



Clara Resources Australia Ltd

ABN 84 122 957 322

Interim Report - 31 December 2024

Clara Resources Australia Ltd
Corporate directory
For the half-year ended 31 December 2024

| | |
|---|---|
| Directors | Richard Willson - Non-executive Chairman Peter Westerhuis - Managing Director Alexander Fitzgerald - Non-executive Director |
| Company secretary | Peter Harding-Smith |
| Registered office and principal place of business | Level 19 10 Eagle Street Brisbane QLD 4000 Phone: (07) 3303 0681 |
| Share register | Link Market Services Limited 10 Eagle Street Brisbane QLD 4000 Phone: 1300 554 474 |
| Auditor | BDO Audit Pty Ltd Level 10 12 Creek Street Brisbane QLD 4000 |
| Solicitors | HopgoodGanim Lawyers Level 8, Waterfront Place 1 Eagle Street Brisbane QLD 4000 |
| Stock exchange listing | Clara Resources Australia Ltd shares are listed on the Australian Securities Exchange (ASX code: C7A) |
| Website | www.clararesources.com.au |
| Corporate Governance Statement | www.clararesources.com.au/corporate-governance |

Clara Resources Australia Ltd
Directors' report
For the half-year ended 31 December 2024

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity' or the 'Group') consisting of Clara Resources Australia Ltd (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2024.

Directors

The following persons were directors of Clara Resources Australia Ltd during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Richard Willson - Non-executive Chairman (appointed as Chairman on 11 October 2024)

Peter Westerhuis - Managing Director (appointed 11 October 2024)

Alexander Fitzgerald - Non-executive Director (appointed 19 December 2024)

Brian Moller - Non-executive Director (resigned as Chairman on 11 October 2024 and resigned as Director on 10 March 2025)

Nicholas Mather - Non-executive Director (resigned 11 March 2025)

Principal activities

During the half-year, the principal activities of the consolidated entity involved exploration for coal, nickel and other commodities. During the half-year, the Group sold its holding in First Tin Plc to fund the acquisition of Renison Coal Pty Ltd.

Competent Persons Statement

The information relating to the Mineral Resources at the Ashford Coking Coal Project is extracted from the report titled: "Renison Coal - Ashford Coking Coal Project – Resources", dated October 2017. Managers of the project at the time, Laneway Resources Limited (ASX: LNY) disclosed the details of the report to the market in an ASX release on 20 November 2017. The report was issued in accordance with the 2012 Edition of the JORC Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, and also "Australian Guidelines for the Estimation and Classification of Coal Resources, (2014)". Clara Resources Australia Ltd confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of estimates of Mineral Resources or Ore Reserves that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. Clara Resources Australia Ltd confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

The information relating to the Mineral Resources at the Ashford Coking Coal Project has been reviewed by Mr Rick Walker, who is a Member of the Australasian Institute of Mining and Metallurgy (# 112568). Rick Walker is Exploration Manager at Clara. Mr Walker has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity 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. Mr Walker has 20 years' experience in exploration and mining of coal deposits. Apart from his employment Mr Walker does not have any other direct or indirect financial interest in, or association with Clara, the properties and tenements reviewed in this statement.

Dividends

There were no dividends paid, recommended or declared during the current or previous financial half-year.

Review of operations

The loss for the consolidated entity after providing for income tax amounted to \$2,652,595 (31 December 2023: \$4,255,360).

The loss for the half-year ended 31 December 2024 includes a loss on disposal of investment in associate of \$1,313,374 (2023: \$nil) and an impairment of the investment in the associate of \$nil (2023: \$2,907,401).

Safety / Environment / Community

During the reporting period the Company reported no safety or environmental incidents, or community complaints at any of its sites.

Clara Resources Australia Ltd
Directors' report
For the half-year ended 31 December 2024

Completed acquisition of Renison Coal Pty Ltd ("Renison")

On 4 April 2024, the Company received shareholder approval at the EGM on that day for the acquisition agreement terms with Savannah Goldfields Ltd to acquire their 60% holding in Renison. The Company completed the acquisition on 17 July 2024 and now owns 100% of Renison and so is the sole owner of the Ashford Coking Coal Project. The acquisition presents a landmark transaction in firming the future of the Ashford coking coal project. Anticipated strong project economics and 100% ownership allows the Company vastly more flexibility with financing, permitting and general project management matters. The outlook for coking coal remains strong and the quality of Ashford is well placed to benefit from the forecast robust market conditions.

The Company funded the acquisition by selling Clara's holding in LSE-listed First Tin plc, notwithstanding several short-term capital initiatives utilised to satisfy scheduled stage payments to Savannah.

Ashford Coking Coal Project

The Company continues preparations for the planned Resource and Quality Drilling Program on EL6234, including:

- Ecological assessments and cultural heritage sweeps
- Government permits
- Preparing work scopes, technical specifications, and drilling contract documentation

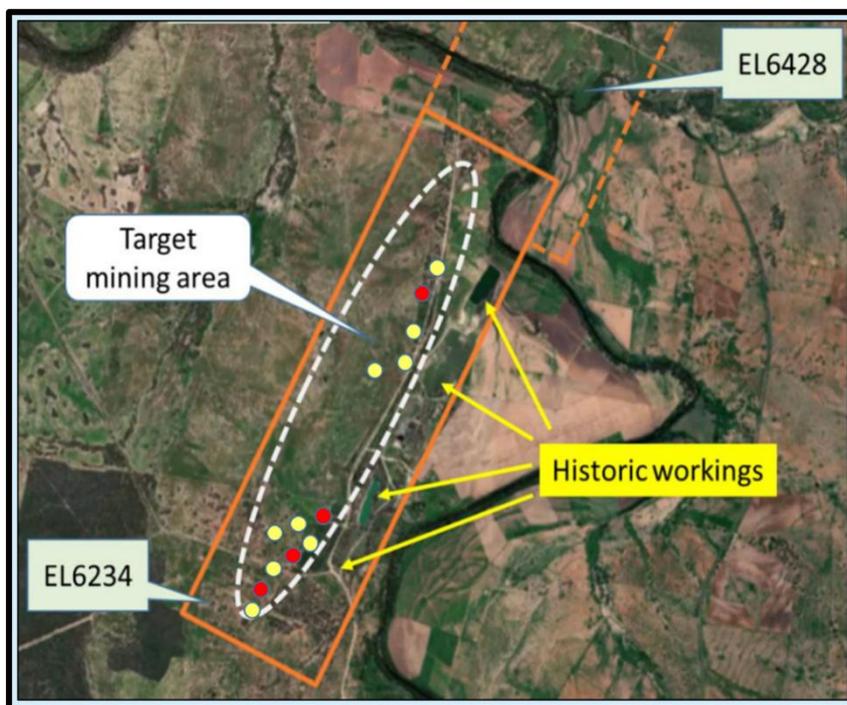


Figure 1 – Location of Ashford Coking Coal Project

The program comprises 4 x cored holes and 9 x chip holes and will provide information to:

