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ASX Announcement

2 April 2024

CLARIFICATION – Notice of Extraordinary General Meeting and Explanatory Memorandum to be held 4 April 2024

Prior to the Extraordinary General Meeting of the Company scheduled for 11am Thursday 4 April 2024 (**EGM**), the Company issues this clarification in relation to matters arising from the Response to ASX Scoping Study Queries (**ASX Response**) announced to the market today in relation to the scoping study for the Ashford Coking Coal Project announced on the ASX on 4 March 2024 (**Scoping Study**) .

More specifically, reference is made to Question 9 of the ASX Response in relation to an apparent inconsistency with hard coking coal (**HCC**) price assumptions referenced in, firstly, the Independent Expert Report (**IER**) prepared by Advisory Partner as part of the EGM meeting documentation announced to the market and sent to shareholders on 6 March 2024 for the purposes of the approval of the acquisition of the Ashford Coking Coal Project (via the acquisition of Renison Coal Pty Ltd) from Savannah Goldfields Ltd (SVG) and, secondly, the HCC prices used in the Scoping Study.

As indicated in the ASX Response, the IER refers to a coal pricing forecast prepared by Commodity Insights Pty Ltd, which had been prepared as at 30 August 2023. This was in anticipation that the EGM would be conducted and the Scoping Study released in late 2023. For a number of reasons C7A was not in a position to finalise and release the Scoping Study until March 2024.

Over this time C7A observed a continuation of upward trending HCC prices, specifically:

- Between 30 August 2023 and 1 March 2024 the daily HCC price (published by Platts) increased from US\$268/t to US\$307/t. The average price over this period was US\$324/t.
- The 12-month HCC average price is US\$296/t.
- The 2-year average price is US\$322/t.
- The 3-year average price of US\$285/t.
- When the Scoping Study was released the HCC index price was US\$325.

Given the time lapse between the Commodity Insights report and the completion of the Scoping Study, C7A developed and adopted the HCC pricing profile utilised in the Scoping Study with reference to these historical pricing indicators and trends. Constant assessment of global coking coal markets meant C7A determined the pricing profile in the Scoping Study a few days before the Scoping Study was released.

The preparation of the EGM meeting materials, including the IER, and the preparation of the Scoping Study were undertaken as separate actions and for different purposes and the Commodity Insights report was not updated ahead of finalisation of the IER. In this manner, the assessment contained in the Scoping Study is more recent than the assessment previously adopted for the purposes of the instructions for preparation of the IER.

C7A has conferred with Advisory Partners in relation to the recent trends in the HCC pricing profile as outlined above. Advisory Partners have advised that the coal price does not change the overall fairness and reasonable opinions and therefore has no impact on the outcome of the IER. The coal price does not change any of the prices to be paid to SVG and future royalties are based on per tonne sold and are not impacted by the coal price.

C7A agrees the difference in the HCC information does not materially alter the conclusions of Advisory Partners in the IER and would not adversely affect a vote on the resolution by shareholders. The Company submits that shareholders can rely upon the pricing forecast in the IER for the purposes of voting at the EGM.

This ASX release was authorized by the Board of Clara Resources Australia Ltd.

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