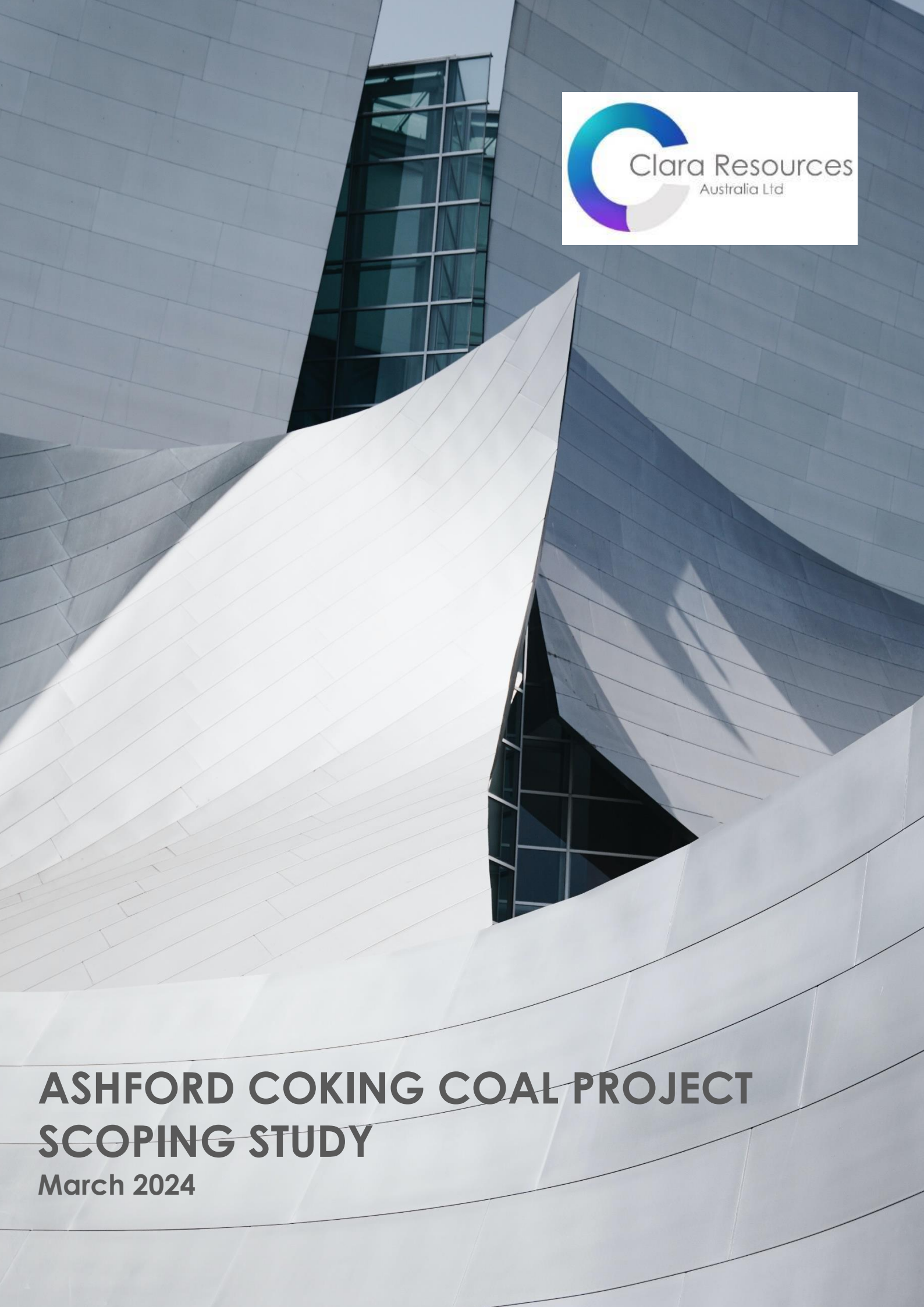

ASHFORD COKING COAL PROJECT SCOPING STUDY

March 2024

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1 INTRODUCTION AND PROJECT OVERVIEW

This Scoping Study provides an early-stage assessment of the technical and commercial viability for development and operation of the Ashford Coking Coal Project (**Ashford Project** or **Ashford** or the **Project**).

The Ashford Project is owned by Renison Coal Pty Ltd. Renison is 40%-owned by Clara Resources Australia Ltd (ASX: C7A) (**Clara** or **C7A**) and 60%-owned by Savannah Goldfields Ltd (ASX: SVG) (**Savannah** or **SVG**). Clara executed a binding term sheet on 14 February 2024 to acquire the remaining 60% from Savannah, taking Clara's ownership of the Ashford Project to 100%. Completion of the acquisition is subject to Clara shareholder approval; an EGM is scheduled to be held for that purpose on 4th April 2024.

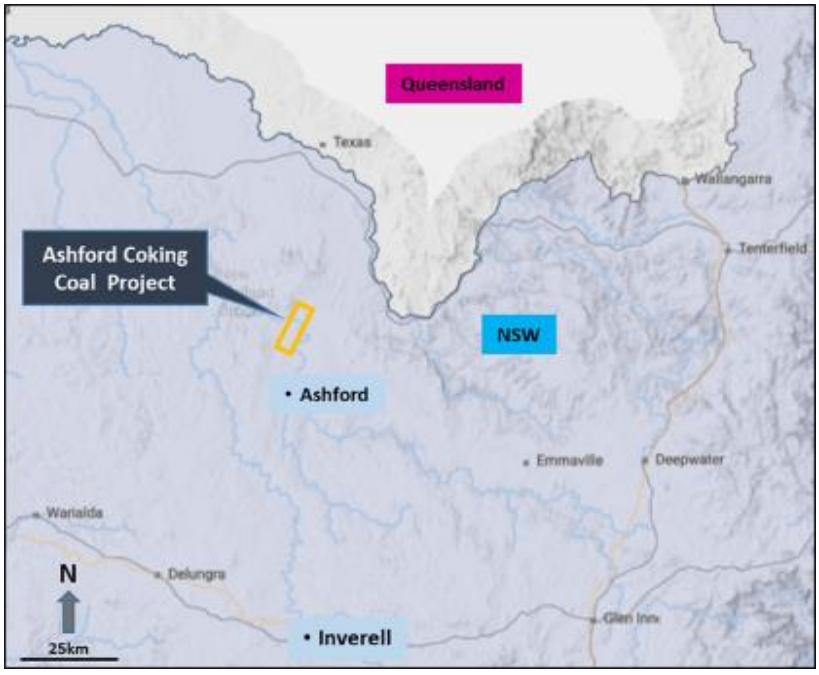


FIGURE 1 – PROJECT GEOGRAPHIC LOCATION

The Project is located within exploration licence tenements EL6234 and EL6428 in the Northern Tablelands of NSW, approximately 10km north of the Ashford township and 65km north of Inverell, a large regional centre. Ashford lies 750 km north of Sydney, 500km south-west of Brisbane, and is 430 metres above sea level. The tenement covers eight square kilometres of the Ashford Coal Measures, as shown in Figure 1.

The resource is situated in gently undulating topography adjacent the Severn River alluvial flats. Land use in the area is grazing and some crop farming.

The Ashford Deposit was mined by opencut methods between 1958 and 1985, providing raw coal to the adjacent Ashford Power Station. Mining ceased in the period coinciding with the permanent closure of the power station. Whilst Ashford run-of-mine raw coal was supplied to the power station its characteristics are those of coking coal. Distance from export facilities and lack of transport infrastructure limited development of the deposit for the export market.

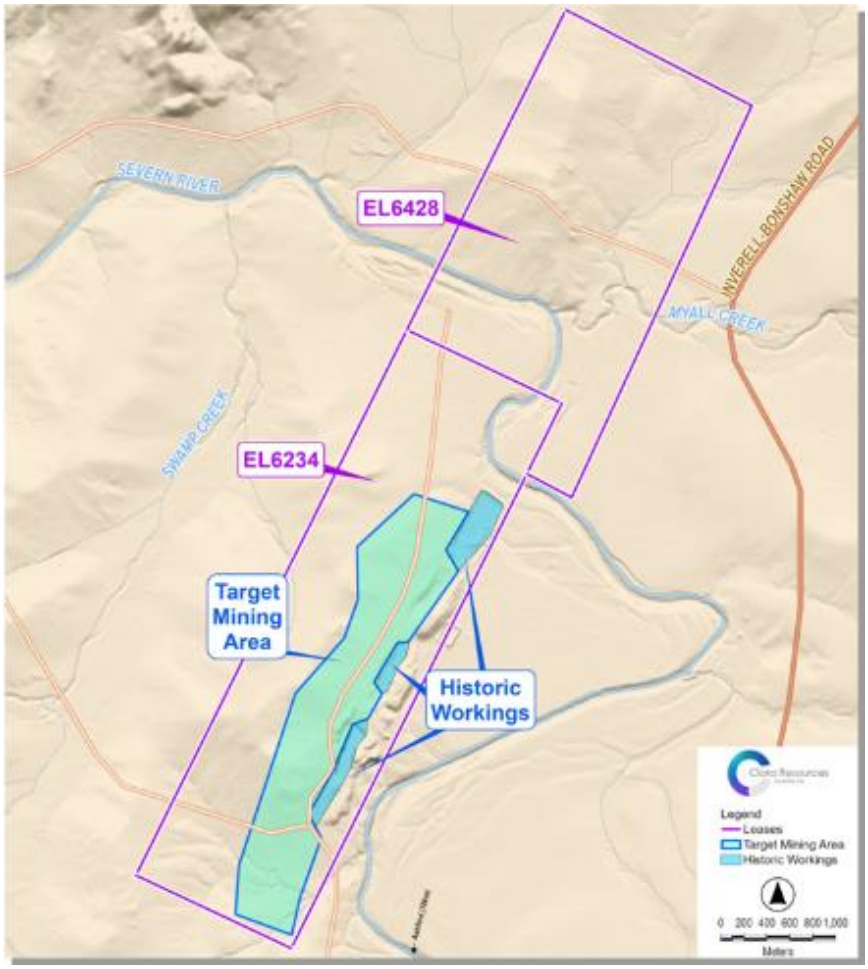


FIGURE 2 – TENEMENT PLAN

The company considers that two (2) external and significant developments give confidence to progress further studies into the economic viability of the Project:

i. 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.

ii. 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 will examine the viability of developing the Project as a coking coal mine and exporting product through the Port of Newcastle. 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 project metrics. The intended accuracy of financial modelling used in scoping studies is typically +/- 35 to 40%.
- A summary of major project risks and opportunities. Project risks include:
    - A slump in global demand for coking coal impacting the coal price, threatening the economics of the project;

- Offtake agreements are not established so prevailing uncertainty in contracting buyers for Ashford products;
- Inability to secure funding, including from resistance to funding of coal projects;
- Uncertain approvals timeframe created by stakeholder objections and political activists;
- Potential for variation in pit ROM tonnes, strip ratio, coal quality and plant yields based on limitations of scoping study stage geological model and treatment plant modelling.

These risks, and others identified in the scoping study, are typical of early-stage coal development projects. Advancing the project to the pre-feasibility and feasibility phases will progressively mitigate and quantify residual risks.

Forecast LOM financial metrics for the Ashford Project based on Scoping Study parameters are summarised here.

KEY FINANCIAL OUTCOMES	Unit	Value
Price inputs		
Au$/US$ (long-term forecast)	X-Rate	0.70
Long-term PLV HCC price	US$/t	265
L/T Ashford SHCC price	US$/t	212
L/T Newc6000 price	US$/t	150
L/T Ashford Thermal price	US$/t	128
NPV, returns and key metrics		
Discount Rate	%	10
NPV - LOM (pre-tax)	Au$M	210.5
IRR (pre-tax)	%	59%
Payback period (pre-tax)	years	1.0
NPV - LOM (post-tax)	Au$M	156.2
IRR (post-tax)	%	53%
Payback period (post-tax)	years	1.0
Capital expenditure		
Pre-production capital expenditure	Au$M	100.3
Additional & sustaining capital expenditure	Au$M	33.3
Capital efficiency (NPV / PP capex)	x	2.1
Operating costs (LOM average)		
Minesite costs	Au$/t, on stockpile	121.82
Truck, rail transport and port	Au$/t sales	62.21
Marketing, demurrage	Au$/t sales	1.25
FOB Costs	Au$/t sales	185.28
Royalties	Au$/t sales	0.02
Corporate Costs	Au$/t sales	3.39
Project cashflow (ungeared)		
Gross revenue	Au$M	2,556
FOB Operating costs	Au$M	1,701
Operating cashflow	Au$M	855
Royalties	Au$M	266
Project net cashflow (pre-tax)	Au$M	455

2 STUDY TEAM

Clara led the study team, engaging independent experts to conduct the concept level technical and commercial work in the specialist segments. Refer figure 3.

SCOPING STUDY TEAM	
Study Management: Clara ▪ Project management & strategic direction ▪ Stakeholder engagement ▪ Risks & Opportunities	
Geology: JB Mining ▪ JORC resource estimates ▪ Raw coal quality ▪ Geological modelling	**Environment & Permitting: J. Bailey & Associates** ▪ EIS Process ▪ Environment management advisors ▪ Statutory approvals ▪ Social impact assessment
Mining: Minserve ▪ Mine planning & layout ▪ Production level and schedule ▪ Rehabilitation ▪ Mining Opex	**Metallurgy & Coal Processing: A&B Mylec** ▪ Coal handling & processing ▪ Coal quality ▪ Processing costs
Road Transport: Smith Global ▪ Trucking route options ▪ Train load-out location ▪ Truck configurations & costs	**Train Loading: Lycopodium** ▪ Loading options ▪ Concept engineering ▪ Capex & Opex estimates
Infrastructure: Projectick ▪ Mine site infrastructure requirements ▪ Capex	**Rail & Port: Nine-Squared Consulting** ▪ Independent costings ▪ Contracts advice
Marketing: Commodity Insights ▪ Coal end use applications ▪ Customers, regions to target ▪ Developing the value proposition ▪ Price range estimates	**Financial Analysis: Cerberus Advisory** ▪ Financial analysis & modelling ▪ Funding options

FIGURE 3 – STUDY TEAM

3 PROJECT AREA AND TENEMENTS

The Ashford Project comprises two (2) exploration tenements, EL6234 and EL6428. Both areas comprise geological features that provide potential opportunities for relatively shallow open cut coal mining.

TENURE NO.	STATUS	DATE GRANTED	EXPIRES	HOLDER
EL6234	Granted	19/04/2004	19/4/26	Renison Coal Pty Ltd
EL6428	Granted	07/06/2005	7/6/25	Renison Coal Pty Ltd

All historical mining and majority of 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 economically recoverable and marketable resource. EL6234 is therefore the Project target area, and the central point of the scoping study. EL6234 will also define and underpin the planned mining lease application.

