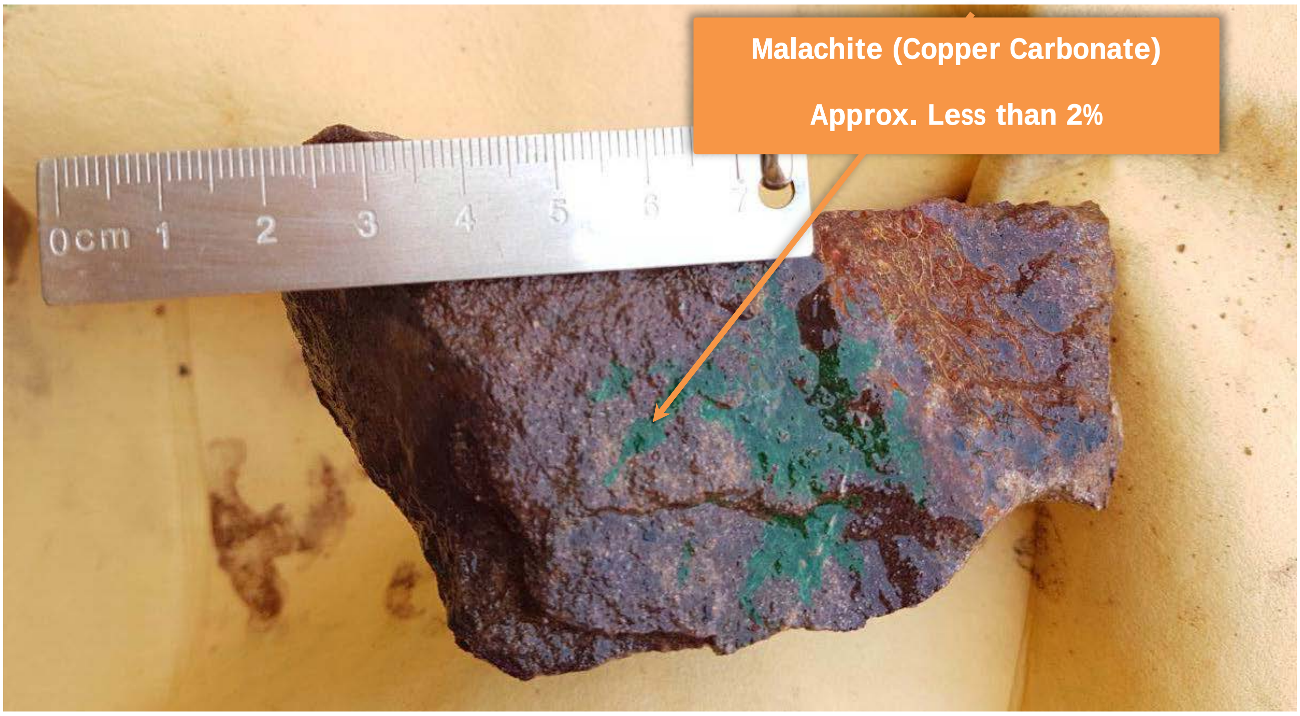


Figure 4: Tizi Belhaj - Malachite Mineralisation from Historical Trench at 2m depth (684,303mE, 3,382,069mN)

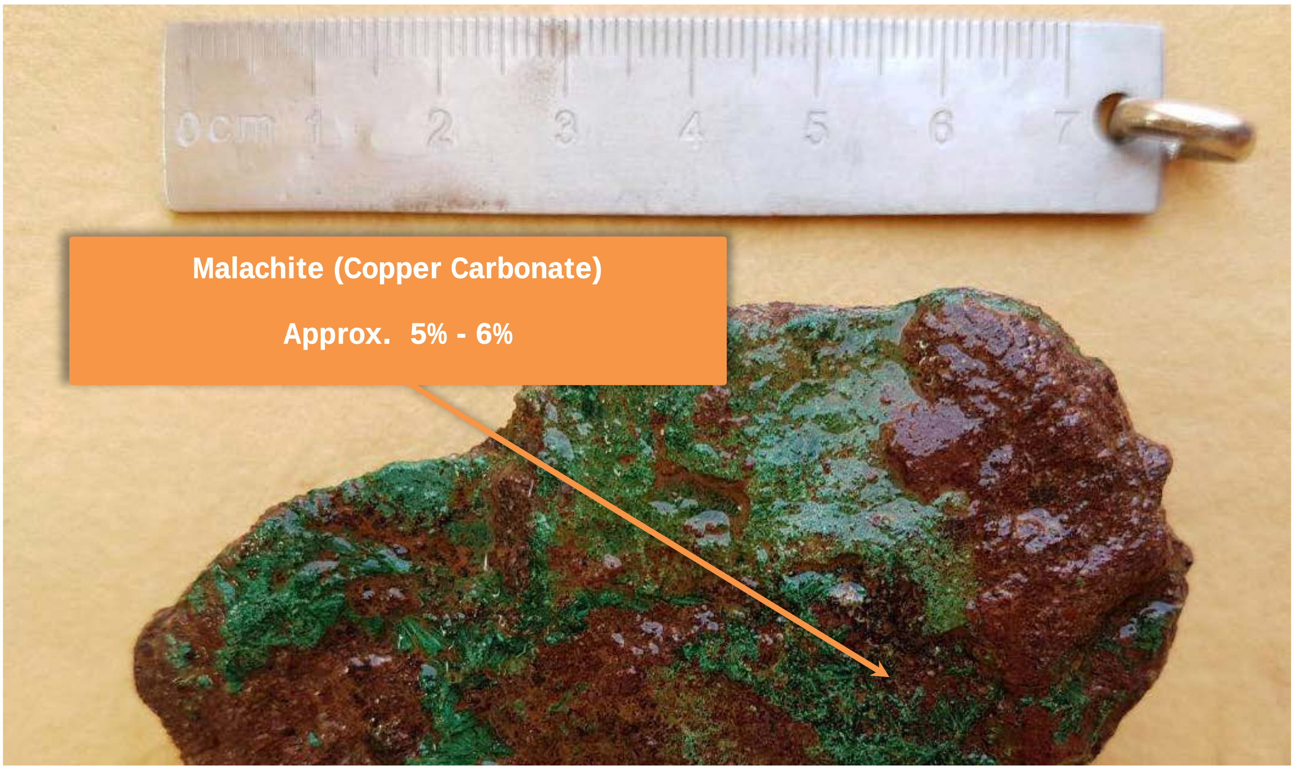


Figure 5: Tizi Belhaj - Malachite Mineralisation from Historical Trench at 2m Depth (684,303mE, 3,382,069mN)

Figure 6: Tizi Belhaj - Crystal Malachite Mineralisation from Historical Trench at 2m Depth (684,303mE, 3,382,069mN)

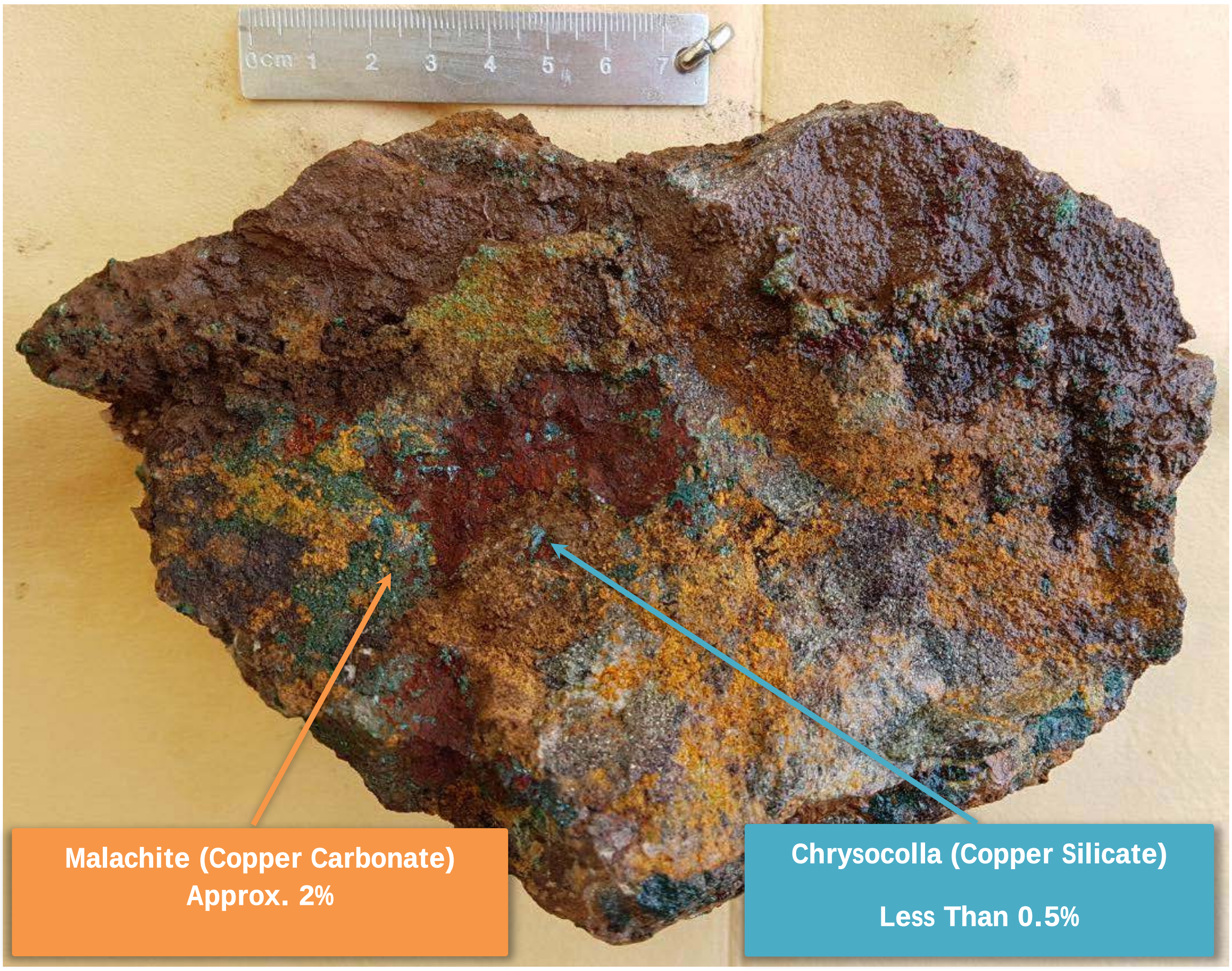


Figure 7: Tizi Belhaj - Malachite & Chrysocolla oxide copper mineralisation from gossan within historical trench at <2m depth (684,303mE, 3,382,069mN)

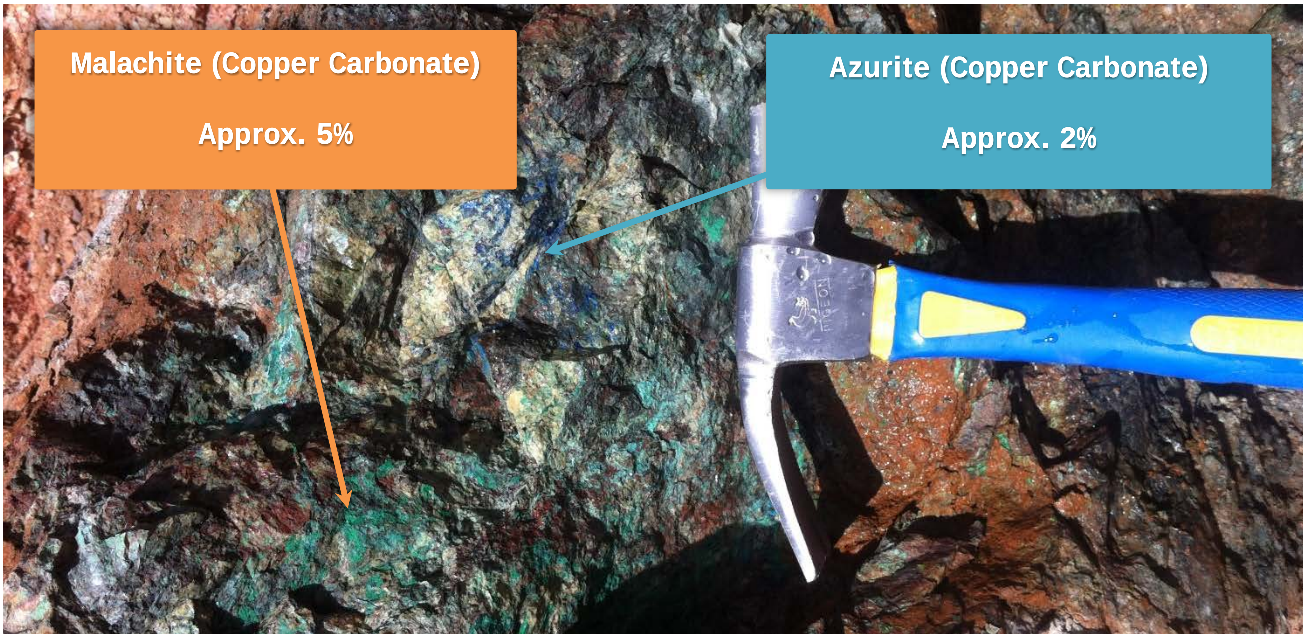


Figure 8: Imeder – In situ Surficial Copper Oxide Mineralisation (679,982mE, 3,406,576mN)

HONG KONG GOLD PROJECT, PILBARA REGION, WESTERN AUSTRALIA

In December 2017, Clancy acquired 100% of the Hong Kong Gold Project from Red Field Pty Ltd. Following the acquisition of Clancy's Moroccan Cobalt Project, the Company made the strategic decision to enter into a joint venture over the Hong Kong Project to focus on its cobalt assets. On 11 October 2018, Clancy announced it had entered into a binding Letter of Intent (**LOI**) with Canadian listed Pacton Gold Inc (**Pacton**) which, on closing and subject to certain conditions, will provide for Pacton to acquire a 70% equity interest in Clancy's Hong Kong Project in the Pilbara (Exploration Licence E47/3566 covering 40.15 km^2).

Under the transaction, Pacton will pay a total consideration of CAD$1.7 million (AUD$1.85m[1]) comprising:

- CAD$25,000 non-refundable deposit.
- CAD$175,000 at completion.
- Clancy receiving CAD$1,500,000 worth of Pacton shares based on a 10-day VWAP as of 11 October 2018.

Upon completion of the acquisition, Pacton and Clancy will enter into a joint venture, with Pacton acting as operator of the Hong Kong Project. A minimum of CAD$500,000 must be spent by Pacton on Hong Kong within two years of completion of the transaction. Clancy will be free carried with respect to joint venture expenditure until a decision to mine is made unanimously by both parties.

This transaction is subject to Pacton obtaining final acceptance of the transaction from the TSX Venture Exchange, any approvals required by law being obtained and the Exploration Licence being in good standing.

The transaction is also conditional on the parties entering into a formal sale and joint venture agreement within 45 days of the date of the LOI, failing which either party may terminate the LOI.

The Hong Kong Project contains over five strike kilometres of lower Fortescue Group rocks including both the Hardey Formation and the Mount Roe Basalt, as mapped by the Geological Survey of Western Australia, with Novo Resources describing this stratigraphy as being "the key to the recent new conglomerate gold discoveries in the region". Previous explorers have also targeted Archaean lode hosted gold mineralisation and VMS mineralisation.

The Hong Kong Project includes historical eluvial and alluvial gold mines located at Hong Kong Far West, Empress North and John Bull West. As announced on 1 December 2017, high-grade rock chip samples across the project tenure include:

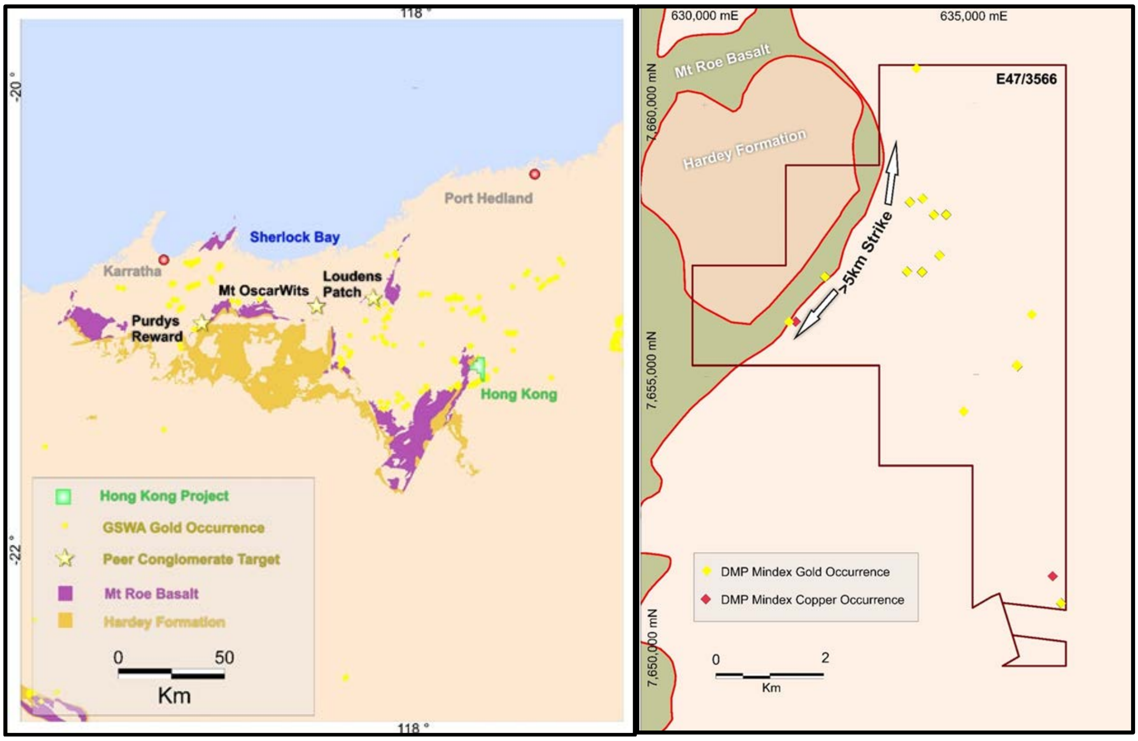
- **71.4g/t Au** from John Bull Prospect
- **45.5g/t Au & 6.9g/t Au** from Last Chance Prospect
- **33.2g/t Au** from Princess May South Prospect
- **14.9g/t Au** from Foochow Prospect
- **5.4g/t Au** from Hong Kong Prospect[2]

During the course of the year, the Company progressed Phase 1 of its maiden exploration program targeting conglomerate hosted gold, lode gold and VHMS mineralisation on the Hong Kong Project. A review of historical data resulted in the development of a program of works with early focus concentrated along the exposed sections of the lower Fortescue Group.

[1] Total consideration valued on exchange rate of 1.09

[2] The Company is not aware of any new information or data that materially affects the information included in the market announcement.

The Company also engaged with relevant Aboriginal communities to progress Native Title and Heritage approvals.



Figures 9 & 10: Location of Hong Kong Project and prospective strike length of the basal contact of the Mt Roe Basalt.

LEOGANG COBALT NICKEL PROJECT, AUSTRIA

In mid-2017, the Company was granted exploration licences over the Leogang Cobalt-Nickel Project covering approximately 80km^2 in the Salzburg and Kitzbuhel regions in western Austria. Subsequently, Cadence Minerals Plc acquired a 10% interest in the licences held by Clancy and both parties entered into a joint venture.

The Leogang acquisition delivered a significant land position in the prospective dolomite belt in western Austria.

- Nickel and cobalt were mined in the region from the mid-16th century when Leogang was famed for the richness of its cobalt and nickel mineralisation.
- Mining peaked in the late 1700’s but the market fell away after the Napoleonic Wars.
- Licences were originally targeted to cover each historical mine and further extensions of the host dolomitic mineralisation.

As announced on 5 September 2017, it subsequently transpired that Clancy had priority rights, under Austrian law, over 172 of our 200 granted licences and next-in-line rights over the balance.

