

ASX Release 14 July 2023

Ashford Coking Coal Route-to-market progress

Highlights

- Road haulage studies have now identified priority routes
- Preliminary Engineering commenced for design of train loading facility.
- Independent rail and port costings being prepared.
- All activities to compile the Scoping Study are progressing on schedule.

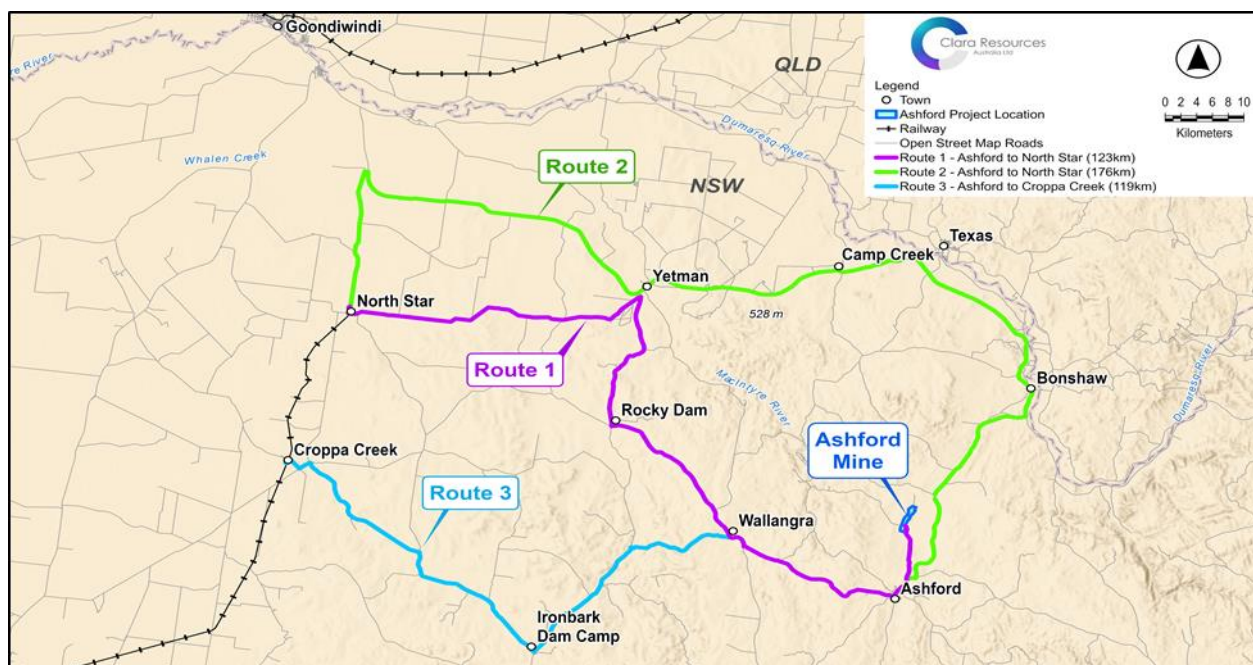
Clara Resources Australia Limited (ASX: C7A, "Clara" or "the Company") is pleased to advise good progress continues to be made on firming up the route-to-market options for transporting Ashford coking coal from the mine to the port.

Road Haulage Studies

Specialist Transport Consultants, **Smith Global Pty Ltd (SG)** are continuing to refine the Options Study commissioned by Clara for road transportation of coking coal between the proposed Ashford mine and the soon-to-be completed Inland Rail Project ("IRP") line.

With the Australian Rail Track Corporation proceeding with the **Inland Rail Project ("IRP")**, this represents an efficient rail connection to Newcastle Port via the Hunter Valley Coal Rail System. Clara engaged SG to examine viable road-based transportation solutions to move coking coal from the Ashford mine to a rail head located on the closest segment of the IRP, within 100km of the Ashford Project and scheduled for completion in 2023.

Considering factors such as unsealed sections, narrow roads and sections with poor visibility, SG were able to identify an initial short-list of routes able to service possible rail head locations and have now refined this further to locations between North Star and Croppa Creek. The short-listed routes range from 100km to 150 km (one-way).

