

# QUARTERLY ACTIVITIES REPORT

**Period Ending 30/06/2023**



## COMPANY INFORMATION

**Clara Resources Australia Limited (“the Company”, “ANW” or “Clara Resources”, formerly Aus Tin Mining Limited)**

**ASX Code: C7A (formerly ANW)**

**At time of release:**

### **Shares on Issue**

189,039,038 shares

### **Market Capitalization**

\$6.8M

### **Contact Details**

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Website: [www.clararesources.com.au](http://www.clararesources.com.au)

### **Directors**

Brian Moller (Chairman)

Brad Gordon

Nick Mather

Richard Willson

### **Chief Executive Officer**

Peter Westerhuis

### **Company Secretary**

John Haley

## SUMMARY

### **Funding**

During the quarter Clara progressed a \$3.5M capital raise by way of a 2-tranche equity placement to institutional, sophisticated and professional investors. Tranche 1 raised \$700,000 (before costs) and was announced during the previous quarter. The Company announced the completion of the 2<sup>nd</sup> Tranche, raising \$2.11m before costs, during the quarter. This amount represents all parties who entered into placement commitments with Clara with the sole exception of Savannah Goldfields Ltd (“Savannah”) (\$687,500 committed). Savannah entered into a binding arrangement on 22<sup>nd</sup> June 2023 to extend the due date of their Tranche 2 payment to 3<sup>rd</sup> July 2023 but settlement did not occur and the shareholder approval for their subscription expired on 6 July 2023. Clara has given notice of a breach to Savannah and reserved its rights.

Funds raised will be put toward continuation of the Ashford and Kildanga development work programs.

The Company paid \$17,000 in non-executive Director fees in the quarter and \$15,000 in consulting fees to parties related to Directors.

### **Granville (100% Clara Resources Australia)**

The Company signed a binding term sheet and Share Sale Agreement for the sale of the company’s wholly owned subsidiary, Ten Star Mining Pty. Ltd (“Ten Star”) to Perth-based Reforme Group. Ten Star holds the tenements and other assets, including a rehabilitation bond, relating to the Granville Tin project in Tasmania. At the end of the quarter the parties were working to determine if the conditions precedent in the sale agreement could be satisfied. If these conditions cannot be satisfied this sale may not be completed.

### **The Ashford Coking Coal Project (40% Clara Resources Australia)**

The Ashford Coking Coal Project is the immediate priority of the Company. Work is directed towards advancing the project to development. Current priority is completion of a range of work packs to enable compilation of the Scoping Study.

### **Kildanga (100% Clara Resources Australia)**

The reconciliation and geological review of historical data is progressing satisfactorily. The review will identify a further exploration target and inform additional work programs. The objective is a regional assessment of the prospect with a view to the identification of a mineralized resource of sufficient size from which a conceptual economic mine plan can be developed.

### MacKenzie Coal Project

The Option Agreement enabling Clara Resources Australia to potentially acquire the MacKenzie Coal Project in central Queensland expired in July 2022. The current owner of the project is under Administration and Clara remains in discussion with the appointed Receiver about potentially acquiring the asset.

## ASHFORD COKING COAL PROJECT

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 (now Savannah Goldfields 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.