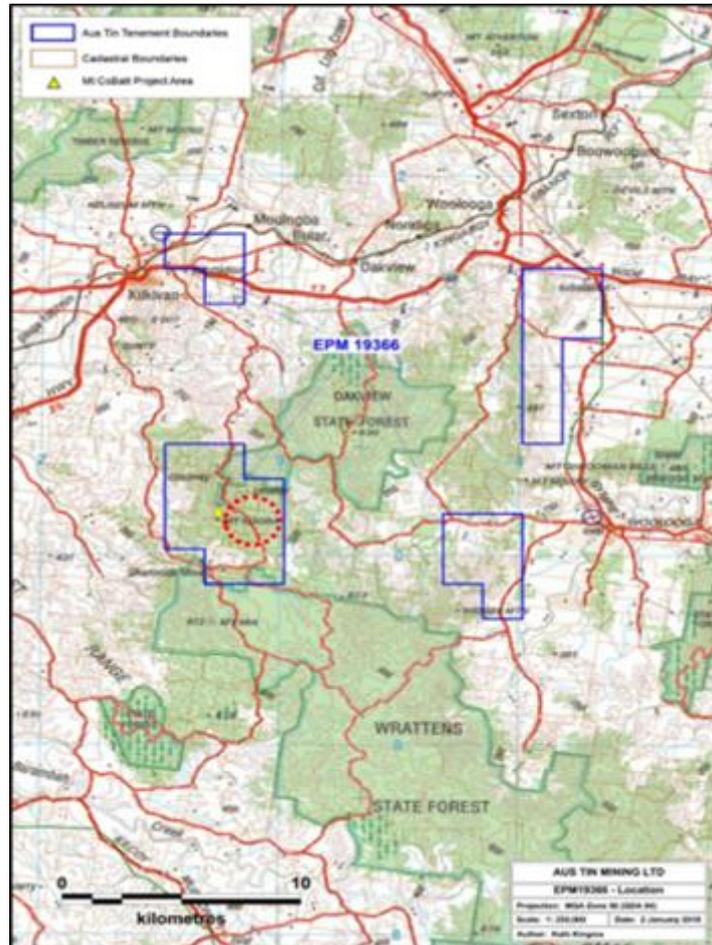
- Upgrade the JORC resource to measured & indicated
- Verify depth, thickness & structure of coal seams
- Improve coal quality data, including coking properties and washability

This information will be used as inputs for the pre-feasibility study and specifically refinement of the mining plan and sequence, enhancement of the coal preparation study and process design options, and improving accuracy of costing models. It is anticipated the field work will commence in Q2-2025.

Clara Resources Australia Ltd
Directors' report
For the half-year ended 31 December 2024

Kildanga Nickel/Cobalt (Qld)

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. The Company is considering all options with respect to Kildanga, including potential divestment.



Call and Put Option land acquisition agreement

On 4 September 2024, the Company executed an Option Agreement with the owners of pastoral property Strathnairn. This 147Ha grazing and cropping property is located immediately adjacent EL6234, the development tenement of the Ashford coking coal project.

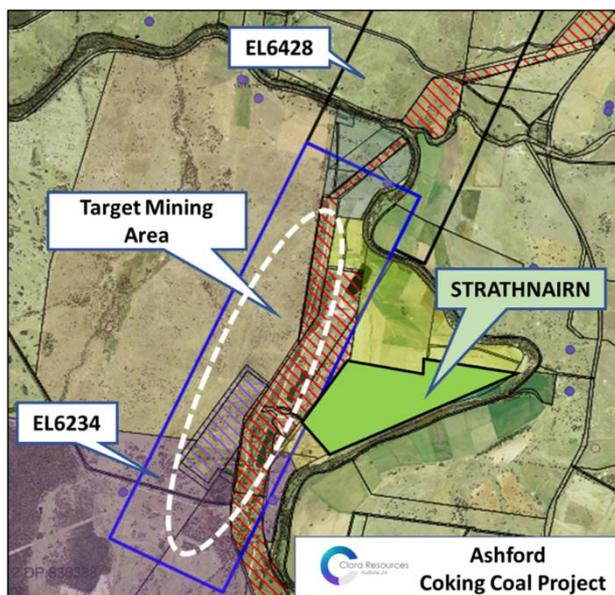


Figure 3 - Location of Strathnairn

The Option Agreement is for 5 years and has two components:

- (1) A Call Option which can be exercised by the Company at any time.
- (2) A Put Option which can be exercised by the Landowner once the Company has obtained all mining leases to operate the Ashford mine, and mine construction has commenced.

The Company intends to obtain an ancillary services mining lease over the property. The area is an excellent location for mine support infrastructure, avoiding the need to fit this inside the limited space of the existing tenement area. The additional ground space will also make for a more efficient mine plan.

Other

Refer to *Significant changes in the state of affairs* section below.

Significant changes in the state of affairs

On 12 July 2024, the Company sold its 60,000,000 shareholding in First Tin for £0.04 per share, raising £2,400,000 (AUD\$4,293,033) to fund the Renison acquisition, repayment of debts and general working capital (refer note 10).