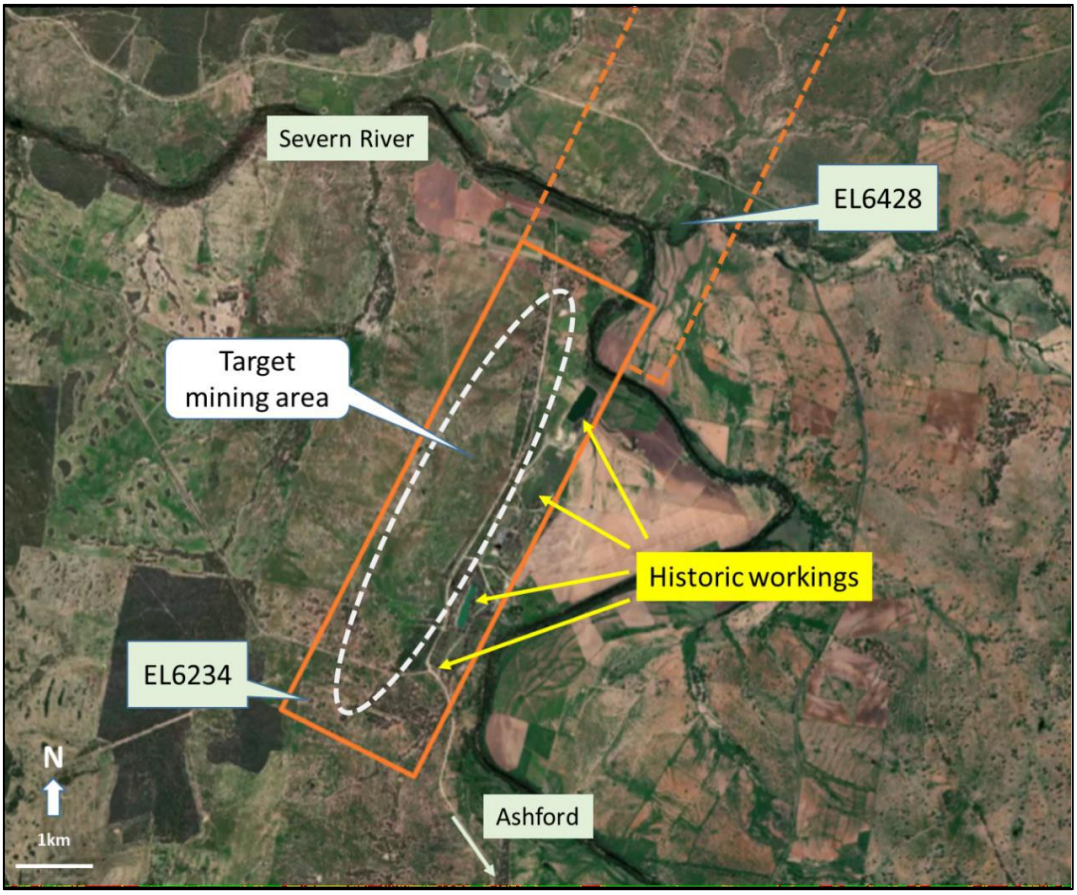


FIGURE 4 – PROJECT AREA

EL6428, to the north, 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 in future be developed as an Ashford expansion or continuation Project.

Both EL6234 and EL6428 share boundaries with EL6450, a coal exploration tenement licensed to Whitehaven Coal Ltd. Refer Figure 5. No meaningful discussions have yet been held with Whitehaven about their intentions to develop EL6450 and how this may create synergy opportunities with Clara's development of Ashford.

FIGURE 5 – WHITEHAVEN TENEMENT EL6450

4 MINING AND EXPLORATION HISTORY

Coal was first discovered near Ashford in 1884 by John McDonald who noticed an exposure in the bed of a tributary of the Severn River near the Project site. The deposit was mined using underground methods in the early part of the 20th century with the coal being used for metallurgical smelting at the "Silver Spur Mine" near Texas on the Queensland border. Mining was abandoned in 1925 after producing no more than 2000 tonnes.

In 1944 the holder of the mining rights of the area at that time (a Mr White) drilled nine holes to locate the concealed outcrop of the Ashford seam at a relatively shallow depth. Results from that drilling were viewed "with reservations" by the State Bureau of Mineral Resources (BMR) as the logging was not by a qualified person and owing to the difficulty of distinguishing coal from carbonaceous shale in fine cuttings.

Between 1948 and 1950 drilling by BMR intersected coal over a 3km strike length, centered on the old colliery workings. The BMR also conducted a gravity survey over the area. Subsequent drilling in 1956 by the Joint Coal Board outlined adequate reserves for the North-West Country Council to build a small power station and mining commenced in 1958.

In 1976 the council transferred the Mining Leases to White Industries Limited who operated the colliery until 1996. Power generation continued up until 1997 when the station was determined uneconomic to operate.

White Industries (WIL) and Earth Resources of Australia (ERA) drilled 20 holes in the 70's. In 1976 a study was undertaken to ascertain the quality of the Ashford Seam. The study revealed the Power Station was in fact burning premium quality coking coal. Further drilling by WIL in 1987 found the accepted model for reserves for the Ashford Coal measures under-estimated the reserve/resource of coal available. The drilling demonstrated that the Ashford Coal Measures continue west under the granite over-thrust and that coal quality was unaffected by the Severn Fault in this area. Cross-sections modelled after further drilling shows the seam dip angle decreases from 25-35 degrees to 15-20 degrees. Consequently reserve/resource estimations were up graded from 2Mt to in excess of 10Mt of steaming and coking coal with further potential to expand the resource.

The Northern Energy Corporation and Renison Joint venture commenced drilling in 2005, completing 120 holes by October 2012.

Figures 6 and 7 summarise historical drilling and locations.

COMPANY	# HOLES	DATE	TOTAL METRES	CORED METRES
Mr White	9	1940's	NA	NA
BMR	15	1949-1950	NA	NA
JCB	4	1950's	452	362
WIL	9	1970's	NA	54
ERA	11	1970's	NA	NA
ERA	15	1976	NA	40
WIL	12	1987	1871	127
NEC	40	2005	5722	1073
NEC	73	2006	11355	519
NEC	2	2007	258	11
NEC	5	2012	650	0

FIGURE 6 – HISTORICAL EXPLORATION DRILLING

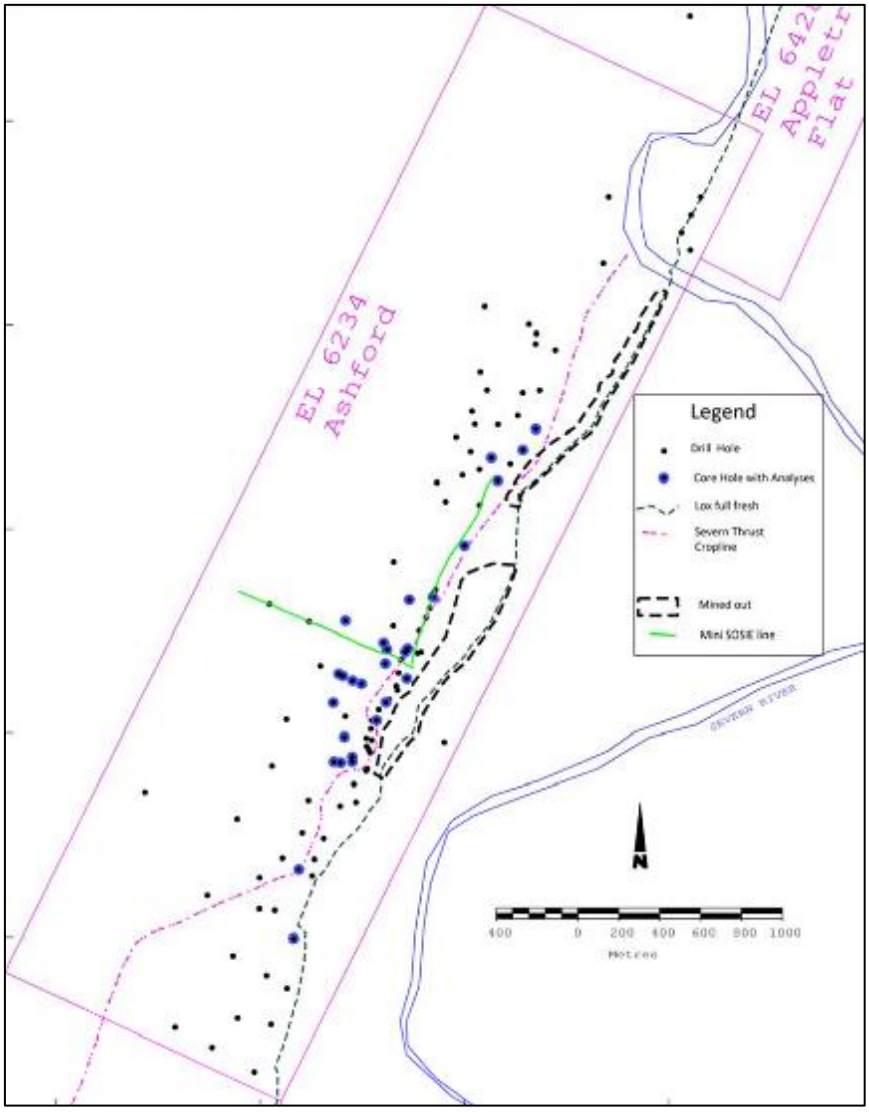


FIGURE 7 – DRILL HOLE LOCATIONS

5 REGIONAL GEOLOGY

The Permian Ashford Coal Measures are expressed as a narrow (< 10km wide) 80 km long basin, stretching from the Queensland border in the north to Inverell in the south, uncomformably overlying a highly deformed Carboniferous age marine sediments (Texas beds) basement.

The coal measures may have been deposited in a west dipping half graben. The western margin of the coal measures is marked by a prominent west over east thrust fault– the Severn Thrust resulting in Carboniferous rocks overlying the Permian sediments. Intruding the overthrusted Carboniferous rocks is a leucogranite intrusive of the New England Batholith.

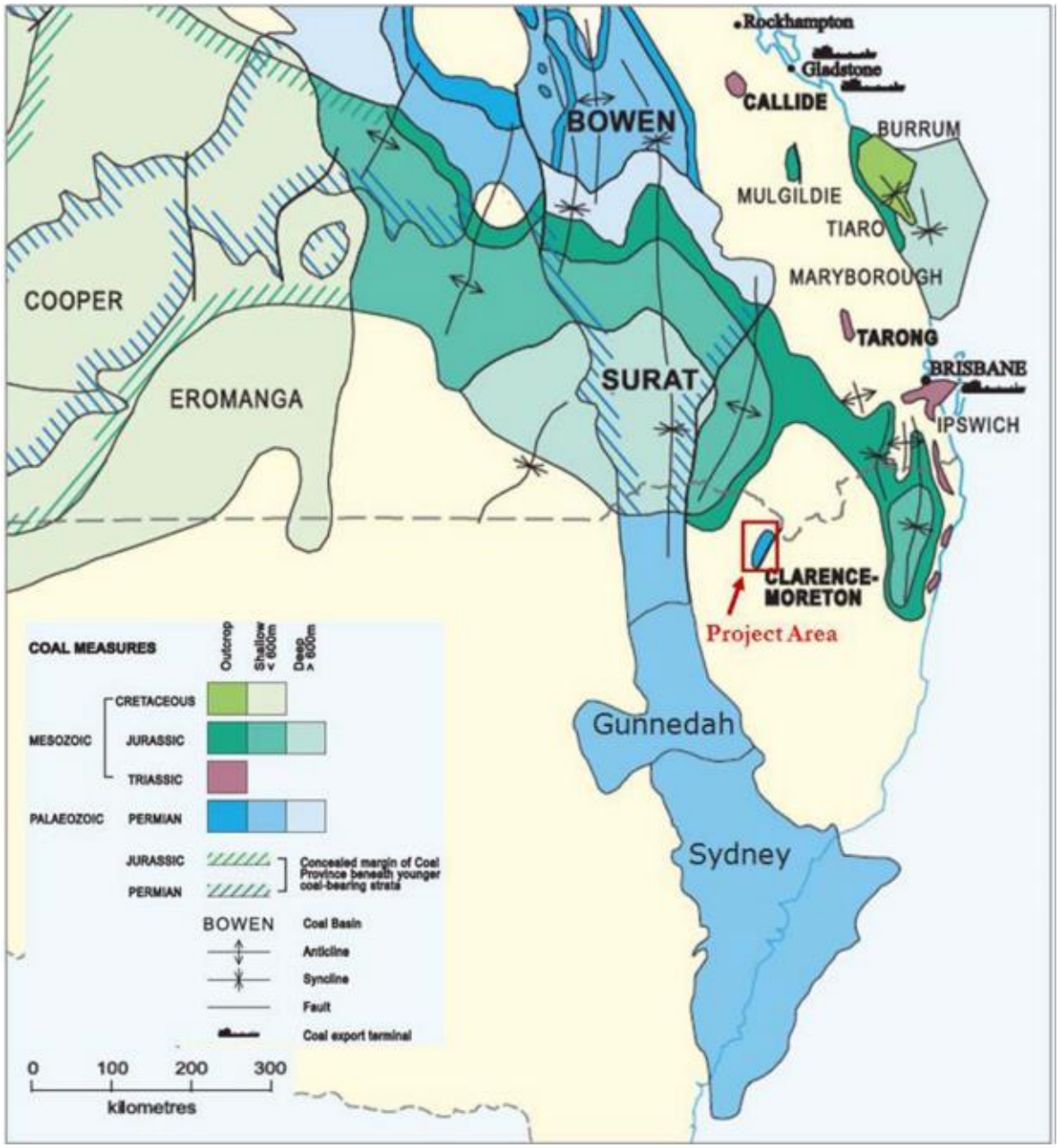


FIGURE 7 – COAL BASINS IN SE QLD AND NSW

6 LOCAL GEOLOGY

6.1 Quatenary

Quaternary alluvials from the Severn River overlie the Permian and carboniferous sequence. These unconsolidated materials include felsic sand gravel and clay.

6.2 Weathering

Depth of weathering is variable from about 4m to 50m. The average depth of weathering over the open cut area is in the order of 20 to 25m. Very shallow weathering can occur in overthrust granite/aplite rocks. Localised deeper weathering is likely to be related to intense fracturing in faulted zones.

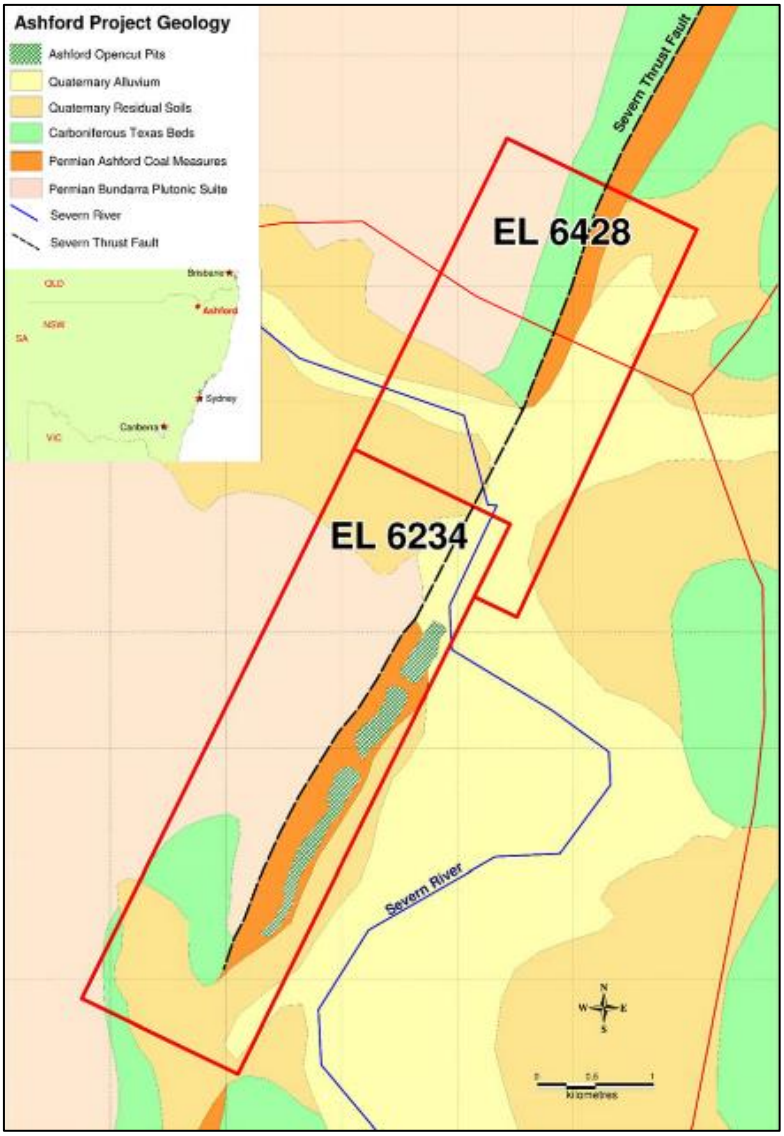


FIGURE 8 – ASHFORD SURFACE GEOLOGY

6.3 Ashford coal measures

An upper carbonaceous shale and coal unit is referred to as the Bonshaw seam. Approximately 30-50m below the Bonshaw seam is the Ashford seam.

