

30 April 2024

ASX ANNOUNCEMENT

QUARTERLY ACTIVITIES REPORT

Period ending 31 March 2024

Highlights

- **Ashford Coking Coal Project**
 - Scoping Study released
 - Shareholder approval of agreed terms for 100% acquisition of Renison Coal P/L (owner of Ashford Project)
 - Preparation for EIS proceeding
- **Granville Tin Project**
 - Agreed terms for sale of Ten Star Mining P/L (owner of Granville) to Spero Mining P/L

Clara Resources Limited (ASX: C7A) (“Clara”, “the Company”, “C7A”) is pleased to present its Activities Report for the quarter ending 31 March 2024.

Ashford Coking Coal Project (Clara 40%) – Update

On 15 February 2024 Clara and Savannah Goldfields Ltd (ASX: SVG) (**Savannah**) signed a binding term sheet to enter into a revised Share Purchase Agreement for Clara to acquire Savannah’s 60% of the Ashford coking coal project via Renison Coal Pty Ltd. Upon successful completion Clara will be the 100% owner of Renison and Ashford.

The terms of the acquisition were subject to Clara shareholder approval. An EGM was conducted for this purpose post-quarterly on 4/4/2024 at which shareholders voted in favour of the acquisition terms.

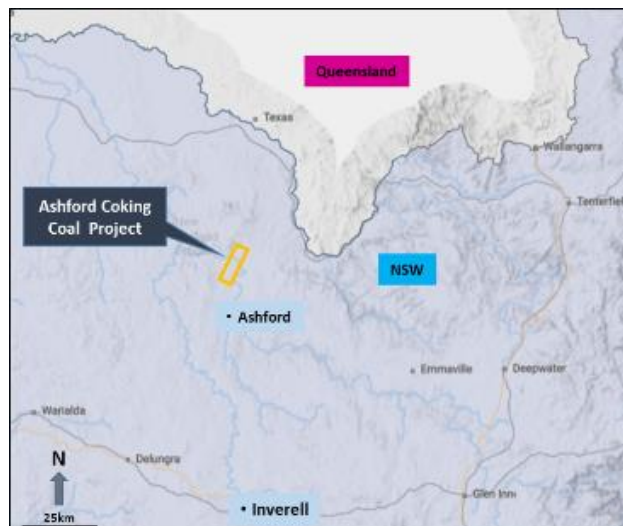
Formal share sale documentation has yet to be executed. Under the term sheet, it was proposed that part of the agreed consideration in the sum of \$A2.375m be paid by no later than 30 April 2024. Clara and Savannah are discussing variations to this payment date and the milestone dates for some elements of the transaction, in order to provide Clara sufficient time to complete the securing of funds for the transaction. The total consideration payable remains unchanged. Clara will release details of the outcome of the discussions with Savannah when negotiations are concluded.

Release of Ashford Coking Coal Project Scoping Study

Clara released the Project Scoping Study, identifying an economic development pathway for open-pit mining of the Ashford resource, potentially delivering a technically robust, economic operation providing Coking Coal into seaborne markets. Clara engaged independent Specialists to conduct the concept level technical and commercial work for the specific project elements.

As currently defined the Project requires a modest estimated project life Capex of Au\$133.6m, of which Au\$100.3m is pre-production. The mine is projected to have a life of 12 years, averaging 1Mtpa ROM for processing into a strongly saleable product for supply into Asian coal markets. Financial modelling illustrates a Project NPV10 of Au\$156m (post-tax) and initial payback period < 12 months.

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) completing the Inland Rail Project to North Star in NSW, providing an efficient rail connection to Newcastle Port via the Hunter Valley Coal Rail System. The upgraded rail line is 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.

The Scoping Study reports a production target of 12.2MT ROM. A portion (approx. 50%) is based on inferred resources. There is a low level of geological confidence associated with inferred resources. There is no certainty that further exploration work will result in the determination of indicated resources or that the production target itself will be realised. However, because the Ashford seam was mined for more than 30 years (in practical terms being a greenfields project in a brownfields location), Clara has a degree of confidence that a planned drilling program in 2024 can facilitate the establishment of a measured resource.