On 16 July 2024, the Company completed the purchase of the remaining 60% of the ordinary shares in Renison Coal Pty Ltd. With reference to AASB 3 *Business combinations*, it has been determined that the acquisition of Renison Coal Pty Ltd is not a business combination and will be accounted for as an asset acquisition. The total consideration of \$4,564,664 has been attributed to the 2 exploration licences held by Renison Coal Pty Ltd. Refer note 13 for more details.

On 28 August 2024, the Company issued 50,000,000 ordinary shares for \$0.012 per share to raise \$600,000. The funds raised were used to repay debts and budgeted expenditure for the Ashford coking coal project (refer to note 10).

On 20 September 2024, the Company announced a rights issue of 2 new shares for every 3 shares held at \$0.01 per share, to raise funds to advance the Ashford Coking Coal Project and to repay debts. The rights issue was partially underwritten up to \$285,000. The rights issue resulted in a total of 23,707,447 shares issued on 1 November 2024, raising \$237,074 (refer note 10).

On 17 December 2024, the Company issued 7,651,400 ordinary shares for \$0.010 per share (refer note 10), as a result of the sub underwriting agreement with Peter Westerhuis and Alex Fitzgerald relating to the 20 September 2024 rights issue.

Clara Resources Australia Ltd
Directors' report
For the half-year ended 31 December 2024

In September 2024, the Company entered an option agreement with the owners of pastoral property Strathnairn. This 147Ha grazing and cropping property is located immediately adjacent to EL6234, the development of the Ashford coking coal Project.

The option agreement is for 5 years and includes a call option which can be exercised by the Company at any time, and a put option which can be exercised by the landowner once the Company has obtained all mining leases, including over Strathnairn, the environmental consent to operate the Ashford mine, and mine construction has commenced.

The agreement requires the Company to pay the landowner an annual option fee of \$60,000. The purchase price, should the option be exercised, is \$1.4m escalating at 3.5% per annum over the 5-year option period. The Company will commence the process to obtain an ancillary services mining lease over the Strathnairn property.

During the half-year ended 31 December 2024, the Company announced a share placement and a 1 for 1 pro-rata Accelerated Non-Renounceable Entitlement Offer ("ANREO") of new shares at an offer price of \$0.006 per share. The ANREO was conducted through two phases, with the first phase and the share placement resulting in the Company issuing 163,584,738 ordinary shares for \$981,508 on 30 December 2024 (refer note 10).

There were no other significant changes in the state of affairs of the consolidated entity during the financial half-year.

Matters subsequent to the end of the financial half-year

On 1 January 2025, the terms of the three loans with a total outstanding at 31 December 2024 of \$367,848 were modified. The modified interest rate is 12% per annum with a 12-month maturity. The remaining balance of \$48,620 was paid out on 8 January 2025.

On 20 January 2025, the Company issued a further 31,666,668 ordinary shares for \$0.006 per share under the placement (refer to note 10). The closing date of the retail component of the ANREO was extended to 14 February 2025 and 12,250,346 shares were issued under the retail component on 21 February 2025 for \$0.006 per share.

During January 2025 and February 2025, the 9,375,000 shares held in Savannah were sold for \$152,074 (before broker fees).

On 11 March 2025, shareholders approved the issued of the following shares to Directors or their related entities as part for the ANREO shortfall:

- Richard Willson - 3,054,950 shares
- Peter Westerhuis - 3,046,834 shares
- Alex Fitzgerald - 7,301,771 shares

At the same meeting, shareholders approved the issue of 9,201,085 shares to Mr Peter Westerhuis, in lieu of salary. Refer the Notice of Meeting for further information.

No other matter or circumstance has arisen since 31 December 2024 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

Clara Resources Australia Ltd
Directors' report
For the half-year ended 31 December 2024

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors



Richard Willson
Non-executive Chairman

12 March 2025
Brisbane



Tel: +61 7 3237 5999
Fax: +61 7 3221 9227
www.bdo.com.au

Level 10, 12 Creek Street
Brisbane QLD 4000
GPO Box 457 Brisbane QLD 4001
Australia

DECLARATION OF INDEPENDENCE BY R M SWABY TO THE DIRECTORS OF CLARA RESOURCES AUSTRALIA LIMITED

As lead auditor for the review of Clara Resources Australia Limited for the half-year ended 31 December 2024, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Clara Resources Australia Limited and the entities it controlled during the period.

A handwritten signature in black ink, appearing to read 'R M Swaby'.

R M Swaby
Director

BDO Audit Pty Ltd

Brisbane, 12 March 2025

Clara Resources Australia Ltd

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For the half-year ended 31 December 2024

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General information

The financial statements cover Clara Resources Australia Ltd as a consolidated entity consisting of Clara Resources Australia Ltd and the entities it controlled at the end of, or during, the half-year. The financial statements are presented in Australian dollars, which is Clara Resources Australia Ltd's functional and presentation currency.

Clara Resources Australia Ltd is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Level 19
10 Eagle Street
Brisbane
QLD 4000

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 12 March 2025.

Clara Resources Australia Ltd
Consolidated statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2024

| | Note | Consolidated | |
|--|------|--------------------|--------------------|
| | | 31 Dec 2024 | 31 Dec 2023 |
| | | \$ | \$ |
| Share of losses of associate accounted for using the equity method | 6 | - | (234,817) |
| Interest income | | - | 13,950 |
| Net fair value gain on investments at fair value through profit or loss | 4 | 84,375 | - |
| Expenses | | | |
| Consultancy fees | | (91,300) | (159,969) |
| Depreciation and amortisation expense | | (19,870) | (8,640) |
| Director fees | | (132,397) | (32,500) |
| Employee benefits expense | | (320,047) | (325,072) |
| Exploration costs | | (10,370) | (13,918) |
| Impairment - investment in associate | 6 | - | (2,907,401) |
| Legal expenses | | (171,628) | (75,046) |
| Loss on disposal of investment in associate | 6 | (1,313,374) | - |
| Other Granville operating costs | | (2,763) | (12,691) |
| Other expenses | | (183,972) | (407,090) |
| Share registry, ASX and filing fees | | (100,316) | (91,221) |
| Finance costs | | (390,933) | (945) |
| Total expenses | | <u>(2,736,970)</u> | <u>(4,034,493)</u> |
| Loss before income tax expense | | (2,652,595) | (4,255,360) |
| Income tax expense | | - | - |
| Loss after income tax expense for the half-year attributable to the owners of Clara Resources Australia Ltd | | (2,652,595) | (4,255,360) |
| Other comprehensive income for the half-year, net of tax | | - | - |
| Total comprehensive loss for the half-year attributable to the owners of Clara Resources Australia Ltd | | <u>(2,652,595)</u> | <u>(4,255,360)</u> |
| | Note | 31 Dec 2024 | 31 Dec 2023 |
| | | Cents | Cents |
| Basic earnings per share | 15 | (1.1) | (2.3) |
| Diluted earnings per share | 15 | (1.1) | (2.3) |