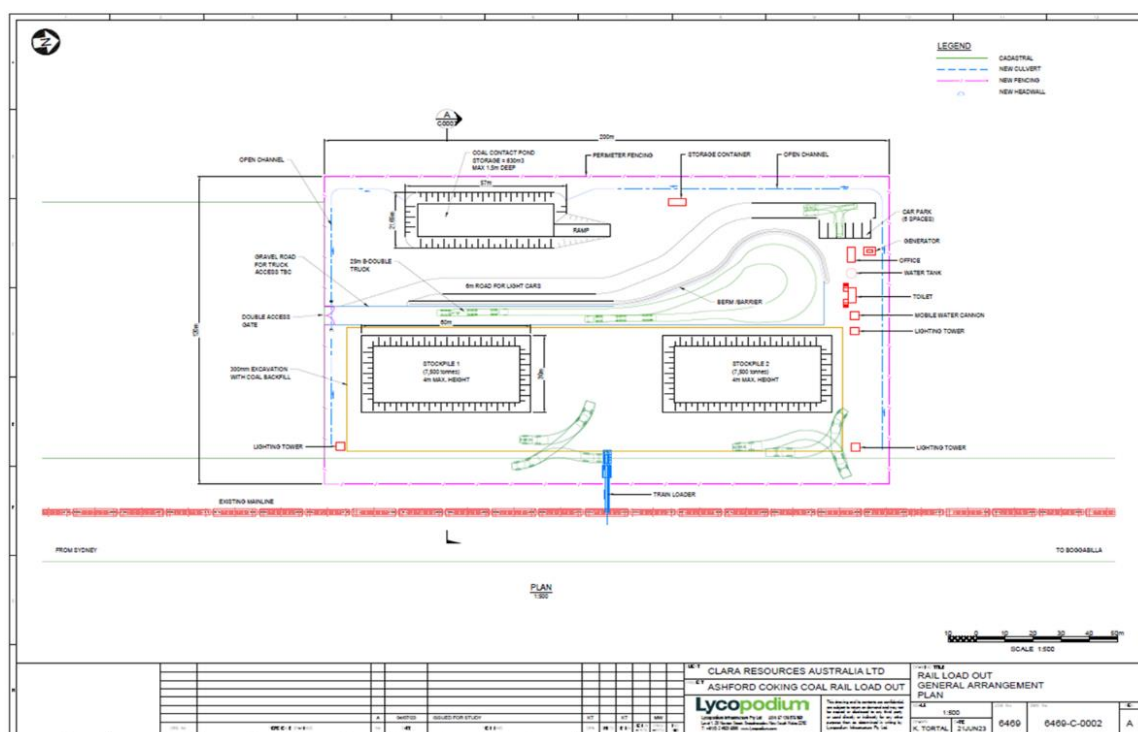


Clara will work with SG and ARTC to finalise the rail head location by considering land access requirements, residential impacts and estimated construction costs, including any required services.

