

31 October 2023

ASX ANNOUNCEMENT QUARTERLY ACTIVITIES REPORT Period ending 30 September 2023

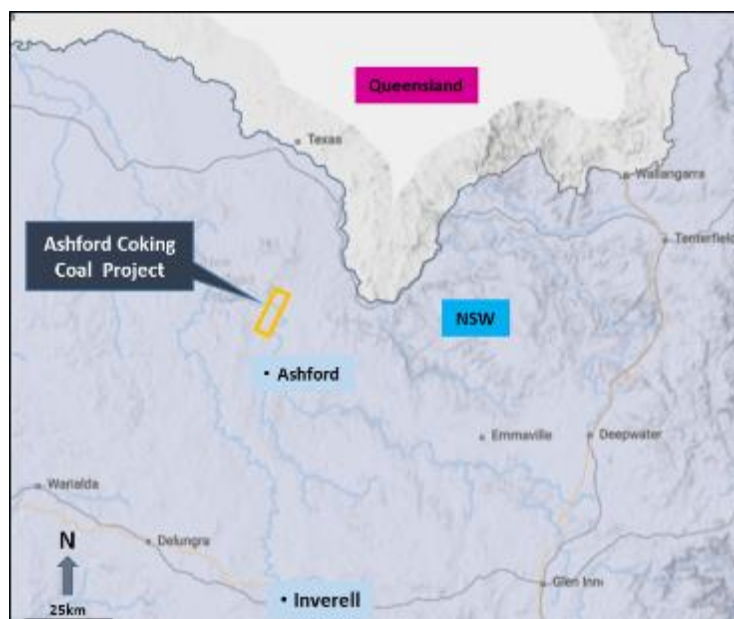
Highlights

- **Ashford Coking Coal Project**
 - Scoping Study nearing completion
 - Continuing effective stakeholder engagement
 - Preparation for EIS proceeding
- **Kildanga Ni/Co Project**
 - Completing geological reconciliation and regional resource modeling

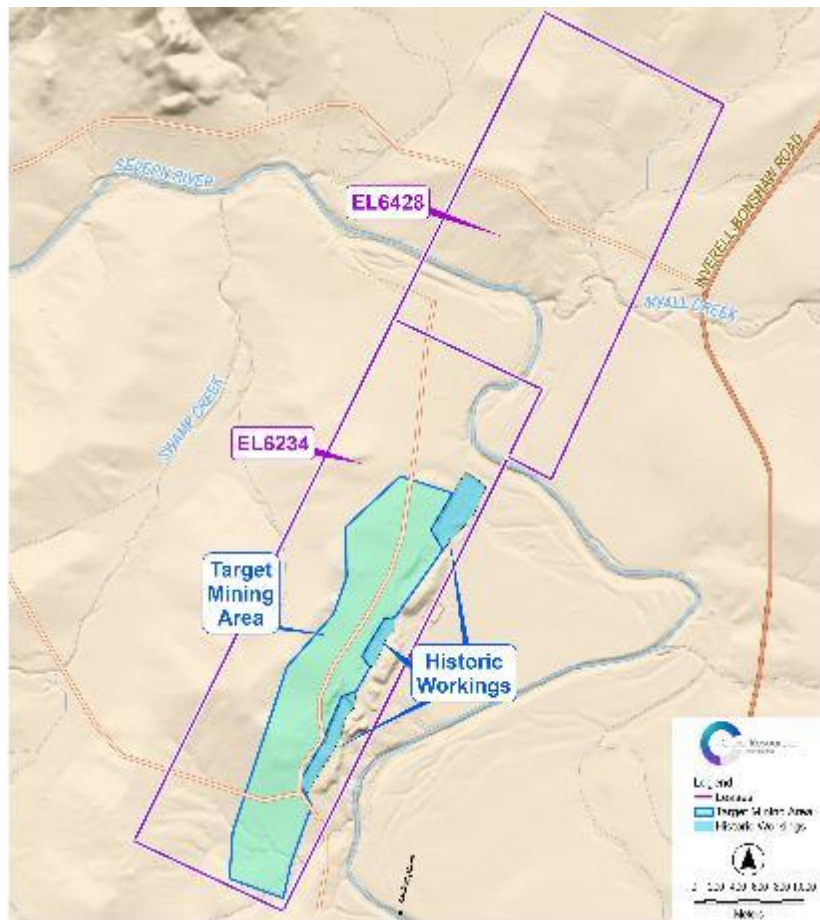
Clara Resources Limited (ASX: C7A) (“Clara”, “the Company”, “C7A”) is pleased to present its Activities Report for the quarter ending 30 September 2023.

Ashford Coking Coal Project (NSW) – Clara 40%, option to purchase 60%

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



The Ashford Project comprises two (2) exploration tenements, EL6234 and EL6428. Both areas contain geological features indicating potential opportunities for relatively shallow open cut 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 potentially economically recoverable and marketable resource. EL6234 is the Project target area and will define any future mining lease application. EL6428 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 be developed as an Ashford expansion or continuation Project.



The company considers that two (2) external and significant factors 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 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. 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.

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 include:

- A qualified financial analysis and pre-tax 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 engaged independent experts to conduct the concept level technical and commercial work in the specific segments. These work packs are complete. Final stage compilation and editing is being carried out. The outcomes are very positive and show the potential opportunity for the Ashford project to deliver strong economic returns to Shareholders. Project logistics positives such as the Inland Rail Project coupled with a strong coal price forecast bodes well for Ashford and Clara looks forward to releasing the Study outcomes shortly.

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.

The Company has continued meeting with all stakeholders, including pastoralists and representatives of the Gomeri indigenous group.