The roof of the Ashford seam is a competent lithic conglomerate with a shaley and clayey matrix. Below the Ashford seam the conglomerates are comprised of rounded pebbles set in a grey shale matrix. Limited studies indicate the source of the Permian sediments appears to be the underlying Carboniferous age formation. The Carboniferous/Permian unconformity interface occurs between 10 to 30 metres below the Ashford Seam.

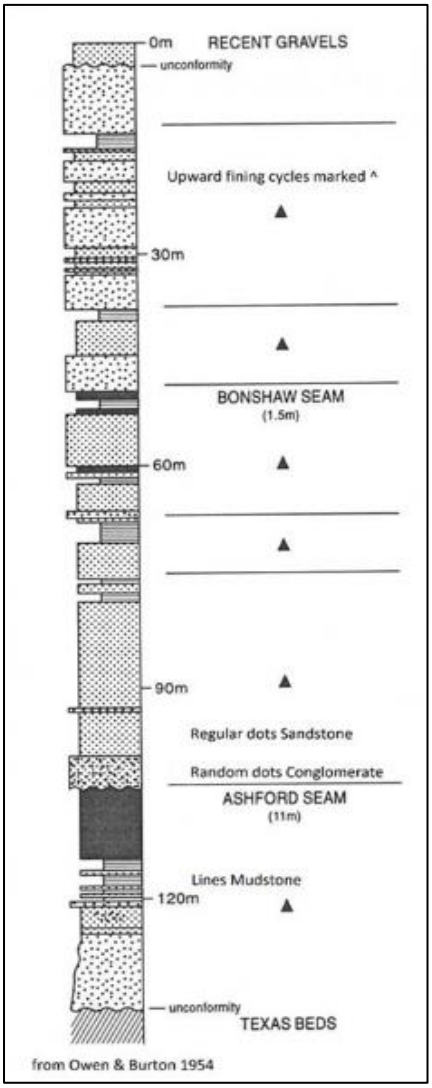


FIGURE 9 – STRATIGRAPHIC SECTION

6.3.1 The Bonshaw Seam

The Bonshaw seam consists of carbonaceous mudstone and coal. It is erratic in both thickness and location. It is generally lower coal quality than the Ashford seam. This seam has not been included in the resource calculations and mine plan. The Bonshaw seam will be targeted in near-term exploration to ascertain tonnage, raw coal quality and washability.

6.3.2 The Ashford Seam

The Ashford Seam thickness varies from over 20 metres thickness to less than 3 metres. Mylonite zones are common occurring in the roof and floor of the seam, essentially the weaker coal taking the strain in preference to the stronger conglomeratic roof. The mylonite generally has a high ash due to fault dilution and lower volatile matter due to frictional heating.

The seam contains moderately bright coal. Core logs indicate approximately 40% of the coal has >40% bright bands explaining the good coking properties. Partings >0.3m occur in the seam in places particularly in the southern portion of the deposit where the lower plies separate from the main body of the seam. Seam splitting in this southern area appears sedimentary. The sporadic occurrence of parting in the seam elsewhere, however, is likely to be introduced by thrust faulting. In order to exclude thick

parting from resource tonnages the seam has been divided into 5 plies for modelling. It should be noted that the large variability in seam thickness makes the allocation of the plies difficult and the plies should only be viewed as useful for the purpose excluding thick parting.

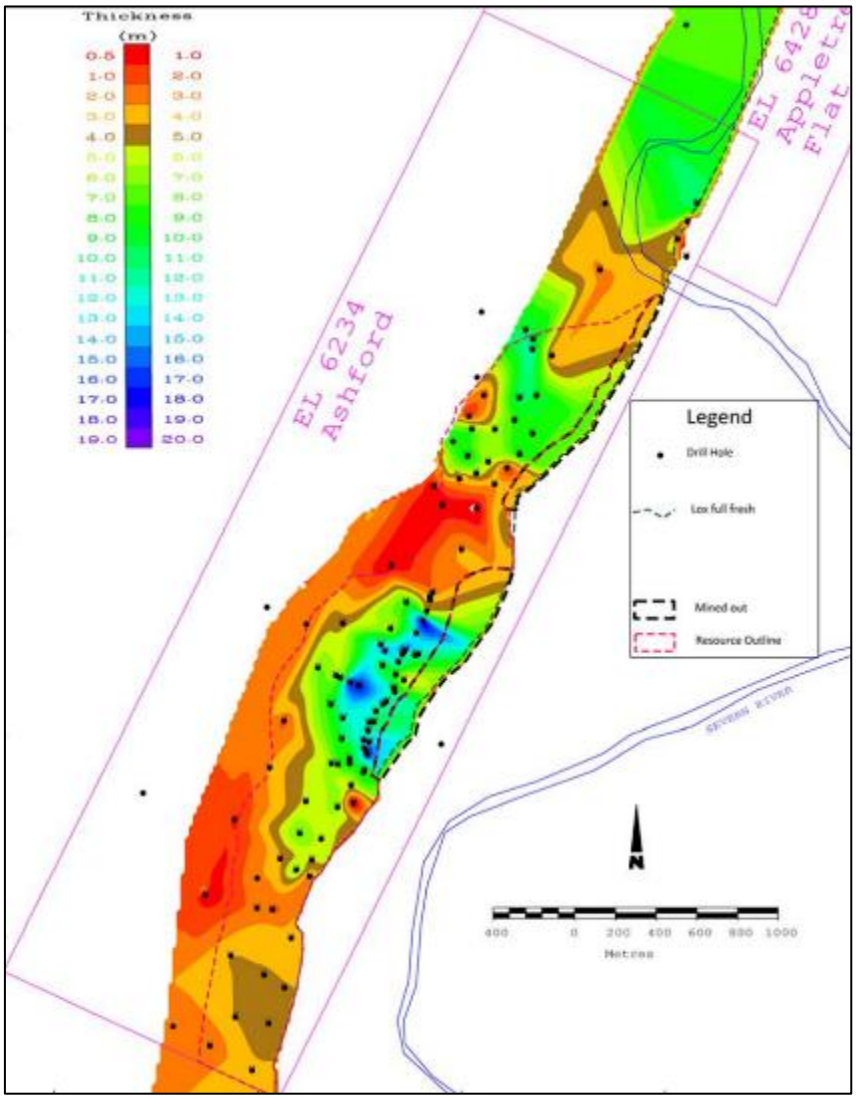


FIGURE 10 – SEAM THICKNESS CONTOURS

6.4 Carboniferous Basement

The highly deformed Carboniferous age marine sediments (Texas beds) basement consists of white cherts, grey and green claystones, tuffs, and quartzites. The Texas beds are moderately metamorphosed and partly silicified. The sequence has undergone differential weathering providing an irregular surface onto which the Permian coal measures were deposited.

6.5 Structure and Faulting

The principal structural feature in the area is the prominent Severn Thrust which has thrust the Permian Ashford Coal Measures under the older Carboniferous sediments and granite sill. The dip of the thrust is in the order of 20-25 degrees to the west. Orthogonal to the thrust are tear faults which are largely strike slip. Significant strain has been taken up by the weaker coal seams and mylonite zones in the Ashford seam are not uncommon.

The Ashford seam strikes approximately 20 degrees from north in the resource area and is essentially parallel to the Severn thrust. Seam dip in the subcrop area is 25 to 30 degrees flattening out to

approximately15 degrees downdip under the Severn fault and granite to the west.

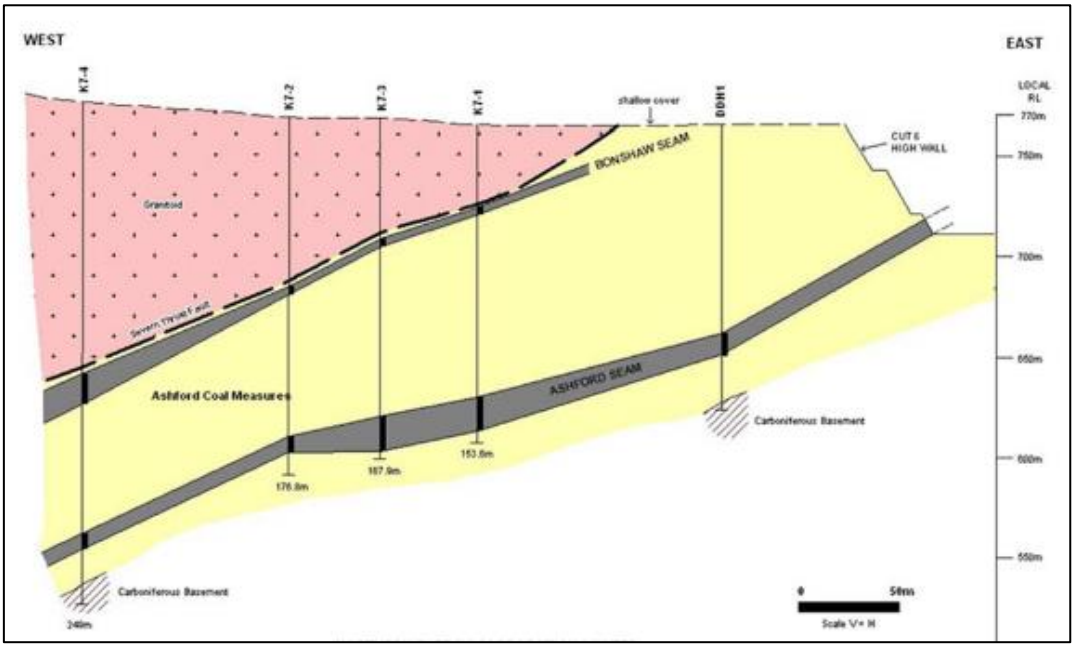


FIGURE 11 – TYPICAL CROSS SECTION

6.6 Intrusives

Intrusives and coked coal has been identified in a small number of drill holes. To ensure coked coal and intrusives within the seam are not included in the resource tonnages the thickness of this "waste" has been modelled and debited from the Ashford seam thickness.

7 RESOURCES

7.1 General

The Ashford regional and local geological setting is well understood and defined by adequate drilling. The deposit has been mined by open cut for over 30 years providing direct evidence of seam continuity and an understanding of the structure.

There is sufficient raw coal quality analyses to provide an understanding of the potential product. Critical data is viewed as raw ash which are well defined by core analyses. The seam shows reasonable consistency of raw coal quality, demonstrated by locally trending model contours and low coefficients of variation. There is fair variability in seam thickness.

7.2 Resource Classification

Confidence classification involves evaluation of both structural definition as well as grade definition. For this assessment the following criteria is adopted:

a) A quality point of observation for each seam is defined as a cored hole with coal recovery of >90 % and having raw ash data.

b) A quantity (structure) point of observation for each seam is defined as a seam drill hole intercept with downhole geophysics or fully cored section. The majority of structural holes have geophysics.

Seam thickness contours indicate continuity and consistency with local trending. Seam correlation is aided by stratigraphic markers and facilitated by downhole geophysics and detailed core logging.

Raw coal ash is not as consistent as the seam thickness but it is still reasonably consistent with low coefficients of variation.

Geological modelling provides the basis for the following classification criteria.

SEAM	INDICATED	INFERRED
Structural Definition	100	200
Quality definition	200	800

7.3 Resource Constraints

Open Cut

- Updip limit as determined by full seam fresh lox line or mined out zones
- Minimum seam thickness of 1.0m
- Heat affected coal and thick partings are excluded
- Downdip limit as determined by 15:1 strip ratio cut off
- Southern limit is the EL boundary
- Nil resource allocated to the Bonshaw seam

Underground

- Updip limit as determined by open cut downdip limit 15:1 ratio
- Minimum seam thickness of 1.0m
- Down dip limit set by maximum length of HW mining penetration 250m
- Southern limit is the EL boundary
- Northern limit is determined by faulting and reduced seam thickness

7.4 Resource Tabulation

The resources, categorized as open cut and underground, are tabulated here.

METHOD	DEPTH	INDICATED MT	INFERRED MT	TOTAL MT
Open Cut	< 220m	6.4	7.8	14.2
Underground	> 220m		0.5	0.5
Total		6.4	8.3	14.7

The same Ashford seam was mined for more than 30 years. Essentially the Ashford Coking Coal Project is a greenfields project in a brownfields location. This provides confidence the majority of inferred resource will be converted to measured.

8 MINE DESIGN AND SCHEDULING

8.1 Mine Setting

The key factors influencing the Ashford mine design are:

- A complex deposit with extensive faulting / folding and steep dips. The weighted average total in-situ seam thickness mined equals is 8 metres.
- Seam dips vary between 25 – 30 degrees over most of the deposit.

- Topography is relatively flat.
- The deposit ROM strip ratio is approximately 12.6:1. Product ratio is approximately 18.7:1.
- The planned pits are relatively deep, ranging from 40m to 220m.
- An export quality coking product is planned to be produced. Smaller tonnage thermal by-products will also be produced. Further planned washability analysis will determine the overall washing strategy.
- Mine infrastructure will be located on site.
- Construction and re-alignment of Coalmine Road.
- Removal and realignment of a power line that currently dissects the pit and dump areas.
- Potential construction of levees adjacent to the Severn River in the north of EL6234.
- Out-of-pit dumps to be established and the subsequent progressive backfilling of the mined out pits. This will form part of the standard operations, and future closure process, by allowing progression towards the final landform design. It is possible that some out of pit dumps will have to be rehandled to backfill mine voids.
- Sediment dams and drains will be constructed to capture stormwater runoff.
- Construction of a washplant, stockpiles, Mine Industrial Area (MIA) providing wash-down, maintenance (servicing, repairs and tyre changes), spares laydown, and administration facilities for the Project's mining operation.

8.2 Mine Layout Constraints

Factors considered in the design and footprint of the mine layout were:

- Geological coal model subcrop.
- Previously mined out areas.
- Economic limits, which vary depending upon seam thickness and coal grades.

Ashford Mine was previously mined to a depth of approximately 60m and has been factored in the geological model by delineating the previously mined blocks. In addition to the mined-out area, the subcrop of the Ashford Seam is the limiting factor of the open cut to the east. The proximity of the Severn River to the east and north of the deposit is not expected to impact on the operation, however planned flood modelling work will determine if a levee structure is required for flood protection. Existing roads and a powerline will require relocation.

The seam dip, 25° to 30°, and the strike length of the deposit (2.5km in the southern pit and 1km in the northern pit) together determine the nature and design of ramps and roads for coal extraction.

The Ashford Seam is thickest over the central half of the deposit and thins to the south and north. Similarly, coking coal grades are higher in the central areas. The combination of variation in seam thickness and coal quality along strike affects the economic depth of mining. This is also dependent on the prevailing coal market conditions and pricing.

Reflecting these factors a staged open cut pit was developed. Stage 1 is shown here.