Figure 11: Regional Location Plan of Leogang Project

Clancy continues to hold priority interests in 172 licences covering approximately 68 km^2 at Leogang. This includes the areas around, but not immediately surrounding, the historical mines and extensions through the dolomite which was the target mineralisation for the original applications.

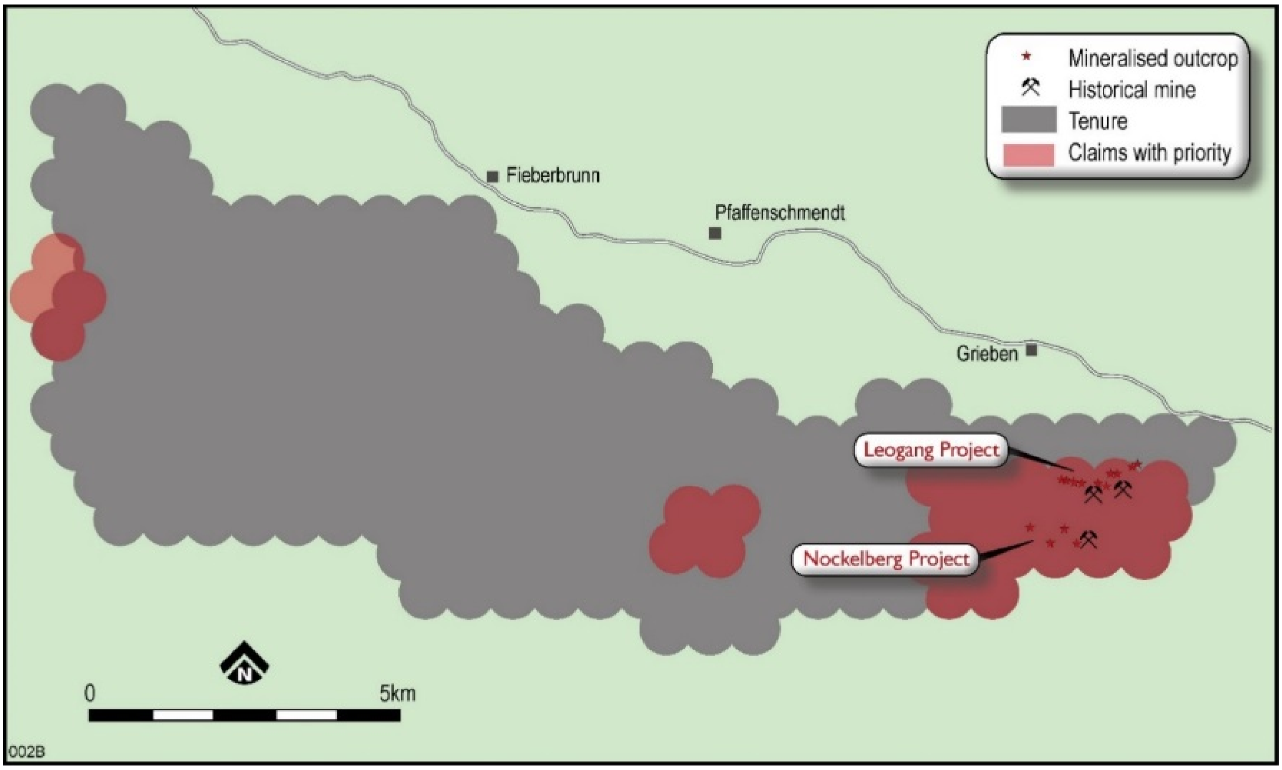


Figure 12: Map showing the extent of the priority licences

NSW PROJECTS

Orange East EL8442
(NSW, Clancy 100%; Alkane Resources Ltd, earning 60% and funding 100%)

Orange East is located 15km ESE of the city of Orange and contains several target styles including Ordovician porphyry copper-gold and post-Ordovician copper-gold targets. Numerous old workings occur in the area and many are focused along the regional scale Godolphin Fault. Previous work by Clancy defined a soil anomaly at the Gunnarbee prospect, which has similar geochemical, structural and geological characteristics as the nearby McPhillamys gold deposit, 15km along strike to the south.

Alkane Resources Ltd (Alkane; ASX: ALK) can earn a 60% interest in the Orange East project by spending $500,000 on exploration over three years. Alkane can earn a further 20% interest (80% total) by spending an additional $500,000 on exploration over the subsequent three years. Alkane is managing the exploration program.

Trundle EL8222
(NSW, Clancy 100%)

The Trundle project consists of a single exploration licence EL8222 located 25km west of the Northparkes copper-gold mine. There is extensive evidence of porphyry and skarn-style copper-gold mineralisation similar to the Cadia Valley and Northparkes. Clancy is seeking to either divest or find a partner for the Trundle project.

Condobolin EL7748
(NSW, Clancy 100%)

Condobolin EL7748 is in the central west of NSW immediately north of the Condobolin township. Condobolin has a substantial mining history, predominantly as a base metals field (lead, zinc and copper), as well as gold. The mineralisation is hosted in epithermal-style quartz veins within the metasedimentary units of the Ordovician Girilambone Group, associated with pyrite, sphalerite, galena, chalcopyrite, arsenopyrite and free gold. Clancy is seeking to either divest or find a partner for the Condobolin project.

Fairholme EL6552 & EL6915
(NSW, Clancy 100%)

The Fairholme project is located in the Fairholme Igneous Complex 12km north of the Cowal gold mine. The geophysical characteristics of the Fairholme Igneous Complex are similar to the Cowal Complex to the south, which hosts the Cowal gold mine and the Marsden porphyry copper-gold deposit (Evolution). Clancy is seeking to either divest or find a partner for the Fairholme project.

DIRECTORS' REPORT

The Board of Directors has pleasure in presenting its report on the consolidated entity consisting of Clancy Exploration Limited (Company) and the entities (Group) it controlled at the end of, or during, the year ended 30 June 2018.

1. Directors

Names, Qualifications and Experience
The names and details of the Company's directors in office at any time during the year to 30 June 2018 and until the date of this report are as follows. Directors were in office for the entire period unless otherwise stated.

Mr David Lenigas, BAppSc (Mining Engineering)
Executive Chairman - Appointed 15 June 2017 (previously Non-Executive Chairman from 15 June 2017 to 3 August 2018)
Mr Lenigas is an experienced mining engineer with significant natural resources and corporate experience, having served as executive chairman, chairman, and non-executive director of many public listed companies in London, Canada, Johannesburg, and Australia.

In recent years, Mr Lenigas was the Executive Chairman of London listed lithium investment company Rare Earth Minerals Plc (now called Cadence Minerals Plc (AIM: KDNC)). He is currently a non-executive director of Canadian listed Australian company Macarthur Minerals Limited (TSX-V: MMS), whose major shareholder is Cadence Minerals Plc.

Mr Lenigas is currently the Executive Chairman of Artemis Resources Limited (ASX: ARV), Doriemis Plc (ISDX: DOR) LGC Capital Ltd (TSX-V: QBA), and AfriAg Plc (ISDX: AFRI) and a non-executive director of Auroch Minerals Limited (ASX: AUO) and Southern Hemisphere Mining Limited (ASX: SUH). Mr Lenigas was also the previous Executive Chairman of London listed UK Oil & Gas Investments Plc, the company that discovered the oil at London's Gatwick Airport and the Executive Chairman of the Pan-African conglomerate Lonrho Plc.

Mr Shaun Hardcastle, LLB, BA
Non-Executive Director - Appointed 1 December 2017
Mr Hardcastle has over 10 years' experience as a corporate and finance lawyer and extensive experience in corporate governance, risk management and compliance. He has been involved in a broad range of cross-border and domestic transactions including joint ventures, corporate restructuring, project finance, resources and asset/equity sales and acquisitions. Mr Hardcastle has practiced law both in Australia and overseas and is a partner at Bellanhouse Lawyers. Mr Hardcastle is currently a non-executive director of ASX listed companies Bunji Corporation Limited (ASX: BCL), Hawkstone Mining Limited (ASX: HWK) and Schrole Group Limited (ASX: SCL).

Mr Scott Patrizi, BComm
Non-Executive Director - Appointed 7 July 2016
Mr Patrizi is a corporate finance professional having been previously employed with Deloitte Touche Tohmatsu in Perth. Mr Patrizi holds a Bachelor of Commerce from the University of Western Australia. During his time at Deloitte, Mr Patrizi worked across a range of industries including mining, oil and gas, healthcare, education and private equity providing merger and acquisition, valuation and due diligence services. Prior to Deloitte, Mr Patrizi worked for Argonaut Limited, a full service advisory, stockbroking & research and investment house focused on clients in the natural resources sector, where he gained significant equity capital market experience.

Mr Patrizi is currently non-executive director of Elixir Petroleum Ltd (ASX: EXR). Mr Patrizi was also previously executive director of Matador Mining Ltd (ASX: MZZ) until 3 July 2018.

Mr David Scoggin, BA
Non-Executive Director - Appointed 31 March 2016
Mr Scoggin is a native of Santa Barbara, California and received his Bachelor of Arts from Princeton University, majoring in international relations and finance. He started his career in Tokyo and Hong Kong working as a proprietary trader for both Credit Agricole Indosuez and ING Barings. In 2000, he relocated to Australia where he started a 12-year period as a portfolio manager/senior trader managing hedge funds for Susquehanna International Group and Evolution Financial Group. He specializes in risk assessment, mergers and acquisition analysis, and has held several corporate advisory roles.

Mr Evan Cranston, BComm, LLB
Non-Executive Director - Appointed 23 October 2014; Resigned 1 December 2017
Mr Cranston is a corporate lawyer with over 10 years' experience specialising in corporate and mining law. Mr Cranston has broad experience in the areas of capital raisings, initial public offerings, tenement acquisition agreements, mineral rights agreements, joint ventures, mergers and acquisitions and corporate governance. He holds a Bachelor of Commerce and Bachelor of Laws from the University of Western Australia and was admitted as a barrister and solicitor of the Supreme Court of Western Australia.

Mr Cranston is currently executive chairman of New Century Resources Limited (ASX: NCZ), non-executive chairman of Carbine Resources Limited (ASX: CRB) and a non-executive director of Boss Resources Limited (ASX: BOE). Mr Cranston was a non-executive director of Cradle Resources Limited (ASX: CXX) until 9 May 2016 and Primary Gold Ltd (ASX: PGO) until 29 November 2017.

DIRECTORS' REPORT

2. Company Secretary

Ms Oonagh Malone – Appointed 1 February 2018
Ms Malone is a principal of a corporate advisory firm which provides company secretarial and administrative services. She has over 9 years' experience in administrative and company secretarial roles for listed companies and is a member of the Governance Institute of Australia. She currently acts as company secretary for ASX-listed Boss Resources Ltd, Carbine Resources, Hawkstone Mining Limited, Matador Mining Limited, New Century Resources Limited and Bunji Corporation Limited. She is a non-executive director of Hawkstone Mining Limited and Carbine Resources Limited.

Former Company Secretary
Mr Rowan Caren, B.Com, CA – Resigned 1 February 2018
Mr Caren is a Chartered Accountant with over 27 years' commercial experience. He has provided financial and corporate services to several listed and unlisted companies involved in the resources sector.

3. Principal Activities

The principal activities during the year of the entities within the consolidated entity were mineral exploration.

4. Review of financial performance

The net consolidated loss from continuing operations for the year ended 30 June 2018, after income tax, amounted to $1,276,041 (2017: $998,614).

During the year ended 30 June 2018, total expenses amounted to $1,771,681 (2017: $1,019,355). Unrestricted cash and cash equivalents amounted to $470,269 as at 30 June 2018 (30 June 2017: $1,463,081).

5. Dividends

No dividend has been declared or paid by the Company since the end of the previous financial year and the directors do not at present recommend a dividend.

6. Review of Operations

During the year, the Company acquired 100% of the Hong Kong Gold Project and commenced an exploration program targeting conglomerate-hosted gold, lode gold and VHMS mineralisation. In relation to the Leogang Cobalt Nickel Project in Austria, the Company has been focused on assessing the potential of the project with the view of identifying a new cobalt mining precinct in Europe. The Company continued to seek new partners for the Trundle, Condobolin and Fairholme projects. The Company also entered into an agreement to acquire up to 100% of three cobalt licences in Morocco.

7. Likely Developments and Expected Results

Other than as referred to in this report, further information as to likely developments in the operations of the Company and likely results of those operations in future financial years would, in the opinion of the directors, be speculative.

8. Significant Changes in the State of Affairs

There have been no significant changes in the state of affairs during the financial year ending 30 June 2018, other than as follows:

- the Company completed the sale of 10% of the Leogang Cobalt-Nickel Sulphide Project to Cadence Minerals Plc (Cadence) for 73,750,000 Cadence ordinary shares;
- the Company acquired 100% of the Hong Kong Gold Project located in the Pilbara region of Western Australia via the issue of 270,000,000 fully paid ordinary shares;
- Mr Shaun Hardcastle was appointed as Non-Executive Director and Mr Evan Cranston resigned as Non-Executive Director;
- Ms Oonagh Malone was appointed as Company Secretary following the resignation of Mr Rowan Caren; and
- the Company entered into an agreement to acquire up to 100% of three cobalt licences in Morocco.

9. Significant Events After Balance Date

Subsequent to 30 June 2018:

- Clancy signed an agreement to acquire 100% of the recently granted Bou Amzil Extension cobalt licence;
- the Company received approval from shareholders to proceed with the acquisition of up to 100% of three cobalt licences in Morocco. In consideration for the acquisition of the licences, Clancy has agreed to the following key terms regarding issue of shares and payments to the vendors:
    - ("Stage 1"): payment of US$175,000 and issue of 130 million fully paid ordinary shares in Clancy within 95 days from the date of execution of the sale agreement in consideration for a 20% interest;
    - ("Stage 2"): payment of US$200,000 and issue of 120 million fully paid ordinary shares in Clancy within 6 months and 5 days from the completion of Stage 1, in consideration for a further 20% interest;
    - ("Stage 3"): payment of US$200,000 and issue of 120 million fully paid ordinary shares in Clancy within 6 months and 5 days from the completion of Stage 2, in consideration for a further 20% interest;
    - ("Stage 4"): payment of US$200,000 and issue of 120 million fully paid ordinary shares in Clancy within 6 months and 5 days from the completion of Stage 3, in consideration for a further 20% interest; and
    - ("Stage 5"): payment of US$200,000 and issue of 120 million fully paid ordinary shares in Clancy within 6 months and 5 days from the completion of Stage 4, in consideration for a further 20% interest, such that Clancy (or a subsidiary of Clancy) will have acquired or been issued a 100% interest at the completion of Stage 5.
    - Clancy has the right to accelerate any of the above payments. Clancy will also issue, 10 million 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 Clancy) for facilitating the Acquisition;
- the Company raised $750,000 (before costs) via a placement of 250,000,000 ordinary shares at an issue price of $0.003 each;
- the company issued 125,000,000 quoted options exercisable at $0.04 each and expiring on 9 May 2019; and
- the Company issued 462,000,000 performance rights to directors with various vesting conditions.

10. Indemnity and Insurance for Group Officers and Auditor

To the extent permitted by law, the Company indemnifies every person who is or has been:

- an Officer against any liability to any person (other than the Company or a related entity) incurred while acting in that capacity and in good faith; and
- an Officer or auditor of the Company, against costs and expenses incurred by that person in that capacity in successfully defending legal proceedings and ancillary matters.

The Company has in respect of any person who is or has been a director or officer of the Company paid a premium in respect of a contract insuring all directors and officers against a liability. The Company maintains insurance policies for the benefit of the relevant director or officer for the term of their appointment and for a period of seven years after retirement or resignation.

The Company has entered into a Deed of Indemnity, Access and Insurance with each of its Directors and the Company Secretary. Under the Deeds of Indemnity, Access and Insurance the Company will indemnify each officer to the extent permitted by the Corporations Act against any liability arising as a result of the officer acting as an officer of the Company. The Deeds of Indemnity, Access and Insurance also provide for the right to access Board papers and other Company records.

To the extent permitted by law, the Company has agreed to indemnify its auditor, Walker Wayland WA Audit Pty Ltd (formerly called Hall Chadwick WA Audit Pty Ltd), as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify either Walker Wayland WA Audit Pty Ltd during, or since the end of, the financial year.

DIRECTORS' REPORT

11. Remuneration Report – Audited

This report details the nature and amount of remuneration for each director of Clancy Exploration Limited and the Group, and for the executives receiving the highest remuneration in accordance with the requirements of Section 300A of the Corporations Act 2001 and its Regulations. The information provided in this remuneration report has been audited as required by Section 308(3C) of the Act. This remuneration report forms a part of the Directors' Report.

For the purposes of this report Key Management Personnel (KMP) of the Group are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company and the Group, directly or indirectly, including any director (whether executive or otherwise) of the parent company.

Remuneration Policy

The remuneration policy of Clancy Exploration Limited has been designed to align director and executive objectives with shareholder and business objectives by providing a fixed remuneration component and offering specific long-term incentives. The board of Clancy Exploration Limited believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best executives and directors to run and manage the consolidated entity, as well as align interests of directors, executives and shareholders.

In previous years' shares were issued to directors, employees and consultants pursuant to the Company's Employee Share Option and Loan Plan (Plan). No shares were issued in the year ended 30 June 2018. The Board believes that shares are an effective remuneration tool which preserves the cash reserves of the Company whilst providing valuable remuneration.

A participant in the Plan must not sell, transfer, assign, mortgage, charge or otherwise encumber a Share issued under the Plan until the later of the following (to the extent applicable):

- the repayment in full of any loan advanced by the Company to the participant contemporaneously with the issue of Shares under the Plan;
- the expiry of any service continuity period specified by the Company at the time of issue of the Shares; and
- the satisfaction of any performance criteria specified by the Company at the time of issue of the Shares.

If an eligible employee ceases to be an eligible employee of the Company during the period of restriction the Company may buy-back the Plan Shares the subject of the restriction at a price equal to the issue price or the market price at the Board's discretion.

Loans were advanced to the directors, executives and employees to pay the cash consideration for the Plan Shares. During the term of any such loan, dividends paid in respect of the Plan Shares in relation to which the Company made the loan will be retained by the Company as interest paid by the borrower on the loan. The borrower must repay the loan to the Company on the earlier of 5 years from the date of allotment of the Plan Shares to which the loan relates, or the date the borrower ceases to be employed by the Company. In such an event, the borrower is required to make available to the Company their Plan Shares to settle the loan. This will result in the Company meeting the loss on the loan so that the loan is effectively linked to the value of the Shares.

During the year the remaining Plan Shares were sold by the Company and the proceeds used to settle the outstanding loans in relation to those shares following the resignation of an eligible employee. As at 30 June 2018, there were no remaining Plan Shares and nil loans.

During the year ended 30 June 2018, a total of 50,000,000 options were issued to a director and consultant of the Company. These were not issued pursuant to the Plan.

The Board's policy for determining the nature and amount of remuneration for board members and senior executives of the consolidated entity is as follows:

- The remuneration policy, setting the terms and conditions for the executive directors and other senior executives, was developed and approved by the Board.
- All executives receive a base salary (which is based on factors such as length of service and experience).
- The Board reviews executive packages annually by reference to the consolidated entity's performance, executive performance and comparable information from industry sectors.

All remuneration paid to directors and executives is valued at the cost to the Company and is expensed over the appropriate vesting period. Shares issued under the Employee Share Plan are valued using the Binomial Tree methodology.

Non-Executive Directors

The Board policy is to remunerate non-executive directors at market rates for time, commitment and responsibilities. The Board determines payments to the non-executive directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required.

DIRECTORS' REPORT

11. Remuneration Report – Audited (continued)

The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at the Annual General Meeting. Currently there is a maximum aggregate sum of $200,000 per annum, which is to be divided between the non-executive directors in the proportions agreed between them or, failing agreement, equally.

Company performance, shareholder wealth and director and executive remuneration

Shares have been issued to directors and executives to encourage the alignment of personal and shareholder interests in prior years. Options have been issued to directors to encourage the alignment of personal and shareholder interests in the current year.