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Clara Resources Australia Ltd
Consolidated statement of financial position
As at 31 December 2024

| | | Consolidated | |
|---|------|------------------|------------------|
| | Note | 31 Dec 2024 | 30 Jun 2024 |
| | | \$ | \$ |
| Assets | | | |
| Current assets | | | |
| Cash and cash equivalents | 3 | 305,331 | 14,796 |
| Trade and other receivables | | - | 3,618 |
| Investments at fair value through profit or loss | 4 | 220,313 | 135,938 |
| Other assets | 5 | - | 1,116,500 |
| Total current assets | | <u>525,644</u> | <u>1,270,852</u> |
| Non-current assets | | | |
| Investments accounted for using the equity method | 6 | - | 8,300,480 |
| Property, plant and equipment | | 67,539 | 87,409 |
| Exploration and evaluation | 7 | 7,260,254 | 5,066 |
| Other assets | 5 | 96,106 | 96,106 |
| Total non-current assets | | <u>7,423,899</u> | <u>8,489,061</u> |
| Total assets | | <u>7,949,543</u> | <u>9,759,913</u> |
| Liabilities | | | |
| Current liabilities | | | |
| Trade and other payables | 8 | 789,967 | 696,791 |
| Borrowings | 9 | 416,468 | 1,459,532 |
| Total current liabilities | | <u>1,206,435</u> | <u>2,156,323</u> |
| Total liabilities | | <u>1,206,435</u> | <u>2,156,323</u> |
| Net assets | | <u>6,743,108</u> | <u>7,603,590</u> |
| Equity | | | |
| Issued capital | 10 | 39,135,703 | 37,343,590 |
| Reserves | | 1,863,821 | 1,863,821 |
| Accumulated losses | | (34,256,416) | (31,603,821) |
| Total equity | | <u>6,743,108</u> | <u>7,603,590</u> |

The above consolidated statement of financial position should be read in conjunction with the accompanying notes

Clara Resources Australia Ltd
Consolidated statement of changes in equity
For the half-year ended 31 December 2024

| Consolidated | Issued capital \$ | Share based payment reserve \$ | Accumulated losses \$ | Total equity \$ |
|--|----------------------------------|---|--------------------------------------|----------------------------|
| Balance at 1 July 2023 | 37,090,290 | 1,857,012 | (26,301,785) | 12,645,517 |
| Loss after income tax expense for the half-year | - | - | (4,255,360) | (4,255,360) |
| Other comprehensive income for the half-year, net of tax | - | - | - | - |
| Total comprehensive loss for the half-year | - | - | (4,255,360) | (4,255,360) |
| <i>Transactions with owners in their capacity as owners:</i> | | | | |
| Contributions of equity, net of transaction costs | 95,600 | - | - | 95,600 |
| Share-based payments | - | 3,423 | - | 3,423 |
| Balance at 31 December 2023 | <u>37,185,890</u> | <u>1,860,435</u> | <u>(30,557,145)</u> | <u>8,489,180</u> |
| | | | | |
| Consolidated | Issued capital \$ | Share based payment reserve \$ | Accumulated losses \$ | Total equity \$ |
| Balance at 1 July 2024 | 37,343,590 | 1,863,821 | (31,603,821) | 7,603,590 |
| Loss after income tax expense for the half-year | - | - | (2,652,595) | (2,652,595) |
| Other comprehensive income for the half-year, net of tax | - | - | - | - |
| Total comprehensive loss for the half-year | - | - | (2,652,595) | (2,652,595) |
| <i>Transactions with owners in their capacity as owners:</i> | | | | |
| Contributions of equity, net of transaction costs (note 10) | 1,792,113 | - | - | 1,792,113 |
| Balance at 31 December 2024 | <u>39,135,703</u> | <u>1,863,821</u> | <u>(34,256,416)</u> | <u>6,743,108</u> |

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes

Clara Resources Australia Ltd
Consolidated statement of cash flows
For the half-year ended 31 December 2024

| | | Consolidated | |
|---|-------------|---------------------|--------------------|
| | Note | 31 Dec 2024 | 31 Dec 2023 |
| | | \$ | \$ |
| Cash flows from operating activities | | | |
| Payments to suppliers and employees (inclusive of GST) | | (905,629) | (1,406,370) |
| Interest received | | - | 13,950 |
| Interest and other finance costs paid | | (406,933) | (945) |
| | | <u>(1,312,562)</u> | <u>(1,393,365)</u> |
| Net cash used in operating activities | | | |
| Cash flows from investing activities | | | |
| Payment for purchase of Renison Coal Pty Ltd | 13 | (3,448,164) | - |
| Payments for exploration and evaluation assets | 7 | (6,821) | - |
| Payments for security deposits | | - | (3,409) |
| Proceeds from disposal of investment in First Tin Plc | 6 | 4,293,033 | - |
| | | <u>838,048</u> | <u>(3,409)</u> |
| Net cash from/(used in) investing activities | | | |
| Cash flows from financing activities | | | |
| Proceeds from issue of shares | 10 | 1,895,096 | 100,000 |
| Repayment of short term loans | | (789,564) | - |
| Repayment of convertible notes | 9 | (237,500) | - |
| Share issue transaction costs | 10 | (102,983) | (4,400) |
| | | <u>765,049</u> | <u>95,600</u> |
| Net cash from financing activities | | | |
| Net increase/(decrease) in cash and cash equivalents | | 290,535 | (1,301,174) |
| Cash and cash equivalents at the beginning of the financial half-year | | 14,796 | 1,817,191 |
| | | <u>14,796</u> | <u>1,817,191</u> |
| Cash and cash equivalents at the end of the financial half-year | 3 | <u>305,331</u> | <u>516,017</u> |

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes

Clara Resources Australia Ltd
Notes to the consolidated financial statements
For the half-year ended 31 December 2024

Note 1. Material accounting policy information

These general purpose financial statements for the interim half-year reporting period ended 31 December 2024 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2024 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The adoption of these new or amended Accounting Standards and Interpretations did not have a material impact to the financial statements.