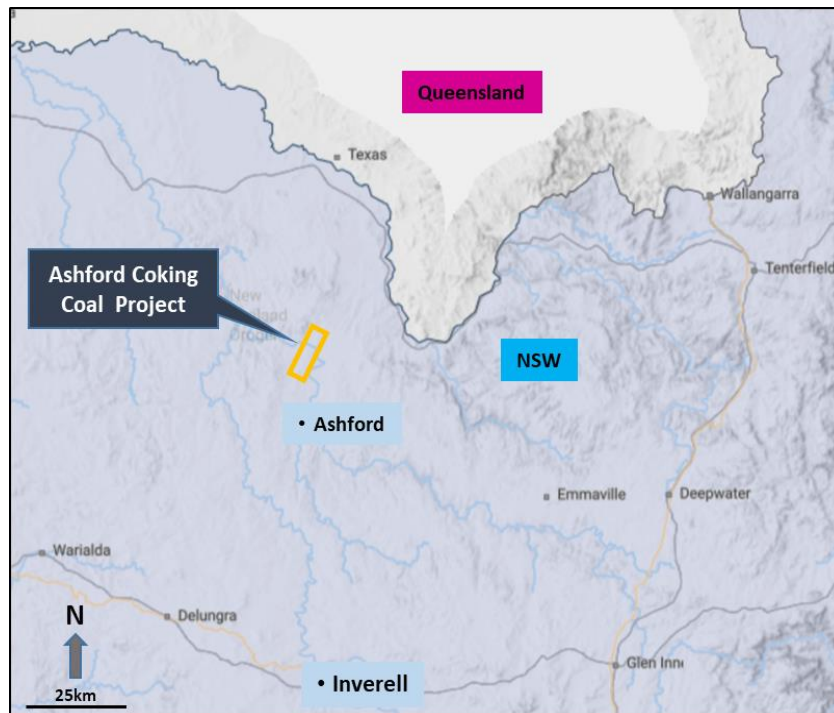
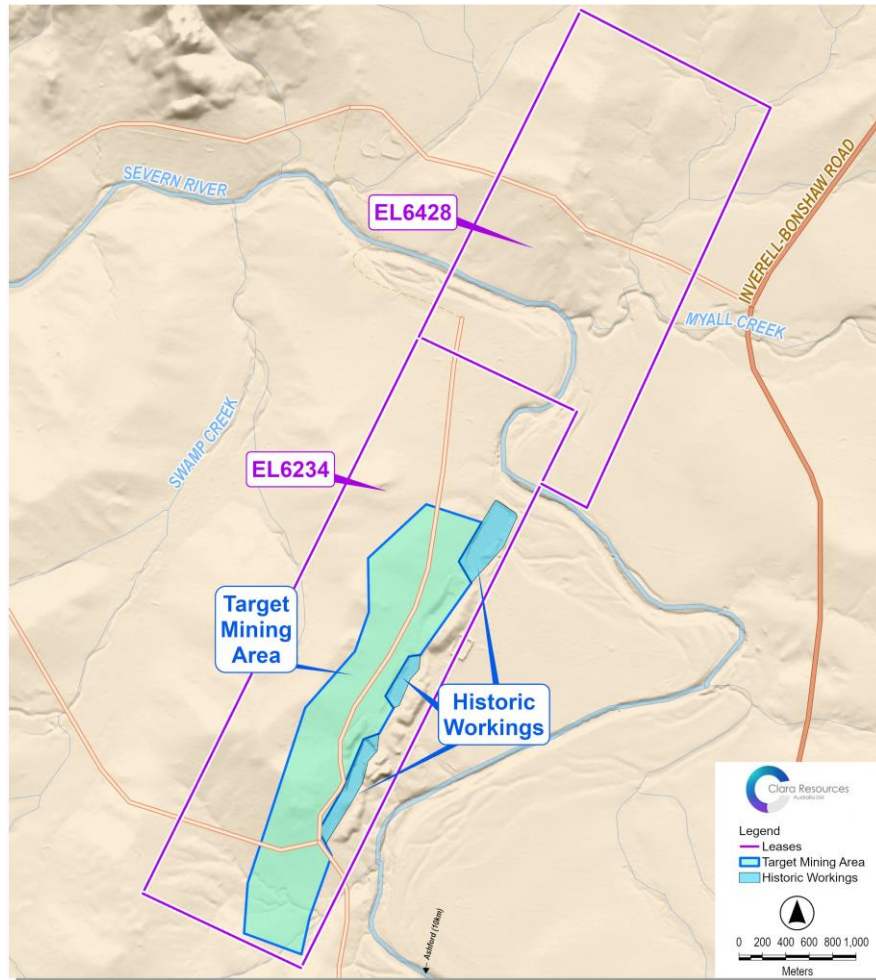


Figure 1 Project Location

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:

- i. 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.
- ii. Sustained uplift in the global traded coking coal price. Independent forecasts consistently predict increased global demand for steel, with implications for the coking coal price range that could make the sale of coking coal from Ashford economically viable.