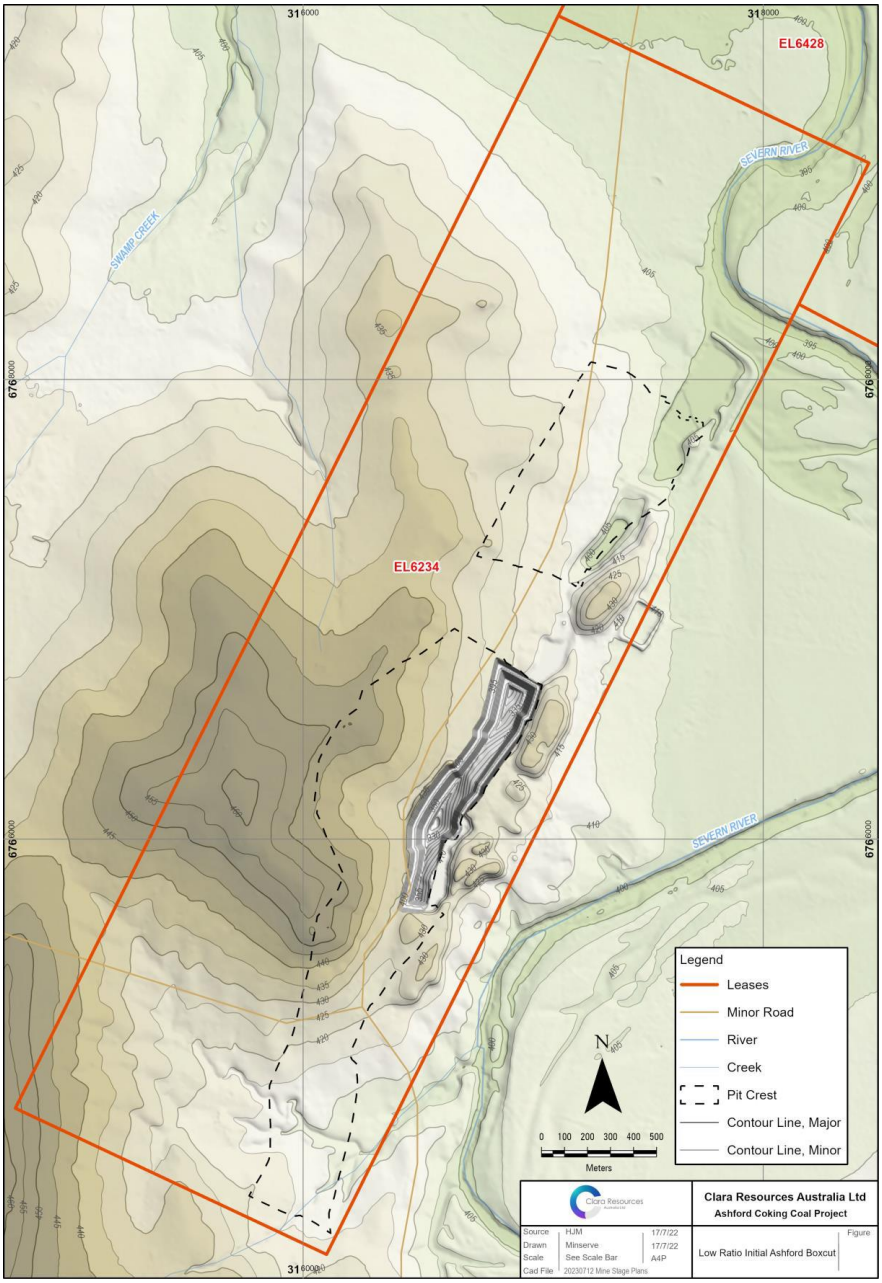


FIGURE 12 – STAGE 1 PIT SHELL

The stage 1 boxcut is designed immediately adjacent the highwall of previous workings in the central area where the coal is thickest and coal quality is best. Commencing in this area expedites early cashflow. This boxcut has a strike length of 1km and targets coal to depths of 100 metres.

Volumes and quantities derived from this Stage 1 pit shell design are tabulated here.

WASTE VOLUME	8.9 Mbcm
ROM TONNES	1.1 Mt
PRODUCT TONNES	930 Kt
YIELD	87%
ROM STRIP RATIO	8.4
PRODUCT STRIP RATIO	9.5

After Stage 1 mining continues as a terrace operation with access to the working faces via switchback ramps advancing through the mining faces and continually developing as the mine progresses.

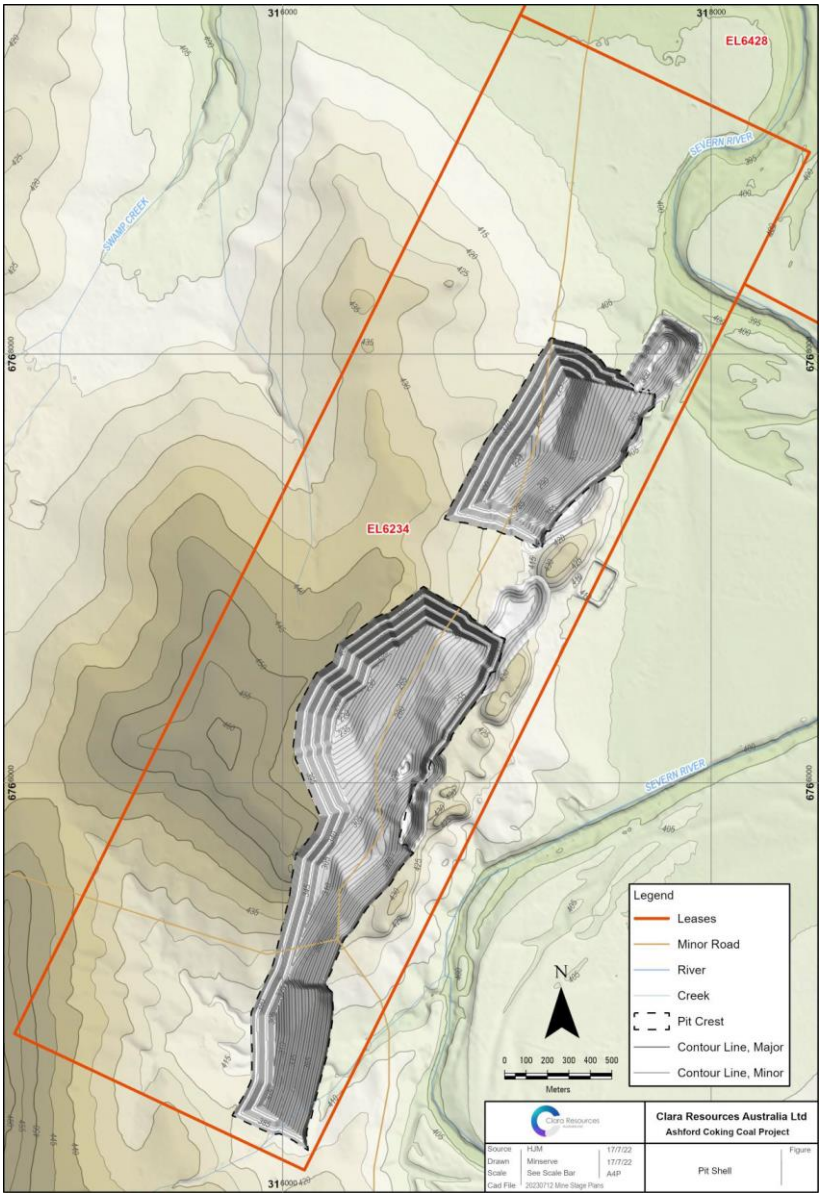


FIGURE 13 – COMPLETE PIT SHELL DESIGN

Volumes and quantities derived from the complete open cut pit shell design are tabulated here.

WASTE VOLUME	149 Mbcm
ROM TONNES	11.9 Mt
PRODUCT TONNES	8.7 Mt*
ROM STRIP RATIO	12.5
PRODUCT STRIP RATIO	18.6

*Excludes Auger coal

8.3 Mining Method

Initially the vegetation will be cleared ahead of mining, with soil removed and stockpiled for later use in the rehabilitation program. At the earliest opportunity topsoil will be spread on surfaces to be rehabilitated to best benefit from the viability of the stockpiled topsoil.

The majority of waste will be drilled and blasted before being loaded into rear dump trucks by hydraulic

excavators and hauled, initially to external waste dumps, and then to in-pit dumps as soon as practicable. Where possible, weathered waste horizons will be identified and mined without blasting.

The proposed mining method is a conventional terrace type open pit mine, using hydraulic excavators and dump trucks to mine both waste material and coal seams. Due to the steeply dipping nature the mining blocks will be mined down in flat terraces and coal recovered as it is exposed in each bench. There may be some potential for limited dozer assist in places, however this has not been factored in the scheduling.

ROM coal mining will be by smaller excavators utilising clean coal mining techniques to minimise coal loss and dilution. Seams will only be mined if the recovery, cost and practicality of mining is economically justified.

8.4 Geotechnical and Wall Angles

The majority of the final highwall and endwalls will consist of fresh granite. The existing final highwalls in the old workings appear very stable after 30 years and as such historical assumptions have been applied.

The assumptions used in the pit design are:

- Low wall 45 degrees.
- Blocks minimum 60m x 110m, 10m horizontal flitches.
- 60-degree highwall angle.
- 15m highwall bench every 50m of depth.

The fully engineered final pit design will be subject to further geotechnical analysis to confirm these assumptions and evaluate the geotechnical risk to the project. Increased depth over the previously mined areas and potential interaction with the Severn Thrust Fault will be examined to verify these assumptions or suggest alternative safe working walls.

8.5 Insitu to ROM to Product Process

The current geological model shows the Ashford seam as a single seam, however it is apparent in some locations the plies separate and the seam will need to be mined selectively. Loss and dilution was applied and ash adjusted, assuming 0.3m for roof and floor. Moisture was then adjusted to a ROM basis, assuming an insitu moisture of 6%, ROM moisture of 7% and product moisture of 8%.

Further work is planned to improve the alignment of the geological model with actual mining sections.

Mined coal will be either hauled direct to the coal handling plant or, for subsequent grade blending purposes, to a dedicated top-of-ramp intermediate stockpile.

8.6 Dump Design

Dump designs were incorporated into the mine schedules. Initially all waste is dumped out of pit, then also dumped in-pit after mined out areas become available.

The in-pit and out of pit dumps are benched out in 10m dump height levels and battered to reflect workable dump angles. The out of pit dump design is battered on the western edge to a 15% grade and at angle of repose on the eastern edge to maximise the available dump volume. The out of pit dump was created as a "maximum" shell, as illustrated below. The dump cases in the schedules, although suitable for this level of study, will be subject to more detailed design, particularly once details around

final void requirements are confirmed.

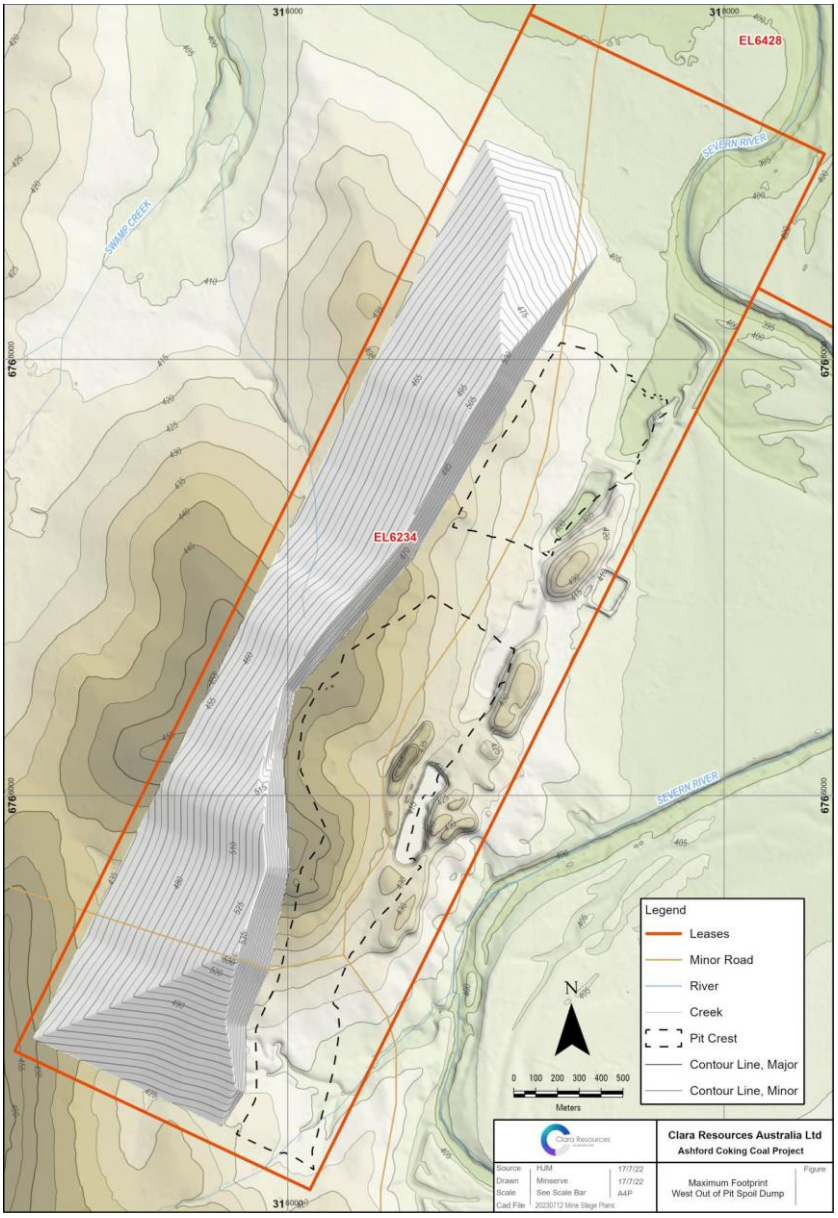


FIGURE 14 – OUT OF PIT DUMP DESIGN

8.7 Production Schedule

Scheduling for the scoping study has been restricted to estimated annual production volumes. Increased schedule granularity and optimization will be developed and adopted in further refined production schedules.

The Ashford resource is characterized by the seam sloping to the west, raw coal grade variability, inconsistent seam thickness and changing effects of coal partings. These influential factors make it difficult to produce a steady state, repeatable annual production schedule.

For the purpose of the scoping study an approximately 15 Mbcm per annum total material movement (waste & coal) is adopted, achieved by 3 excavator fleets. This volume mined results in a mine life of 12 years on the area of EL6234. Total material movements can be flexed if required to increase or decrease coal exposure, provided sufficient working space is planned.

Initially the lower strip ratio boxcut in the central area of the deposit is mined first to expedite coal delivery and provide early cashflow. Duration for this Stage 1 boxcut is approximately 1.5 years, after which two (2) scheduling sequences were examined.

1. Schedule 1 – Mine the Southern pit from the north to the south, for approximately 7.5 years, and then mine the Northern Pit, for about 3 years.

2. Schedule 2 - Mine the Southern pit from the south to the north, and then mine the Northern Pit. Similar durations apply.

Naturally both options, over the life of the mine, move the same volume of waste and uncover then mine the same tonnage of coal. The principal differences are in the relative merits and disadvantages in early-stage mine development, summarized here.

OPTION	INITIAL ADVANTAGES	INITIAL DISADVANTAGES
Southern Pit North to South	▪ Thicker coal ▪ Higher grade ▪ More exploration data	▪ Higher strip ratio ▪ Takes longer to create sufficient in-pit dump space ▪ Longer hauls to out-of-pit dumps ▪ Longer hauls to backfill southern end of south pit from northern pit
Southern Pit South to North	▪ Shallower coal ▪ Less stripping in advance ▪ Earlier in-pit dumping	▪ Out-of-pit dumping for longer ▪ Thinner coal ▪ Lower grade ▪ Lower yield

For the purpose of the scoping study Schedule Option #1, mining the south pit from north to south before mining the north pit, has been adopted. This commences with mining the thickest coal, of best grade and highest geological confidence. However, it is a deep mine requiring extensive stripping and ramping in advance to uncover coal. The highwall on the west limit of the pit will be 220 metres. The establishment of the large pit, following completion of the Stage 1 boxcut, is the reason waste volumes are high and coal mined is low in Year 2, before increasing from Year 3.

Out-of-pit dumping is required for the south pit for 5 years, before creating sufficient space for in-pit dumping. The north pit waste is hauled to the south pit void. Further scheduling granularity will determine if some north pit waste can be retained in-pit.

8.8 Bonshaw Seam

The Bonshaw seam is an upper carbonaceous shale and coal unit about 30 to 40 metres above the Ashford seam. This seam also dips steeply to the west and is generally erratic in thickness (1 to 3 metres) and located predominately in the central area of the deposit. Coal quality is lower than the Ashford seam, with higher ash content.

It is unclear if the Bonshaw seam was mined in the past. It is not included in the JORC resource but, based on thickness contours, potentially could provide an additional 1mt of mineable coal. Targeting this seam will be a priority in the planned next stage drilling program. Mining of the Bonshaw seam is not included in the scoping study.

8.9 Auger Mining

The Ashford coal seam extends & dips further west beyond the western limit of the proposed open cut design, defined by the 220 metre highwall limit. Several factors restrict open cut mining further west:

1. Geotechnical risks associated with a deeper highwall;
2. Ability to construct coal extraction ramps at greater depths and pit limits defined by lease boundaries;
3. Deteriorating mine economics associated with increasing strip ratio;
4. Insufficient space for placement of increasing waste volumes.