Executive and non-executive directors, other key management personnel and other senior employees have been granted ordinary shares and options. The recipients of shares and options are responsible for growing the Company and increasing shareholder value. If they achieve this goal the value of the shares and options granted to them will also increase. Therefore, the shares and options provide an incentive to the recipients to remain with the Company and to continue to work to enhance the Company's value.

There is no policy in place which limits exposure to risk in relation to those securities in the Company which constitute an element of directors' remuneration and which are linked to satisfaction of Company performance conditions.

The table below sets out summary information about the consolidated entity's earnings and movements in shareholder wealth for the four years to 30 June 2018 and the six months to 30 June 2014:

Consolidated Entity:

	30-Jun-18	30-Jun-17	30-Jun-16	30-Jun-15	30-Jun-14
Revenue	$317,366	$20,741	$48,527	$272,499	$48,334
Net loss before tax	($1,276,041)	($998,614)	($1,296,630)	($955,446)	($723,234)
Net loss after tax	($1,276,041)	($998,614)	($1,296,630)	($955,446)	($723,234)
Share price at end of year	0.4 cents	0.2 cents	0.2 cents	1.5 cents	1 cent
Basic loss per share	(0.04 cents)	(0.04 cents)	(0.2 cents)	(0.5 cents)	(0.4 cents)
Diluted loss per share	(0.04 cents)	(0.04 cents)	(0.2 cents)	(0.5 cents)	(0.4 cents)

Note: No dividends have been declared or paid since the Company was listed.

Key Management Personnel Remuneration Policy

The remuneration structure for key management personnel, as determined by the Board, is based on a number of factors, including length of service, particular experience of the individual concerned and their role within the organisation.

DIRECTORS' REPORT

11. Remuneration Report – Audited (continued)

Key Management Personnel Remuneration:

Remuneration for the year ended 30 June 2018

Key Management Person	Short-term benefits			Long Term benefits	Post-employment benefits	Long term incentives	Total
	Salary or Fees	Consulting Fees	Non Monetary Benefits	Long Service Leave	Superannuation	Share Based payments	
	$	$	$	$	$	$	$
D Lenigas	60,000	-	-	-	-	-	**60,000**
D Scoggin	36,000	-	-	-	-	-	**36,000**
S Patrizi	36,000	-	-	-	-	96,000	**132,000**
S Hardcastle[1]	21,000	-	-	-	-	92,000	**113,000**
O Malone[2]	12,500	-	-	-	-	-	**12,500**
E Cranston[3]	15,000	-	-	-	-	-	**15,000**
R Caren[4]	36,500	-	-	-	-	-	**36,500**
	217,000	**-**	**-**	**-**	**-**	**188,000**	**405,000**

1 S Hardcastle was appointed as a director on 1 December 2017.
2 O Malone was appointed as company secretary on 1 February 2018.
3 E Cranston resigned as a director on 1 December 2017.
4 R Caren resigned as company secretary on 1 February 2018.

Remuneration for the year ended 30 June 2017

Key Management Person	Short-term benefits			Long Term benefits	Post-employment benefits	Long term incentives	Total
	Salary or Fees	Consulting Fees	Non Monetary Benefits	Long Service Leave	Superannuation	Share Based payments	
	$	$	$	$	$	$	$
D Lenigas[1]	2,500	-	-	-	-	290,000	**292,500**
E Cranston	36,000	-	-	-	-	-	**36,000**
D Scoggin	36,000	-	-	-	-	-	**36,000**
S Patrizi[2]	35,356	-	-	-	-	-	**35,356**
R Caren	78,000	-	-	-	-	116,000	**194,000**
	187,856	-	-	-	-	**406,000**	**593,856**

1 D Lenigas was appointed on 15 June 2017.
2 S Patrizi was appointed on 7 July 2016.

DIRECTORS' REPORT

11. Remuneration Report – Audited (continued)

During the financial year, the following share-based payment arrangements granted as compensation were in existence:

Plan Shares

Granted in 2018

Nil

Granted in 2017

Nil

Granted in 2016

Nil

Granted in 2015

Nil

Granted in 2014

Nil

Granted in 2013

Holder	Granted No.	Grant Date	Issue Price cents	Fair Value of Share Based Payments (Total) $	Fair Value of Share Based Payments Expensed in 2015 $	Fair Value of Share Based Payments Expensed in 2014 $
Directors	264,343	16 August 2013	.093	1,471	195	726
Total				1,471	195	726

ASX Listing Rule 10.14 approval for the issue of the Plan Shares in 2013 was obtained on 24 May 2013. Details of the Plan are disclosed in the Remuneration Policy of this Remuneration Report. The continuity service period in relation to these shares is twelve months from the date of allotment. There were no performance criteria specified by the Company at the time of allotment.

No options were issued to directors and key management personnel as part of their remuneration during the year ended 30 June 2018. No options were exercised or forfeited during the year. Options issued during the year ended 30 June 2018 are as shown below.

	Option series	Grant date	No. of options	Fair value per option	Total fair value of options issued
Director					
S Hardcastle	Exercise price $0.07 expiring 30/11/2020	1/12/2017	20,000,000	$ 0.0046	$ 92,000.00
S Patrizi	Exercise price $0.065 expiring 31/12/2020	30/01/2018	30,000,000	$ 0.0032	$ 96,000.00
			50,000,000		$ 188,000.00

In addition to the above options, during the year ended 30 June 2017 350,000,000 free attaching options were issued as part of a placement of 350,000,000 shares at a price of $0.001 per share. Mr Evan Cranston participated in the placement and received 100,000,000 options, however, these options are not considered part of Mr Cranston's remuneration. The remaining 250,000,000 options were issued to unrelated parties.

DIRECTORS' REPORT

11. Remuneration Report – Audited (continued)

The movement during the reporting period in the number of ordinary shares of Clancy Exploration Limited held directly, indirectly or beneficially, by each specified director and each specified executive, including their personally related entities is as follows:

(i) SHARES – 30 June 2018

	Held at 1 July 2017	Acquired	Disposed	Net Change	Other	Held at 30 June 2018 or date of resignation
Director						
D Lenigas	-	-	-	-	-	-
D Scoggin	-	`	-	-	-	-
S Patrizi	-	-	-	-	-	-
S Hardcastle	-	-	-	-	-	-
E Cranston	100,000,000	-	-	-	-	100,000,000
Company Secretary						
O Malone	-	-	-	-	-	-
R Caren	3,791,464	-	-	-	-	3,791,464
	103,791,464	-	-	-	-	103,791,464

(ii) SHARES – 30 June 2017

	Held at 1 July 2016	Acquired	Disposed	Net Change	Other	Held at 30 June 2017 or date of resignation
Director						
D Lenigas	-	-	-	-	-	-
E Cranston	-	100,000,000	-	100,000,000	-	100,000,000
D Scoggin	-	-	-	-	-	-
S Patrizi	-	-	-	-	-	-
N Featherby	1,000,000	-	-	-	-	1,000,000
Company Secretary						
R Caren	3,791,464	-	-	-	-	3,791,464
	4,791,464	100,000,000	-	100,000,000	-	104,791,464

The movement during the reporting period in the number of options over ordinary shares of Clancy Exploration Limited held directly, indirectly or beneficially, by each specified director and each specified executive, including their personally related entities is as follows:

(iii) OPTIONS – 30 June 2018

	Held at 1 July 2017	Acquired	Disposed	Net Change	Other	Held at 30 June 2018 or date of resignation
Director						
D Lenigas	100,000,000	-	-	-	-	100,000,000
D Scoggin	-	-	-	-	-	-
S Patrizi	-	30,000,000	-	30,000,000	-	30,000,000
S Hardcastle	-	20,000,000	-	20,000,000	-	20,000,000
E Cranston	100,000,000	-	-	-	-	100,000,000
Company Secretary						
O Malone	-	-	-	-	-	-
R Caren	41,105,844	-	-	-	-	41,105,844
	241,105,844	50,000,000	-	50,000,000	-	291,105,844

11. Remuneration Report – Audited (continued)

(iv) OPTIONS – 30 June 2017

	Held at 1 July 2016	Acquired	Disposed	Net Change	Other	Held at 30 June 2017 or date of resignation
Director						
D Lenigas	-	100,000,000	-	100,000,000	-	100,000,000
E Cranston	-	100,000,000	-	100,000,000	-	100,000,000
D Scoggin	-	-	-	-	-	-
S Patrizi	-	-	-	-	-	-
Company Secretary						
R Caren	1,105,844	40,000,000	-	40,000,000	-	41,105,844
	1,105,844	240,000,000	-	240,000,000	-	241,105,844

Details of share-based payments in existence during the year ended 30 June 2018 are disclosed in this Directors' Report and Notes 17, 25 and 26 to the Annual Financial Statements.

Contracts with Directors and Key Management Personnel

There are no contracts in place with directors as at the date of this report.

Employee Share Plan

Pursuant to an employee share plan offer dated 25 October 2012, the Company provided limited recourse loans to eligible employees and consultants to purchase shares under the plan ("Plan Shares"). Pursuant to loan agreements, the loans become repayable once the employee/consultant ceases to be an eligible employee of or consultant to the Company. If the loan is not repaid within one month of the date of this notice, the Company may sell the Plan Shares in accordance with loan agreement for the benefit of the Company.

The sale proceeds will be deemed to have satisfied the outstanding loan amount in relation to those Plan Shares in full, and the eligible employee or consultant will have no further liability to the Company in respect of the loan and the Company will have no further recourse in relation to the loan. The Company has given the required notices to the employees and consultants who have ceased to be eligible, and is in a position to sell the Plan Shares.

During the year, the remaining Plan Shares were sold by the Company and the proceeds used to settle the outstanding limited recourse loans in relation to those shares following the resignation of an eligible employee. As at 30 June 2018, there were no remaining Plan Shares on issue and nil limited recourse loans.

As at 30 June 2018, no key management personnel held Plan Shares.

[END OF REMUNERATION REPORT]

DIRECTORS' REPORT

12. Auditor Independence and Non-Audit Services

The Group's current auditor, Walker Wayland WA Audit Pty Ltd, did not perform any services in addition to its statutory audit services (2017: nil).

The Board of Directors is satisfied that the provision of non-audit services by the previous external auditor did not compromise the auditor independence requirements of the act due to the following reasons:

1) all material non-audit services have been reviewed and approved by the Board of Directors prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor;
2) none of the services undermines the general principles relating to auditor's independence as set out in APES 110 Code of Ethics for Professional Accountants, including reviewing and auditing the auditor's own work, acting in a management or decision making capacity for the Group, acting as an advocate for the Group or jointly sharing economic risks and rewards.

13. Auditor's Independence Declaration

The auditor's independence declaration for the reporting period ended 30 June 2018 has been received and can be found on page 13.

14. Corporate Governance

In recognising the need for the highest standards of corporate behaviour and accountability, the directors support and have adhered to the principles of corporate governance. The Company's corporate governance statement is available on the website, www.clancyexploration.com.

15. Share Options

At the date of this report 2,032,866,179 (2017: 1,878,044,679) options to acquire ordinary shares in Clancy Exploration Limited were on issue.

Share-based payments and options issued to directors, consultants and eligible employees, are disclosed in this Directors' Report and Notes 17, 25 and 26 to the Annual Financial Statement.

Option holders do not have any right, by virtue of the option, to participate in any share issue of the Company or any related body corporate.

16. Directors' Meetings

The number of meetings of directors (including meetings of committees of directors) held during the year ended 30 June 2018 and the number of meetings attended by each director was as follows:

Director	Directors' Meetings Eligible to Attend	Directors' Meetings Attended
D Lenigas	2	2
D Scoggin	2	2
S Patrizi	2	2
S Hardcastle	1	1
E Cranston	1	-

17. Risk Management

The Company takes a proactive approach to risk management including monitoring actual performance against budgets and forecast and monitoring investment performance. The Board is responsible for ensuring that risks, and also opportunities, are identified on a timely basis and that the consolidated entity's objectives and activities are aligned with the risks and opportunities identified by the Board.

DIRECTORS' REPORT

18. Environmental Regulations and Performance

The Company is required to carry out the exploration and evaluation of its mining tenements in accordance with various State Government Acts and Regulations.

In regard to environmental considerations, the Company is required to obtain approval from various State regulatory authorities before any exploration requiring ground disturbance, such as line clearing, drilling programs and costeaning is carried out. It is normally a condition of such regulatory approval that any area of ground disturbed during the Company's activities is rehabilitated in accordance with various guidelines. There have been no significant breaches of these guidelines.

This report is made in accordance with a resolution of the directors.

D Lenigas
Executive Chairman
Dated this 28th September 2018

walkerwayland
audit

Auditor's Independence Declaration Under Section 307C of The Corporations Act 2001 to The Directors of Clancy Exploration Limited And Controlled Entities

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2018 there have been no contraventions of:

(i) the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

Walker Wayland WA Audit Pty Ltd

WALKER WAYLAND WA AUDIT PTY LTD

John Dorazio FCA
Director
Level 3, 1 Preston Street, COMO WA 6152

Dated this 28th **day of September 2018**

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2018

		Consolidated	
		2018	**2017**
	Notes	**$**	**$**
Income			
Other income	4	39,854	20,741
Sale of tenement	5	455,786	-
Total income		495,640	20,741
Expenses			
Employee benefits expense	6(a)	(168,000)	(109,856)
Consulting and outsourced services expense		(399,669)	(296,425)
Travel expense		(28,143)	(4,097)
Share based payment expense	26	(608,000)	(406,000)
Computer related costs		(2,638)	(2,701)
Occupancy costs		(49,004)	(67,658)
Insurance expense		(15,637)	(6,460)
Marketing expense		(1,623)	(25,355)
Depreciation, amortisation and impairment expense	6(b)	(4,157)	(5,119)
Exploration expenses		(303,335)	(75,212)
Loss on revaluation of financial asset	12	(178,274)	-
Other expenses		(13,201)	(20,472)
Total expenses		(1,771,681)	(1,019,355)
Loss from continuing operations before income tax expense		(1,276,041)	(998,614)
Income tax expense		-	-
Loss from continuing operations after income tax Expense		(1,276,041)	(998,614)
Other comprehensive income		(1,276,041)	(998,614)
Other		-	-
Other comprehensive loss net of tax		-	-
Total comprehensive loss attributable to owners of the parent		(1,276,041)	(998,614)
Loss per share			
- basic and diluted		(0.04) cents	(0.04) cents

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 30 JUNE 2018

		Consolidated	
		2018	**2017**
	Notes	**$**	**$**
ASSETS			
Current Assets			
Cash and cash equivalents	9	470,269	1,463,081
Restricted cash asset	9	133,847	132,153
Trade and other receivables	10	46,885	23,362
Total Current Assets		651,001	1,618,596
Non-current Assets			
Exploration and evaluation costs	11	1,683,440	-
Other financial assets	12	277,512	-
Plant and equipment	13	4,146	8,302
Intangible assets	14	-	-
Total Non-current Assets		1,965,098	8,302
TOTAL ASSETS		2,616,099	1,626,898
LIABILITIES			
Current Liabilities			
Trade and other payables	15	97,272	50,072
Total Current Liabilities		97,272	50,072
TOTAL LIABILITIES		97,272	50,072
NET ASSETS		2,518,827	1,576,826
EQUITY			
Contributed equity	16	19,455,681	17,425,639
Reserves	17	2,279,087	2,091,087
Accumulated losses		(19,215,941)	(17,939,900)
TOTAL EQUITY		2,518,827	1,576,826

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2018

CONSOLIDATED	Notes	Ordinary Shares	Options Reserve	Accumulated Losses	Total Equity
		$	$	$	$
At 1 July 2017		17,425,639	2,091,087	(17,939,900)	1,576,826
Total comprehensive income for the period, net of tax		-	-	(1,276,041)	(1,276,041)
Issue of share capital	16	1,620,714	-	-	1,620,714
Transaction costs on share issues	16	(10,672)	-	-	(10,672)
Share based payment expense	26	420,000	188,000	-	608,000
At 30 June 2018		19,455,681	2,279,087	(19,215,941)	2,518,827
At 1 July 2016		17,074,543	1,685,087	(16,941,286)	1,818,344
Total comprehensive income for the period, net of tax		-	-	(998,614)	(998,614)
Issue of share capital	16	370,000	-	-	370,000
Transaction costs on share issues	16	(18,904)	-	-	(18,904)
Share based payment expense	16	-	406,000	-	406,000
At 30 June 2017		17,425,639	2,091,087	(17,939,900)	1,576,826

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2018

		Consolidated	
		2018	**2017**
		$	**$**
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES			
Payments to suppliers and employees		(957,787)	(763,297)
Interest received		12,319	21,714
NET CASH FLOWS USED IN OPERATING ACTIVITIES	18	(945,468)	(741,583)
CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES			
Proceeds on sale of property, plant and equipment		-	4,808
Payment for acquisition of tenements		(63,440)	-
Proceeds from sale of investments		26,054	-
NET CASH FLOWS FROM INVESTING ACTIVITIES		(37,386)	4,808
CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES			
Proceeds from share issue	16	714	350,000
Share issue transaction costs	16	(10,672)	(18,904)
NET CASH FLOWS FROM FINANCING ACTIVITIES		(9,958)	331,096
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		(992,812)	(405,679)
Cash and cash equivalents at beginning of period		1,463,081	1,868,760
CASH AND CASH EQUIVALENTS AT END OF PERIOD	9	470,269	1,463,081

The accompanying notes form part of these financial statements.

NOTES TO ACCOUNTS

1. CORPORATE INFORMATION

The financial statements of Clancy Exploration Limited (the Company or the Group) for the year ended 30 June 2018 were authorised for issue in accordance with a resolution of the directors on 28th September 2018. Clancy Exploration Limited is a for profit entity. Clancy Exploration Limited (the parent) is a company limited by shares, incorporated in Australia, and whose shares are publicly traded on the Australian Securities Exchange.

The nature of the operations and principal activities of the consolidated entity are described in the Directors' Report.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements include separate financial statements for Clancy Exploration Limited as an individual entity and the consolidated entity consisting of Clancy Exploration Limited and its controlled entities.

(a) Basis of preparation

These general purpose financial statements have been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. These financial statements have also been prepared on a historical cost basis, except for available-for-sale investments, which have been measured at fair value. These financial statements are presented in Australian dollars.

Going concern

As at 30 June 2018, the Group had working capital of $553,729 (2017: $1,568,524) and returned a loss attributable to owners of $1,276,041 (2017: $998,614). The ability of the Group to continue as a going concern is dependent upon the future successful raising of the necessary funding through equity and/or debt and the successful exploitation of the Group's tenements.

The Directors believe it is appropriate to prepare the Financial Statements on a going concern basis because the Directors have appropriate plans to raise additional funds if required.

These Financial Statements have been prepared on the basis that the Group can meet its commitments as and when they fall due and can therefore continue normal business activities and the realisation of its assets and settlement of its liabilities can occur in the ordinary course of business.

In the event the Group is not able to achieve the above requirements, there is uncertainty whether the Group will continue as a going concern and realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in its financial report.

(b) Statement of Compliance

These financial statements comply with Australian Accounting Standards and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

These financial statements are general purpose financial statements which have been prepared in accordance with the Corporations Act 2001, Accounting Standards and Interpretations, and comply with other requirements of the law.

(c) New accounting standards and interpretations

Accounting Standards issued but not yet effective

The following Australian Accounting Standards and Interpretations that have recently been issued but are not yet effective have not been adopted by the Group for the annual reporting period ending 30 June 2018. None of the standards issued and not yet effective are expected to have a significant impact to the financial statements. Those that are relevant to the Group are outlined below:

NOTES TO ACCOUNTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(a) AASB 9 Financial Instruments

This standard is applicable to annual reporting periods beginning on or after 1 January 2018. The standard replaces all previous versions of AASB 9 and completes the project to replace IAS 39 'Financial Instruments: Recognition and Measurement'. AASB 9 introduces new classification and measurement models for financial assets. A financial asset shall be measured at amortised cost, if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows, which arise on specified dates and solely principal and interest. All other financial instrument assets are to be classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading) in other comprehensive income ('OCI').

For financial liabilities, the standard requires the portion of the change in fair value that relates to the entity's own credit risk to be presented in OCI (unless it would create an accounting mismatch). New simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the entity. New impairment requirements will use an 'expected credit loss' ('ECL') model to recognise an allowance.