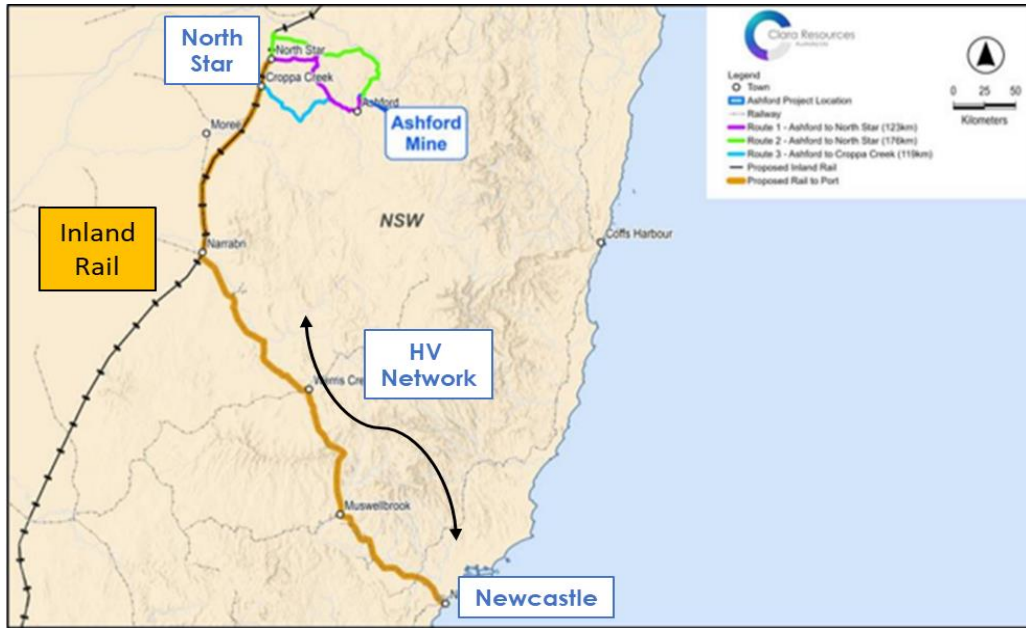


Figure 3 Inland Rail Project

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 a potentially economically recoverable and marketable resource. EL6234 is therefore the Project target area, and the central point of the scoping study. EL6234 will also define any future mining lease application.

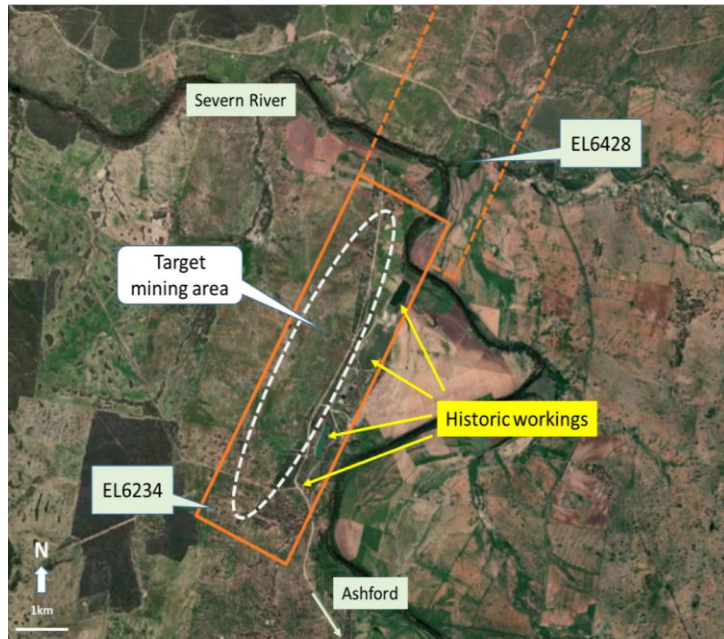


Figure 4 Target Mining Area on EL6234

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.