It is proposed to utilise auger mining to recover the coal beyond the 220 metre highwall limit. Auger mining utilises large diameter, machine operated drills that bore into and extract coal from the seam exposed at the bottom of the final highwall. Refer illustration here, depicting typical auger mining operation.

FIGURE 15 TYPICAL AUGER MINING OPERATION

Auger mining has been used successfully in Australia for more than 20 years, accessing coal lying beyond the economic reach of conventional open cut operations. The current generation of coal recovery augers are capable of drilling holes with diameters ranging from 1.2m up to 1.9m, to a depth of more than 200m.

At Ashford the depth of augering will be set by the western lease boundary. Seam depth and thickness indicates 400Kt of ROM coal could potentially be recovered from an augering operation. Augering commences after a sufficient length of "finished" highwall has been established, providing access for augering. Incorporating augering in the production plan will require specific and deliberate sequencing of mining activities, these matters will be scheduled with greater granularity in further studies. For the scoping study the following auger production profile is assumed.

YEAR 1	2	3	4	5	6	7	8	9	10	11	12
-	-	-	60Kt	60Kt	60Kt	60Kt	60Kt	60Kt	-	-	-

Total annual waste, ROM Coal and Product Coal schedules are shown in the figures below.

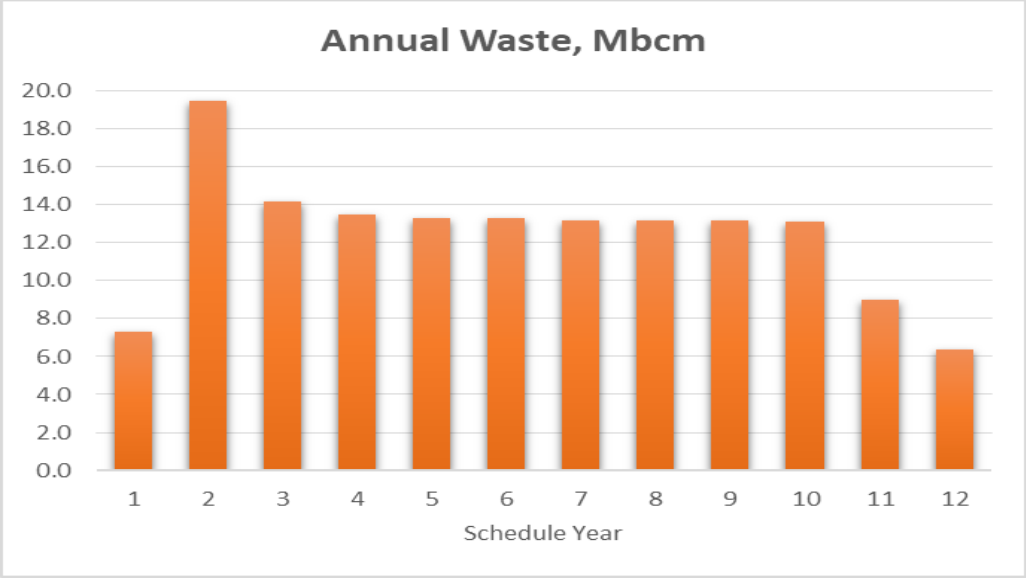


FIGURE 16 – WASTE MOVEMENT

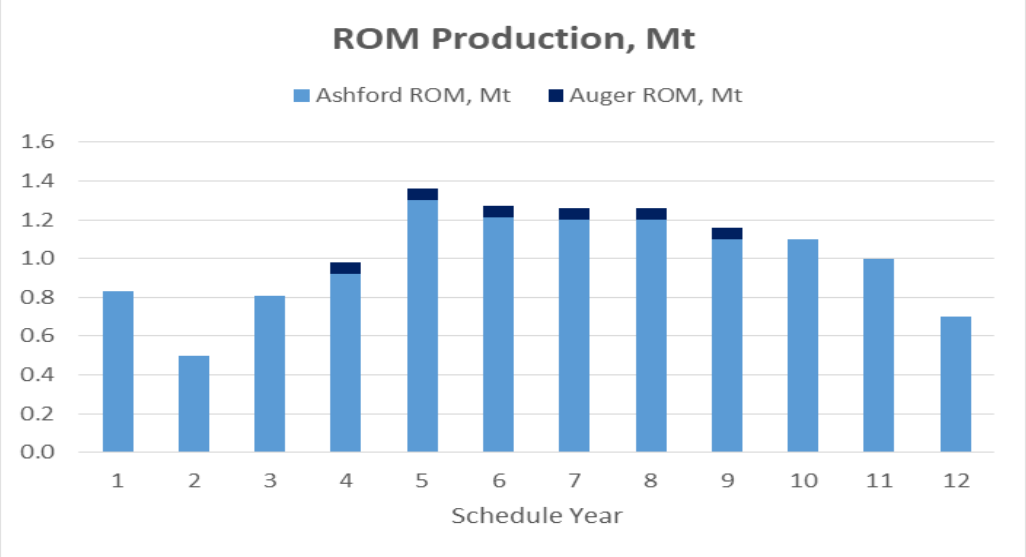


FIGURE 17 – ROM COAL MINED

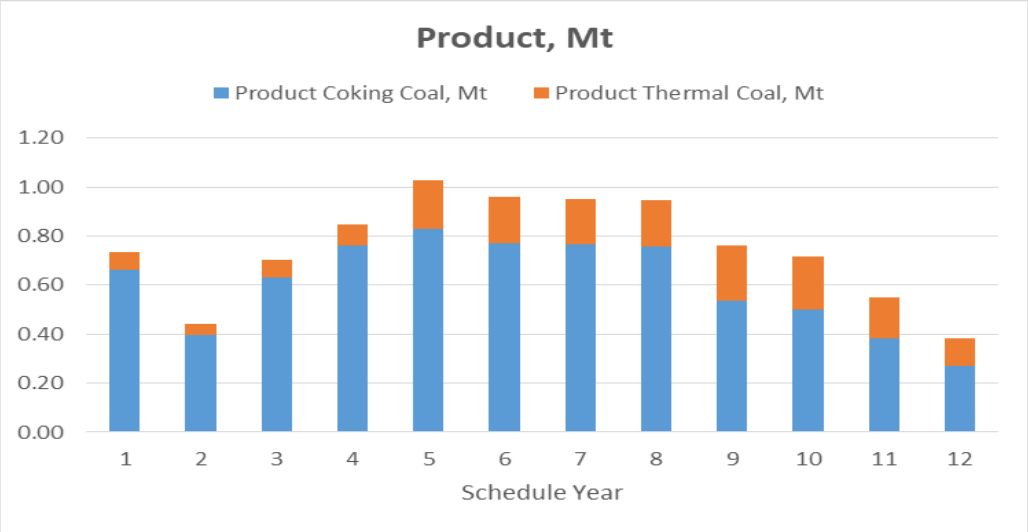


FIGURE 18 – PRODUCT COAL

The temporary Year 2 spike in waste moved and reduction in coal produced is a consequence of establishing the pit, in particular the removal of overburden in advance. The annual schedule path is shown here. Stage Plans are contained in the Appendix.

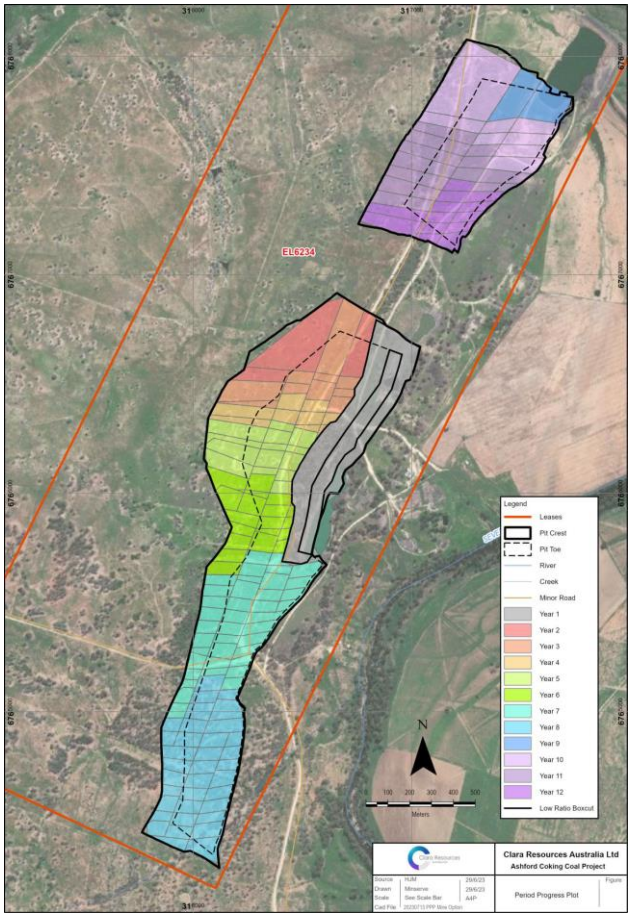


FIGURE 19 – PERIOD PROGRESS PLOT

Further planned geological investigation and mine planning work will enable preparation of schedules with increased granularity.

8.10 Mining fleet

Fleet configuration and unit size is based on the anticipated production profile including waste movement in the range 13-14Mbcm/annum and approximately 1Mt/annum ROM mining. The major mining tasks are suitable for hydraulic backhoe excavators matched with suitably sized trucks. Other considerations are:

- Capability in smaller terrace-style pit dimensions;
- Tramming between mining locations;
- Cycle time efficiency from alignment of excavator and truck capacity with the rise and run hauls to/from dumps and stockpiles;
- Unit operating costs.

A typical mining fleet to achieve the mine plan is summarized here.

PRODUCTION EQUIPMENT			
UNIT	SIZE CLASS	EXAMPLE UNITS	# OPERATING
Excavators on waste	400 tonne	▪ Komatsu PC4000 ▪ Hitachi EX3600	2
Excavator on coal	100–150 tonne	▪ PC1250	1

		▪ EX1200	
Overburden trucks	200-250 tonne	▪ Komatsu 730E, 830E ▪ Cat 789, 793 ▪ Hitachi EH4000	8
Coal Trucks	100 tonne	▪ Cat 777 ▪ Komatsu 785	4

ANCILLARY EQUIPMENT			
UNIT	LOCATION	EXAMPLE UNITS	# OPERATING
Track dozer	Working face, cleanup	▪ Cat D10 ▪ Komatsu 375	3
Track dozer	Dump maintenance	▪ Cat D10 ▪ Komatsu 375	2
Wheel loader	Coal loading, stockpiles	▪ Komatsu WA800 ▪ Cat992	2
Drill	Overburden drilling	▪ Pit Viper 351	1
Grader	Cleanup, roads	▪ Cat 16M	1
Water truck	Pit, dumps, roads	▪ Cat 777	1
Excavator	Sumps, berms, pit-prep	▪ PC 200	1

9 COAL QUALITY

9.1 Coking Coal

Historical Ashford coal quality testing focused on raw coal thermal analyses, the feedstock for the power station. There are 28 bore holes and typical ranges for raw coal quality attributes are summarised here.

RAW COAL COMPOSITE ANALYSES					
IM %	ASH %	VM %	TS %	CSN	CV (KCAL/KG, AD)
0.7-1.2	5.9-20.1	21.4-26.3	0.3-0.56	1-7	6,700-8,000

Selected Ashford raw coal samples/working sections indicate weighted average predicted CSR values of 48 to 54 at a weighted average ash of 10.5% (ad) which would place them in the semihard coking coal category (weighting is on the basis of ply/working section thickness and relative density, assuming equal area per hole). 10.5% ash is the upper limit for Australian hard and semihard coking coals. Predicted CSR values are based on assumed and predicted values of key quality parameters that may be subject to error. To confirm the CSR predictions for raw coal further fresh samples will be collected and tested.

Clean coal composite analyses was performed on 10 bore holes and coke oven testing performed on 2 holes. Clean coal specifications are summarized here:

CLEAN COAL COMPOSITE ANALYSES	
CSR Index	45-55
Vol Mat	22%-25%
Ash	9%-10%
Sulphur	0.4%-0.5%
Phos	0.03%-0.04%
HGI	75-80
CSN	5.5-6.5
FC	66%-68%

A coking coal quality assessment in 2017 concluded that the washed Ashford seam has similar characteristics in terms of rank (medium volatiles 1.15% Ro max), vitrinite level and ash chemistry to some Queensland Rangal coking coals and could produce a semihard coking product and, when freshly mined, possibly a hard coking product from some mining blocks and horizons that have more favourable vitrinite content, ash content and ash chemistry.

Coking coal customers require consistent coal grades with limits on variability. This is achieved by implementing effective coal grade management in the mine operating plan, typically encompassing:

- Coal grade drilling and analysis before mining.
- ROM and raw product blending/homogenization, particularly aimed at minimizing ash variability.
- Clean mining of the target low raw ash working sections, to prevent dilution of raw coal which can have a detrimental impact on coking properties.

9.2 Thermal Coal

The Ashford mine will be predominantly a coking coal mine. Thermal coal will be produced from the washing of selected lower quality plies of the Ashford seam. Some ROM coal will be bypassed.

The indicative specification estimates of key coal quality properties for Ashford thermal coal is shown here.

PARAMETER		ESTIMATED VALUE
Total Moisture	% arb	10
Proximate Analysis		
Inherent Moisture	% adb	1.4
Ash	% adb	20
VM	% adb	19-24
Fuel Ratio		2.3 – 3.1
TS	% adb	0.4 – 0.55
Calorific Value		
Gross, air dried	Kcal/kg	6700
Gross, as received	Kcal/kg	6120
Net, as received	Kcal/kg	5890
Ultimate Analysis		
Carbon	% daf	87.4
Hydrogen	% daf	4.77
Nitrogen	% daf	1.90
HGI		75-80
Ash fusion temperature	Celsius	1530
Predictive slagging & fouling indices		
Slagging Factor		0.06 (low risk)
Fouling Factor		0.04 (low risk)

10 COAL HANDLING AND PREPARATION

10.1 Plant General

A&B Mylec have been engaged to provide conceptual plant configuration options, capital cost estimates for coal handling and processing requirements and operating cost estimates. To develop the capital and operating costs, high-level flowsheets were established, including ROM handling, the coal preparation plant, rejects and product handling.

The following principal design objectives were applied:

- Nominal 15-year mine life, operating 5,700 hours per year on a 5 ½ day pr week basis.
- Use of conventional, reliable, low risk handling and processing equipment.
- ROM capacity 1 to 1.5Mtpa, delivering product in the range 0.7-1.2Mtpa (175 tph).

Coal Handling and Preparation Capex & Opex estimates are included in sections 15 and 16.

10.2 ROM Coal Handling

The ROM crushing process will be designed to minimise the generation of fines and make a 50mm top size of feed material for the preparation plant. ROM handling will utilise a feed stockpile, conventional grizzly screens, sizers and transfer conveyors.

There is a wide range of used equipment available in Australia for ROM coal crushing and screening which will be considered as an option at the time of final design.

10.3 Processing options

Plant simulation models, and basic block flow diagrams, for the following range of potential processing options were assessed.

OPTION	DESCRIPTION	PROCESS
1	Prefabricated Modular Single Stage DMC CHPP with Fines Treatment (175tph)	DMC, Reflux/Spirals and Flotation
2	Prefabricated Modular Two Stage DMC CHPP with Fines Treatment (175tph)	Two Stage DMC, Spirals and Flotation
3	Prefabricated Modular Single Stage DMC CHPP with Fines Bypassing to Product.	DMC, Fines Dewatering, Product Crushing
4	Prefabricated Modular Two Stage DMC CHPP with Fines Bypassing to Reject. (175tph)	Two Stage DMC, Fines Dewatering
5	Prefabricated Modular Two Stage CHPP with Fines Bypassing to Primary Product (175tph)	Two Stage DMC, Fines Dewatering
6	Prefabricated Modular Two Stage CHPP with Fines Bypassing to Secondary Product (175tph)	Two Stage DMC, Fines Dewatering
7	Prefabricated Modular Two Stage DMC CHPP with Spirals and No Flotation (175tph)	Two Stage DMC and Spirals
8	Rotary Breaker Dry Processing: FGX24 (Air Vibrating Separator) Middlings to Bivitec Dry Screen +10mm reporting to Dry X-Ray Sorting (240tph)	FGX24, Bivitec Dry Screen, Dry X-Ray Sorting

Simulations of the washability database from borehole data provided estimates in variations in coal quality and product yield for each of the processing options. For the Scoping Study the outcomes generated indicate the following processing configurations are most likely to deliver the preferred project outcomes in terms of product yield and quality, capital and operating costs, operability/availability, and risk profile.