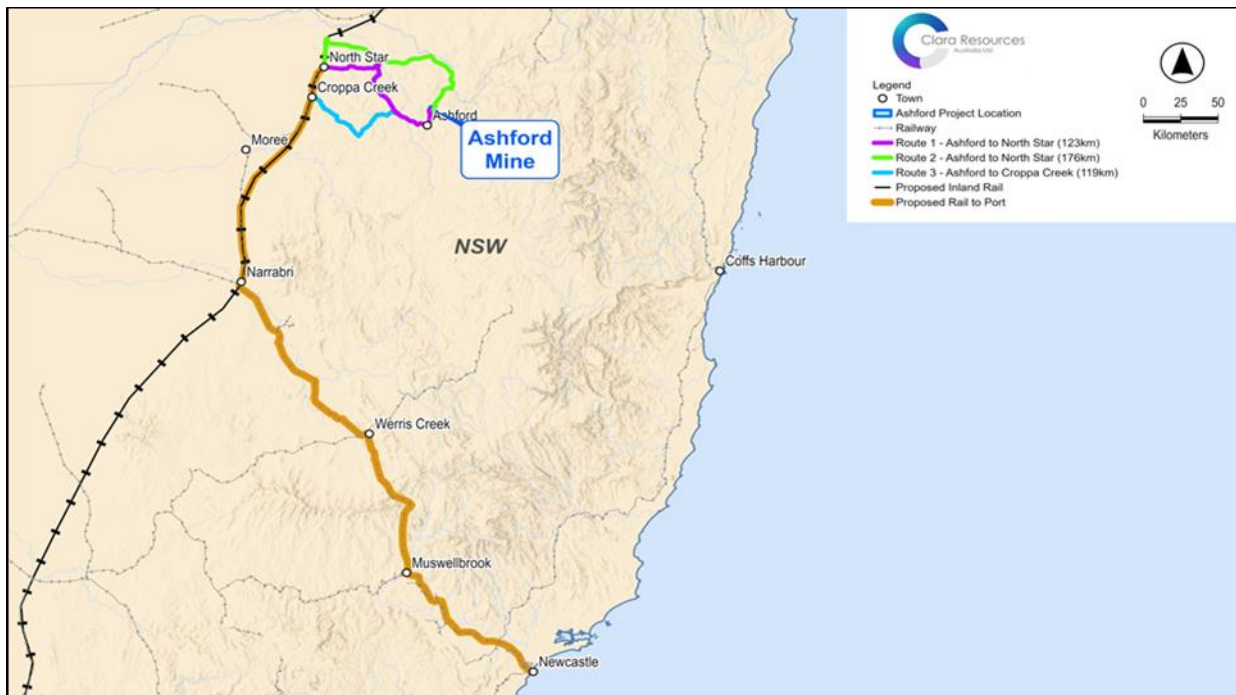
Rail Head Loading Facility

Clara commissioned specialist engineering consultant **Lycopodium Ltd** to undertake preliminary engineering for the rail head facility. Lycopodium are examining a range of options, including direct loading of trains with front-end loaders and loading via hoppers and conveyor. Key features of the rail head will include:

- 3km rail siding or mainline loading
- Suitable for 80 wagon, 7000 tonne trains
- Loading rate in 1750 to 2500 tph range
- Clean coal stockpile, approximately 15000 tonne



The rail load out on the new inland rail segment potentially creates an efficient route to the port of Newcastle, as the IRP connects to the Hunter Valley coal network.



Rail and Port Services

Clara has commissioned the services of Specialist Rail and Port Advisors **Nine-Squared Consulting Pty Ltd** to provide independent costing advice for rail and port services. There are a number of potential above rail operators that could bid for the Ashford rail haulage contract and Clara is mindful the contracting process is structured to be as competitive as possible. Nine-Squared will assist with this process also.

The selected trucking route, truck configurations, rail head location and estimated rail and port costings will be critical factors for inclusion in the Ashford Coking Coal Project Scoping Study and economic modelling. All other activities including preliminary engineering for mine planning and coal processing are also progressing well.

Clara Resources CEO, Peter Westerhuis, said:

"Narrowing the options for an efficient route to market and refining the cost assumptions are significant steps forward in the development of the Ashford Coking Coal project. These are critical factors in demonstrating what we believe can be some very attractive project fundamentals. We are excited to continue moving to completing the Scoping Study processes while we are also working hard on the ground in stakeholder engagement and planning for drill campaigns aimed at extending the scale of our overall resource"

As advised to the market on 10/7/23 Savannah Goldfields Ltd ("SVG") defaulted on their \$687,500 Tranche 2 commitment of the recent capital raise. Notwithstanding the Clara board's disappointment in SVG's performance, the failure to complete does not impact in any way on Clara's objectives and timelines toward the development of the Ashford and Kildanga projects. Specifically for Ashford it remains full speed ahead on the various engineering, permitting and planning work packages that will come together to produce the

Scoping Study Report. The other important work is the environmental impact study; this continues to progress satisfactorily.

This announcement has been authorised for release by the Board of Clara Resources Limited.

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