Impairment will be measured under a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. The standard introduces additional new disclosures. The Company will adopt this standard from 1 July 2018 and the impact of its adoption is expected to be minimal on the Company.

(b) AASB 15 Revenue from Contracts with Customers

This standard is applicable to annual reporting periods beginning on or after 1 January 2018. The standard provides a single standard for revenue recognition. The core principle of the standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard will require: contracts (either written, verbal or implied) to be identified, together with the separate performance obligations within the contract; determine the transaction price, adjusted for the time value of money excluding credit risk; allocation of the transaction price to the separate performance obligations on a basis of relative stand-alone selling price of each distinct good or service, or estimation approach if no distinct observable prices exist; and recognition of revenue when each performance obligation is satisfied. Credit risk will be presented separately as an expense rather than adjusted to revenue.

For goods, the performance obligation would be satisfied when the customer obtains control of the goods. For services, the performance obligation is satisfied when the service has been provided, typically for promises to transfer services to customers. For performance obligations satisfied over time, an entity would select an appropriate measure of progress to determine how much revenue should be recognised as the performance obligation is satisfied. Contracts with customers will be presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Sufficient quantitative and qualitative disclosure is required to enable users to understand the contracts with customers; the significant judgments made in applying the guidance to those contracts; and any assets recognised from the costs to obtain or fulfil a contract with a customer. The Company will adopt this standard from 1 July 2018 and the impact of its adoption is expected to be minimal on the Company.

(c) AASB 16 Leases

This standard is applicable to annual reporting periods beginning on or after 1 January 2019. The standard replaces AASB 117 'Leases' and for lessees will eliminate the classifications of operating leases and finance leases. Subject to exceptions, a 'right-of-use' asset will be capitalised in the statement of financial position, measured at the present value of the unavoidable future lease payments to be made over the lease term. The exceptions relate to short-term leases of 12 months or less and leases of low-value assets (such as personal computers and small office furniture) where an accounting policy choice exists whereby either a 'right-of-use' asset is recognised or lease payments are expensed to profit or loss as incurred. A liability corresponding to the capitalised lease will also be recognised, adjusted for lease prepayments, lease incentives received, initial direct costs incurred and an estimate of any future restoration, removal or dismantling costs. Straight-line operating lease expense recognition will be replaced with a depreciation charge for the leased asset (included in operating costs) and an interest expense on the recognised lease liability (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results will be improved as the operating expense is replaced by interest expense and depreciation in profit or loss under AASB 16.

NOTES TO ACCOUNTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

For classification within the statement of cash flows, the lease payments will be separated into both a principal (financing activities) and interest (either operating or financing activities) component. For lessor accounting, the standard does not substantially change how a lessor accounts for leases. The Company will adopt this standard from 1 July 2019 but the impact of its adoption is yet to be assessed by the Company.

(d) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Group and its subsidiary as at 30 June 2018. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the statement of comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

(e) Investment in joint operations

A joint operation is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement.

Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries. The Group accounts for the assets, liabilities, revenues and expenses relating to its interest in a joint operation in accordance with the IFRSs applicable to the particular assets, liabilities, revenues and expenses.

The Group can elect to contribute to ongoing exploration costs in proportion to its interests or dilute (a farm-out arrangement). If contributions are made during the reporting period, they are accounted for as exploration expenditure. Once the joint arrangement partner had earned its interest, the Company recovers expenditure equivalent to the other joint arrangement partner's interest.

The Group does not record any expenditure made by the farminee on its account. It also does not recognise any gain or loss on its exploration and evaluation farm-out arrangements. Any cash consideration received directly from the farminee is credited against costs previously incurred in relation to the whole interest.

When the Group, acting as an operator, receives reimbursement of direct costs recharged to the joint operation, such recharges represent reimbursements of costs that the operator incurred as an agent for the joint operation and therefore have no effect on profit or loss.

In many cases, the Group also incurs certain general overhead expenses in carrying out activities on behalf of the joint operation. As these costs can often not be specifically identified, joint operation agreements allow the operator to recover the general overhead expenses incurred by charging an overhead fee that is based on a fixed percentage of the total costs incurred for the year, often in the form of a management fee. Although the purpose of this recharge is very similar to the reimbursement of direct costs, the Group is not acting as an agent in this case. Therefore, the general overhead expenses and the overhead fee are recognised in profit or loss as an expense and income, respectively.

NOTES TO ACCOUNTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Business combinations

Business combinations are accounted for using the acquisition method. The consideration transferred in a business combination shall be measured at fair value, which shall be calculated as the sum of the acquisition date fair value of the assets transferred by the acquirer, the liabilities incurred by the acquirer to former owners of the acquiree and the equity issued by the acquirer, and the amount of any non-controlling interest in the acquiree. For each business combination, the acquirer measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition related costs are expensed as incurred.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the Group's operating or accounting policies and other pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured at fair value as at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability will be recognised in accordance with AASB 139 either in profit or loss or in other comprehensive income. If the contingent consideration is classified as equity, it shall not be remeasured.

(g) Segment reporting

Management has assessed that the Group's reportable business segments under the quantitative criteria set out in AASB 8 *Segment Reporting* and has determined that no additional operating segments disclosures are required.

AASB 8 requires the 'management approach' to the identification, measurement and disclosure of operating segments. The 'management approach' requires that operating segments be identified on the basis of internal reports that are regularly reviewed by the entity's chief operating decision maker, for the purpose of allocating resources and assessing performance. This could also include the identification of operating segments which sell primarily or exclusively to other internal operating segments.

In its adoption of the 'management approach' to segment reporting, the Group has identified that it continues to operate as a gold, copper and base metals explorer and developer, in a single reportable business segment, under one segment manager, in one geographical location being Australia, consistent with the prior year. The information disclosed in the financial statements is the same information utilised internally by the chief operating decision maker. Accordingly, no additional quantitative or qualitative disclosures are required.

(h) Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at bank and short-term deposits with an original maturity of not more than 3 months that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purposes of the Consolidated Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above. The consolidated entity does not have any bank overdraft facilities.

Where the Company calls cash in advance from its joint venture partners, the cash is recognised as an asset with an offsetting liability for the amount of expenses not yet incurred on the relevant joint venture project at balance date. The liability is then released to the profit and loss as the expenditure is incurred.

Restricted cash represents the cash funds held in term deposit accounts for exploration licenses for a period longer than 3 months but shorter than 12 months. The Department of Trade and Investment, Regional Infrastructure and Services requires the Company to lodge a security deposit in respect of each of its exploration leases granted over tenements held in the Company's name. These funds are held as a Deed of Security Deposit Bond entered into on behalf of the Company by a financial institution. The amount of restricted cash required to be held as a security deposit varies from time to time depending on the requirements of the tenements leased. The deposits must remain in place until the Company determines that the relevant exploration lease should be relinquished.

NOTES TO ACCOUNTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Trade and other receivables

Trade receivables are generally paid on 30-day settlement terms and are recognised and carried at original invoice amount less an allowance for impairment. Trade receivables are non-interest bearing.

Collectability of trade receivables is reviewed on an ongoing basis. Individual debts that are known to be uncollectible are written off when identified. An impairment provision would be recognised when legal notice has been sent and a reply not received within 30 days.

(j) Investments and other financial assets

Investments and financial assets in the scope of AASB 139 *Financial Instruments: Recognition and Measurement* are categorised as either financial assets at fair value through profit and loss, loans and receivables, held-to-maturity investments, or available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Designation is re-evaluated at each financial year end, but there are restrictions on reclassifying to other categories.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of assets not at fair value through profit and loss, directly attributable transaction costs.

(i) Recognition and Derecognition
All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date that the consolidated entity commits to purchase the asset. Regular way purchases or sales are purchases or sales of financial assets under contracts that require delivery of the assets within the period established generally by regulation or convention in the market place. Financial assets are derecognised when the right to receive cash flows from the financial assets has expired or when the entity transfers substantially all the risks and rewards of the financial assets. If the entity neither retains nor transfers substantially all of the risks and rewards, it derecognises the asset if it has transferred control of the assets.

(ii) *Loans and receivables*
Loans and receivables including loan notes are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at the transaction price minus principal repayments and minus any allowance for impairment or uncollectability. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired. Loans and receivables are included with receivables in current assets in the statement of financial position, except for those with maturities greater than 12 months after balance date, which are classified as non-current. Loans and receivables with maturities greater than 12 months are carried at amortised cost using the effective interest rate method.

(iii) Financial assets carried at cost
Investments are initially measured at fair value, net of transaction costs. Subsequent to initial recognition, investments in subsidiaries are measured at cost in the Group's financial statements. If there is objective evidence that an impairment loss has been incurred on an unquoted equity instrument that is not carried at fair value (because its fair value cannot be reliably measured), the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the current market rate of return for a similar financial asset.

(k) Plant and Equipment

Plant and equipment is stated at historical cost less depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of these items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the consolidated entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Depreciation is calculated using the straight line and diminishing value methods to allocate the cost of the specific assets over their estimated useful lives. The expected useful lives are detailed in Note 13.

NOTES TO ACCOUNTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year end.

(i) Impairment

The carrying values of plant and equipment are reviewed for impairment at each reporting date, with the recoverable amount being estimated when events or changes in circumstances indicate that the carrying value may be impaired.

The directors have determined that items of plant and equipment do not generate independent cash inflows and that the business of the consolidated entity is, in its entirety, a cash-generating unit. The recoverable amount of plant and equipment is thus determined to be its fair value less costs to sell.

An impairment exists when the carrying value of an asset or cash-generating unit exceeds its estimated recoverable amount. The asset or cash-generating unit is then written down to its recoverable amount. For plant and equipment, impairment losses are recognised in the statement of comprehensive income as an expense.

(ii) Derecognition and disposal

An item of plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are included in the statement of comprehensive income. When revalued assets are sold, it is consolidated entity policy to transfer the amounts included in other reserves in respect of those assets to retained earnings.

(l) Trade and other payables

Trade payables and other payables are carried at the transaction price minus principal repayments. They represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year that are unpaid and arise when the consolidated entity becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

(m) Provisions and employee benefits

Provisions are recognised when the consolidated entity has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the consolidated entity expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of comprehensive income net of any reimbursement.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date using a discounted cash flow methodology. The risks specific to the provision are factored into the cash flows and as such a risk-free corporate bond rate relative to the expected life of the provision is used as a discount rate. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the time value of money and the risks specific to the liability. The increase in the provision resulting from the passage of time is recognised in finance costs.

NOTES TO ACCOUNTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Employee leave benefits

(i) Wages, salaries, annual leave and sick leave

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled with 12 months of the reporting date are recognised in respect of employees' services up to the reporting date. Liabilities for annual leave expected to be settled within 12 months of the reporting date are recognised in the current provision for the employee benefits. They are measured at the amounts expected to be paid when the liabilities are settled. Expenses for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable. For annual leave, expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

(ii) Long Service Leave

The liability for long service leave is recognised and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

(n) Share-based payment transactions

(i) Equity settled transactions

The consolidated entity provides benefits to its directors, employees and consultants in the form of share-based payments, whereby directors and employees render services in exchange for options to acquire shares, rights over shares (equity-settled transactions) and shares issued pursuant to the Company's Employee Share and Loan Plan ("Plan"). The consolidated entity has also issued ordinary shares and unlisted options as consideration to vendors for the acquisition of exploration licences and drilling services.

The cost of these equity-settled transactions is measured by reference to the fair value to the Company of the equity instruments at the date at which they were granted in the case of options and shares issued under the Plan for directors, employees and consultants; and the closing share price on, or just before, either the date of entering into, or executing, an exploration licence purchase agreement in the case of options and shares issued to tenement vendors as consideration for the settlement price. The fair value of the unlisted options and shares issued under the Plan is determined using the Black-Scholes model, taking into account the terms and conditions upon which the options were granted.

The cost of equity-settled transactions is recognised as an expense, together with a corresponding increase in equity over the period in which the vesting and/or service conditions are fulfilled (the vesting period), ending on the date on which the relevant directors and employees become fully entitled to the options (the vesting date) or shares issued under the Plan.

At each subsequent reporting date until vesting, the cumulative charge to the statement of comprehensive income reflects:

(i) the grant date fair value of the options and shares issued under the Plan;

(ii) the current best estimate of the number of options and shares issued under the Plan that will ultimately vest, taking into account such factors as the likelihood of employee turnover during the vesting period and the likelihood of vesting conditions being met, based on best available information at balance date; and

(iii) the extent to which the vesting period has expired.

The charge to the statement of comprehensive income for the period is the cumulative amount as calculated above less the amounts already charged in previous periods. There is a corresponding entry to equity.

If the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. An additional expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification.

If an equity-settled award is cancelled, it is treated as if it has vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

NOTES TO ACCOUNTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The dilutive effect, if any, of outstanding options and shares issued under the Plan is reflected as additional share dilution in the computation of diluted earnings per share.

(o) Issued Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(p) Revenue recognition

Revenue is recognised and measured at the fair value of the consideration received or receivable to the extent it is probable that the economic benefits will flow to the consolidated entity and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

(i) *Rendering of Services*

Where the work performed in relation to a joint venture or other contract outcome can be reliably measured:

- right to receive compensation for the services provided and the stage of completion can be reliably measured. Stage of completion is measured by reference to the labour hours performed to date as a percentage of total estimated labour hours in relation to a joint venture or for each contract. Where it is probable that a loss will arise in relation to a joint venture or from a contract, the excess of total costs over revenue is recognised as an expense immediately.

Where the contract outcome cannot be reliably measured:

- revenue is recognised only to the extent that the costs that have been incurred are recoverable.

Unearned income is recognised in respect of progress billings and advances on exploration contracts in progress, received in advance, or not represented by work done or reimbursable expenditure incurred, under joint venture arrangements. Such income is recognised and brought to account over time as it is earned.

(ii) *Interest revenue*

Revenue is recognised as interest accrued using the effective interest method. This is a method of calculating the amortised costs of a financial asset and allocating the interest revenue over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

All revenue is stated net of Goods and Services Tax (“GST”).

(q) Income tax and other taxes

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the current period’s taxable income. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Deferred income tax is provided on all temporary differences at the reporting date between the tax bases of assets, liabilities and their carrying amounts for financial statements purposes.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Unrecognised deferred income tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Tax consolidation legislation

Clancy Exploration Limited and its wholly-owned Australian controlled entity formed a tax consolidated group on 1 July 2008. However, they continue to account for their own current and deferred tax amounts. The consolidated entity has applied the stand alone taxpayer approach in determining the appropriate amount of current taxes and deferred taxes to allocate to members of the tax consolidated group. The current and deferred tax amounts are measured in a systematic manner that is consistent with the broad principles in AASB 112 Income Taxes.

NOTES TO ACCOUNTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

In addition to its own current and deferred tax amounts, Clancy Exploration Limited also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from controlled entities in the tax consolidated group.

Members of the tax consolidated group have not entered into a tax funding agreement and as no current tax assets or liabilities or deferred tax assets are recognised in relation to tax losses or unused tax credits, no contributions or distributions are required to be made under AASB Int 1052 Tax Consolidation Accounting.

Other taxes
Revenues, expenses and assets are recognised net of the amount of GST except:

· when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
· receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Cash flows are included in the Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority is classified as part of operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to the taxation authority.

(r) Earnings per share

Basic earnings per share is calculated as profit attributable to members of the parent, adjusted to exclude any costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings per share is calculated as profit attributable to members of the parent, adjusted for:

- costs of servicing equity (other than dividends);
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares, divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

(s) Exploration Expenditure

Exploration and evaluation costs are accumulated and accounted for separately on an area of interest basis. An area of interest is represented by an exploration project, which may include multiple tenements within a single geographic region.

For each area of interest, the company makes an election regarding its treatment of exploration and evaluation expenditure and whether it will be charged to the income statement as incurred, under the expense category "exploration expenditure," or capitalised as an exploration and evaluation asset.

NOTES TO ACCOUNTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

An exploration and evaluation can only be recognised in relation to an area of interest if the following conditions are satisfied:

a) the rights to tenure of the area of interest are current; and
b) at least one of the following conditions is also met:
   (i) the exploration and evaluation expenditures are expected to be recouped through successful development and exploitation of the area of interest, or alternatively, by its sale; and
   (ii) exploration and evaluation activities in the area of interest have not at the end of the reporting period reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

Capitalised exploration and evaluation expenditures are recorded as an exploration asset at cost less impairment charges. All capitalised exploration and evaluation expenditure are monitored for indicators of impairment. Where an impairment indicator is identified, an assessment is performed for each area of interest to which the exploration and evaluation expenditure is attributed. To the extent that capitalised expenditure is not expected to be recovered it is charged to the income statement.

Exploration expenditure in relation to the joint operations managed by the consolidated entity is funded by the jointly controlled operation partner. The consolidated entity makes a cash call for expenditure at the beginning of each quarter for these joint operations on the basis of forecast expenditure. The consolidated entity recognises exploration expenditure reimbursed in advance at year end in the event that cash has been received in advance of expenditure. Exploration expenditure in respect of these joint operations is classified in the statement of comprehensive income within the income or expense category “Net joint venture reimbursed expenses”.

(t) Financial Liabilities and Equity Instruments Issued by the Consolidated Entity

(i) Classification as debt or equity
Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual agreement.

(ii) Equity instruments
An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

(iii) Financial liabilities
Financial liabilities are classified as either financial liabilities ‘at fair value through profit and loss’ or ‘other financial liabilities’.

(iv) Other financial liabilities
Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financially liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

NOTES TO ACCOUNTS

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Company.

Key estimates and judgements

(i) Impairment – general

The Company assesses impairment at the end of each reporting period by evaluation of conditions and events specific to the Company that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations, which incorporate various key assumptions. No impairment is recognised for the Hong Kong Gold Project because the Company has an ongoing right to explore over the project with substantive ongoing exploration planned, the Company has not decided to discontinue exploration in the project area, and insufficient data exists that could indicate that the carrying amount of the project is unlikely to be recovered in full from successful development or by sale.

(ii) Share-based payment transaction

The Consolidated entity measures the cost of equity-settled transactions by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using a Black-Scholes model, using the assumptions detailed in Note 26.

4. OTHER INCOME

	Consolidated	
	2018	**2017**
	$	**$**
Interest received	13,800	24,007
Profit/(loss) on sale of assets	26,054	(3,266)
	39,854	20,741

5. SALE OF TENEMENT

During the year, Cadence Minerals Plc ("Cadence") elected to proceed with the exercise of an option to acquire an initial 10% interest in the Leogang Cobalt Nickel Project in Austria. Under the terms of the agreement Clancy was issued 73,750,000 Cadence ordinary shares having a fair value at the date of the transaction of $455,786.

6. OTHER EXPENSES

	Consolidated	
	2018	**2017**
	$	**$**
(a) Employee benefits expense		
Directors' Fees	168,000	109,856
	168,000	109,856
(b) Depreciation, amortisation and impairment included in income statement		
Depreciation of plant & equipment	4,157	5,119
Amortisation of software	-	-
	4,157	5,119

NOTES TO ACCOUNTS

7. INCOME TAX

		Consolidated 2018	Consolidated 2017
(a)	**Income tax expense**		
	The major components of income tax expense are:		
	Statement of profit or loss and other comprehensive income		
	Current income tax		
	Current income tax charge/(benefit)	-	-
	Adjustments in respect of current income tax of previous years	-	-
	Deferred income tax	-	-
	Relating to origination and reversal of temporary differences	-	-
	Income tax expense/(benefit) reported in statement of profit or loss and other comprehensive income	-	-
(b)	**Amounts charged or credited directly to equity**		
	Deferred income tax related to items charged or credited directly to equity	-	-
	Unrealised loss on available-for-sale financial assets	-	-
	Income tax benefit reported in equity	-	-
(c)	**Numerical reconciliation of accounting profit to tax expense**		
	A reconciliation between tax expense and the accounting profit before income tax multiplied by the consolidated entity's applicable income tax rate is as follows:		
	Accounting loss before income tax	(1,276,041)	(998,614)
	At the consolidated entity's statutory income tax rate of 27.5% (2017: 30%)	(350,911)	(299,584)
	Non-deductible items	49,162	729
	Share based payments	167,200	121,800
	Fringe benefits tax	-	627
	Capital raising expenditure	(14,494)	(15,363)
	Increase in unrecognised deferred tax assets	149,043	191,791
		-	-
(d)	**Current tax assets and liabilities**		
	Current tax liability	-	-

(e) Recognised deferred tax assets and liabilities

The Group has not recognised any deferred tax assets or liabilities during the year (2017: Nil).