Ashford Access Agreements

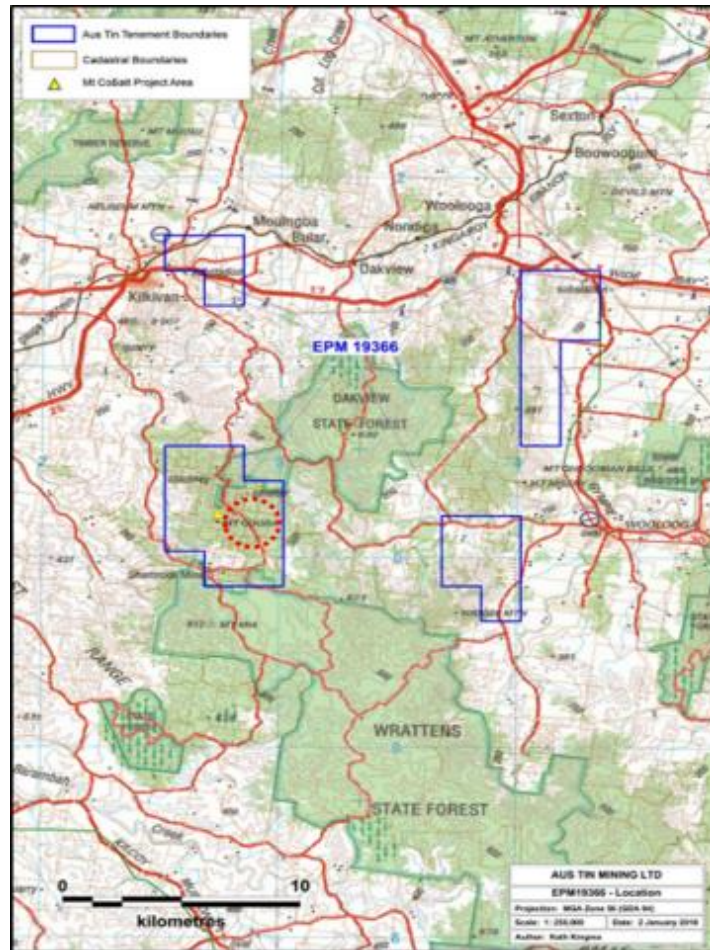
In conjunction with the scoping study the Company is progressing the work for preparation of the Environmental Impact Study. A critical piece of the EIS is to undertake the range of non-invasive baseline environmental studies and doing these things requires access to the lease areas. Access requires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

Granville (Tas) – Clara 100%, through subsidiary Ten Star Mining P/L

Clara executed a binding term sheet for the sale of the company's wholly owned subsidiary, Ten Star Mining Pty Ltd which holds the tenements and other assets, including a rehabilitation bond, relating to the Granville Tin project in Tasmania. The purchaser is Spero Mining Pty Ltd, an unrelated private company which holds nearby mining tenements. The sale was completed for A\$20,000, post-quarterly on 17th April 2024.

Kildanga Nickel/Cobalt (Qld) – Clara 100%

The Company continues to compile historical geological data 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. The ore is considered potentially suitable for crushing, milling and flotation to produce concentrate.



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 remains in Administration and Clara has terminated interest in the project.

Convertible Note Issue

For short-term capital management, including funding of the SVG share subscription, Clara raised A\$205,000 through Convertible Note issued to sophisticated and professional investors, including a Director and the CEO of the Company. The Convertible Notes will convert into fully paid ordinary shares at A\$0.025 per share no later than 31st July 2024 or redeemed for 110% of the face value of the note at the maturity date. The Company will seek shareholder approval in the case of any conversion by a Director of the Company.

Corporate

The Company paid \$9,000 in non-executive Director fees in the quarter and \$10,000 in consulting fees to parties related to Directors.

Tenement Status

The status of the Company's tenement holdings as of 31 March 2024 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.

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CEO

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Principal ASX Announcements during the March 2024 Quarter

15/2/24	Terms to complete 100% acquisition of Renison Coal (Ashford)
4/3/24	Release of Ashford Coking Coal Project Scoping Study
6/3/24	Notice of EGM, acquisition of Renison Coal
8/3/24	Release of half-year accounts
25/3/24	Clara convertible notes
26/3/24	Sale of Granville Project