### **Ashford Scoping Study**

The current priority is completion of a scoping study to examine the viability of developing the Project as a mine to produce coking coal products for export. 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 also 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.

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

### **Principal study team specialists & scope outlines**

#### **Environmental: James Bailey & Associates**

- EIS Process
- Project environmental management advisors
- NSW & Commonwealth statutory approvals
- Social impact assessment

#### **Geology: JB Mining Services**

- JORC resource estimates
- Raw coal quality
- Geological modelling

#### **Mining: Minserve**

- Mine planning
- Progressive disturbance & rehabilitation
- Mining Capex & Opex
- EIS input

#### Processing: A&B Mylec

- Coal handling & process options
- Coal quality
- Capex estimates

#### Transport: Smith Global

- Trucking route options
- Train load-out location
- Truck configurations & operating costs

#### Train Load Out Facility: Lycopodium Ltd

- Loading options
- Concept engineering
- Capex & Opex estimates

#### Rail and Port: Nine-Squared Consulting

- Estimate of rail and port costs

#### Scoping Study Management: Clara Resources Australia

- Project management & strategic direction
- Exploration management and execution
- Market analysis and product pricing
- Financial analysis & modeling
- Stakeholder engagement
- Risks & Opportunities
- Funding options

During the quarter priority was placed on the capital raise, meaning most of the technical and permitting studies were temporarily suspended. Following completion of the placement all work programs recommenced.

Some work packs are clearly more complex than others so these will determine the critical path of the Scoping Study. The intent is to complete the Scoping Study in Q3-2023.



## Ashford Access Agreements

In conjunction with the scoping study the Company is progressing the work for preparation of the Environmental Impact Study. A critical piece of the EIS is to undertake the range of non-invasive baseline environmental studies and doing these things requires access to the lease areas. Access requires negotiating individual agreements with affected stakeholders, including pastoralists and representatives of the Gomeri indigenous group.

The access agreements will also enable the Company to undertake an additional drilling program at Ashford. This drilling program will have several objectives:

- i. Calculation of a JORC Measured Resource on EL6234
- ii. Provide information to sharpen the specification range of the Ashford coal seam coking coal properties
- iii. Provide additional information to support coal washability assumptions
- iv. Provide geo-chemical and ground water data for the EIS process
- v. Determination of a JORC inferred and indicated resource on EL6428

The Company has commenced the consultative process, meeting with all stakeholders individually including with representatives of the Gomeri indigenous group.

## GRANVILLE

The Company signed a Share Sale Agreement for the sale of the company's wholly owned subsidiary, Ten Star Mining Pty. Ltd ("Ten Star") to the Perth-based (WA) Reforme Group Pty Ltd, an unrelated private company. Ten Star holds the tenements and other assets, including a rehabilitation bond, relating to the Granville Tin project in Tasmania.

The purchase price totaling \$650,001 is payable as follows:

- i. \$250,001 on Date of Settlement.
- ii. \$400,000 in deferred Payments as follows:
  - a. \$130,000 to be paid on the date that is one month following Settlement;
  - b. \$130,000 to be paid on the date that is two months following Settlement;
  - c. \$140,000 to be paid on the date that is three months following Settlement.

The deferred payments will be secured over the Granville assets. The sale is subject to obtaining regulatory approvals and conditions related to respective companies obtaining shareholder approvals for the financial assistance associated with the deferred payments. At the end of the quarter both parties were working to determine if the conditions could be satisfied. If they cannot be satisfied the sale may not be able to be completed.

## KILDANGA

The Kildanga prospect consists of 4 distinct areas. More recently the SW section has been targeted in multiple exploration programs, creating an extensive database.