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2024 reporting periods and have not been early adopted by the Group.

Going concern

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the normal course of business.

As disclosed in the financial statements for the half-year ended 31 December 2024, the Group incurred a loss of \$2,652,595 after income tax and net cash outflows from operating activities of \$1,312,562. As at 31 December 2024, the Group had cash of 305,331.

In December 2024, the Group launched a Placement with an ANREO. On 30 December 2024 and then on 17 January 2025, Clara placed \$981,508 and \$190,000, worth of shares respectfully, from the Institutional offer. On the 14 February 2025, the Retail offer closed, raising a further \$73,562, leaving a shortfall of \$863,602. Clara is in discussion with a number of interested investors and expected to place the full amount of the shortfall in the coming weeks.

The ability of the Group to continue as a going concern is principally dependent upon the following conditions:

- the ability of the Group to successfully raise capital, as and when necessary;
- the ability to complete successful exploration and subsequent exploitation of the areas of interest; and
- reducing its working capital expenditure as and when necessary.

The Directors have concluded that as a result of the requirement to raise funds in the future, there exists a material uncertainty that may cast significant doubt regarding the Group's ability to continue as a going concern and therefore, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. Nevertheless, after taking into account the Board's expectation of successfully closing out the current ANREO shortfall and the Company's ability to raise further capital, the directors have a reasonable expectation that the Company will have adequate resources to fund its future operational requirements and for these reasons they continue to adopt the going concern basis in preparing the financial report.

Should the Group be unable to continue as a going concern, it may be required to realise its assets and extinguish its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial report. The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts or classification of liabilities and appropriate disclosures that may be necessary should the Group be unable to continue as a going concern.

Clara Resources Australia Ltd
Notes to the consolidated financial statements
For the half-year ended 31 December 2024

Note 2. Operating segments

Identification of reportable operating segments

The consolidated entity has identified its operating segments based on the internal reports that are reviewed and used by the parent entity's Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources. The consolidated entity is managed primarily on a geographic basis that is the location of the respective areas of interest (tenements) in Australia. Operating segments are determined on the basis of financial information reported to the Board which is at the consolidated entity level.

The consolidated entity does not have any products/services it derives revenue from.

Management currently identifies the consolidated entity as having only one operating segment, being exploration for coal, nickel and other commodities in Australia. All significant operating decisions are based upon analysis of the consolidated entity as one segment. The financial results from the segment are equivalent to the financial statements of the consolidated entity as a whole.

Note 3. Cash and cash equivalents

| | Consolidated | |
|-----------------------|---------------------|--------------------|
| | 31 Dec 2024 | 30 Jun 2024 |
| | \$ | \$ |
| <i>Current assets</i> | | |
| Cash at bank | <u>305,331</u> | <u>14,796</u> |

Note 4. Investments at fair value through profit or loss

| | Consolidated | |
|---|---------------------|--------------------|
| | 31 Dec 2024 | 30 Jun 2024 |
| | \$ | \$ |
| <i>Current assets</i> | | |
| Investment in Savannah Goldfields Ltd - at fair value | <u>220,313</u> | <u>135,938</u> |

Reconciliation

Reconciliation of the fair values at the beginning and end of the current and previous financial half-year are set out below:

| | | |
|------------------------|----------------|------------------|
| Opening fair value | 135,938 | - |
| Additions | - | 375,000 |
| Revaluation increments | 84,375 | - |
| Revaluation decrements | <u>-</u> | <u>(239,062)</u> |
| Closing fair value | <u>220,313</u> | <u>135,938</u> |

The Company subscribed for 9,375,000 Savannah shares and 4,687,500 free attaching options, in two tranches, at a total cost of \$375,000, paid in full during the year ended 30 June 2024. The options expire on 30 June 2025 and are exercisable at \$0.06. These shares and options were subject to voluntary escrow for a period of 3 months.

At 31 December 2024, the Savannah share price was \$0.022 per share and the fair value of the share options was \$0.003 per option, therefore the fair value of the investment was adjusted by \$84,375 to \$220,313.

The shares held in Savannah have been sold subsequent to the period-end (refer note 14).

Clara Resources Australia Ltd
Notes to the consolidated financial statements
For the half-year ended 31 December 2024

Note 5. Other assets

| | Consolidated | |
|---|---------------|------------------|
| | 31 Dec 2024 | 30 Jun 2024 |
| | \$ | \$ |
| <i>Current assets</i> | | |
| Prepayments for Renison Coal Pty Ltd acquisition* | - | 1,116,500 |
| <i>Non-current assets</i> | | |
| Security deposits | 96,106 | 96,106 |
| | <u>96,106</u> | <u>1,212,606</u> |

On 15 February 2024, the Company entered into a binding term sheet with Savannah Goldfields Ltd ("Savannah") to, amongst other elements, enter a revised Share Purchase Agreement (SPA) for the Company to acquire the remaining 60% of the ordinary shares of Renison Coal Pty Ltd (the owner of the Ashford Coking Coal Project). The SPA rescinded and replaced the previous Share Acquisition Agreement entered in April 2021. The SPA was further amended on 3 May 2024 to amend the payment schedule. Of the total consideration payable by the Company, \$750,000 upfront payments and \$200,000 of extension fees had been paid and the \$166,500 of shares had been issued by 30 June 2024, resulting in prepayments for the acquisition of \$1,116,500 at 30 June 2024.