(f) Tax losses

The Group has Australian revenue tax losses for which no deferred tax asset is recognised on the statement of financial position of $16,257,759 (2017: $15,602,076) which are available indefinitely for offset against future taxable income subject to continuing to meet the relevant statutory tests.

The Group has Australian capital tax losses for which no deferred tax asset is recognised on the statement of financial position of $310,113 (2017: $310,113) which are available indefinitely for offset against future taxable capital gains subject to continuing to meet the relevant statutory tests.

NOTES TO ACCOUNTS

7. INCOME TAX (continued)

(g) Unrecognised temporary differences

As at 30 June 2018, the Group has other temporary differences (excluding tax differences relating to tax losses) for which no deferred tax asset is recognised in the statement of financial position of $46,520 (2017: $43,237). None of these unrecognised temporary differences relate to investments in subsidiaries, associates or joint ventures.

(h) Tax consolidation

Members of the tax consolidated group and the tax sharing agreement

Clancy Exploration Limited and its 100% owned Australian resident subsidiary were both subsidiaries in a tax-consolidated group with Geoinformatics Exploration Australia Pty Ltd as the head entity until 2 July 2007. A new tax-consolidated group was formed on 1 July 2008 with Clancy Exploration Limited as Head Entity. Members of the new tax-consolidated group have not yet entered into a tax sharing agreement.

8. EARNINGS PER SHARE

The following reflects the income used in the basic and diluted earnings per share computations.

		Consolidated	
(a)	**Earnings used in calculating earnings per share**	**2018**	**2017**
	For basic and diluted earnings per share		
	Loss from continuing operations after tax for the year	(1,276,041)	(998,614)
(b)	**Weighted average number of shares**		
	Weighted average number of shares used in calculation of basic earnings per share	2,910,249,628	2,604,325,796
	Weighted average number of shares used in calculation of diluted earnings per share	2,910,249,628	2,604,325,796
(c)	**Earnings per share**		
	Basic loss per share	(0.04 cents)	(0.04 cents)
	Diluted loss per share	(0.04 cents)	(0.04 cents)

NOTES TO ACCOUNTS

9. CASH AND CASH EQUIVALENTS

	Consolidated	
	2018	2017
	$	$
Cash at bank	470,269	1,263,081
Short term bank deposits	-	200,000
	470,269	1,463,081

As at 30 June 2018 the Company has $133,847 in restricted cash (2017: $132,153) which is included as a Restricted Cash Asset in the Statement of Financial Position, held at Westpac Banking Corporation which has been provided as set-off security in respect of a bank guarantee facility provided in turn for exploration license security purposes.

Financing facilities available
Other than the aforementioned bank guarantee facility, at balance date, the Company did not have any financing facilities available.

10. TRADE AND OTHER RECEIVABLES (CURRENT)

	Consolidated	
	2018	2017
	$	$
Sundry debtors	5,839	-
Accrued income	126	339
GST input tax refundable	31,231	10,751
Prepayments	9,689	12,272
	46,885	23,362

Fair value and credit risk
Due to the short term nature of the receivables, their carrying value is assumed to approximate their fair value. GST input tax refundable is receivable from the Commonwealth of Australia and is therefore viewed as having low credit risk. Accrued income is receivable from Westpac Banking Corporation (and National Australia Bank in prior year) and is therefore viewed as having low credit risk.

11. EXPLORATION AND EVALUATION ASSETS

	Consolidated	
	2018	2017
	$	$
Opening balance	-	-
Tenement acquisition costs[1]	1,620,000	-
Stamp duty on acquisition of tenement	63,440	-
	1,683,440	-

Fair value of 270,000,000 shares in Clancy Exploration Ltd issued as consideration for the acquisition of the Hong Kong Gold Project on 1 December 2017.

The balance carried forward represents the acquisition costs of the Hong Kong Gold Project which is in the exploration and evaluation phase. Ultimate recoupment of exploration expenditure carried forward is dependent on successful development and commercial exploitation, or alternatively, sale of respective areas.

NOTES TO ACCOUNTS

12. OTHER FINANCIAL ASSETS

	Consolidated	
	2018	2017
	$	$
Market value of shares held at balance date – Cadence Minerals PLC (73,750,000 shares)	277,512	-
	277,512	-

The shares in Cadence Minerals PLC were received as consideration for the disposal of 10% of the Leogang Cobalt Nickel Project in Austria (refer Note 5). The market value of the shares as at 30 June 2018 is based on a closing price of Cadence shares of GBP0.00212 and an exchange rate of 1AUD = 0.5634GBP. The movement in the value of the shares during the year resulted in a loss of $178,274 (2017: nil).

13. PLANT AND EQUIPMENT

	Consolidated	
	2018	2017
	$	$
Original Cost		
Computer Equipment		
At 1 July	16,628	59,919
Additions	-	-
Disposals	-	(43,291)
At 30 June	16,628	16,628
Plant and Equipment		
At 1 July	43,718	72,547
Additions	-	-
Disposals	-	(28,829)
At 30 June	43,718	43,718
Motor Vehicles		
At 1 July	-	6,612
Additions	-	-
Disposals	-	(6,612)
At 30 June	-	-
Office Furniture		
At 1 July	-	20,878
Additions	-	-
Disposals	-	(20,878)
At 30 June	-	-
Leasehold Improvements		
At 1 July	-	19,791
Additions	-	-
Disposals	-	(19,791)
At 30 June	-	-
Library		
At 1 July	-	1,515
Additions	-	-
Disposals	-	(1,515)
At 30 June	-	-
Total Plant and Equipment		
At 1 July	60,346	181,261
Additions	-	-
Disposals	-	(120,916)
At 30 June	60,346	60,345

NOTES TO ACCOUNTS

13. PLANT AND EQUIPMENT (continued)

	Consolidated 2018 $	2017 $
Accumulated Depreciation		
Computer Equipment		
At 1 July	8,325	46,431
Depreciation charge for period	4,157	4,157
Accumulated depreciation on disposals	-	(42,263)
At 30 June	12,482	8,325
Plant and Equipment		
At 1 July	43,718	68,864
Depreciation charge for period	-	962
Accumulated depreciation on disposals	-	(26,108)
At 30 June	43,718	43,718
Motor Vehicles		
At 1 July	-	4,543
Depreciation charge for period	-	-
Accumulated depreciation on disposals	-	(4,543)
At 30 June	-	-
Office Furniture		
At 1 July	-	18,668
Depreciation charge for period	-	-
Accumulated depreciation on disposals	-	(18,668)
At 30 June	-	-
Leasehold Improvements		
At 1 July	-	19,791
Depreciation charge for period	-	-
Accumulated depreciation on disposals	-	(19,791)
At 30 June	-	-
Library		
At 1 July	-	1,469
Depreciation charge for period	-	-
Accumulated depreciation on disposals	-	(1,469)
At 30 June	-	-
Total Accumulated Depreciation		
At 1 July	52,043	159,766
Depreciation charge for period	4,157	5,119
Accumulated depreciation on disposals	-	(112,842)
At 30 June	56,200	52,043

	Consolidated 2018 $	2017 $
Total Plant and Equipment		
Original cost	60,346	60,345
Accumulated depreciation	(56,200)	(52,043)
Net carrying amount	4,146	8,302

NOTES TO ACCOUNTS

13. PLANT AND EQUIPMENT (continued)

(i) The useful life of the assets was estimated as follows:

Sundry equipment:	5 to 15 years
Computer equipment:	4 years
Motor vehicles:	5 to 8 years
Furniture and Fittings:	5 to 15 years
Library:	7 years
Leasehold improvements:	Over the remainder of the lease term up to 2 years

(ii) No assets have been pledged as security for borrowings.

14. INTANGIBLE ASSETS

	Consolidated	
	2018	2017
	$	$
Computer Software		
Original Cost		
At 1 July	-	51,057
Additions	-	-
Software written off	-	(51,057)
At 30 June	-	-
Accumulated Depreciation		
At 1 July	-	51,057
Amortisation charge for the period	-	-
Impairment	-	-
Reversal of write off of software	-	(51,057)
At 30 June	-	-
At 30 June		
Gross book value	-	-
Accumulated amortisation and impairment	-	-
Net carrying amount	-	-

(i) The useful life of intangible assets was estimated as follows:
Computer software: 2.5 years

15. TRADE AND OTHER PAYABLES

	Notes	Consolidated	
		2018	2017
		$	$
Trade payables	(i) – (ii)	50,752	6,834
Accrued expenses		46,520	43,238
GST Payable		-	-
		97,272	50,072

Terms and conditions:

(i) Due to the short term nature of these payables, their carrying value is assumed to approximate their fair value.

(ii) Trade payables are non-interest bearing and are normally settled on 30 day terms.

NOTES TO ACCOUNTS

16. ISSUED CAPITAL

		Consolidated 2018 $	Consolidated 2017 $
Ordinary shares	(a)	19,455,681	17,425,639

(a) Ordinary shares

Issued and fully paid ordinary shares carry one vote per share and carry the right to dividends.

		Consolidated 2018 No. of shares	Consolidated 2018 $	Consolidated 2017 No. of shares	Consolidated 2017 $
Movement in ordinary shares on issue					
As at 1 July		2,714,207,075	17,425,639	2,357,540,408	17,074,543
Add:	Shares issued as consideration for the acquisition of Hong Kong Gold Project	270,000,000	1,620,000	-	-
	Shares issued on exercise of options	178,500	714	-	-
	Shares issued as compensation to joint venture partner in relation to Austrian tenements	140,000,000	420,000	-	-
	Shares issued under cleansing prospectus	100	-	-	-
	Shares issued pursuant to placement at $0.001 per share	-	-	350,000,000	350,000
	Shares issued as payment for consulting services at $0.003 per share	-	-	6,666,667	20,000
Less:	Transaction costs on share issues	-	(10,672)	-	(18,904)
As at 30 June		3,124,385,675	19,455,681	2,714,207,075	17,425,639

(b) Capital Risk Management

When managing capital, management's objective is to ensure the entity continues as a going concern as well as to maintain appropriate returns to shareholders and benefits for other stakeholders. Management also aims to maintain a capital structure that ensures an appropriate cost of capital available for the entity.

In order to maintain or adjust the capital structure, the entity may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, enter into joint ventures or sell assets.

The entity does not have a defined share buy-back plan.

No dividends were paid in the year ended 30 June 2018 and no dividends are expected to be paid in the 2018/19 financial year.

The consolidated entity is not subject to any externally imposed capital requirements.

Management reviews management accounts on a monthly basis and actual expenditures against budget on a monthly basis.

NOTES TO ACCOUNTS

17. RESERVES

	Consolidated 2018 $	Consolidated 2017 $
Share-based payment reserve	2,279,087	2,091,087
	2,279,087	2,091,087

(a) Movement in reserves

	2018	2017
Share-based reserve		
Balance at beginning of the financial year	2,091,087	1,685,087
Transaction costs settled in share based payment	188,000	406,000
Balance at end of financial year	2,279,087	2,091,087

(b) Nature and purpose of reserves

The share-based payments reserve records the value of share options issued to the Company's directors, employees, consultants and brokers as well as the vendors of drilling services and tenements. It also includes an apportionment for the value of free attaching options from proceeds of a rights issue.

(c) Movement in options

	Note	Exercise price	On issue at 1 July 2017	Issued	Exercised	Cancelled	On issue at 30 June 2018
Options expiring on 9 May 2019	(i)	$0.004	12,812,720	-	-	-	12,812,720
Options expiring on 9 May 2019	(ii)	$0.004	687,616,007	-	178,500	-	687,437,507
Options expiring on 9 May 2019	(iii)	$0.004	687,615,952	-	-	-	687,615,952
Options expiring on 9 May 2019	(iv)	$0.004	350,000,000	-	-	-	350,000,000
Options expiring on 31 May 2020	(v)	$0.004	140,000,000	-	-	20,000,000	120,000,000
Options expiring on 30 Nov 2020			-	20,000,000	-	-	20,000,000
Options expiring on 31 Dec 2020			-	30,000,000	-	-	30,000,000
			1,878,044,679	50,000,000	178,500	20,000,000	1,907,866,179

All option granted have been valued according to the Binomial Tree model other than the free option granted (see (i), (ii) and (iv) below). All options vested fully on the grant date.

(i) Free options issued pursuant to a placement in April 2016. Options were issued in May 2016 following shareholder approval.

(ii) Free options issued pursuant to a renounceable rights issue in May 2016.

(iii) Issued to sub-underwriters of the rights issue in May 2016.

(iv) Free options issued pursuant to a placement in December 2016.

(v) Issued to consultant and director in June 2017.

(vi) Issued to a director in December 2017.

(vii) Issued to a director in January 2018.

NOTES TO ACCOUNTS

18. STATEMENT OF CASH FLOWS RECONCILIATION

	Consolidated	
	2018	2017
	$	$
(a) Reconciliation of the net loss after tax to net cash flows from operations		
Loss from ordinary activities after income tax	(1,276,041)	(998,614)
Adjustments for:		
Depreciation	4,157	5,119
Amortisation of intangible assets	-	-
Impairment of exploration assets	-	-
(Profit)/loss on disposal of property, plant and equipment	-	3,266
Gain on disposal of investments	(26,054)	-
Gain on sale of tenements	(277,512)	-
Non-cash expenses paid on behalf of controlled entity via loan account	-	-
Non-cash payments to suppliers and employees	-	20,000
Equity settled share-based payments	608,000	406,000
Changes in assets and liabilities		
Decrease/(increase) in trade and other receivables	(27,800)	8,859
Decrease in prepayments	2,583	(8,348)
Decrease in trade and other payables	47,199	(177,865)
Decrease in provisions	-	-
Net cash flow used in operating activities	(945,468)	(741,583)

	Consolidated	
	2018	2017
	$	$
(b) Bank guarantee facility		
Bank guarantee facility	130,000	130,000
Amount utilised	(130,000)	(130,000)
	-	-

The bank guarantee facility has been provided by a financial institution for exploration licence security and corporate credit card purposes. Term deposits of $133,846 (2017: $132,153) have been provided as set-off security for these facilities.

19. INTEREST IN JOINTLY CONTROLLED OPERATIONS

As at 30 June 2018, the Group had the following significant interest in a joint venture:

(i) In January 2016 the Company entered into a farm-in agreement with Alkane Resources Limited (“Alkane”) on the Orange East project.

(ii) Under the terms of the agreement, Alkane has the right to earn 60% of the Orange East project by spending $500,000 on exploration over three years.

(iii) Alkane can earn a further 20% interest (80% total) by spending an additional $500,000 on exploration over the subsequent two years. Alkane will manage the exploration program.

(iv) After the farm-in phase is completed, Clancy will have the right to contribute its 20% share of costs or dilute according to standard industry provisions.

(v) If Clancy’s interest dilutes to 5%, it will convert to a 2% Net Smelter Return Royalty.

NOTES TO ACCOUNTS

20. SEGMENT INFORMATION

As a result of the acquisition of the Leogang Cobalt Nickel Project in Austria and the Hong Kong Gold Project in Western Australia, and entering an agreement to acquire Moroccan licences during the year ended 30 June 2018, the Group has changed its internal organisation and the composition of its reportable segments. Accordingly, the Group has restated the operating segment information for the year ended 30 June 2017.

Operating segments are reported in a manner that is consistent with the internal reporting to the chief operating decision maker (CODM), which has been identified by the Group as the Board of directors.

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components.

At 30 June 2018, the Group had the following segments:

	Operating Profit/(Loss)		Total Assets		Total Liabilities	
	30/6/2018 $	30/6/2017 $	30/6/2018 $	30/6/2017 $	30/6/2018 $	30/6/2017 $
Gold (Western Australia)	(1,768)	-	1,683,440	-	-	-
Cobalt/Nickel (Austria)	(4,678)	-	-	-	-	-
Cobalt (Morocco)	(255,588)	-	-	-	-	-
Copper/Gold (New South Wales)	(57,473)	(75,212)	-	-	-	-
Corporate	(956,534)	(923,402)	932,659	1,626,898	(97,272)	(50,072)
	(1,276,041)	(998,614)	2,616,099	1,626,898	(97,272)	(50,072)

21. COMMITMENTS

	Consolidated	
	2018 $	2017 $
Estimated commitments for which no provisions were included in the financial statements are as follows:		
(a) Exploration Expenditure Commitments:		
Payable		
- not later than one year	547,291	559,550
- later than one year and not later than five years	899,003	1,609,540
	1,446,294	2,169,090

The expenditure commitments as at 30 June 2018 include nil (2017: $27,000) commitments that will be met by one of the Company's joint venture partners (Alkane) as a result of the minimum expenditure commitment under the joint venture agreements with those parties.

Included in overall commitments calculations are estimates of the Company's expected commitments in respect of its sole funded exploration licences.

All the exploration expenditure commitments are non-binding, in respect of outstanding expenditure commitments, in that the Company or its joint venture partners have the option to relinquish and lose these licences or their contractual commitments at any stage, at the cost of its cumulative expenditures up to the point of relinquishment.

Refer to Note 19 for details of Jointly Controlled Operations.

NOTES TO ACCOUNTS

21. COMMITMENTS (continued)

(b) Operating Lease Commitments

On 31 May 2014, the Company entered into a 60-month operating lease for a photocopier-printer. This lease was paid out during the year ended 30 June 2018. Its operating lease commitments at 30 June 2018 are as follows:

	Consolidated	
	2018	2017
	$	$
Payable		
- not later than one year	-	2,448
- later than one year and not later than five years	-	2,244
	-	4,692

(c) Contractual Commitments

The Company has entered an agreement to acquire up to 100% of three cobalt licences in Morocco. In consideration for the acquisition of the licences, Clancy has agreed to the following key terms regarding issue of shares and payments to the vendors:

- ("Stage 1"): payment of US$175,000 and issue of 130 million fully paid ordinary shares in Clancy within 95 days from the date of execution of the sale agreement in consideration for a 20% interest;
- ("Stage 2"): payment of US$200,000 and issue of 120 million fully paid ordinary shares in Clancy within 6 months and 5 days from the completion of Stage 1, in consideration for a further 20% interest;
- ("Stage 3"): payment of US$200,000 and issue of 120 million fully paid ordinary shares in Clancy within 6 months and 5 days from the completion of Stage 2, in consideration for a further 20% interest;
- ("Stage 4"): payment of US$200,000 and issue of 120 million fully paid ordinary shares in Clancy within 6 months and 5 days from the completion of Stage 3, in consideration for a further 20% interest; and
- ("Stage 5"): payment of US$200,000 and issue of 120 million fully paid ordinary shares in Clancy within 6 months and 5 days from the completion of Stage 4, in consideration for a further 20% interest, such that Clancy (or a subsidiary of Clancy) will have acquired or been issued a 100% interest at the completion of Stage 5.

Clancy has the right to accelerate any of the above payments. Clancy will also issue, 10 million 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 Clancy) for facilitating the Acquisition.

22. CONTINGENT LIABILITIES

1. In accordance with normal industry practice the consolidated entity has entered into joint venture operations and farm-in agreements with other parties for the purpose of exploring and developing its mineral interests in New South Wales. If a party to a joint venture defaults and does not contribute its share of joint venture obligations, then the other joint venture partners are liable to meet those obligations. In this event the interest in the tenements held by the defaulting party may be redistributed to the remaining joint venture partners. A contingent liability exists in respect of contributions due to be paid by farm-in partners of the economic entity to some of its joint ventures. However, no material losses are anticipated in respect of any of these contingencies as expenditure commitments, if not recovered from joint venture partners, can be terminated through exploration licence relinquishment at any stage.

