



**Clara Resources Australia Ltd (ASX:ANW)
(Formerly Aus Tin Mining Ltd)**

ASX Announcement

6 October 2022

Update on Ashford Coking Coal Project

Scoping Study

The Board of Directors of Clara Resources Australia Limited (formerly Aus Tin Mining Ltd) is pleased to provide this update on the preparation of the Scoping Study for the Ashford Coking Coal Project. This study will provide an early stage technical and commercial viability assessment for the development and operation of the Ashford Coking Coal Project.

Project Overview

Clara Resources Australia owns 40% of the Project with an option to acquire the remaining 60%, this described in an agreement made with Laneway Resources Ltd in 2021.

The Project is located within exploration licence tenements EL6234 and EL6428 in the Northern Tablelands of NSW, approximately 10km north of the Ashford township and 65km north of Inverell, a large regional centre.

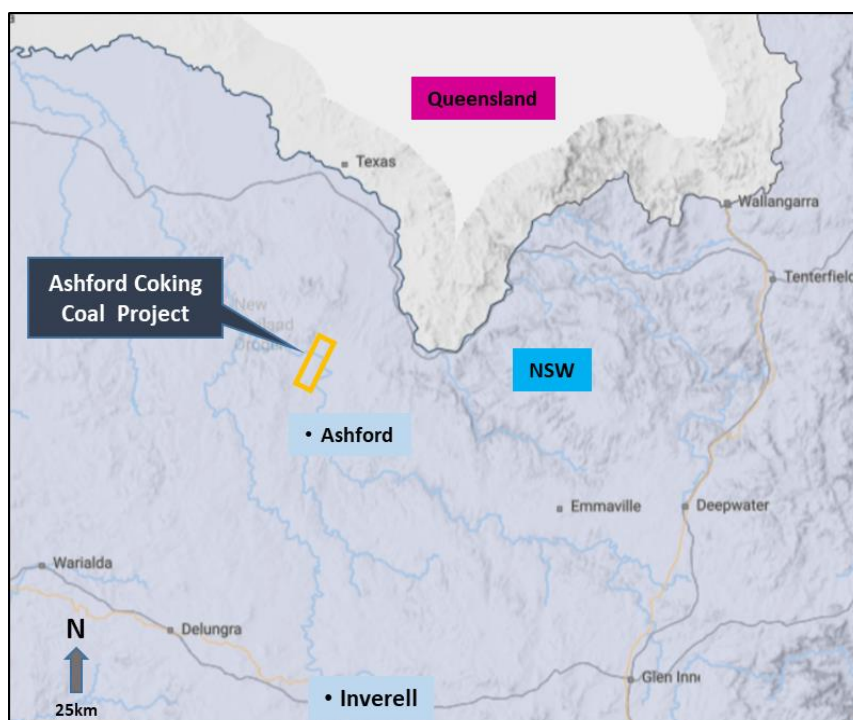


Figure 1: Project Location Plan

The Ashford Deposit was mined by opencut methods between 1958 and 1985, providing raw coal to the adjacent Ashford Power Station. Mining ceased in the period coinciding with the permanent closure of the power station. Whilst Ashford run-of-mine raw coal was supplied to the power station its characteristics are those of coking coal. Distance from export facilities and lack of transport infrastructure limited development of the deposit for the export market.

The exploration license tenement areas cover approximately 8 square kilometres of the Ashford Coal Measures.