The acquisition completed on 16 July 2024 (refer note 13). After completion of the acquisition, the Company became the 100% owner of the Ashford Coking Coal Project.

Note 6. Investments accounted for using the equity method

| | Consolidated | |
|------------------------------------|--------------|------------------|
| | 31 Dec 2024 | 30 Jun 2024 |
| | \$ | \$ |
| <i>Non-current assets</i> | | |
| Investment in First Tin Plc | - | 5,606,407 |
| Investment in Renison Coal Pty Ltd | - | 2,694,073 |
| | <u>-</u> | <u>8,300,480</u> |

Reconciliation

Reconciliation of the carrying amounts at the beginning and end of the current and previous financial half-year are set out below:

| | | |
|---|-------------|------------------|
| Opening carrying amount | 8,300,480 | 10,979,787 |
| Loss after income tax | - | (704,445) |
| Disposal due to acquisition of remaining interest in Renison Coal Pty Ltd (note 13) | (2,694,073) | - |
| Impairment of investment in First Tin Plc | - | (1,974,862) |
| Disposal of investment in First Tin Plc | (5,606,407) | - |
| Closing carrying amount | <u>-</u> | <u>8,300,480</u> |

On 12 July 2024, the Company sold its 60,000,000 shareholding in First Tin Plc for £0.04 per share, raising £2,400,000 (AUD\$4,293,033) to fund the Renison acquisition, repayment of debts and general working capital. The resulting loss on disposal was \$1,313,374.

Clara Resources Australia Ltd
Notes to the consolidated financial statements
For the half-year ended 31 December 2024

Note 6. Investments accounted for using the equity method (continued)

The Company previously held a 40% equity interest in Renison Coal Pty Ltd ("Renison"), which was accounted for using the equity method under AASB 128 *Investments in Associates and Joint Ventures*. On 16 July 2024, the Company acquired the remaining 60% shareholding in Renison, resulting in a 100% ownership in Renison and the Ashford Coking Coal Project. As the transaction was assessed to be an asset acquisition (refer note 13), the investment in joint venture was derecognised, and as a result, the carrying value of the investment in joint venture as at 31 December 2024 was \$nil.

Note 7. Exploration and evaluation

| | Consolidated | |
|--------------------------------------|---------------------|--------------------|
| | 31 Dec 2024 | 30 Jun 2024 |
| | \$ | \$ |
| <i>Non-current assets</i> | | |
| Exploration and evaluation - at cost | 13,086,558 | 5,821,000 |
| Less: Impairment | (5,826,304) | (5,815,934) |
| | <u>7,260,254</u> | <u>5,066</u> |

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial half-year are set out below:

| Consolidated | Exploration and evaluation \$ |
|---|-------------------------------------|
| Balance at 1 July 2024 | 5,066 |
| Additions | 6,821 |
| Additions through asset acquisition (note 13) | 7,258,737 |
| Impairment of assets* | <u>(10,370)</u> |
| Balance at 31 December 2024 | <u>7,260,254</u> |

* This represents a impairment of the carrying value of the Company's Kildanga tenements. Subject to the project review and funding, the Company may recommence exploration activities on the Kildanga project in the near future.

Option to purchase land

In September 2024, the Company entered an option agreement with the owners of pastoral property Strathnairn. This 147Ha grazing and cropping property is located immediately adjacent to EL6234, the development of the Ashford coking coal Project.

The option agreement is for 5 years and includes a call option which can be exercised by the Company at any time, and a put option which can be exercised by the landowner once the Company has obtained all mining leases, including over Strathnairn, the environmental consent to operate the Ashford mine, and mine construction has commenced.

The agreement requires the Company to pay the landowner an annual option fee of \$60,000. The purchase price, should the option be exercised, is \$1.4m escalating at 3.5% per annum over the 5-year option period. The Company will commence the process to obtain an ancillary services mining lease over the Strathnairn property.

Clara Resources Australia Ltd
Notes to the consolidated financial statements
For the half-year ended 31 December 2024

Note 8. Trade and other payables

| | Consolidated | |
|----------------------------|--------------|-------------|
| | 31 Dec 2024 | 30 Jun 2024 |
| | \$ | \$ |
| <i>Current liabilities</i> | | |
| Trade payables | 482,303 | 372,703 |
| Accrued expenses | 220,125 | 252,500 |
| Employee entitlements | 73,734 | 70,669 |
| BAS payable | 13,805 | - |
| Other payables | - | 919 |
| | 789,967 | 696,791 |
| | 789,967 | 696,791 |

Note 9. Borrowings

| | Consolidated | |
|--|--------------|-------------|
| | 31 Dec 2024 | 30 Jun 2024 |
| | \$ | \$ |
| <i>Current liabilities</i> | | |
| Short term loan - third party | 48,620 | 885,161 |
| Short term loans - related parties | 367,848 | 320,871 |
| Secured: | | |
| Convertible notes at fair value through profit or loss | - | 253,500 |
| | 416,468 | 1,459,532 |
| | 416,468 | 1,459,532 |

Short term loans

On 28 May 2024, the Company received loans from sophisticated and professional investors, including related parties, totalling \$1,090,000. The funds were used to pay the initial upfront payment (\$750,000) and extension fees (\$200,000) relating to the asset acquisition (refer note 13) and for working capital. Interest was payable at 20% of the face value to be settled on expiry by either cash or the issue of a fixed number of shares in the Company (subject to shareholder approvals). The loans were due to expire on 29 July 2024, however a rollover clause was executed allowing an extension to 31 October 2024 with 5% interest payable per month. The loans were not repaid by the extended expiry date, therefore the loans defaulted to a penalty interest rate of 5% per month. Subsequent to the period end, the terms of the loans were amended (refer to note 14).

Interest totalling \$225,270 was accrued during the half-year ended 31 December 2024 on the above loans.

Convertible notes

During the year ended 30 June 2024, the Company issued convertible notes to sophisticated and professional investors, including a Director and the CEO, for an aggregate of \$237,500. The convertible notes were paid on 30 July 2024, plus \$23,750 of interest that had accrued.