2. During the year ended 30 June 2017, the Company acquired the Leogang Cobalt-Nickel Sulphide Project in Austria. In the event that Clancy elects to mine the Leogang Project a further $300,000 “finder’s fee” will be payable, in a mix of cash and shares.

NOTES TO ACCOUNTS

23. RELATED PARTY DISCLOSURES

(a) Ultimate parent

The ultimate Australian parent entity and the ultimate parent of the consolidated entity is Clancy Exploration Limited.

(b) Subsidiaries

The subsidiaries of Clancy Exploration Limited are listed in the following table:

Name	Nature of investment	Country of incorporation	% Equity interest 2018	% Equity interest 2017	Investment $ 2018	Investment $ 2017
Geoinformatics Exploration Tasmania Pty Ltd	Ordinary shares	Australia	100	100	1	1
Leogang Austria Pty Ltd	Ordinary shares	Australia	100	-	10	-

(c) Transactions with related parties

The following table provides the total amount of transactions (GST exclusive where GST applies) entered into with related parties for the relevant financial year. The transactions have all been undertaken on an arms' length basis.

	Consolidated 2018 $	Consolidated 2017 $
Purchase of goods and services		
Director fees billed by Konkera Corporate, a company controlled by a director, Evan Cranston	15,000	36,000
Bookkeeping and administrative fees billed by Konkera Corporate	82,000	72,000
Office rent paid to entities controlled by Kingslane Pty Ltd, a related party of Evan Cranston	54,000	42,000
Director fees billed by the Agneii Family Trust, a trust controlled by a director, Scott Patrizi	36,000	35,356
Director fees billed by the Bellanhouse Legal, a related party of Shaun Hardcastle	18,000	-
Director fees billed by the Red Dog Pty Ltd, a company controlled by a director, Shaun Hardcastle	3,000	-
Legal fees billed by the Bellanhouse Legal, a related party of Shaun Hardcastle	139,356	-
Fees for company secretarial services billed by Malone Corporate Services Pty Ltd, a company controlled by Company Secretary, Oonagh Malone	12,500	-
Fees for company secretarial services billed by Dabinett Corporate Pty Ltd, a company controlled by Company Secretary, Rowan Caren	43,000	78,000

	Consolidated 2018	Consolidated 2017 $
Amounts owed in respect of related party transactions included in the trade creditors and accruals balance at 30 June 2018 and 30 June 2017 are as follows:		
Director fees billed by David Lenigas	-	2,500
Director fees billed by David Scoggin	3,000	-
Office rent paid to entities controlled by Kingslane Pty Ltd, a related party of Evan Cranston	-	6,000
Director fees billed by Red Dog Pty Ltd, a related party of Shaun Hardcastle	3,000	-
Legal fees billed by Bellanhouse Legal, a related party of Shaun Hardcastle	4,415	-
Fees for company secretarial services billed by Dabinett Corporate Pty Ltd, a company controlled by Company Secretary, Rowan Caren	-	6,500

NOTES TO ACCOUNTS

24. SUBSEQUENT EVENTS

Subsequent to 30 June 2018:

- Clancy signed an agreement to acquire 100% of the recently granted Bou Amzil Extension cobalt licence;
- the Company received approval from shareholders to proceeds with the acquisition of up to 100% of three cobalt licences in Morocco. In consideration for the acquisition of the licences, Clancy has agreed to the following key terms regarding issue of shares and payments to the vendors:
  - ("Stage 1"): payment of US$175,000 and issue of 130 million fully paid ordinary shares in Clancy within 95 days from the date of execution of the sale agreement in consideration for a 20% interest;
  - ("Stage 2"): payment of US$200,000 and issue of 120 million fully paid ordinary shares in Clancy within 6 months and 5 days from the completion of Stage 1, in consideration for a further 20% interest;
  - ("Stage 3"): payment of US$200,000 and issue of 120 million fully paid ordinary shares in Clancy within 6 months and 5 days from the completion of Stage 2, in consideration for a further 20% interest;
  - ("Stage 4"): payment of US$200,000 and issue of 120 million fully paid ordinary shares in Clancy within 6 months and 5 days from the completion of Stage 3, in consideration for a further 20% interest; and
  - ("Stage 5"): payment of US$200,000 and issue of 120 million fully paid ordinary shares in Clancy within 6 months and 5 days from the completion of Stage 4, in consideration for a further 20% interest, such that Clancy (or a subsidiary of Clancy) will have acquired or been issued a 100% interest at the completion of Stage 5.
  - Clancy has the right to accelerate any of the above payments. Clancy will also issue, 10 million 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 Clancy) for facilitating the Acquisition;
- the Company raised $750,000 (before costs) via a placement of 250,000,000 ordinary shares at an issue price of $0.003 each;
- the Company issued 125,000,000 quoted options exercisable at $0.04 each and expiring on 9 May 2019; and
- the Company issued 462,000,000 performance rights to directors with various vesting conditions.

25. DIRECTORS AND KEY MANAGEMENT PERSONNEL

(a) Details of Key Management Personnel

The names of the Company's directors in office at any time during the financial year are as follows. Directors were in office for the entire period unless otherwise stated.

D Lenigas	Chairman (Executive)	
D Scoggin	Director (Non-Executive)	
S Patrizi	Director (Non-Executive)	
S Hardcastle	Director (Non-Executive)	Appointed 1 December 2017
E Cranston	Director (Non-Executive)	Resigned 1 December 2017
O Malone	Company Secretary)	Appointed 1 February 2018
R Caren	Company Secretary	Resigned 1 February 2018

(b) Compensation for Key Management Personnel

	Consolidated	
	2018	**2017**
	$	**$**
Short-term employee benefits	217,000	187,856
Share-based payments	188,000	406,000
Total Compensation	**405,000**	**593,856**

(c) Employee Share Plan

Pursuant to an employee share plan offer dated 25 October 2012, the Company provided limited recourse loans to eligible employees or consultants to purchase shares under the plan ("Plan Shares"). Pursuant to loan agreements, the loans become repayable once the employee/consultant ceases to be an eligible employee of or consultant to the Company. If the loan is not repaid within one month of the date of this notice, the Company may sell the Plan Shares in accordance with loan agreement for the benefit of the Company.

NOTES TO ACCOUNTS

25. DIRECTORS AND KEY MANAGEMENT PERSONNEL (continued)

The sale proceeds will be deemed to have satisfied the outstanding loan amount in relation to those Plan Shares in full, and the eligible employee or consultant will have no further liability to the Company in respect of the loan and the Company will have no further recourse in relation to the loan. As the only recourse for the loans is against the underlying Plan Shares, based on the criteria for asset recognition, the loans have not been included as a receivable in the financial statements.

During the year, the remaining Plan Shares were sold by the Company and the proceeds used to settle the outstanding limited recourse loans in relation to those shares following the resignation of an eligible employee.

As at 30 June 2018, key management personnel held nil Plan Shares (2017: 347,009) and had limited recourse loans in relation to those shares totaling $nil (2017: $6,940).

26. SHARE-BASED PAYMENT EXPENSE

(a) Recognised share-based payments expenses

The expense recognised for the expensing of employee and consultant services received is shown in the table below:

	Consolidated	
	2018	2017
	$	$
Recognised in the Statement of Profit or Loss and Other Comprehensive Income		
Expense recognised for directors' services received		
Expense arising from equity-settled share-based payment transactions – directors	188,000	290,000
	188,000	290,000
Equity payment recognised for consulting fees		
Equity-settled share-based payment transactions – options issued for services provided towards project acquisition and partial divestment	-	116,000
	-	116,000
Equity payment recognised for compensation to joint venture partner		
Equity-settled share-based payment transactions – shares issued as compensation to joint venture partner	420,000	-
	420,000	-
Total recognised in the Statement of Profit or Loss and Other Comprehensive Income	608,000	406,000
Recognised in Contributed Equity		
Equity payment recognised for sub-underwriting of rights issue		
Equity-settled share-based payment transactions – options issued as part of a fee for sub-underwriting of rights issue recognised in Contributed Equity	-	-
Total recognised in Contributed Equity	-	-

(b) Weighted average remaining contractual life

The weighted average remaining contractual life of the options on issue is 0.97 years (2017: 1.94 years).

(c) Range of exercise price

The range of the exercise prices of the options on issue is $0.004 - $0.007 (2017: $0.004).

NOTES TO ACCOUNTS

26. SHARE-BASED PAYMENT EXPENSE (continued)

(d) Weighted average fair value

The fair value of the options issued as share based payments during the year was $0.0038 per option (2017: $0.0029 per option).

(e) Weighted average share price

The weighted average price per share in relation to shares issued during the year was $0.00498 (2017: $0.00104).

(f) Option valuation

During the year ended 30 June 2018, the following share based payments were made:

(1) Shares issued as compensation to joint venture partner in relation to Austrian tenements: 140,000,000 ordinary fully paid shares were issued at a fair value of $0.003 per share being the closing price on ASX on the date of issue. The total fair value of the shares issued was $420,000.
(2) The following options, which were issued to Directors and vested immediately, were recorded at their fair value in the share-based payment reserve. The options have been valued by the Directors using the Black-Scholes option pricing model based on the following:

	Director Options #1	Director Options #2
Underlying value of the security	$0.006	$0.004
Exercise price	$0.007	$0.0065
Valuation date	1 December 2017	30 January 2018
Expiry date	30 November 2020	31 December 2020
Life of Options in years	3 years	2.92 years
Volatility	142.34%	161.96%
Risk free rate	1.94%	2.22%
Number of Options	20,000,000	30,000,000
Valuation per Option	$0.0046	$0.0032
Valuation	$92,000	$96,000

During the year ended 30 June 2017, the following share based payments were made:

(1) The following options, which were issued to a Director and a consultant of the Company and vested immediately, were recorded at their fair value in the share-based payment reserve. The options have been valued by the Directors using the Black-Scholes option pricing model based on the following:

	Director Options	Consultant Options
Underlying value of the security	$0.003	$0.003
Exercise price	$0.004	$0.004
Valuation date	12 June 2017	12 June 2017
Expiry date	12 June 2020	12 June 2020
Life of Options in years	3 years	3 years
Volatility	233.65%	233.65%
Risk free rate	1.73%	1.73%
Number of Options	100,000,000	40,000,000
Valuation per Option	$0.0029	$0.0029
Valuation	$290,000	$116,000

NOTES TO ACCOUNTS

27. AUDITOR'S REMUNERATION

The auditor of Clancy Exploration Limited was Walker Wayland WA Audit Pty Ltd (formerly called Hall Chadwick WA Audit Pty Ltd), however there were some non-audit services provided by the previous auditor, Ernst & Young.

	Consolidated	
	2018	2017
	$	$
Amounts received or due and receivable by Walker Wayland WA Audit Pty Ltd (formerly Hall Chadwick WA Audit Pty Ltd) for:		
- an audit or review of the financial statements of the entity and its controlled entity	18,250	17,500
- other services in relation to the entity and its controlled entity	-	-
	18,250	17,500
Amounts received or due and receivable by Ernst & Young for:		
- an audit or review of the financial statements of the entity and its controlled entity	-	-
- other services in relation to the entity and its controlled entity	-	6,750
	-	6,750
	18,250	24,250

28. INFORMATION RELATING TO CLANCY EXPLORATION LIMITED ('the Parent Entity")

	2018	2017
	$	$
ASSETS		
Current Assets	650,895	1,618,491
Non-current Assets	1,965,204	8,406
TOTAL ASSETS	2,616,099	1,626,897
LIABILITIES		
Current Liabilities	97,272	50,071
Non-current Liabilities	-	-
TOTAL LIABILITIES	97,272	50,071
NET ASSETS	2,518,827	1,576,826
EQUITY		
Issued capital	19,915,681	17,885,639
Reserves	2,279,087	2,091,087
Accumulated losses	(19,675,941)	(18,399,900)
TOTAL EQUITY	2,518,827	1,576,826
Loss of the parent entity	(1,279,993)	(1,002,316)
Total comprehensive loss of the parent entity	(1,279,993)	(1,002,316)

Contingent liabilities of the parent entity: Nil.

	2018	2017
	$	$
Share-based payment reserve	2,279,087	2,091,087
	2,279,087	2,091,087

Commitments for the acquisition of property, plant and equipment by the parent entity: Nil.

NOTES TO ACCOUNTS

29. FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES

The consolidated entity's principal financial instruments comprise cash and short-term deposits.

The main purpose of these financial instruments is to finance the consolidated entity's operations. The consolidated entity has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations. It is, and has been throughout the entire period under review, the consolidated entity's policy that no trading in financial instruments shall be undertaken.

For all financial instruments of the Company, the carrying value approximates the fair value.

The main risk arising from the consolidated entity's financial instruments is cash flow interest rate risk. Other minor risks are either summarised below or disclosed at Note 10 in the case of credit risk and Note 16 in the case of capital risk management. The Board reviews and agrees policies for managing each of these risks.

(a) Cash Flow Interest Rate Risk

The consolidated entity's exposure to the risks of changes in market interest rates relates primarily to the consolidated entity's short-term deposits with a floating interest rate. These financial assets with variable rates expose the consolidated entity to cash flow interest rate risk. All other financial assets and liabilities in the form of receivables and payables are non-interest bearing. The consolidated entity does not engage in any hedging or derivative transactions to manage interest rate risk. In regard to its interest rate risk, the consolidated entity continuously analyses its exposure. Within this analysis consideration is given to potential renewals of existing positions, alternative investments and the mix of fixed and variable interest rates. The sensitivity to the movement in interest rates for the likely range of outcomes is immaterial.

Based on the sensitivity analysis only interest revenue from variable rate deposits and cash balances is impacted, resulting in a decrease or increase in overall income.

(b) Liquidity risk

The consolidated entity manages liquidity risk by maintaining sufficient cash reserves and through the continuous monitoring of budgeted and actual cash flows. Further, the consolidated entity only invests surplus cash with major financial institutions.

Contracted maturities of payables:

	Consolidated	
	2018	**2017**
	$	**$**
Payable		
- less than 6 months	97,272	50,072
- 6 to 12 months	-	-
- 1 to 5 years	-	-
- later than 5 years	-	-
Total	97,272	50,072

(c) Commodity price risk

The consolidated entity has no direct commodity exposures.

(d) Carrying values of financial instruments not recognised at fair value

Due to their short term nature, the carrying value of financial assets and financial liabilities, not recognised at fair value, recorded in the financial statements approximates their respective fair values, determined in accordance with accounting policies disclosed in Note 2 of the financial statements.

DIRECTORS' DECLARATION

The directors of Clancy Exploration Limited declare that:

1. In the opinion of the directors:

   (a) the attached financial statements and the notes thereto of the Company and of the consolidated entity are in accordance with the Corporations Act 2001, including:

   (i) giving a true and fair view of the Company's and consolidated entity's financial position as at 30 June 2018 and of their performance for the year ended on that date; and

   (ii) complying with Accounting Standards;

   (b) the attached financial statements and the notes thereto of the Company and of the consolidated entity are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board; and

   (c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

2. This declaration has been made after receiving the declarations required to be made to the directors in accordance with section 295A of the *Corporations Act 2001* for the financial year ending 30 June 2018.

Signed in accordance with a resolution of directors made pursuant to Section 295(5) of the Corporations Act 2001.

On behalf of the Board

D Lenigas
Executive Chairman
Dated this 28th September 2018

walkerwayland audit

Independent Auditor's Report
To the Members of Clancy Exploration Limited

REPORT ON THE AUDIT OF THE CONSOLIDTED FINANCIAL REPORT

Opinion

We have audited the financial report of Clancy Exploration Limited ("the Company") and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2018, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

a) giving a true and fair view of the Group's financial position as at 30 June 2018 and of its financial performance for the year then ended; and

b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* ("the Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

Without modifying our opinion, we draw attention to the following matter. As a result of the matters disclosed in Note 1a) "Going Concern" of the financial report, there is a material uncertainty whether the group can continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at amounts stated in the financial report. The ability of the group to continue as a going concern is dependent upon its ability to generate additional funding through further capital raising and the successful exploitation of its tenements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How our audit addressed the key audit matter
Exploration and Evaluation Assets (Note 11) (AASB 6)	
Exploration and Evaluation Assets had a net carrying value of $1,683,440 at 30 June 2018 (2017:Nil). During the year the company acquired 100% interest in a Hong Kong Golf Project. This interest has been capitalised and represents a significant asset of the company, as such we consider it necessary to assess whether facts and circumstances existed to suggest that the carrying amount of this asset may exceed its recoverable amount	*Audit procedures include amongst others the following:* • Obtain evidence that the company has valid rights to explore in the areas represented by the capitalised exploration and evaluation asset by obtaining independent searches of a sample of company's tenement holdings; • Ensure criteria of AASB 6 are met to be able to carry the asset at its recorded amount; • Enquire with management, review budgets and management minutes to ensure that there planned expenditure on further exploration for and evaluation of the mineral resources are planned; • Reviewed managements impairment assessment for reasonableness
Share Based Payments (Note 16 and 26) (AASB 2)	
The company has issued 140,000,000 shares exercisable at $0.003 to a joint venture partner as compensation for the discovery of third party priority over the 28 overlapping licenses that formed part of its interest in the Leogang Co-ni-Cu Sulphide project in Austria. Share based payments has been considered as a key audit matter; due to the high level of judgement required in evaluating the value.	*Audit procedures include amongst other the following:* • obtaining and reviewing managements valuation model including the reasonableness of all inputs into the model; • reviewing the company's share price movements to assess volatility; • review and discuss the disclosures in the financial statements with management.

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2018, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON THE REMUNERATION REPORT

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 5 to 10 of the directors' report for the year ended 30 June 2018.

In our opinion, the Remuneration Report of Clancy Exploration Limited for the year ended 30 June 2018 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Walker Wayland WA Audit Pty Ltd

WALKER WAYLAND WA AUDIT PTY LTD

John Dorazio FCA
Director
Level 3, 1 Preston Street, COMO WA 6152

Dated this 28th day of September 2018.

CORPORATE GOVERNANCE

As part of the process of re-listing the Company on the ASX, the present Board has adopted a Corporate Governance plan with reference to the ASX Guidelines in order to achieve the highest standards of corporate governance. The Company intends to follow each Recommendation where the Board has considered the Recommendation to be an appropriate benchmark for corporate governance practices, taking into account factors such as the size of the Company, the Board, resources available and activities of the Company. Where, after due consideration, the Company's corporate governance practices depart from the Recommendations, the Board will offer disclosure of the nature of, and reason for, the adoption of its own practice.

For the financial year ended 30 June 2018, the Company advises that all the principles and recommendations of the ASX Corporate Governance Council have been applied with the exception of the disclosures contained in the table set out below.

Diversity Policy

The Company recognises that a diverse and talented workforce is a competitive advantage and that the Company's success is the result of the quality and skills of our people. As such, the Company has adopted a Diversity Policy to guide all recruitment and employment decisions.

Our policy is to recruit and manage on the basis of qualification for the position and performance, regardless of gender, age, nationality, race, religious beliefs, cultural background, sexuality or physical ability. It is essential that the Company employs the appropriate person for each job and that each person strives for a high level of performance.

The Company's strategies are to:

1. recruit and manage on the basis of an individual's competence, qualification and performance;
2. create a culture that embraces diversity and that rewards people to act in accordance with this policy;
3. appreciate and respect the unique aspects that individual brings to the workplace;
4. foster an inclusive and supportive culture to enable people to develop to their full potential;
5. identify factors to be taken into account in the employee selection process to ensure we have the right person for the right job;
6. take action to prevent and stop discrimination, bullying and harassment; and
7. recognise that employees at all levels of the Company may have domestic responsibilities.

The Board is accountable for ensuring this policy is effectively implemented. Each employee has a responsibility to ensure that these objectives are achieved.