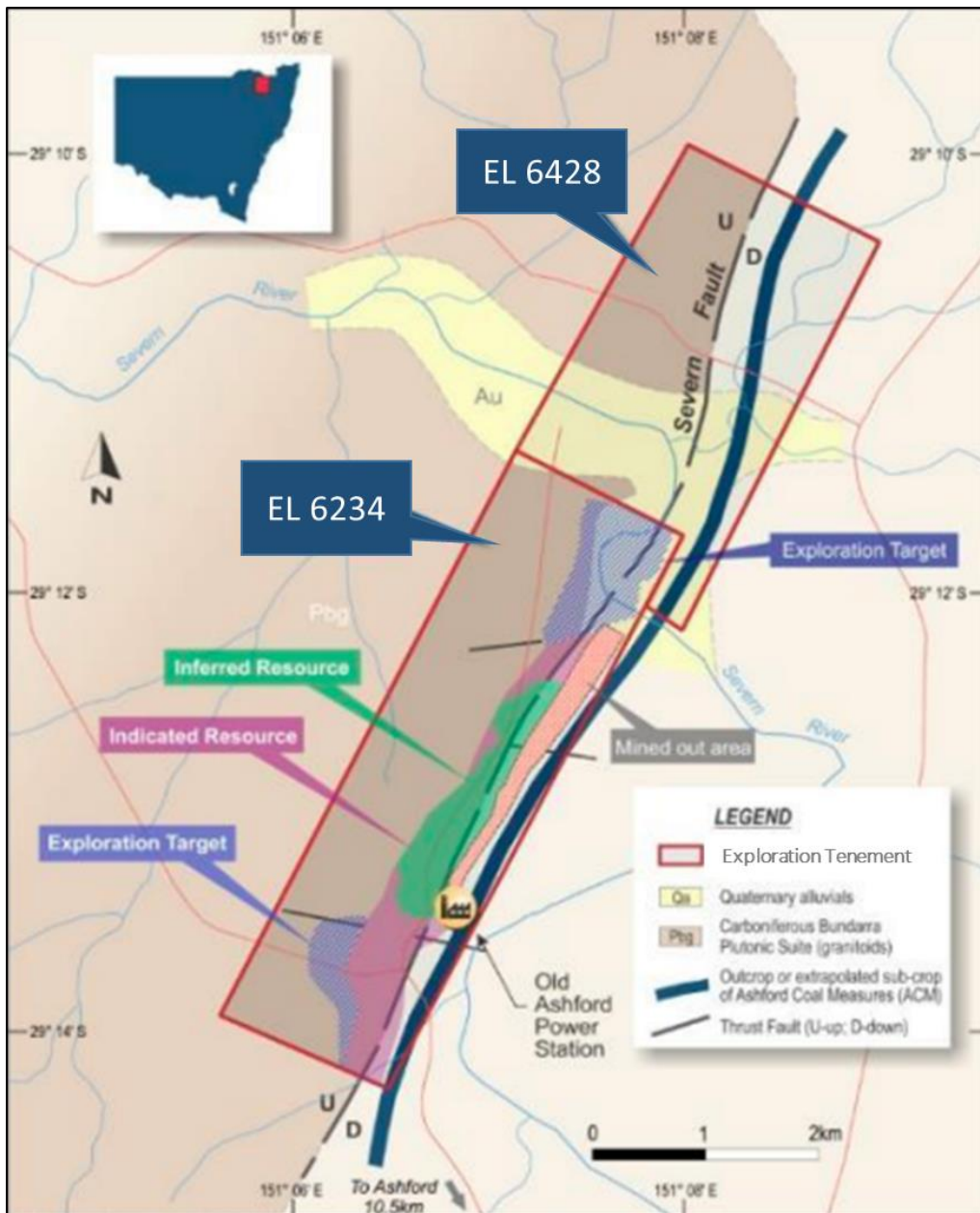


Figure 2: Regional Tenement Location Plan

The company considers that two (2) external and significant developments give confidence to progress further studies into the economic viability of the Project:

1. The Australian Rail Track Corporation (ARTC) proceeding with the **Inland Rail Project** connecting Brisbane and Melbourne, providing an efficient rail connection north to Brisbane Port and south to Newcastle Port via the Hunter Valley Coal Rail System. The upgraded rail line will be within 120km of the Ashford Project, a potentially viable trucking distance.
2. Recent significant uplift in the global traded coking coal price. Independent forecasts consistently predict a coking coal price range which could make the sale of coking coal from Ashford economically viable.



Figure 3: Inland Rail Project

Scoping Study Objective

A scoping study of the Ashford Project was undertaken in 2006 by then owners of the project, Northern Energy Corporation Ltd. Many of the factors to be considered in assessing the project have changed since that time, making it necessary to conduct a new study. The Scoping Study will examine the viability of developing the Project as a coking coal mine and exporting product either

through the Port of Brisbane or from Newcastle. The study will identify an economic development pathway for the project, based on the data currently available, coal pricing forecasts and defined mining, processing and transportation assumptions.

The study will include:

- A qualified financial analysis and project metrics. The intended accuracy of financial modeling used in scoping studies is typically +/- 35 to 40%.
- A summary of major project risks and opportunities.

Work Streams

A number of principal work streams have commenced and will form the basis of the study. Clara Resources Australia has engaged independent experts to conduct the concept level technical and commercial work in the specific segments. These specialists will also provide advice and recommendations about the scopes for further feasibility studies.

<p>Environmental: James Bailey & Associates</p> <ul style="list-style-type: none"> • EIS Process • Project environmental management advisors • NSW & Commonwealth statutory approvals • Social impact assessment 	<p>Geology: JB Mining Services</p> <ul style="list-style-type: none"> • JORC resource estimates • Raw coal quality • Geological modelling
<p>Mining: Minserve</p> <ul style="list-style-type: none"> • Mine planning • Production level and schedule • Progressive disturbance & rehabilitation • Mining Capex & Opex • EIS input 	<p>Processing: AB Mylec</p> <ul style="list-style-type: none"> • Coal handling & processing options • Coal quality • Processing costs • Capex estimates
<p>Transport: Smith Global</p> <ul style="list-style-type: none"> • Trucking route options • Train load out location • Truck configurations & operating costs 	<p>Train Load Out Facility: Haald Engineering</p> <ul style="list-style-type: none"> • Loading options • Concept engineering • Capex & Opex estimates
<p>Scoping Study Management: Clara Resources Australia</p> <ul style="list-style-type: none"> • Project management & strategic direction • Exploration management and execution • Market analysis • Rail and Port • Financial analysis & modeling • Stakeholder engagement • Risks & Opportunities • Funding options 	

Figure 4: Principal study team specialists & scope outlines

Project Area

The Ashford Project comprises two (2) exploration tenements, EL6234 and EL6428. Both areas comprise geological features that provide potential opportunities for relatively shallow open cut coal mining.

