

30 January 2024

ASX ANNOUNCEMENT

QUARTERLY ACTIVITIES REPORT

Period ending 31 December 2023

Highlights

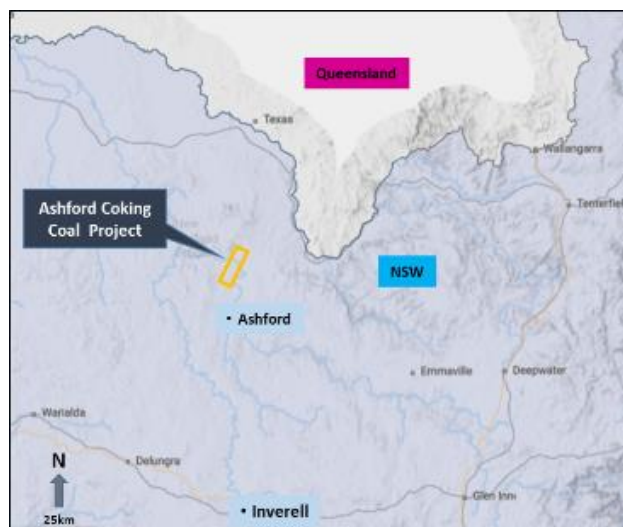
- **Ashford Coking Coal Project**
 - Scoping Study in finalization phase
 - Continuing engagement with equity partner around early exercise of acquisition option
 - Preparation for EIS proceeding
- **Kildanga Ni/Co Project**
 - Completing geological reconciliation and regional resource modeling

Clara Resources Limited (ASX: C7A) (“Clara”, “the Company”, “C7A”) is pleased to present its Activities Report for the quarter ending 31 December 2023.

Ashford Coking Coal Project (NSW) – Clara 40%, option to purchase 60% from Savannah Goldfields Ltd (ASX: SVG)

Clara have a current option to purchase Savannah Goldfields’ 60% interest in the Ashford Project for cash, shares and ongoing royalty. Clara and Savannah are currently in negotiations with respect to the terms and conditions of a proposed early exercise of the option to purchase Savannah’s interest. These negotiations are incomplete.

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 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 finalising a scoping study examining 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 includes:

- A qualified financial analysis and pre-tax project metrics. The intended accuracy of financial modeling used in scoping studies is typically +/- 35 to 40%.
- An overview of logistics and marketing.
- A summary of major project risks and opportunities.
- Project development schedule.

Clara 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 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%, through subsidiary Ten Star Mining P/L

The Granville mine remains in care and maintenance. A Mine Closure Plan was submitted to the EPA (Tasmania) and Mineral Resources Tasmania during the quarter. Feedback from the Regulators has been

good, identifying a number of additional environmental monitoring programs to be considered for implementation.

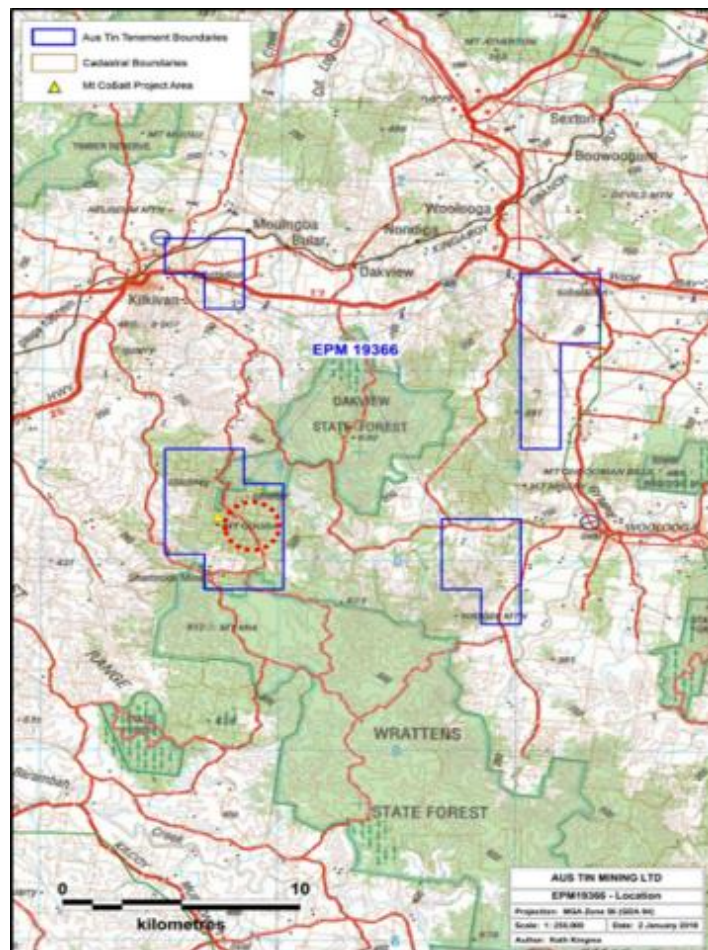
Clara is continuing to seek purchasers for the sale of Ten Star, or the Granville project itself.

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 may be developed.



MacKenzie Coal Project (Qld)

The Option Agreement enabling Clara to potentially acquire the MacKenzie Coal Project in central Queensland expired in July 2022. The current owner of the project is in Administration. Clara is in

discussion with the appointed Receiver about potentially acquiring the asset, however the prolonged nature of the administration process will likely result in Clara terminating any interest in the project.

Corporate

The Company paid \$16,000 in non-executive Director fees in the quarter and nil in consulting fees to parties related to Directors.

Tenement Status

The status of the Company's tenement holdings as of 31 December 2023 is set out below:

Mining Leased/Exploration Licences held at 31 December 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.

Peter Westerhuis
CEO
Clara Resources Limited
07 3303 0661

Duncan Gordon (Investor Relations)
Executive Director
Cerberus Advisory
+ 61 404 006 444

Principal ASX Announcements during the December 2023 Quarter

26/10/23	Notice of AGM
30/10/23	Director resignation, Brad Gordon
31/10/23	Ashford Scoping Study update
27/11/23	AGM CEO Presentation