Note 10. Issued capital

| | Consolidated | | | |
|------------------------------|--------------|-------------|-------------|-------------|
| | 31 Dec 2024 | 30 Jun 2024 | 31 Dec 2024 | 30 Jun 2024 |
| | Shares | Shares | \$ | \$ |
| Ordinary shares - fully paid | 445,082,287 | 200,138,702 | 39,135,703 | 37,343,590 |
| | 445,082,287 | 200,138,702 | 39,135,703 | 37,343,590 |

Clara Resources Australia Ltd
Notes to the consolidated financial statements
For the half-year ended 31 December 2024

Note 10. Issued capital (continued)

Movements in ordinary share capital

| Details | Date | Shares | Issue price | \$ |
|-------------------------------|------------------|--------------------|-------------|-------------------|
| Balance | 1 July 2024 | 200,138,702 | | 37,343,590 |
| Share placement (a) | 28 August 2024 | 50,000,000 | \$0.012 | 600,000 |
| Rights issue (b) | 1 November 2024 | 23,707,447 | \$0.010 | 237,074 |
| Sub underwriting (c) | 17 December 2024 | 7,651,400 | \$0.010 | 76,514 |
| Share placement and ANREO (d) | 30 December 2024 | 163,584,738 | \$0.006 | 981,508 |
| Share issue costs | | | | (102,983) |
| Balance | 31 December 2024 | <u>445,082,287</u> | | <u>39,135,703</u> |

(a) Share placement

On 28 August 2024, the Company issued 50,000,000 ordinary shares for \$0.012 per share to raise \$600,000. The funds raised were used to repay debts and budgeted expenditure for the Ashford coking coal project.

(b) Rights issue

On 20 September 2024, the Company announced a rights issue of 2 new shares for every 3 shares held at \$0.01 per share, to raise funds to advance the Ashford Coking Coal Project and to repay debts. The rights issue was partially underwritten up to \$285,000. The rights issue resulted in a total of 23,707,447 shares issued on 1 November 2024, raising \$237,074.

(c) Sub underwriting

On 17 December 2024, the Company issued 7,651,400 ordinary shares for \$0.01 per share, as a result of sub underwriting agreement with Peter Westerhuis and Alex Fitzgerald, in relation to the 20 September 2024 rights issue.

(d) Share placement and ANREO

During the half-year ended 31 December 2024, the Company announced a share placement and a 1 for 1 pro-rata Accelerated Non-Renounceable Entitlement Offer ("ANREO") of new shares at an offer price of \$0.006 per share. The funds secured will give the Company the working capital flexibility to commence planning around drilling programs and other project development initiatives to delivery a preliminary feasibility study at the Company's NSW based Ashford Coking Coal project. The ANREO was conducted through two phases, with the first phase and the share placement resulting in the Company issuing 163,584,738 ordinary shares for \$981,508 on 30 December 2024. Subsequent to the period end, there was also a further 31,666,668 shares issued for \$190,000 that were delayed under the ANREO (refer note 14). The closing date of the second phase, the retail component, has been extended to 14 February 2025.

Note 11. Contingent liabilities

As part of the acquisition of Renison, the Company must pay an ongoing royalty to the Savannah of \$0.75 per tonne of coal sold from the Ashford Project (refer note 13). This royalty is payable on all coal produced and sold from the acquired assets and does not have a fixed minimum commitment.

The royalty payments are contingent on future production and sales volumes. The Company will recognise royalty expenses in the profit and loss as and when the liability arises from coal sales. At 31 December 2024, no provision has been recognised in respect of this obligation, as the amount payable is dependent on future coal production levels, which are uncertain and cannot be reliably estimated.

Clara Resources Australia Ltd
Notes to the consolidated financial statements
For the half-year ended 31 December 2024

Note 12. Related party transactions

Transactions with related parties

The following transactions occurred with related parties:

| | Consolidated | |
|---|---------------------|--------------------|
| | 31 Dec 2024 | 31 Dec 2023 |
| | \$ | \$ |
| Payment for goods and services: | | |
| Payment for services - DGR Global Ltd (a) | 700 | 182 |
| Payment for services - HopgoodGanim Lawyers (b) | 144,108 | 65,026 |
| Payment for services - Samuel Capital (c) | 20,000 | 30,000 |
| Directors fees | 132,397 | 32,500 |
| Payment for other expenses: | | |
| Interest paid to key management personnel | 225,270 | - |
| Payment for rent - DGR Global Ltd (a) | - | 10,000 |

- (a) Recharge of expense from DGR Global Ltd, of which Nicholas Mather and Brian Moller (Directors of the Company) are also Directors.
- (b) Mr Brian Moller (a Director), is a partner in the Australian firm HopgoodGanim Lawyers. HopgoodGanim Lawyers provides legal services to the Group and the fees are based on normal commercial terms and conditions.
- (c) Mr Nicholas Mather (a Director), is a director of Samuel Capital, which provides consulting services.

Receivable from and payable to related parties

The following balances are outstanding at the reporting date in relation to transactions with related parties:

| | Consolidated | |
|--|---------------------|--------------------|
| | 31 Dec 2024 | 30 Jun 2024 |
| | \$ | \$ |
| Current payables: | | |
| Trade payables to key management personnel | 171,913 | 159,826 |
| Trade payables - DGR Global Ltd | - | 440 |
| Trade payables - HopgoodGanim Lawyers | 133,959 | 58,545 |

The outstanding balances at each relevant period end are unsecured, interest free and settlement occurs in cash.