- Option 1 ….. Prefabricated Modular Single Stage Dense Medium Cyclones with Fines Treatment (175tph).
- Option 6 ….. Prefabricated Modular Two Stage Cyclones with Fines Bypassing to Secondary Product (175tph).

Block flow processing schematics are shown here for these options.

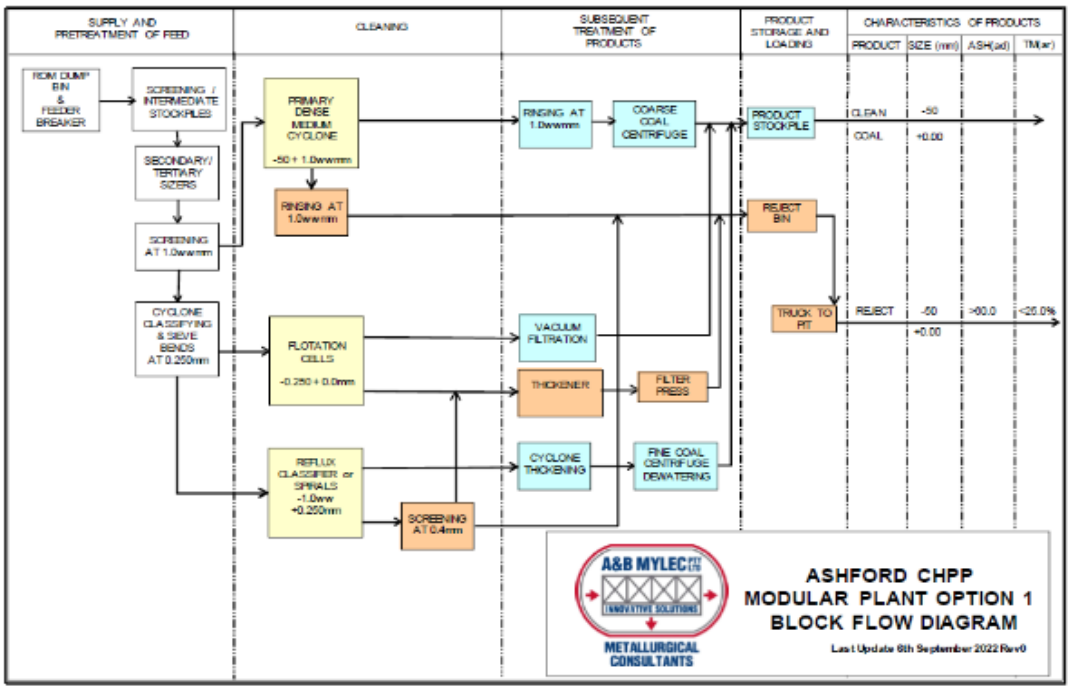


FIGURE 20 SINGLE STAGE DMC CHPP WITH FINES TREATMENT

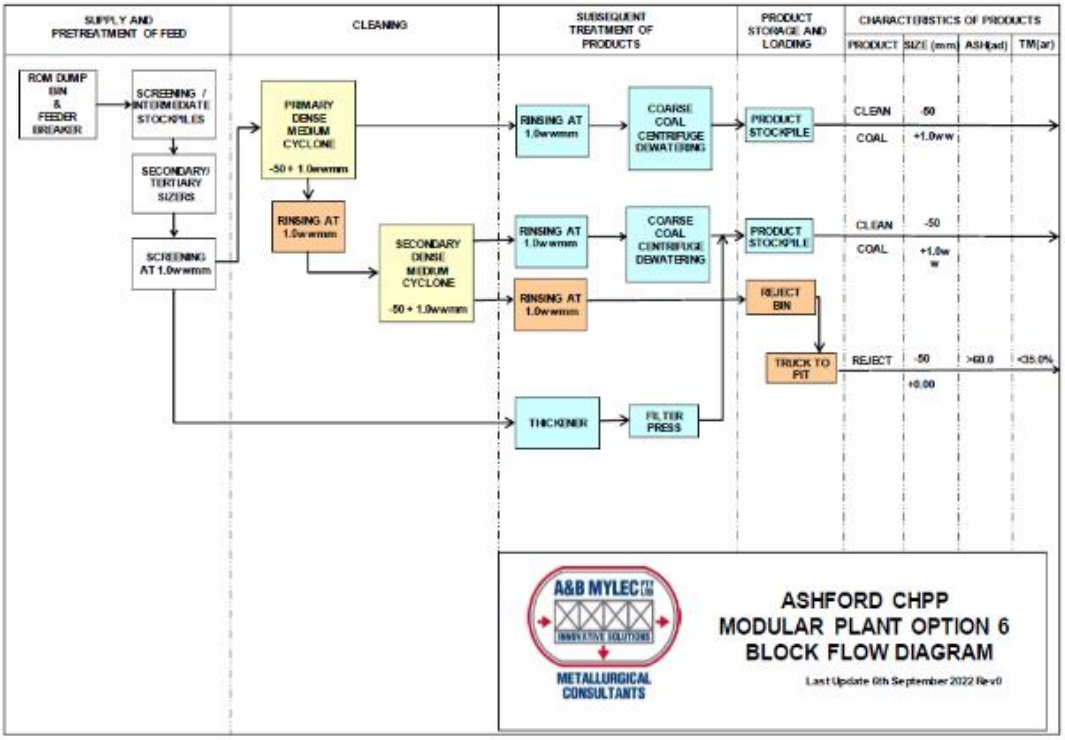


FIGURE 21 TWO STAGE CHPP WITH FINES BYPASSING TO SECONDARY PRODUCT

Anticipated yield and ash performance of the 2 options are summarized here.

CONFIGURATION	OPTION 1	OPTION 6
Coking coal ash range, %	9.6 – 10.1	9.4 – 10.0
Coking coal yield range, %	75.0 – 76.6	53.0 – 54.8
Secondary ash range, %	N/A	19.1 – 19.8
Sec product yield range, %	N/A	34.4 – 36.1
Total Yield, %	75.0 – 76.6	87.4 – 90.9

Features	▪ Maximum coking coal yield ▪ Proven technology, wide industry use ▪ Can bypass spirals	▪ Maximum plant yield ▪ Conventional equipment

The Scoping Study utilises a forecast processing yield in the range 55% to 87%, dependent on seams mined and locations. There is presently insufficient data to reliably predict CHPP yield on a seam-by-seam basis for all areas. Further exploration test work and washability simulation will be required to confirm product yield and quality for the two configuration options when processing ROM coal from all seams and locations. The following yield and coking/thermal ratio assumptions underpin the scoping study production schedule and are used in the financial model.

	ASHFORD SEAM & AUGER COAL		
Year	Yield	% Coking	% Thermal
1 - 2	87%	90%	10%
3 - 4	85%	90%	10%
5 - 8	75%	80%	20%
9 - 10	65%	70%	30%
11 - 12	55%	70%	30%

10.4 Product Coal Handling

The product handling system will comprise:

- Product conveyor
- Reject conveyor
- Radial product stacker
- Product Stockpile

Typical lay-out is shown here.

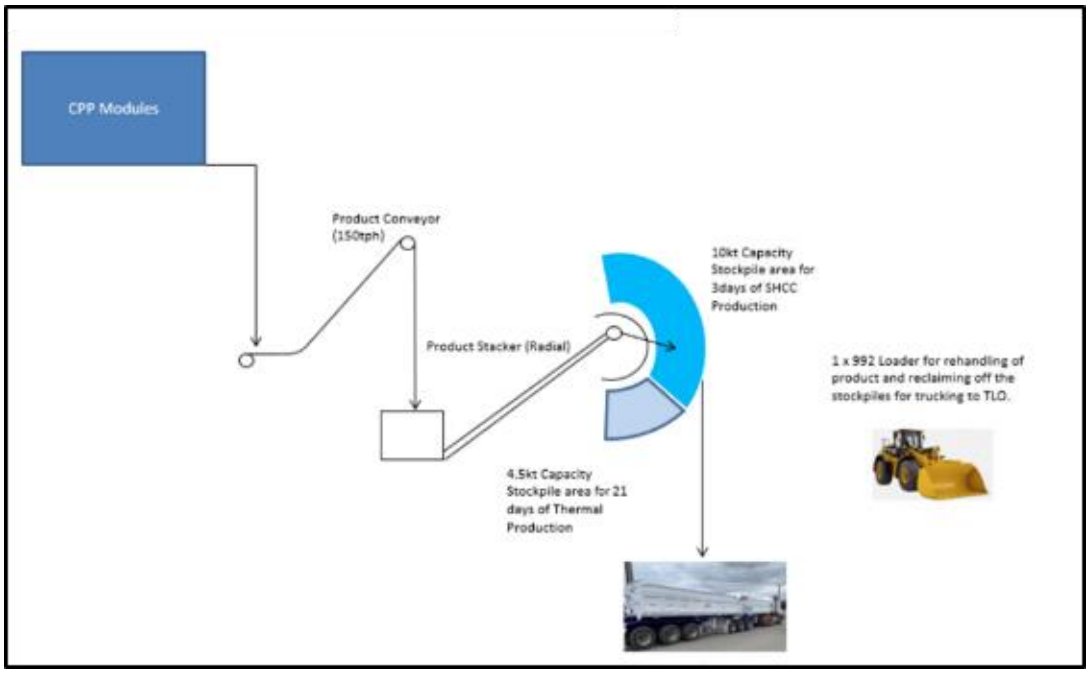


FIGURE 22 PRODUCT LAY-OUT

Product from the stockpile will be reclaimed using a front-end loader for loading into highway trucks and transportation to the train load-out at the rail head.

10.5 Tailings & rejects disposal

Plant coarse rejects will be periodically loaded into a mine truck and hauled to a designated area in spoil dumps.

Tailings will be de-watered using a solid bowl centrifuge or a belt press filter for co-disposal with coarse rejects in designated spoil dump locations. Co-disposal eliminates the requirement for a tailings dam and creates a smaller environmental footprint.

10.6 Plant location

Two (2) location options are being considered.

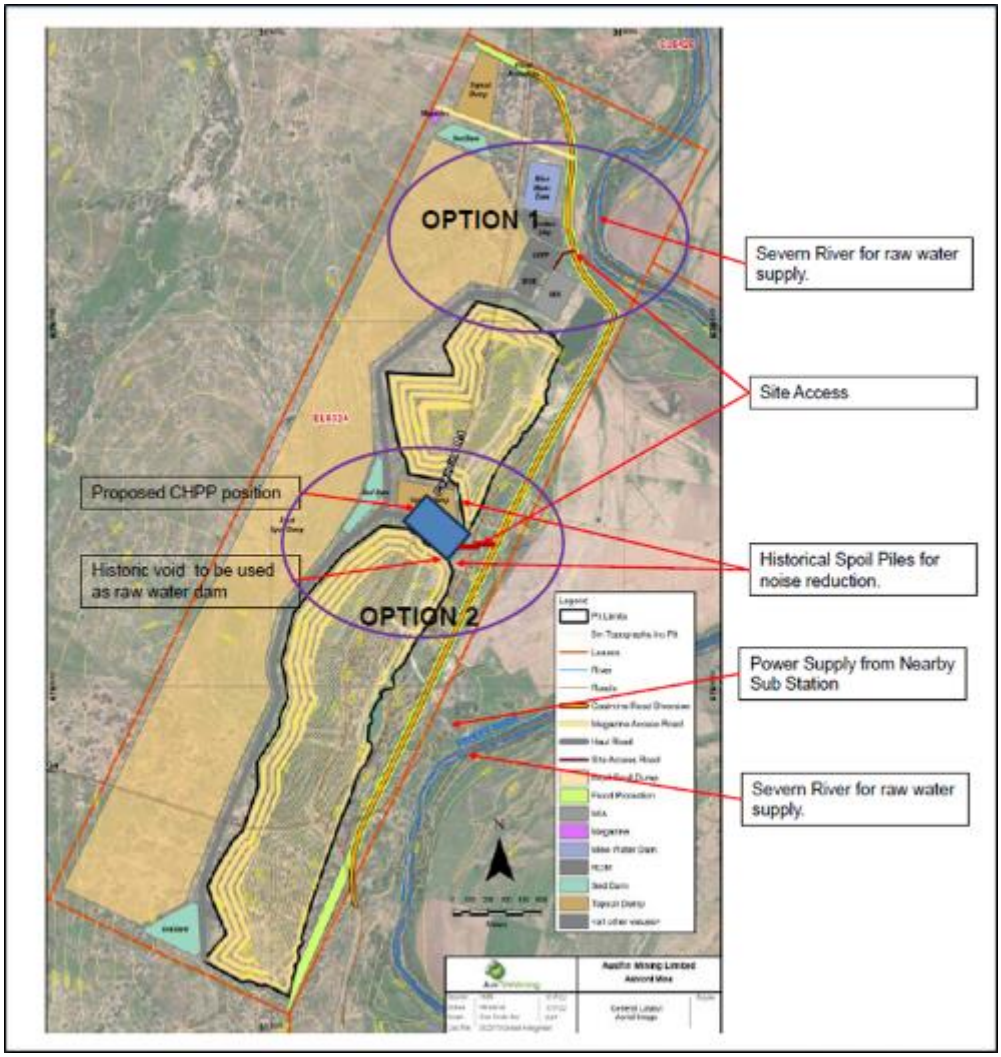


FIGURE 23 CHPP LOCATION OPTIONS

A number of factors will be further considered before a preferred location is established:

- ROM, product and reject haulage distance
- Proximity to water supply
- Proximity to power supply
- Blast interference
- Visual amenity & noise pollution

10.7 Production Summary

Waste, ROM and clean coal production is summarised here.

Schedule Year	1	2	3	4	5	6	7	8	9	10	11	12	
Waste, Mbcm	7.3	19.5	14.2	13.5	13.3	13.3	13.2	13.2	13.2	13.1	9.0	6.4	149.20
Ashford ROM, Mt	0.8	0.5	0.8	0.9	1.3	1.2	1.2	1.2	1.1	1.1	1.0	0.7	11.87
Bonshaw ROM, Mt	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.0	0.0	0.0	0.0	0.0	0.00
Auger ROM, Mt	0.0	0.0	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.0	0.0	0.0	0.36
Product Coking Coal, Mt	0.66	0.40	0.63	0.76	0.83	0.77	0.77	0.76	0.54	0.50	0.39	0.27	7.27
Product Thermal Coal, Mt	0.07	0.04	0.07	0.08	0.20	0.19	0.19	0.19	0.22	0.21	0.17	0.12	1.75
Total Product, Mt	0.74	0.44	0.70	0.85	1.03	0.96	0.95	0.95	0.76	0.72	0.55	0.39	9.02
ROM Strip Ratio	8.8	39.0	17.5	13.8	9.8	10.5	10.5	10.5	11.4	11.9	9.0	9.1	12.2
Product Strip Ratio	9.9	44.2	20.3	15.9	12.9	13.9	13.9	14.0	17.4	18.3	16.4	16.6	16.5

11 MINE INFRASTRUCTURE

Clara engaged ***Projectick***, specialist mine start up infrastructure consultants, to prepare a scoping level infrastructure study. Projectick conducted a site inspection, reviewed available reports and other 'desktop' information and prepared infrastructure concept layouts based on available information and their experience with other similar open cut coal mine projects.