Compliance with ASX Recommendations

Recommendation		Current Practice
1.1	A listed entity should disclose: (a) The respective roles and responsibilities of its board and management; and (b) Those matters expressly reserved to the board and those delegated to management.	The Company's Board Charter sets out the roles and responsibilities of the Board and Management. It is available for review on the Company's website.
1.2	A listed entity should: (a) Undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and (b) Provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.	The Company has implemented a policy of undertaking police and bankruptcy checks on any senior employees and directors before appointment or putting to shareholders for election. The Company provides all relevant information on all directors in its annual report and in the notice of meeting in which a director is proposed to be elected.
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their employment.	The Company requires that a detailed letter of appointment or employment contract is agreed with each director and employee.
1.4	The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	The Company complies with this recommendation.
1.5	A listed entity should: (a) Have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them; (b) Disclose that policy or a summary of it; and (c) Disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them, and either: i. The respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has	The Company has adopted a formal Diversity Policy, a summary of which is provided above. As at 30 June 2018: • The Board of Clancy Exploration Limited was comprised four members, all of whom were male. • The Company has 5 senior executives, being the Board and Key Management Personnel, four of whom were male and one female. There were no further members of the organisation at that time.

	defined “senior executive” for these purposes); or ii. if the entity is a “relevant employer” under the Workplace Gender Equality Act, the entity’s most recent “Gender Equality Indicators”, as defined in and published under that Act.	
1.6	A listed entity should: (a) Have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and (b) Disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	The Board Performance Evaluation Policy is available on the Company’s website. During the reporting period, the Board collectively assessed their respective roles and contributions to the Company and determined they were appropriate for that point in the Company’s development. The Board will continue to review its composition as the Company progresses and consider if additional or different members can add value to the growth of the Company and relevance of the Board.
1.7	A listed entity should: (a) Have and disclose a process for periodically evaluating the performance of its senior executives; and (b) Disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	Due to the current position of the Company, there are currently no senior executives employed outside of the Board at this time. The Company will undertake periodic evaluations of senior executives at the appropriate stage of the Company’s development.
2.1	The board of a listed entity should: (a) Have a nomination committee which: i. has at least three members, a majority of whom are independent directors; and ii. is chaired by an independent director; and disclose: iii. the charter of the committee; iv. the members of the committee; and v. as at the end of each reporting period, the number of times the committee met throughout the period, and the individual attendances of the members at those meetings; or (b) If it does not have a nomination committee, disclose the fact and the processes it	The Board considers that given the current size of the Board and the Company, this function is efficiently achieved with full Board participation. Accordingly, the Board has not established a nomination committee.

	employs to address board succession issues and to ensure the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.	
2.2	A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.	The Board Charter, which is available on the Company's website, incorporates a set of skills and abilities that are desirable for the composition of the Board. The Board is satisfied that it an appropriate mix of desired skills for the current position of the Company. The Board will continue to review its composition as the Company progresses and consider if additional or different members can add value to the growth of the Company and relevance of the Board.
2.3	A listed entity should disclose: (a) The names of the directors considered by the board to be independent directors; (b) If a director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and (c) The length of service of each director.	The Company considered that all directors were independent directors for the period. Subsequent to the end of the period, David Lenigas was no longer considered independent due his change in role to Executive Chairman. The Company discloses the length of service for each director in the Director's Report of its annual report.
2.4	A majority of the board of a listed entity should be independent directors.	The composition of the Board is in compliance with this recommendation with all 4 directors considered to be independent for the period, and a majority subsequent to the end of the period.
2.5	The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	During the reporting period, the Company complied with this recommendation. Subsequent to the period, Mr Lenigas was no longer considered independent due to his transition to Executive Chairman.
2.6	A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and	The Company has implemented an induction program for all new directors to appropriately familiarise them with the policies and procedures of the Company as part of its Corporate Governance plan.

	knowledge needed to perform their roles as directors effectively.	The Company encourages and facilitates all Directors to develop their skills, including with the provision of in-house seminars to maintain compliance in areas such as risk and disclosure.
3.1	A listed entity should: (a) Have a code of conduct for its directors, senior executives and employees; and (b) Disclose that code or a summary of it.	The Company's Code of Conduct is available on the Company's website.
4.1	The board of a listed entity should: (a) Have an audit committee which: i. has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and ii. is chaired by an independent director, who is not the chair of the board; and disclose: iii. the charter of the committee; iv. the relevant qualifications and experience of the members of the committee; and v. as at the end of each reporting period, the number of times the committee met throughout the period, and the individual attendances of the members at those meetings; or (b) If it does not have an audit committee, disclose the fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.	The Company does not have an audit committee due the current size of the Board and Company. The Company has adopted a policy whereby the full Board fulfils the duties of the audit committee and abides by the adopted Audit Committee Charter (available on the Company's website). The Board has adopted a formal policy regarding the appointment, removal and rotation of the Company's external auditor and audit partner.
4.2	The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the	The Board receives a section 295A declaration from the consultants who act as equivalent to the CFO for each half yearly and full year report in advance of approval of these reports.

	basis of a sound system of risk management and internal controls which is operating effectively.	
4.3	A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.	The Company's auditor is required to attend the Company's AGM and is available to answer questions relevant to the audit.
5.1	A listed entity should: (a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and (b) disclose that policy or a summary of it.	The Board has adopted a formal Continuous Disclosure Policy to ensure compliance with the ASX Listing Rules. The Policy is available on the Company's website.
6.1	A listed entity should provide information about itself and its governance to investors via its website.	The Company complies with this recommendation.
6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	The Company has developed a Shareholder Communications Strategy to ensure all relevant information is identified and reported accordingly.
6.3	A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	The Company encourages all shareholders to attend General Meetings of the Company via its notices of meeting, and in the event they cannot attend, to participate by recording their votes. The Company has implemented an online voting system to further encourage participation by shareholders.
6.4	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	The Company and its share registry actively encourage electronic communication. All new shareholders will be issued with a letter encouraging the registration of electronic contact methods.
7.1	The board of a listed entity should: (a) have a committee or committees to oversee risk, each of which: i. has at least three members, a majority of whom are independent directors; and ii. is chaired by an independent director; and disclose: iii. the charter of the committee; iv. the members of the committee; and	The Company does not have a risk committee due the current size of the Board and Company. The Company has adopted a policy whereby the full Board fulfil the duties of the risk committee and abides by the adopted Risk Management Policy (available on the Company's website). The Directors require that they are updated regularly on all financial, legal and commercial aspects of the Company to ensure that they are familiar with all aspects of corporate reporting and believe this to mitigate the risk of not having an independent committee.

	v. as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings: or (b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.	
7.2	The board or a committee of the board should: (a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and (b) disclose, in relation to each reporting period, whether such a review has taken place.	The Board reviews its risk management strategy annually.
7.3	A listed entity should disclose: (a) if it has an internal audit function, how the function is structured and what role it performs; or (b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.	The Company is not of the size or scale to warrant the cost of an internal audit function. This function is undertaken by the Board as a whole via the regular and consistent reporting in all risk areas.
7.4	A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.	The Company has the normal exposure to economic and environmental risks as would be expected for a junior mineral exploration company. The Company manages the economic risks by closely monitoring expenditure and foreign currency fluctuations. The Company manages environmental risks by ensuring that any contractors undertaking operations at the Company's project follow industry best practice.
8.1	The board of a listed entity should: (a) have a remuneration committee which: i. has at least three members, a majority of whom are independent directors; and ii. is chaired by an independent director; and disclose: iii. the charter of the committee;	The Board consider that given the current size of the Board, this function is efficiently achieved with full Board participation. Accordingly, the Board has not established a formal remuneration committee. The Board will consider industry peers when evaluating the remuneration. The Board is cognisant of the fact that it wishes to attract and retain the best people, and will consider strategies other than monetary to balance the

	iv. the members of the committee; and v. as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.	need for the best people and the financial position of the Company.
8.2	A listed entity should separately disclose its policies and practises regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.	The Company discloses its policies on remuneration in the Remuneration Report set out in its annual report.
8.3	A listed entity which has an equity-based remuneration scheme should: (a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and (b) disclose that policy or a summary of it.	The Company recognises that Director, executives and employees may hold securities in the Company and that most investors are encouraged by these holdings. The Company's Securities Trading Policy (available on the Company's website) explains and reinforces the Corporations Act 2001 requirements relating to insider trading. The Policy applies to all Directors, executives, employees and consultants and their associates and closely related parties.

ASX ADDITIONAL INFORMATION

The following information is based on share registry information processed up to 30 October 2018.

Equity Securities
3,504,387,675 CLY shares are held by 1,309 individual holders
1,862,866,179 CLY options exercisable at $0.004 each, expiring 9 May 2019 are held by 332 holders
120,000,000 unquoted options exercisable at $0.004 each, expiring 31 May 2020 are held by 2 holders
20,000,000 unquoted options exercisable at $0.007 each, expiring 30 November 2020 are held by 1 holder
30,000,000 unquoted options exercisable at $0.065 each, expiring 30 November 2020 are held by 1 holder
10,000,000 unquoted options exercisable at $0.005 each, expiring 30 November 2020 are held by 1 holder
462,000,000 performance rights with various hurdles held by the 4 directors

Voting Rights
Voting rights attaching to ordinary shares are on a show of hands every member present in person or by proxy shall have one vote and upon a poll, each share shall have one vote. Options do not carry any voting rights.

Restricted Securities
The Company has no restricted securities on issue.

Distribution of Holders of Fully Paid Ordinary Shares

	Holders
1 – 1,000	75
1,001 – 5,000	27
5,001 – 10,000	51
10,001 – 100,000	315
100,001 and over	841
Total	**1,309**

Unmarketable Parcels of Fully Paid Ordinary Shares
Holders: 697
Units: 57,472,809

Distribution of Holders of Quoted Options

	Holders
1 – 1,000	12
1,001 – 5,000	2
5,001 – 10,000	0
10,001 – 100,000	35
100,001 and over	283
Total	**332**

Unmarketable Parcels of Quoted Options
Holders: 98
Units: 15,291,680

On-market Buy Back
There is no current on-market buy-back.

Substantial Shareholders
There are no substantial shareholders.

Twenty Largest Holders of Fully Paid Ordinary Shares

Name	Number of Shares	%
Troca Enterprises Pty Ltd <Coulson Super A/C>	157,797,774	4.50
Hammerhead Holdings Pty Ltd <HHH S/F A/C>	150,000,000	4.28
Cadence Minerals PLC	140,000,000	4.00
Blu Bone Pty Ltd	130,500,100	3.72
Mr Robert Andrew Jewson	124,000,000	3.54
Citicorp Nominees Pty Limited	121,699,029	3.47
Ocean View WA Pty Ltd	120,000,000	3.42
Motte & Bailey Pty Ltd <Bailey Super Fund A/C>	113,929,535	3.25
Kobia Holdings Pty Ltd	108,666,667	3.10
Mr Antonius Joseph Smit	106,084,820	3.03
National Nominees Limited	100,000,000	2.85
Mr Stephen James Dobson	86,666,667	2.47
Mr Mark John Bahen & Mrs Margaret Patricia Bahen <Superannuation A/C>	82734,415	2.36
Motte & Bailey Pty Ltd <Bailey Super Fund A/C>	79,701,144	2.27
Kingslane Pty Ltd <Cranston Super Fund A/C>	74,307,229	2.12
Flue Holdings Pty Ltd	65,000,000	1.85
Mr Bakr Khudeira	60,000,000	1.71
Mr Paul Joseph Coombe	53,604,312	1.53
Walani Pty Ltd	50,000,000	1.43
Sassey Pty Ltd <Avago Super Fund A/C>	50,000,00	1.43
TOTAL	**1,974,691,692**	**56.35**

Twenty Largest Holders of Quoted Options

Name	Number of Shares	%
Hammerhead Holdings Pty Ltd <HHH S/F A/C>	133,185,786	7.15
Reco Holdings Pty Ltd <Reco Super Fund A/C>	100,000,004	5.37
Kobia Holdings Pty Ltd	81,007,815	4.35
Mr Antonius Joseph Smit	75,722,673	4.06
Citicorp Nominees Pty Limited	71,678,333	3.85
Hijinx Investments Ltd	70,000,000	3.76
Blu Bone Pty Ltd	68,556,950	3.68
Mr Mark John Bahen & Mrs Margaret Patricia Bahen <Superannuation A/C>	67,578,139	3.63
Motte & Bailey Pty Ltd <Bailey Super Fund A/C>	58,011,893	3.11
B & A Wallace Superannuation Fund Pty Ltd <B & A Wallace Super Fund A/C>	50,000,000	2.68
Inkese Pty Ltd	50,000,000	2.68
Talex Investments Pty Ltd	39,000,000	2.09
Greensea Investments Pty Ltd	31,833,333	1.71
Flue Holdings Pty Ltd	30,000,000	1.61
Troca Enterprises Pty Ltd <Coulson Super A/C>	30,000,000	1.61
Mrs Hilary Somerville Statham & Mr Thomas Charles Statham <Merlin Super Fund A/C>	30,000,000	1.61
Ocean View Pty Ltd	26,000,000	1.40
Mr Philip John Coulson	24,000,000	1.29
Francis Holdings (WA) Pty Ltd	23,296,446	1.25
Mr Martin Dru Daniels	20,000,000	1.07
TOTAL	**1,079,871,372**	**57.96**

Unquoted Securities >20% Holders

Class	Holder	Number	%
Options exercisable at $0.004 each, expiring 31 May 2020	David Lenigas	100,000,000	83
Options exercisable at $0.007 each, expiring 30 November 2020	CYM Holdings Pty Ltd	20,000,000	100
Options exercisable at $0.0065 each, expiring 30 December 2020	Valtellin Pty Ltd	30,000,000	100
Options exercisable at $0.005 each, expiring 24 October 2020	Contacio CovePty Ltd	10,000,000	100
Performance rights vesting on 3 August 2019 provided the holder does not resign from the Board	David Lenigas	100,000,000	87
Performance rights vesting 12 months after the date that the 10 day VWAP for CLY shares is $0.01 or higher within 3 years of the issue date provided the holder does not resign from the Board before the vesting date	David Lenigas	100,000,000	87
Performance rights vesting 12 months after the date that the 10 day VWAP for CLY shares is $0.015 or higher within 3 years of the issue date provided the holder does not resign from the Board before the vesting date	David Lenigas	100,000,000	87
Performance rights vesting 12 months after the date that the 10 day VWAP for CLY shares is $0.02 or higher within 3 years of the issue date provided the holder does not resign from the Board before the vesting date	David Lenigas	100,000,000	87

Company Secretary
Oonagh Malone

Registered Office in Australia
Suite 23, 513 Hay Street, Subiaco WA 6904
Tel: 08 6143 6720

Share Registry
Automic Registry Services
Level 2, 267 St Georges Terrace
Perth WA 6000
Tel: 1300 288 664

Schedule of Mining Tenements

Austrian Tenement Schedule – Leogang - Clancy First Priority – 90% Interest					
Designation	Reference Meridian	Coordinates in Metres		Cadastral Municipalities	
		Y	X	Centre in the Cadastral Municipality	Other Cadastral Municipality Concerned
51/17/S (CLY-LEOG-003)	M 31	-48.300,37	5.255.801,08	Schwarzleo	
56/17/S (CLY-LEOG-008)	M 31	-47.598,54	5.255.801,08	Schwarzleo	Sonnberg, Pirzbichl
57/17/S (CLY-LEOG-009)	M 31	-48.999,02	5.255.797,89	Schwarzleo	Grießen
58/17/S (CLY-LEOG-010)	M 31	-49.698,06	5.255.794,71	Schwarzleo	Grießen
64/17/S (CLY-LEOG-016)	M 31	-50.400,13	5.255.799,19	Schwarzleo	Grießen
68/17/S (CLY-LEOG-020)	M 31	-51.093,42	5.255.793,06	Grießen	
71/17/S (CLY-LEOG-023)	M 31	-51.798,97	5.255.793,05	Grießen	
74/17/S (CLY-LEOG-026)	M 31	-52.498,40	5.255.799,19	Grießen	Hoch filzen
78/17/S (CLY-LEOG-030)	M 31	-52.492,26	5.254.596,68	Schwarzleo	
79/17/S (CLY-LEOG-031)	M 31	-52.492,26	5.253.394,16	Schwarzleo	Saalbach
80/17/S (CLY-LEOG-032)	M 31	-52.841,97	5.254.001,55	Schwarzleo	Saalbach
81/17/S (CLY-LEOG-033)	M 31	-52.848,10	5.255.197,93	Schwarzleo	Grießen, Hoch filzen, Fieberbrunn
82/17/S (CLY-LEOG-034)	M 31	-53.203,95	5.253.400,29	Schwarzleo	Saalbach
83/17/S (CLY-LEOG-035)	M 31	-53.191,68	5.254.596,68	Schwarzleo	Fieberbrunn
84/17/S (CLY-LEOG-036)	M 31	-53.547,53	5.254.001,56	Schwarzleo	Fieberbrunn, Saalbach
85/17/S (CLY-LEOG-037)	M 31	-53.541,39	5.255.191,80	Fieberbrunn	
86/17/S (CLY-LEOG-038)	M 31	-53.205,07	5.255.798,61	Fieberbrunn	Hoch filzen
87/17/S (CLY-LEOG-039)	M 31	-53.900,65	5.254.602,23	Fieberbrunn	
88/17/S (CLY-LEOG-040)	M 31	-54.253,07	5.255.195,78	Fieberbrunn	
89/17/S (CLY-LEOG-041)	M 31	-53.890,53	5.255.792,75	Fieberbrunn	
90/17/S (CLY-LEOG-042)	M 31	-53.897,23	5.253.400,97	Fieberbrunn	Saalbach
91/17/S (CLY-LEOG-043)	M 31	-54.252,31	5.253.997,24	Fieberbrunn	
92/17/S (CLY-LEOG-044)	M 31	-54.593,99	5.254.600,21	Fieberbrunn	
93/17/S (CLY-LEOG-045)	M 31	-54.593,99	5.255.799,44	Fieberbrunn	
94/17/S (CLY-LEOG-046)	M 31	-54.942,37	5.253.990,54	Fieberbrunn	

95/17/S (CLY-LEOG-047)	M 31	-54.600,69	5.253.400,97	Fieberbrunn	Saalbach
96/17/S (CLY-LEOG-048)	M 31	-54.949,08	5.255.203,18	Fieberbrunn	
98/17/S (CLY-LEOG-050)	M 31	-55.290,76	5.255.799,44	Fieberbrunn	
99/17/S (CLY-LEOG-051)	M 31	-55.297,46	5.253.400,97	Fieberbrunn	Saalbach
101/17/S (CLY-LEOG-053)	M 31	-55.652,54	5.255.196,48	Fieberbrunn	
103/17/S (CLY-LEOG-055)	M 31	-56.000,92	5.253.400,97	Fieberbrunn	
104/17/S (CLY-LEOG-056)	M 31	-56.000,92	5.255.799,45	Fieberbrunn	
105/17/S (CLY-LEOG-057)	M 31	-56.349,30	5.255.203,18	Fieberbrunn	
106/17/S (CLY-LEOG-058)	M 31	-55.659,24	5.256.402,41	Fieberbrunn	
107/17/S (CLY-LEOG-059)	M 31	-54.949,07	5.256.395,71	Fieberbrunn	
108/17/S (CLY-LEOG-060)	M 31	-56.342,60	5.256.395,71	Fieberbrunn	
109/17/S (CLY-LEOG-061)	M 31	-56.690,98	5.255.792,75	Fieberbrunn	
110/17/S (CLY-LEOG-062)	M 31	-56.697,68	5.254.600,21	Fieberbrunn	
111/17/S (CLY-LEOG-063)	M 31	-57.052,77	5.256.395,72	Fieberbrunn	
112/17/S (CLY-LEOG-064)	M 31	-57.052,76	5.255.209,88	Fieberbrunn	
114/17/S (CLY-LEOG-066)	M 31	-57.401,15	5.255.799,44	Fieberbrunn	
115/17/S (CLY-LEOG-067)	M 31	-57.401,15	5.254.606,91	Fieberbrunn	
116/17/S (CLY-LEOG-068)	M 31	-56.697,68	5.256.998,68	Fieberbrunn	
117/17/S (CLY-LEOG-069)	M 31	-57.749,53	5.256.395,71	Fieberbrunn	
118/17/S (CLY-LEOG-070)	M 31	-57.749,53	5.255.203,18	Fieberbrunn	
119/17/S (CLY-LEOG-071)	M 31	-57.052,76	5.253.997,24	Fieberbrunn	
120/17/S (CLY-LEOG-072)	M 31	-57.401,14	5.256.998,68	Fieberbrunn	
121/17/S (CLY-LEOG-073)	M 31	-58.097,91	5.256.998,68	Fieberbrunn	
122/17/S (CLY-LEOG-074)	M 31	-58.459,69	5.256.395,71	Fieberbrunn	
123/17/S (CLY-LEOG-075)	M 31	-58.091,21	5.255.799,44	Fieberbrunn	
124/17/S (CLY-LEOG-076)	M 31	-58.452,99	5.255.196,47	Fieberbrunn	
125/17/S (CLY-LEOG-077)	M 31	-58.801,37	5.255.799,45	Fieberbrunn	
126/17/S (CLY-LEOG-078)	M 31	-58.097,91	5.254.600,20	Fieberbrunn	
127/17/S (CLY-LEOG-079)	M 31	-59.143,06	5.255.203,17	Fieberbrunn	
128/17/S (CLY-LEOG-080)	M 31	-56.697,68	5.253.400,97	Fieberbrunn	
129/17/S (CLY-LEOG-081)	M 31	-57.394,45	5.253.400,97	Fieberbrunn	