The majority of historical exploration has occurred on EL6234. It contains all the JORC inferred & indicated resource. All high level geological and mine conceptual work has to date been confined to this area indicating the existence of an economically recoverable and marketable resource. EL6234 is therefore the Project target area, and the central point of the scoping study. EL6234 will also define and underpin any future mining lease application.

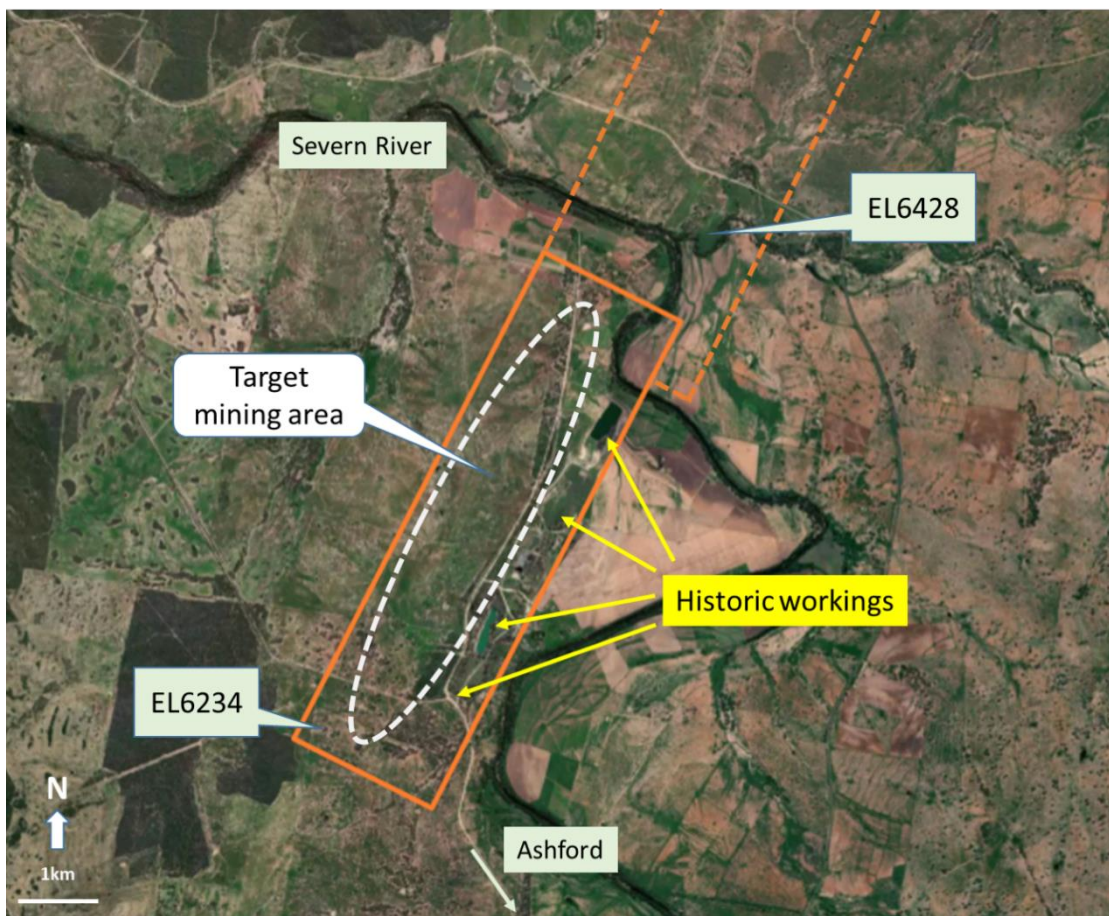


Figure 5: Target mining area on EL6234

EL6428, to the north, will be retained on foot as an exploration tenement. Subject to the results of future exploration programs and the usual project approval processes, this area could in future be developed as an Ashford expansion or continuation Project.

Scoping Study Schedule

Work has commenced on all work streams. Some segments are clearly more complex than others so these will determine the critical path of the study. The aim is

to compile the specialist reports into the Scoping Study Report by end-December 2022. There is presently very strong industry demand for mining technical services and resources so this may impact the ability to complete the work in the intended timeframe. For this reason, it is possible the Scoping Study will be complete in Q1-2023.

This announcement has been authorized by the Board of Directors

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