The Project will require onsite surface facilities to support mine operations that includes the following:

- Administration facilities including offices, training and meeting, first aid, emergency response, employee shift change and sanitary facilities.
- Workshop facilities for servicing and maintenance of mining equipment, when activities are not carried out in the field.
- Fuel and lubricant storage & dispensing plant.
- Water management infrastructure for mine affected water and process water.
- Services and associated facilities for fresh water supply and treatment, waste-water treatment, water storage for fire and process water.
- Electrical reticulation and communications.
- Fencing.

Power supply

A high voltage power sub-station is located immediately contiguous to the proposed mining area. A power supply connection for the Project can be established via a short link.

The proposed project site is traversed by 66kV and 22kV overhead power lines. An allowance is included to construct new power lines around the mine site and remove existing power lines which would interfere with mining operations.

Roads

Road construction will include relocation of existing roads that will interfere with establishment of the mine and the upgrade of the main access road into the mine.

Levee

A levee will be required to protect the northern pit from potential inundation by flood waters from the Severn River. The levee earthworks is based on an average levee height of 3m above the existing surface

level. A detailed flood study and modelling planned for the next phase of study will more fully inform levee design criteria.

Costings
Based on available information and concept infrastructure layouts, Projectick has prepared an Order of Magnitude (OOM) Estimate which meets or exceeds the typical requirements for a Scoping Study, as defined by the Australian Institute of Mining and Metallurgy, and closely resembles a Class 5 Cost Estimate. Costings are described in section 16.

12 TRANSPORT AND LOGISTICS

12.1 Transport Generally

The Australian Rail Track Corporation (ARTC) is proceeding with the Inland Rail Project (IRP) connecting Brisbane and Melbourne. For the Ashford mine it will provide a nearby rail connection to Newcastle Port via the Hunter Valley Coal Rail System. Clara has maintained regular communications with ARTC. Though some uncertainty exists regarding a scheduled completion of the entirety of this significant project, the upgraded rail connection to North Star (near the NSW-Qld border) was completed in December 2023. The IRP enables viable road-based bulk ore transportation via a significantly reduced road lead distance, between Ashford mine and a rail head located on the North Star to Narrabri segment of the line, which is approx. 100-150 km 1-way. Coal can then be loaded onto a train for carriage to Newcastle.

12.2 Road Transportation

Specialist Transport Consultants, **Smith Global Pty Ltd (SG)** were engaged By Clara to undertake an Options Study for viable road transportation solutions to move product from the Ashford mine to a rail head located along the closest segment of the IRP.

SG personnel conducted an in-person routes and locations review, by driving and reviewing the trucking route options and engaging with local regulatory stakeholders. GPS terrain data, complete video route recordings, points of interest and route characteristics were obtained for all travelled routes.

Considering factors such as suitable rail head locations, total distance, unsealed sections, narrow roads and sections with poor visibility, SG were able to identify a short-list of routes to locations between North Star and Croppa Creek. The short-listed routes range from 125km to 175 km (one-way).

12.2.1 Rail Head Locations

SG and Clara identified and considered 4 (four) shortlist rail head (RH) locations, numbered sequentially from North to South. These terminal locations were variously determined from accessibility, direct inspection and regional stakeholder recommendations. In each case, sufficient room for a minimum 3km rail siding exists. Landholder access and regulatory approval remain works in progress. The distance between Croppa Creek (southern-most location, and closest to Newcastle) are shown on the map.

1. RH2 - Boonal
2. RH1 - North Star
3. RH3 – Midway
4. RH4 – Croppa Creek (South)

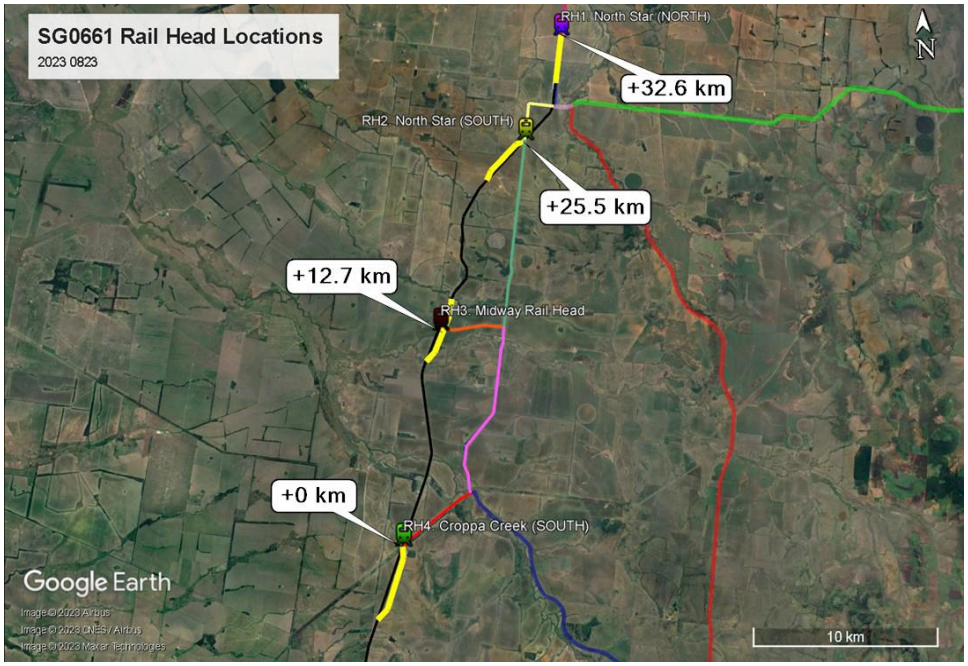


FIGURE 24 RAIL HEAD LOCATIONS

12.2.2 Truck Routes

The following 17 x unique, potentially viable route segments to reach each of the four potential rail head locations were identified.

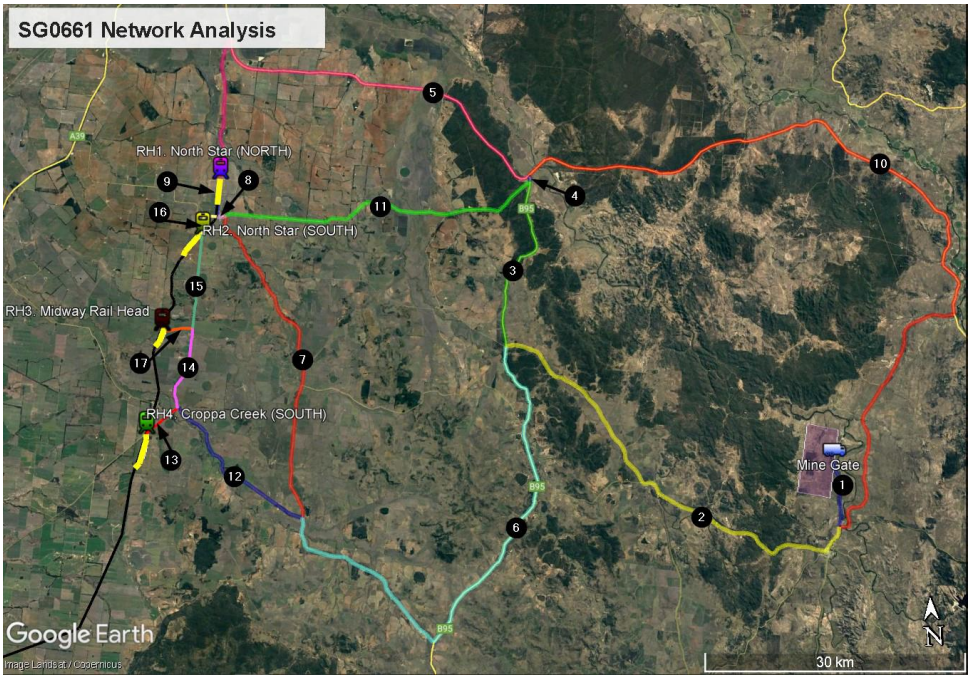


Figure 25 Truck Route Options

With reference to the identified route segments SG analysed the following factors:

1. Nodal analysis to determine distances, road safety, quality and relative costs.
2. Road classifications, specifically NSW Department of Transport axle loading limits.
3. Feedback from Road Management Stakeholders. Specifically, the Moree Plains Shire Council, the Gwydir Shire Council and the Inverell Shire Council.

4. Approval risks.

This determined the following trucking short-listed route options and form the basis of the primary recommended road transport solutions for the Ashford project. Common to all truck route options is RH1 (North Star) as the preferred rail head location.

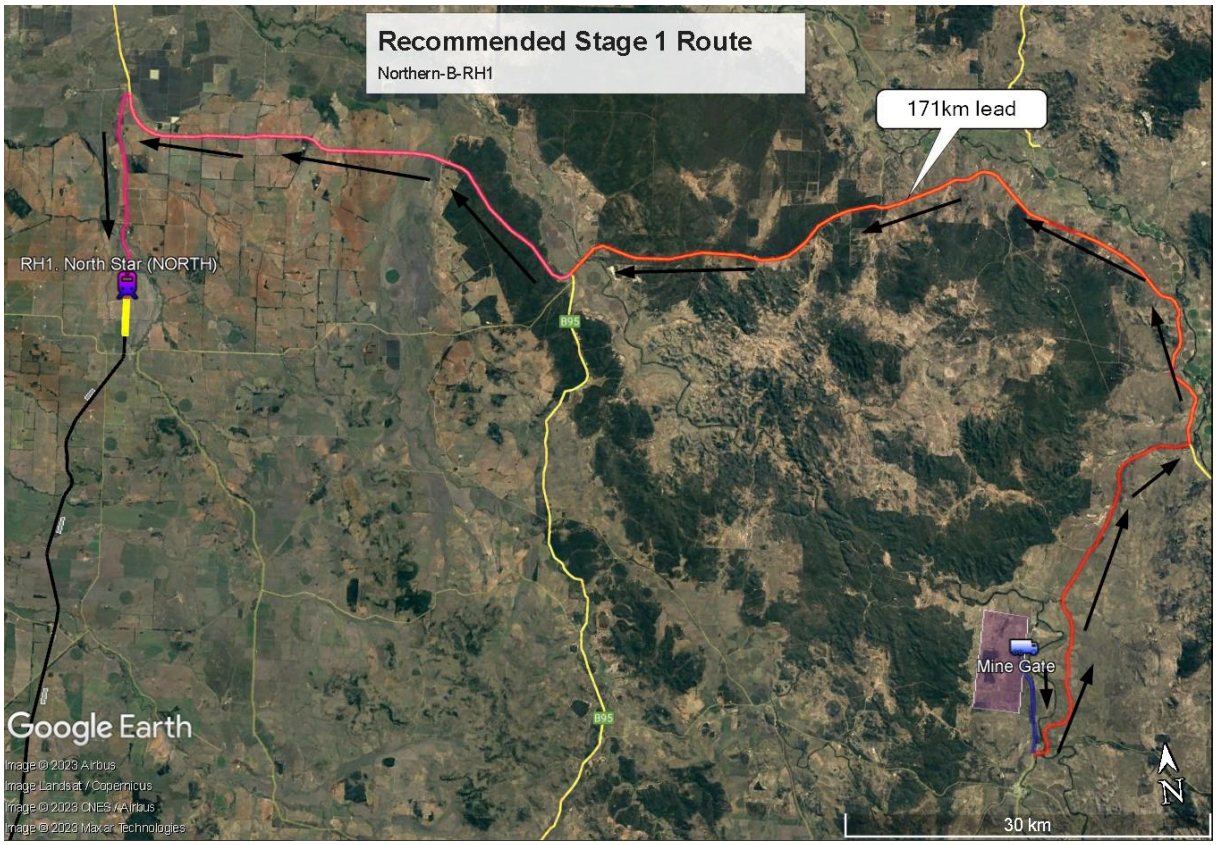


FIGURE 26 RECOMMENDED ROUTE STAGE 1

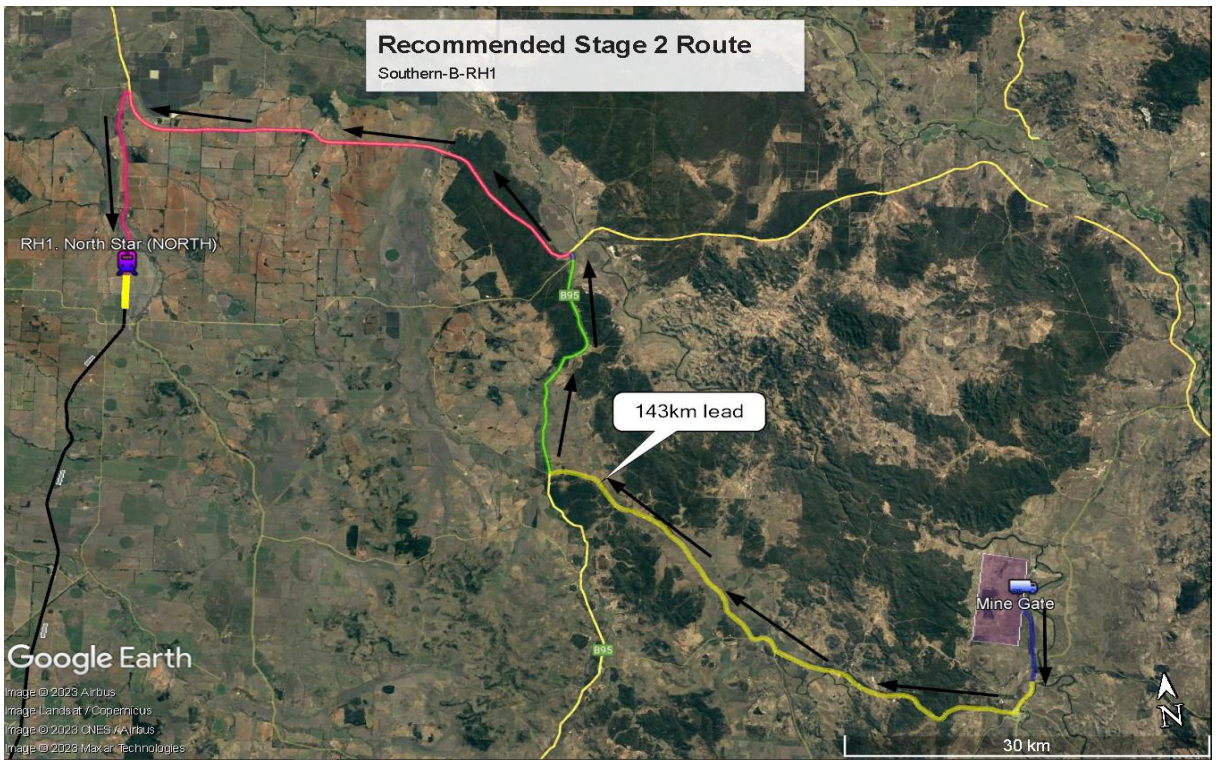


FIGURE 27 RECOMMENDED ROUTE STAGE 2

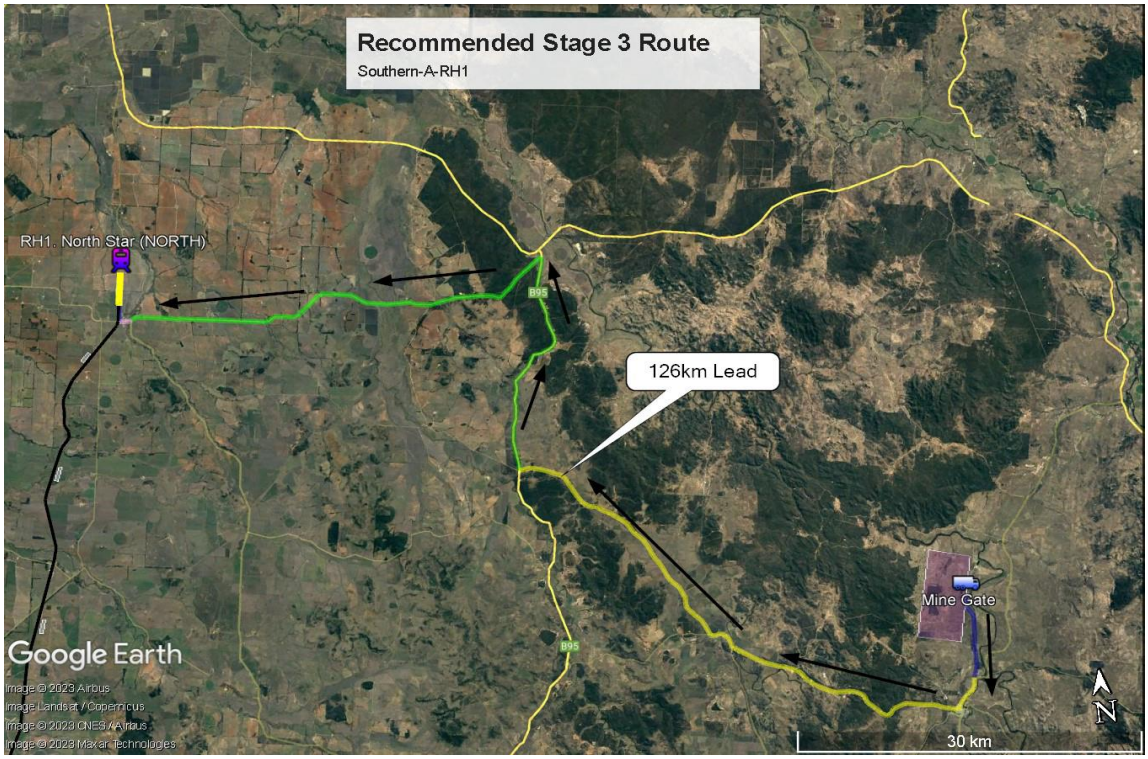


FIGURE 28 RECOMMENDED ROUTE STAGE 3

Further work, including consultation with road traffic managers (shire councils), will be undertaken to optimise the trucking route and to confirm the rail head. For the Scoping Study a staged route access approach is assumed, presenting opportunities for increased efficiency with future road upgrades and staged access approvals.