130/17/S (CLY-LEOG-082)	M 31	-57.749,52	5.253.997,24	Fieberbrunn	
131/17/S (CLY-LEOG-083)	M 31	-58.091,21	5.253.400,97	Fieberbrunn	
132/17/S (CLY-LEOG-084)	M 31	-58.446,29	5.253.997,24	Fieberbrunn	
133/17/S (CLY-LEOG-085)	M 31	-58.801,37	5.254.593,51	Fieberbrunn	
134/17/S (CLY-LEOG-086)	M 31	-59.149,75	5.253.997,24	Fieberbrunn	
135/17/S (CLY-LEOG-087)	M 31	-59.498,13	5.254.600,21	Fieberbrunn	
136/17/S (CLY-LEOG-088)	M 31	-58.801,37	5.253.400,97	Fieberbrunn	
137/17/S (CLY-LEOG-089)	M 31	-59.498,13	5.253.400,97	Fieberbrunn	Aurach
138/17/S (CLY-LEOG-090)	M 31	-59.853,22	5.253.997,24	Fieberbrunn	Aurach
139/17/S (CLY-LEOG-091)	M 31	-59.853,22	5.255.203,17	Fieberbrunn	
140/17/S (CLY-LEOG-092)	M 31	-59.498,14	5.255.799,44	Fieberbrunn	
141/17/S (CLY-LEOG-093)	M 31	-55.653,82	5.252.803,35	Fieberbrunn	Saalbach
142/17/S (CLY-LEOG-094)	M 31	-56.338,36	5.252.803,34	Fieberbrunn	
143/17/S (CLY-LEOG-095)	M 31	-52.843,60	5.256.382,17	Hochfilzen	Grießen
144/17/S (CLY-LEOG-096)	M 31	-52.145,01	5.256.394,15	Hochfilzen	Grießen
145/17/S (CLY-LEOG-097)	M 31	-54.947,60	5.252.798,07	Fieberbrunn	Saalbach
146/17/S (CLY-LEOG-098)	M 31	-56.000,44	5.257.001,49	Fieberbrunn	
147/17/S (CLY-LEOG-099)	M 31	-58.450,18	5.257.599,58	Fieberbrunn	
148/17/S (CLY-LEOG-1OO)	M 31	-57.749,83	5.257.599,58	Fieberbrunn	

Austrian Tenement Schedule – Kitzbuhel - Clancy First Priority – 90% Interest					
Designation	**Reference Meridian**	**Coordinates in Metres**		**Cadastral Municipalities**	
		Y	**X**	**Centre in the Cadastral Municipality**	**Other Cadastral Municipality Concerned**
38/17/T (CLY- KITZ-001)	M 31	-58.798,58	5.257.006,95	Fieberbrunn	
39/17/T (CLY- KITZ -002)	M 31	-59.153,61	5.256.407,82	Fieberbrunn	
40/17/T (CLY- KITZ -003)	M 31	-59.153,61	5.257.598,68	Fieberbrunn	
41/17/T (CLY- KITZ -004)	M 31	-59.501,26	5.256.999,55	Fieberbrunn	
42/17/T (CLY- KITZ-005)	M 31	-59.501,26	5.258.197,80	Fieberbrunn	
43/17/T (CLY- KITZ-006)	M 31	-59.856,29	5.257.598,68	Fieberbrunn	

44/17/T (CLY- KITZ -007)	M 31	-59.856,29	5.258.811,73	Fieberbrunn	
45/17/T (CLY- KITZ -008)	M 31	-59.161,01	5.258.804,33	Fieberbrunn	
46/17/T (CLY- KITZ -009)	M 31	-60.203,94	5.258.197,80	Fieberbrunn	
47/17/T (CLY- KITZ-010)	M 31	-60.211,33	5.256.999,55	Fieberbrunn	
48/17/T (CLY- KITZ -011)	M 31	-59.863,69	5.256.407,82	Fieberbrunn	
49/17/T (CLY- KITZ-012)	M 31	-60.551,58	5.257.598,68	Fieberbrunn	
50/17/T (CLY- KITZ-013)	M 31	-60.551,58	5.258.804,32	Fieberbrunn	
51/17/T (CLY- KITZ-014)	M 31	-60.203,94	5.259.403,46	Fieberbrunn	
52/17/T (CLY- KITZ -015)	M 31	-59.501,26	5.259.403,46	Fieberbrunn	
53/17/T (CLY- KITZ -016)	M 31	-60.914,02	5.258.197,81	Fieberbrunn	
54/17/T (CLY- KITZ -017)	M 31	-61.254,26	5.258.804,32	Fieberbrunn	
55/17/T (CLY- KITZ -018)	M 31	-60.914,02	5.259.403,45	Fieberbrunn	
56/17/T (CLY- KITZ-019)	M 31	-60.194,72	5.255.800,21	Fieberbrunn	
57/17/T (CLY- KITZ-020)	M 31	-60.553,37	5.255.200,49	Fieberbrunn	
58/17/T (CLY- KITZ-021)	M 31	-60.553,38	5.256.399,93	Fieberbrunn	
59/17/T (CLY- KITZ-022)	M 31	-60.894,40	5.255.800,22	Fieberbrunn	
60/17/T (CLY- KZTZ-023)	M 31	-60.194,72	5.254.600,76	Fieberbrunn	Aurach
61/17/T (CLY- KITZ-024)	M 31	-60.900,28	5.254.600,77	Fieberbrunn	Aurach
62/17/T (CLY-KITZ-025)	M 31	-61.247,17	5.255.200,49	Fieberbrunn	Aurach
63/17/T (CLY-KITZ-026)	M 31	-60.553,38	5.254.001,04	Fieberbrunn	Aurach
64/17/T (CLY-KITZ-027)	M 31	-61.599,95	5.254.594,89	Fieberbrunn	Aurach
65/17/T (CLY-KITZ-028)	M 31	-61.594,07	5.255.800,21	Fieberbrunn	
66/17/T (CLY-KITZ-029)	M 31	-61.247,17	5.256.394,06	Fieberbrunn	
67/17/T (CLY-KITZ-030)	M 31	-61.952,73	5.256.399,93	Fieberbrunn	
68/17/T (CLY-KITZ-031)	M 31	-61.946,85	5.255.200,49	Fieberbrunn	Aurach
69/17/T (CLY-KITZ-032)	M 31	-62.299,63	5.255.800,21	Fieberbrunn	Aurach
70/17/T (CLY-KITZ-033)	M 31	-62.299,62	5.254.600,76	Aurach	
71/17/T (CLY-KITZ-034)	M 31	-61.594,07	5.258.199,11	Fieberbrunn	
72/17/T (CLY-KITZ-035)	M 31	-61.594,07	5.259.392,67	Fieberbrunn	
73/17/T (CLY-KITZ-036)	M 31	-61.946,85	5.258.798,83	Fieberbrunn	
74/17/T (CLY-KITZ-037)	M 31	-61.247,17	5.257.593,50	Fieberbrunn	

75/17/T (CLY-KITZ-038)	M 31	-60.900,27	5.256.999,66	Fieberbrunn	
76/17/T (CLY-KITZ-039)	M 31	-61.599,95	5.256.999,66	Fieberbrunn	
77/17/T (CLY-KITZ-040)	M 31	-61.952,73	5.257.593,50	Fieberbrunn	
78/17/T (CLY-KITZ-041)	M 31	-62.299,62	5.256.999,66	Kitzbühel Land	Fieberbrunn
79/17/T (CLY-KITZ-042)	M 31	-62.652,41	5.257.599,38	Kitzbühel Land	Fieberbrunn
80/17/T (CLY-KITZ-043)	M 31	-62.293,75	5.258.199,10	Fieberbrunn	
81/17/T (CLY-KITZ-044)	M 31	-62.652,41	5.258.792,95	Fieberbrunn	
82/17/T (CLY-KITZ-045)	M 31	-62.299,63	5.259.398,55	Fieberbrunn	
83/17/T (CLY-KITZ-046)	M 31	-62.993,42	5.258.199,10	Kitzbühel Land	Fieberbrunn
84/17/T (CLY-KITZ-047)	M 31	-62.999,30	5.256.999,66	Kitzbühel Land	
85/17/T (CLY-KITZ-048)	M 31	-63.352,08	5.257.599,38	Kitzbühel Land	Fieberbrunn
86/17/T (CLY-KITZ-049)	M 31	-63.352,08	5.258.798,82	Kitzbühel Land	Fieberbrunn
87/17/T (CLY-KITZ-050)	M 31	-63.005,18	5.259.398,55	Fieberbrunn	
88/17/T (CLY-KITZ-051)	M 31	-62.650,00	5.256.400,26	Kitzbühel Land	Fieberbrunn, Aurach
89/17/T (CLY-KITZ-052)	M 31	-62.649,99	5.255.202,51	Aurach	
90/17/T (CLY-KITZ-053)	M 31	-63.008,02	5.254.597,13	Aurach	
91/17/T (CLY-KITZ-054)	M 31	-63.001,50	5.255.801,38	Kitzbühel Land	Aurach
92/17/T (CLY-KITZ-055)	M 31	-63.340,00	5.255.196,00	Aurach	
93/17/T (CLY-KITZ-056)	M 31	-63.691,52	5.254.597,13	Aurach	
94/17/T (CLY-KITZ-057)	M 31	-64.049,54	5.255.202,51	Kitzbühel Land	Aurach
95/17/T (CLY-KITZ-058)	M 31	-64.401,05	5.254.597,13	Aurach	
96/17/T (CLY-KITZ-059)	M 31	-64.746,05	5.255.202,51	Kitzbühel Land	Aurach
97/17/T (CLY-KITZ-060)	M 31	-63.691,52	5.255.801,38	Kitzbühel Land	Aurach
98/17/T (CLY-KITZ-061)	M 31	-63.340,00	5.256.393,75	Kitzbühel Land	Aurach
99/17/T (CLY-KITZ-062)	M 31	-64.043,03	5.256.400,26	Kitzbühel Land	
100/17/T (CLY-KITZ-063)	M 31	-64.401,05	5.255.801,38	Kitzbühel Land	
101/17/T (CLY-KITZ-064)	M 31	-65.097,57	5.255.801,38	Kitzbühel Land	Aurach
102/17/T (CLY-KITZ-065)	M 31	-65.097,56	5.254.597,13	Aurach	
103/17/T (CLY-KITZ-066)	M 31	-65.442,57	5.255.196,00	Kitzbühel Land	Aurach
104/17/T (CLY-KITZ-067)	M 31	-64.739,54	5.256.393,75	Kitzbühel Land	
105/17/T (CLY-KITZ-068)	M 31	-65.442,57	5.256.400,25	Kitzbühel Land	Aurach

106/17/T (CLY-KITZ-069)	M 31	-65.800,59	5.255.801,38	Kitzbühel Land	Aurach
107/17/T (CLY-KITZ-070)	M 31	-66.145,60	5.256.400,26	Kitzbühel Land	
108/17/T (CLY-KITZ-071)	M 31	-63.702,89	5.256.997,52	Kitzbühel Land	
109/17/T (CLY-KITZ-072)	M 31	-64.402,07	5.257.002,51	Kitzbühel Land	
110/17/T (CLY-KITZ-073)	M 31	-65.106,24	5.256.997,51	Kitzbühel Land	
111/17/T (CLY-KITZ-074)	M 31	-64.052,48	5.257.596,81	Kitzbühel Land	
112/17/T (CLY-KITZ-075)	M 31	-64.751,66	5.257.596,80	Kitzbühel Land	
113/17/T (CLY-KITZ-076)	M 31	-63.702,89	5.258.206,09	Kitzbühel Land	
114/17/T (CLY-KITZ-077)	M 31	-64.402,06	5.258.201,09	Kitzbühel Land	
115/17/T (CLY-KITZ-078)	M 31	-65.450,83	5.257.596,81	Kitzbühel Land	
116/17/T (CLY-KITZ-079)	M 31	-65.101,24	5.258.201,10	Kitzbühel Land	
117/17/T (CLY-KITZ-080)	M 31	-64.052,48	5.258.805,38	Kitzbühel Land	
118/17/T (CLY-KITZ-081)	M 31	-64.756,65	5.258.800,39	Kitzbühel Land	
119/17/T (CLY-KITZ-082)	M 31	-65.450,83	5.258.800,39	St. Johann in Tirol	Kitzbühel Land
121/17/T (CLY-KITZ-084)	M 31	-63.698,46	5.259.399,70	Kitzbühel Land	Fieberbrunn
122/17/T (CLY-KITZ-085)	M 31	-64.401,43	5.259.399,70	St. Johann in Tirol	Kitzbühel Land
123/17/T (CLY-KITZ-086)	M 31	-65.100,16	5.259.399,70	St. Johann in Tirol	Kitzbühel Land
124/17/T (CLY-KITZ-087)	M 31	-64.049,95	5.260.001,03	St. Johann in Tirol	Kitzbühel Land, Fieberbrunn
125/17/T (CLY-KITZ-088)	M 31	-64.748,68	5.260.001,03	St. Johann in Tirol	
126/17/T (CLY-KITZ-089)	M 31	-65.455,89	5.260.001,03	St. Johann in Tirol	
127/17/T (CLY-KITZ-090)	M 31	-64.401,43	5.260.606,61	St. Johann in Tirol	
128/17/T (CLY-KITZ-091)	M 31	-65.104,40	5.260.602,37	St. Johann in Tirol	
129/17/T (CLY-KITZ-092)	M 31	-65.798,89	5.260.606,60	St. Johann in Tirol	
130/17/T (CLY-KITZ-093)	M 31	-65.807,36	5.259.399,70	St. Johann in Tirol	Kitzbühel Land
131/17/T (CLY-KITZ-094)	M 31	-65.450,97	5.261.204,52	St. Johann in Tirol	
132/17/T (CLY-KITZ-095)	M 31	-66.148,70	5.261.202,29	St. Johann in Tirol	
133/17/T (CLY-KITZ-096)	M 31	-66.150,93	5.260.003,62	St. Johann in Tirol	
135/17/T (CLY-KITZ-098)	M 31	-65.801,79	5.257.002,86	Kitzbühel Land	
137/17/T (CLY-KITZ-100)	M 31	-60.203,85	5.253.403,67	Aurach	

Austrian Tenement Schedule – Leogang - Clancy Second Priority in at least 50% of the licence area – 90% Interest					
Designation	Reference Meridian	Coordinates in Metres		Cadastral Municipalities	
		Y	X	Centre in the Cadastral Municipality	Other Cadastral Municipality Concerned
49/17/S (CLY-LEOG-001)	M 31	-47.949,45	5.255.194,95	Schwarzleo	Sonnberg
50/17/S (CLY-LEOG-002)	M 31	-48.648,10	5.255.198,14	Schwarzleo	
52/17/S (CLY-LEOG-004)	M 31	-48.297,18	5.254.598,39	Schwarzleo	
53/17/S (CLY-LEOG-005)	M 31	-48.999,02	5.254.598,39	Schwarzleo	
54/17/S (CLY-LEOG-006)	M 31	-48.644,91	5.253.995,45	Schwarzleo	
55/17/S (CLY-LEOG-007)	M 31	-49.349,93	5.253.995,45	Schwarzleo	
59/17/S (CLY-LEOG-011)	M 31	-49.348,40	5.255.197,62	Schwarzleo	
60/17/S (CLY-LEOG-012)	M 31	-49.693,80	5.254.599,97	Schwarzleo	
61/17/S (CLY-LEOG-013)	M 31	-50.046,95	5.255.201,50	Schwarzleo	Grießen
62/17/S (CLY-LEOG-014)	M 31	-50.050,42	5.254.001,55	Schwarzleo	
63/17/S (CLY-LEOG-015)	M 31	-50.393,99	5.254.596,68	Schwarzleo	
65/17/S (CLY-LEOG-017)	M 31	-50.755,97	5.255.191,80	Schwarzleo	Grießen
66/17/S (CLY-LEOG-018)	M 31	-50.749,84	5.254.001,56	Schwarzleo	
67/17/S (CLY-LEOG-019)	M 31	-51.093,42	5.254.596,68	Schwarzleo	
69/17/S (CLY-LEOG-021)	M 31	-51.449,26	5.254.001,56	Schwarzleo	
70/17/S (CLY-LEOG-022)	M 31	-51.449,26	5.255.191,79	Schwarzleo	Grießen
72/17/S (CLY-LEOG-024)	M 31	-51.798,98	5.254.596,67	Schwarzleo	
73/17/S (CLY-LEOG-025)	M 31	-52.142,55	5.255.197,93	Schwarzleo	Grießen
75/17/S (CLY-LEOG-027)	M 31	-51.099,55	5.253.400,30	Schwarzleo	
76/17/S (CLY-LEOG-028)	M 31	-51.792,84	5.253.394,16	Schwarzleo	
77/17/S (CLY-LEOG-029)	M 31	-52.142,55	5.254.001,56	Schwarzleo	
97/17/S (CLY-LEOG-049)	M 31	-55.290,75	5.254.600,21	Fieberbrunn	
100/17/S (CLY-LEOG-052)	M 31	-55.652,54	5.253.997,24	Fieberbrunn	
102/17/S (CLY-LEOG-054)	M 31	-55.994,22	5.254.600,21	Fieberbrunn	
113/17/S (CLY-LEOG-065)	M 31	-56.349,30	5.253.997,24	Fieberbrunn	

Austrian Tenement Schedule – Kitzbuhel - Clancy Second Priority in at least 50% of licence area – 90% Interest					
Designation	Reference Meridian	Coordinates in Metres		Cadastral Municipalities	
		Y	X	Centre in the Cadastral Municipality	Other Cadastral Municipality Concerned
120/17/T (CLY-KITZ-083)	M 31	-65.800,42	5.258.201,09	Kitzbühel Land	
134/17/T (CLY-KITZ-097)	M 31	-66.153,17	5.258.802,72	St. Johann in Tirol	Kitzbühel Land
136/17/T (CLY-KITZ-099)	M 31	-66.153,31	5.257.600,01	Kitzbühel Land	

Australian Tenement Schedule					
State	Project	Lease No	Clancy interest	Area (km²)	Notes
WA	Hong Kong	EL 47/3566*	100%	40.0	
NSW	Condobolin	EL 7748	100%	89.3	
NSW	Genaren	EL 7927	100%	95.4	
NSW	Cundumbul	EL 6661	100%	69.3	
NSW	Fairholme	EL 6552	100%	54.5	
NSW	Fairholme	EL 6915	100%	114.7	
NSW	Orange East	EL 8442	100%	40.2	Alkane earning 60%
NSW	Trundle	EL 8222	100%	167.2	
NSW	Jemalong	EL 8502	100%	91.6	

Moroccan Tenement Schedule					
Location	Project	Lease No	Clancy interest	Area (km²)	Notes
Taznakht	Imdere	2339405	20%	16	Option to acquire up to 100%
Taznakht	Tizi Belhaj	2338804	20%	16	
Taznakht	Bou Amzil	2340879	20%	16	