Granville (Tas) – Clara 100%

The Company signed a Share Sale Agreement for the sale of the company's wholly owned subsidiary, Ten Star Mining Pty Ltd 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 Agreement for the sale failed to complete. Reforme were unable to meet some of the sale conditions. Clara has reserved its rights in relation to the Agreement and the non-completion.

Clara will continue to seek alternative purchasers for the sale of Ten Star, or the Granville project itself.

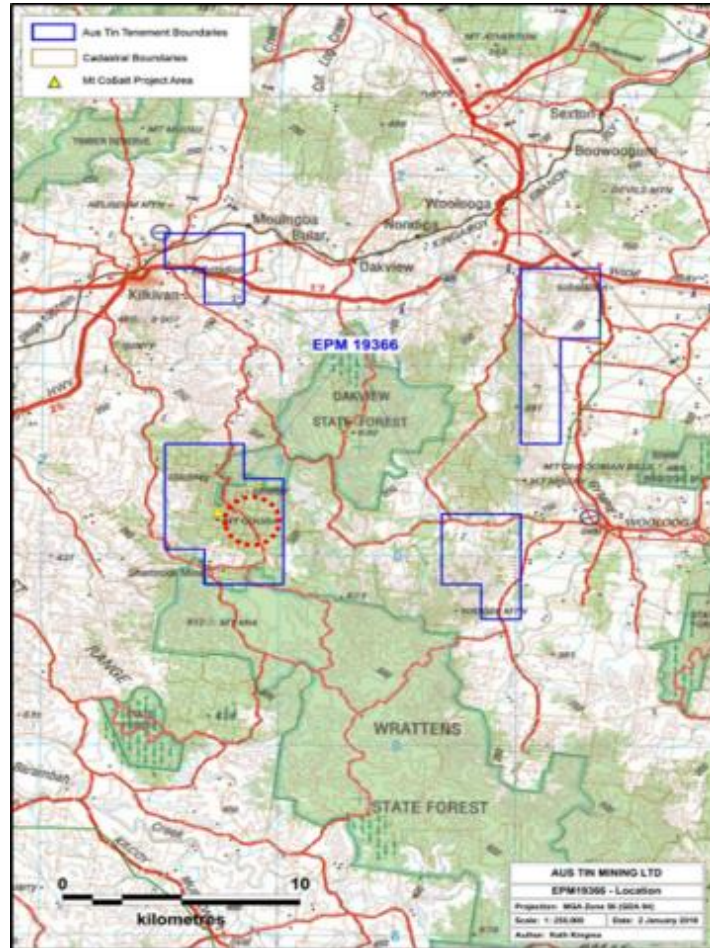
The Granville mine remains in care and maintenance.

Kildanga Nickel/Cobalt (Qld) – Clara 100%

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, showing 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. The work includes establishing regional borehole and geochemical databases, completing a geophysical review and creating a new geological model. This will be used to determine the work needed, including costed additional exploration, to identify a mineralized resource of sufficient size from which a conceptual economic mine plan can be developed.



MacKenzie Coal Project (Qld)

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.

Corporate

Savannah Goldfields Ltd, despite entering a binding placement agreement for \$687,500 in shares as part of the Company's capital raise in June 2023, failed to complete the transaction. Clara has previously given notice of a breach to Savannah and reserves its rights.

The Company paid \$43,000 in non-executive Director fees in the quarter and \$30,000 in consulting fees to parties related to Directors.

At the time of writing Non-Executive Director Mr Brad Gordon, representing Savannah Goldfields on the board of C7A, had advised of his resignation effective 31 October 2023.

Tenement Status

The status of the Company's tenement holdings as of 30 September 2023 is set out below:

Mining Leased/Exploration Licences held at 30 September 2023	Location	% Interest	Grant Date	Expiry Date
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%	07.06.05	07.06.25

This ASX announcement has been approved by Clara Resources' Board of Directors.

For further information regarding this release or about Clara Resources in general please contact the undersigned below.

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Principal ASX Announcements during the September 2023 Quarter

10/7/23	Placement (Capital Raise) update
14/7/23	Coking coal route to market progress
19/7/23	Clara presentation to Noosa Mining Conference
26/9/23	Update of Granville (Ten Star) Sale
27/9/23	Ashford Scoping Study update

Forward-Looking Statements

Certain statements in this document are or maybe “forward-looking statements” and represent Clara’s intentions, projections, expectations or beliefs concerning among other things, future exploration activities. The projections, estimates and beliefs contained in such forward-looking statements necessarily involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of Clara, and which may cause Clara’s actual performance in future periods to differ materially from any express or implied estimates or projections. Nothing in this document is a promise or representation as to the future. Statements or assumptions in this document as to future matters may prove to be incorrect and differences may be material. Clara does not make any representation or warranty as to the accuracy of such statements or assumptions.

Competent Persons Statement

The exploration results reported herein, insofar as they relate to mineralisation, are based on information compiled by Mr Rick Walker, a full-time employee of Clara Resources Australia Ltd. Mr Walker is a Member of the Australasian Institute of Mining and Metallurgy and the Australian Institute of Geo-Scientists. Mr Walker has over 25 years of experience in the field of activity being reported. Mr Walker has sufficient experience which is relevant to the styles of mineralisation and types of deposit under consideration and to the activity that he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the ‘Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves’ relating to the reporting of Exploration Results. Mr Walker consents to the inclusion in the report of matters based on his information in the form and context in which it appears.

Previously reported Information

Information in the announcement references previously reported exploration results extracted from the Company’s announcements. For the purposes of ASX Listing Rule 5.23 the Company confirms that it is not aware of any new information or data that materially affects the information included in the original announcement and that all material assumptions and technical parameters underpinning the estimates in the original announcements continue to apply and have not materially changed.