Market updates on exploration programs were released over 2018 & 2019. These showed some encouraging, close to surface intersections of Ni & Co.

The ore is considered potentially suitable for crushing, milling and flotation to produce concentrate.

The Company continues to compile and review all historical geological data, this review extending to all exploration permit areas to create a regional reconciliation. This will be used to determine the work needed, including additional exploration, to identify a mineralized resource of sufficient size from which a conceptual economic mine plan can be developed.

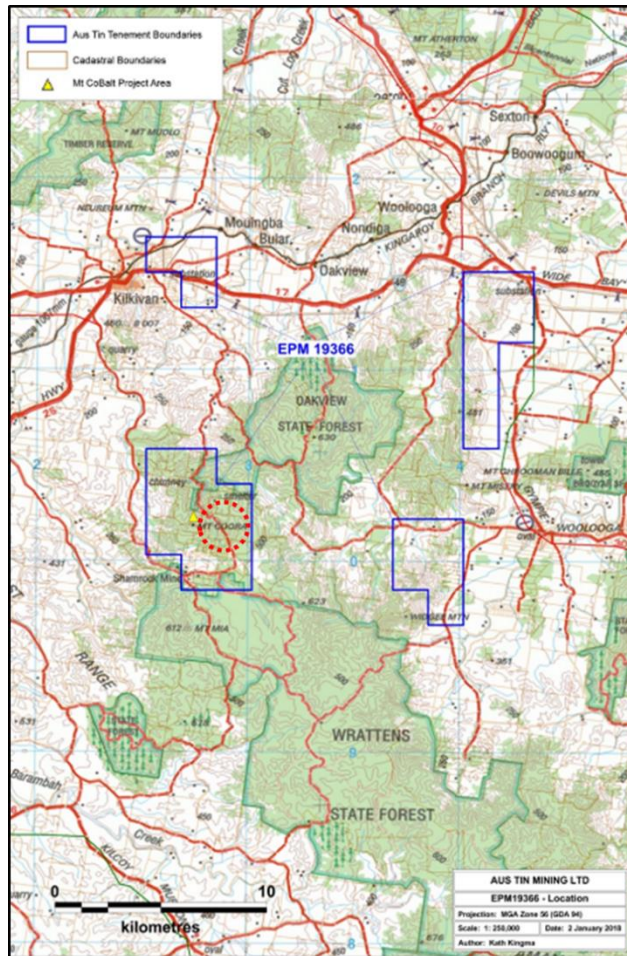


Figure 5 Kildanga EPM19366

## FUNDING

During the quarter Clara progressed a \$3.5M capital raise by way of a 2-tranche equity placement to institutional, sophisticated and professional investors. Tranche 1 raised \$700,000 (before costs) and was announced during the previous quarter. An EGM was held on 6<sup>th</sup> June to ratify Tranche 1 and obtain shareholder approval for Tranche 2 and other associated resolutions. The Company subsequently conducted the 2nd Tranche, raising \$2.11m before costs, during the quarter. This amount represents all parties who entered into placement commitments with Clara with the sole exception of Savannah Goldfields Ltd (“Savannah”) (\$687,500 committed). Savannah entered into a binding arrangement on 22nd June 2023 to extend the due date of their Tranche 2 payment to 3rd July 2023 but settlement did not occur and the shareholder approval for their subscription expired on 6 July 2023. Clara subsequently gave notice of breach to Savannah and reserved its rights

In conjunction with the capital raise, the Company also advised of a proposed consolidation of the issued capital of the Company through the conversion of every hundred (100) existing shares into one (1) share. These measures are intended to enhance the liquidity of the Company's shares and enable the Company to accelerate commercialisation of the Ashford Coking Coal Project and development of the Kildanga Nickel and Cobalt prospect.

Foster Stockbroking acted as Lead Manager and Adelaide Equity Partners acted as Corporate Advisor to Clara in respect of the Placement.