Loans to/from related parties

The following balances are outstanding at the reporting date in relation to loans with related parties:

| | Consolidated | |
|--|---------------------|--------------------|
| | 31 Dec 2024 | 30 Jun 2024 |
| | \$ | \$ |
| Current borrowings: | | |
| Loan from key management personnel (note 9) | 367,848 | 320,871 |
| Convertible notes issued to key management personnel | - | 77,500 |

Clara Resources Australia Ltd
Notes to the consolidated financial statements
For the half-year ended 31 December 2024

Note 13. Asset acquisition

On 4 April 2024, the Company received shareholder approval at an EGM on that day for the acquisition agreement terms with Savannah Goldfields Ltd ("Savannah") to acquire their 60% holding in Renison Coal Pty Ltd ("Renison"), the owner of the Ashford Coking Coal Project. The acquisition completed on 16 July 2024, resulting in the Company owning 100% of the share capital in Renison. With reference to AASB 3 *Business combinations*, it has been determined that the acquisition of Renison Coal Pty Ltd is not a business combination and has been accounted for as an asset acquisition. As consideration for the acquisition, the following amounts, totalling \$4,564,664, were paid to Savannah:

- 11,100,000 ordinary shares of Clara Resources Australia Ltd, valued at \$166,500, issued on 3 May 2024,
- \$750,000 upfront payment made on 30 May 2024,
- \$200,000 of extension fees,
- \$3,310,000 paid on 16 July 2024,
- Interest of \$130,164 paid on 16 July 2024, and a late payment penalty of \$8,000,
- Ongoing royalty payable to Savannah of \$0.75 per tonne of coal sold from the Ashford Project.

At acquisition, the carrying value of the investment in the 4 Renison shares already owned by the Company was \$2,694,073.

Details of the acquisition are as follows:

| | Fair value \$ |
|--|--------------------------------|
| Exploration and evaluation | 7,258,737 |
| Net fair value of assets acquired | 7,258,737 |
| Representing: | |
| Cash paid or payable to vendor | 4,398,164 |
| Clara Resources Australia Ltd shares issued to vendor (note 10) | 166,500 |
| Carrying value of existing 40% shareholding in Renison | 2,694,073 |
| | 7,258,737 |
| Cash used to acquire business, net of cash acquired: | |
| Acquisition-date fair value of the total consideration transferred | 4,564,664 |
| Less: payments made in prior periods | (950,000) |
| Less: shares issued by Company as part of consideration | (166,500) |
| Net cash used | 3,448,164 |

Note 14. Events after the reporting period

On 1 January 2025, the terms of the three loans with a total outstanding at 31 December 2024 of \$367,848 were modified. The modified interest rate is 12% per annum with a 12-month maturity. The remaining balance of \$48,620 was paid out on 8 January 2025.

On 20 January 2025, the Company issued a further 31,666,668 ordinary shares for \$0.006 per share under the placement (refer to note 10). The closing date of the retail component of the ANREO was extended to 14 February 2025 and 12,250,346 shares were issued under the retail component on 21 February 2025 for \$0.006 per share.

During January 2025 and February 2025, the 9,375,000 shares held in Savannah were sold for \$152,074 (before broker fees).

Clara Resources Australia Ltd
Notes to the consolidated financial statements
For the half-year ended 31 December 2024

Note 14. Events after the reporting period (continued)

On 11 March 2025, shareholders approved the issued of the following shares to Directors or their related entities as part for the ANREO shortfall:

- Richard Willson - 3,054,950 shares
- Peter Westerhuis - 3,046,834 shares
- Alex Fitzgerald - 7,301,771 shares

At the same meeting, shareholders approved the issue of 9,201,085 shares to Mr Peter Westerhuis, in lieu of salary. Refer the Notice of Meeting for further information.

No other matter or circumstance has arisen since 31 December 2024 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Note 15. Earnings per share

| | Consolidated | |
|---|---------------------|--------------------|
| | 31 Dec 2024 | 31 Dec 2023 |
| | \$ | \$ |
| <i>Earnings per share for loss from continuing operations</i> | | |
| Loss after income tax attributable to the owners of Clara Resources Australia Ltd | <u>(2,652,595)</u> | <u>(4,255,360)</u> |
| | Number | Number |
| Weighted average number of ordinary shares used in calculating basic earnings per share | <u>243,308,002</u> | <u>188,939,065</u> |
| Weighted average number of ordinary shares used in calculating diluted earnings per share | <u>243,308,002</u> | <u>188,939,065</u> |
| | Cents | Cents |
| Basic earnings per share | (1.1) | (2.3) |
| Diluted earnings per share | (1.1) | (2.3) |

Note 16. Options and performance rights

Options

The unissued ordinary shares of Clara Resources Australia Ltd under option at 31 December 2024 are as follows:

| Grant date | Date of expiry | Exercise price \$ | Number under option |
|---------------|----------------|----------------------|------------------------|
| 17 May 2022 | 30 June 2025 | 0.200 | 400,000 |
| 14 April 2023 | 14 April 2026 | 0.120 | 7,833,333 |
| 29 June 2023 | 29 June 2026 | 0.120 | 23,518,750 |
| 11 July 2023 | 11 July 2026 | 0.120 | 833,334 |

Performance rights

The unissued ordinary shares of Clara Resources Australia Ltd under performance rights at 31 December 2024 are as follows:

Clara Resources Australia Ltd
Notes to the consolidated financial statements
For the half-year ended 31 December 2024

Note 16. Options and performance rights (continued)

| Grant date | Date of expiry | Exercise price \$ | Number performance rights |
|-------------|----------------|----------------------|---------------------------------|
| 17 May 2022 | 17 May 2025 | - | 200,000 |

Movements in options and performance rights

There were no performance rights granted, exercised, expired or forfeited during the half-year ended 31 December 2024.

Clara Resources Australia Ltd
Directors' declaration
For the half-year ended 31 December 2024

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2024 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors



Richard Willson
Non-executive Chairman

12 March 2025
Brisbane

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Clara Resources Australia Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Clara Resources Australia Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2024, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, material accounting policy information and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

- i. Giving a true and fair view of the Group's financial position as at 31 December 2024 and of its financial performance for the half-year ended on that date; and
- ii. Complying with Accounting Standard AASB 134 *Interim Financial Reporting and the Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be the same terms if given to the directors as at the time of this auditor's review report.

Material uncertainty relating to going concern

We draw attention to Note 1 in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and therefore the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our conclusion is not modified in respect of this matter.

Responsibility of the directors for the financial report

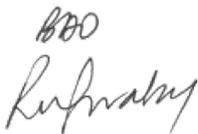
The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is true and fair and is free from material misstatement, whether due to fraud or error.

Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2024 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting and the Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

BDO Audit Pty Ltd



R M Swaby
Director

Brisbane, 12 March 2025