*Authorised by the Board of Directors*

**Peter Westerhuis**

**Chief Executive Officer**

Electronic copies and more information are available on the Company website: [www.clararesources.com.au](http://www.clararesources.com.au)

**For further information contact:**

Peter Westerhuis

CEO, Clara Resources Australia Limited

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Email: [info@clararesources.com](mailto:info@clararesources.com)

## APPENDIX

### Appendix 1

#### Details of Exploration Tenements Held by Clara Resources Australia Limited

No tenements were acquired or disposed of during the quarter.

The Company expended \$436,000 on exploration and evaluation during the quarter. No funds were expended on development or operations.

<b>Mining Leased/Exploration Licences held at 31 March 2023</b>	<b>Location</b>	<b>% Interest</b>	<b>Grant Date</b>	<b>Expiry Date</b>
2M/2018	TAS (Zeehan)	100%	20.06.22	05.03.27
32M/1988	TAS (Zeehan)	100%	01.11.88	01.11.24
EL/2019	TAS (Zeehan)	100%	29.08.19	11.06.26
EPM 19366	QLD (Kilkivan)	100%	08.07.22	09.08.25
EL 6234	NSW (Ashford)	40%	19.04.04	19.04.26
EL 6428	NSW (Ashford)	40%		07.06.25

## Appendix 5B

### Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Clara Resources Australia Limited

ABN

84 122 957 322

Quarter ended ("current quarter")

30 June 2023

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation		
(b) development		
(c) production		
(d) staff costs		
(e) administration and corporate costs	(296)	(818)
1.3 Dividends received (see note 3)		
1.4 Interest received		
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Government grants and tax incentives		
1.8 Other (provide details if material)		
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(296)</b>	<b>(818)</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities		
(b) tenements		
(c) property, plant and equipment		(52)
(d) exploration & evaluation	(436)	(855)
(e) investments		
(f) other non-current assets		

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities		
	(b) tenements		28
	(c) property, plant and equipment		55
	(d) investments		
	(e) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (provide details if material)		
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(436)</b>	<b>(824)</b>
<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	2,514	2,764
3.2	Proceeds from issue of convertible debt securities		
3.3	Proceeds from exercise of options		
3.4	Transaction costs related to issues of equity securities or convertible debt securities		
3.5	Proceeds from borrowings	-	10
3.6	Repayment of borrowings	(10)	(10)
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material)		
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>2,504</b>	<b>2,764</b>
<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>	<b>1,772</b>	<b>(345)</b>
4.1	Cash and cash equivalents at beginning of period	25	675
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(296)	(818)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(436)	(824)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	2,504	2,764

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
4.5	Effect of movement in exchange rates on cash held		
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>1,797</b>	<b>1,797</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	1,797	25
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (provide details)		
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>1,797</b>	<b>25</b>

<b>6.</b>	<b>Payments to related parties of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1	Aggregate amount of payments to related parties and their associates included in item 1	32
6.2	Aggregate amount of payments to related parties and their associates included in item 2	
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

<b>7.</b>	<b>Financing facilities</b> <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
7.1	Loan facilities		
7.2	Credit standby arrangements		
7.3	Other (please specify)		
7.4	<b>Total financing facilities</b>		
7.5	<b>Unused financing facilities available at quarter end</b>		
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

<b>8. Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (item 1.9)	296
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	436
8.3 Total relevant outgoings (item 8.1 + item 8.2)	732
8.4 Cash and cash equivalents at quarter end (item 4.6)	1,797
8.5 Unused finance facilities available at quarter end (item 7.5)	0
8.6 Total available funding (item 8.4 + item 8.5)	1,797
8.7 <b>Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>	2.45
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: N/A	
8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: N/A	
8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
Answer: N/A	
<i>Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.</i>	

**Compliance statement**

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 28 July 2023

Authorised by: The Company Secretary  
(Name of body or officer authorising release – see note 4)



**Notes**

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.