Stage 1 – Years 1 & 2

- Route Northern B to RH1
- Commences at mine start-up, so quickest short-term pathway to road-train operations
- Utilise Bonshaw Rd and Bruxner Hwy
- 1-way lead is 171km
- Minimum approval required for A-double heavier maximum axle loads configuration

Stage 2 – Year 3 onward

- Route Southern B to RH1
- Suitable for B-double and A-double GML axle loading
- Will require shire cost contribution for upgrade to HML
- 1-way lead is 143km, saving 28km on baseline
- Start-up return route from Year 1, as unladen the axle loading is less than GML

Stage 3 – adoption time frame of this route to be determined

- Route Southern A to RH1
- 126km 1-way is shortest distance
- Some gravel sections will require sealing
- Will require a cost contribution assessment to determine viability

12.2.3 Vehicle Combinations

The Scoping Study considers two potential HML (higher mass limits) side-tip combinations, as shown here. Suitable prime movers would be an American or Euro style 6x4 prime mover with an engine rated at or above 600hp. Example models include the Kenworth T909, Scania R620 and Volvo FH16.

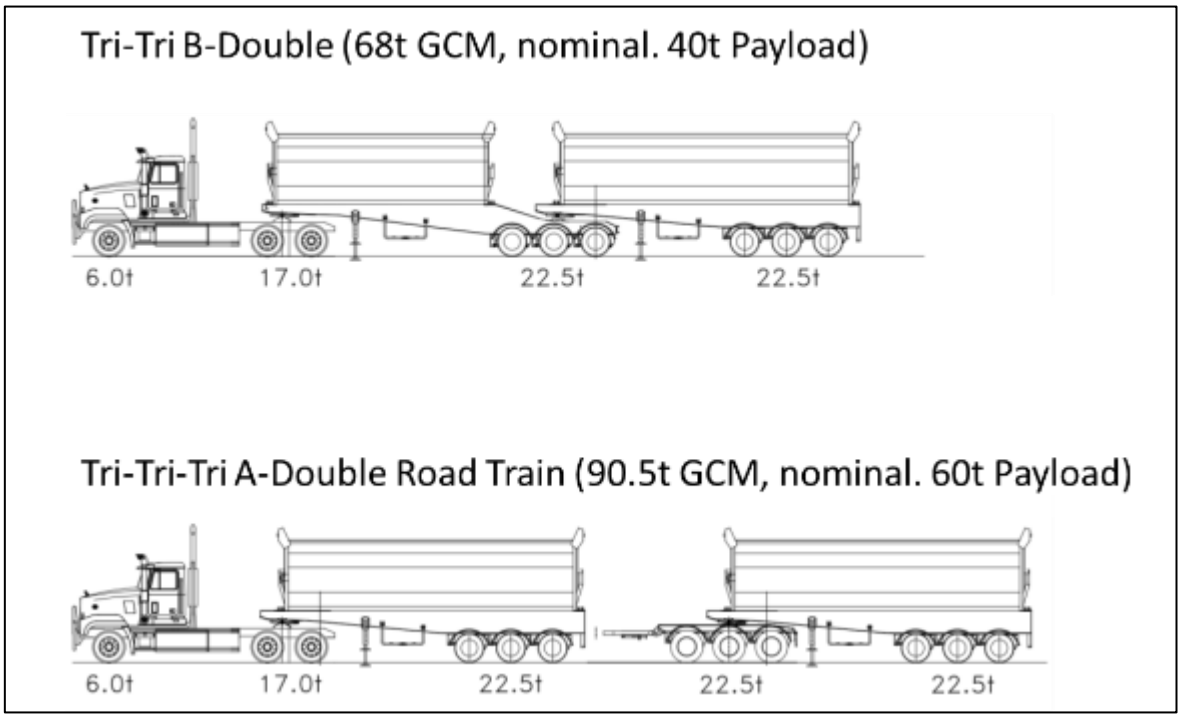


FIGURE 29 TRUCK CONFIGURATIONS

While it is generally most efficient to run the highest payload combination available (i.e. A-Double) the selected combination will also be subject to:

- Equipment availability
- Experienced operator labour pool
- HML route access approvals
- A commercial and risk assessment of any variance in required road maintenance/upgrade contributions.

Depending on selected combination and based on 2 cycles per 12-hour shift, accounting for engineering availability, indicative truck fleet size will be:

i. 12 units if all A-doubles
ii. 18 units if all B-doubles
iii. A hybrid fleet of 12 to 18 units

12.3 Train Loading

Clara engaged specialist engineering company ***Lycopodium Ltd*** to complete concept level preliminary engineering for a fit for purpose coal load out facility. The concept study includes the following:

- Concept drawing of load out facility.
- Capital cost estimate.
- Operational cost estimate

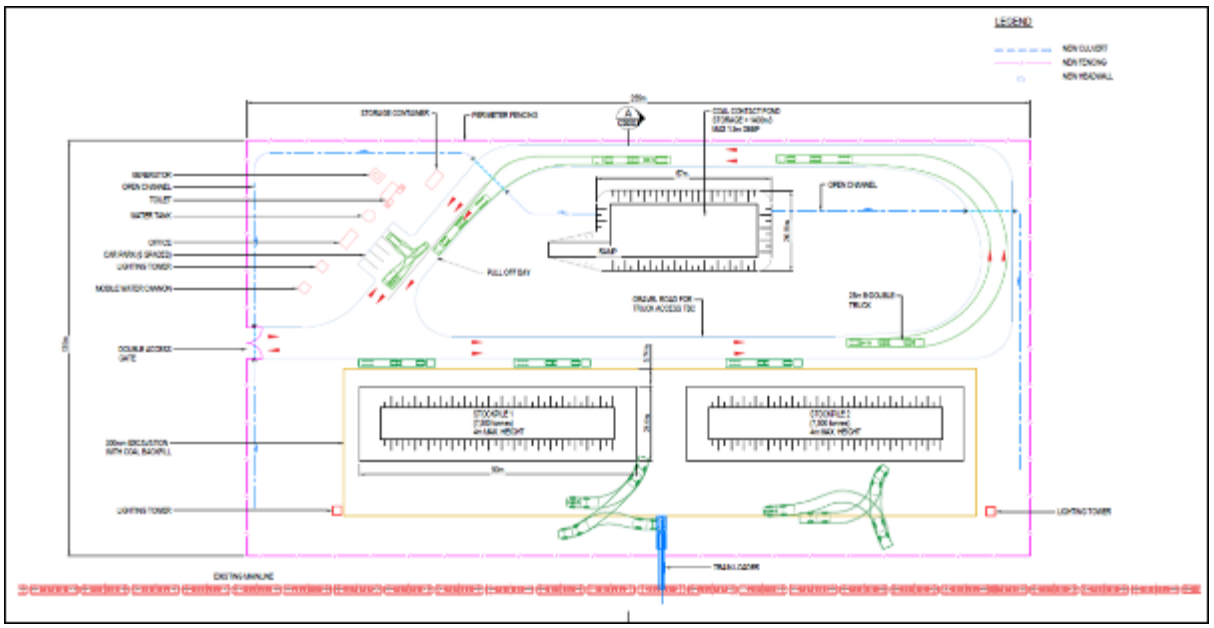


FIGURE 30 LAY-OUT OF TRAIN LOADING FACILITY

The load out facility, set out on approximately 3.5 hectares adjacent to the rail line, features a coal hopper and loading conveyor. The hopper is fed by 2 x front end loaders reclaiming product from flanking stockpiles. The conveyor draws coal out of the hopper, transferring to the train wagons. The conveyor stops/starts intermittently to accommodate wagon spacing. Stockpile capacity is 15,000 tonnes (2 x 7,500t) sufficient for 2 to 3 trains.

Advice from ARTC is, notwithstanding the rail upgrade from Narrabri to North Star, two (2) bridge crossings in the vicinity of Moree will temporarily limit rail axle loads to 20t. The Scoping Study assumes this limit will prevail for the first 2 years of production, following which the permitted axle loading increases to 25t. For 20t axle loads train payloads are 4,900 tonne; 6,000 tonne for 25t axle loads. This equates to 3 to 4 trains per week at 750,000t per annum of exports. Train loading time will be 4 to 5 hours.

The site includes:

- A silt trap/pond
- Generator, lights, fuel supply
- Hardstand, office, water supply
- Perimeter fencing

Capex and Opex estimates are included in costing sections.

12.4 Rail and Port

The Australian Rail Track Corporation (ARTC) is progressing the *Inland Rail Project* connecting Brisbane and Melbourne, providing an efficient rail connection to the Hunter Valley Coal Rail System and the Newcastle coal export terminals.

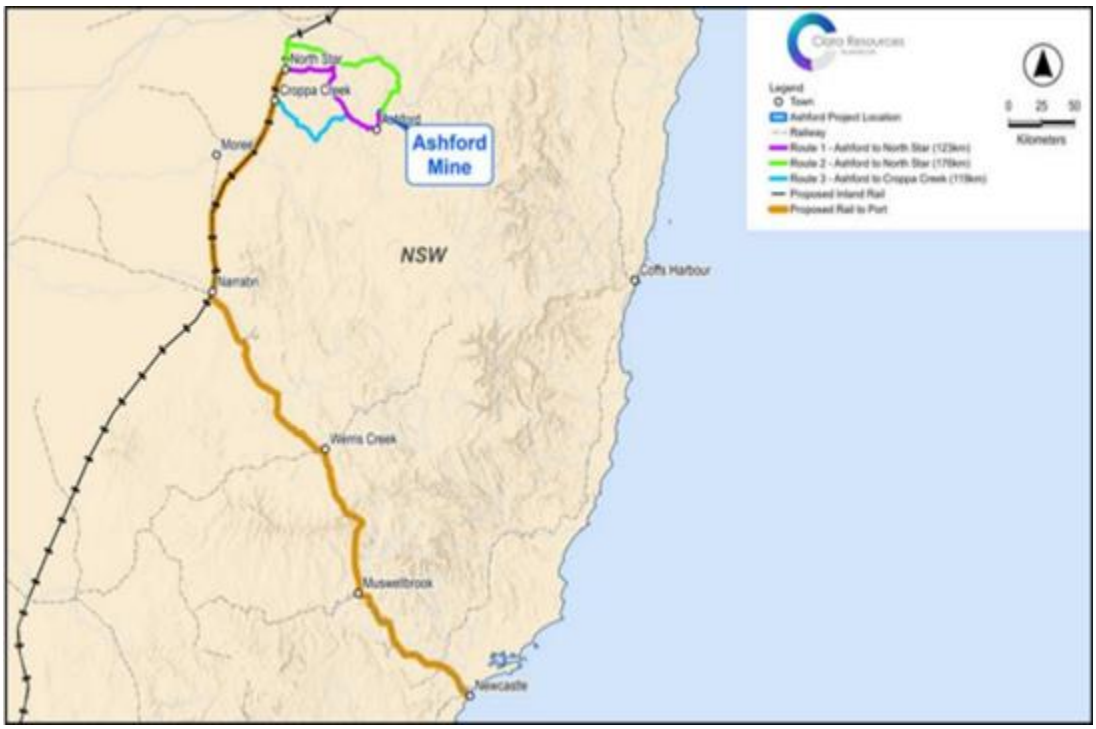


FIGURE 31 INLAND RAIL CONNECTION TO HUNTER VALLEY NETWORK

The segment between Narrabri and North Star, relevant to Ashford, was completed in December 2023.

Product will be loaded onto a train at North Star and railed to a coal export terminal in Newcastle, a distance of 585km. ARTC operates the below-rail system. Above rail is operated by Aurizon Ltd and Pacific National Ltd. Operators have advised there will be sufficient capacity on the line for Clara's needs.

Rail units will be 3 x locomotives and 82 coal wagons. With 20t axle loads payloads of each train is 4,900 tonne; 6,000 tonne for 25t axle loads. This equates to 3 to 4 trains per week at 750,000t per annum.

There are three coal export terminals located at the Port of Newcastle which may potentially receive and handle coal from the Ashford mine: Kooragang terminal (operated by PWCS), Carrington terminal (operated by PWCS), and NCIG. PWCS has confirmed that there is ample spare capacity at their terminals for utilisation by both new and existing customers.

Clara engaged rail and port commercial specialist ***Nine Squared Pty Ltd*** to develop estimates of above and below rail costs and port charges along with other financial commitments likely to apply. These estimates are described in the section on operating costs.

13 MARKETING

At the current development phase of the Ashford project, Clara does not have any product sales contracts or offtake agreements. Clara commissioned ***Commodity Insights***, coal markets specialist advisors, to undertake an independent marketability assessment of the coking coal and thermal coal products that will be produced from Ashford.

13.1 Coking Coal

Global steel production has increased from 190Mt in 1950, 850Mt in 2001 to 1.8Bt in 2022. Global demand for coking coal, used to make steel, is expected to maintain growth past 2030 predominantly due to

continued high levels of steel production in China, Japan and South Korea, plus significant growth in demand for seaborne coking coal from India and other Asian developing nations. Forecast steel production is 2.1Bt in 2030 and 2.5Bt in 2035. The global coking coal market is well-supported in the long-term as the coke oven/blast furnace route accounts for approximately 75% of world steel production and there is no viable baseload substitute for coking coal in that process, a situation expected to prevail for at least 20 years.

The coking coal supply side is characterised by:

- The progressive partial or full exit of historical major producers from the industry.
- The gradual depletion of existing reserves and lack of investment in new mines.
- Barriers to exploration and development caused by increasing levels of government regulation and burdensome approval processes.

The continuing imbalance between supply and demand is expected to support sustained higher levels of pricing.

Ashford coking coal is expected to be classified as a Medium Volatile Bituminous Coal according to the ASTM1 classification methodology. Based on its predicted CSR range, it would be considered a Semi-Hard Coking Coal (SHCC).

Ashford coking coal properties were compared with products from Olive Downs, Isaac Downs, Daunia and Poitrel mines, all of which export semi-hard coking coals. This comparison showed that Ashford coking coal has ash content, rank, CSN, phosphorous content and ash chemistry all within the range of reference coals. It also has a low sulphur content comparable to many Australian export coking coals.

Ashford coking coal does not meet the requirements of Argus's Asia-Pacific hard coking coal mid-vol product in respect of CSR, and potentially ash and volatile contents. On that basis, it is assumed that Ashford coking coal would not achieve the same price relativity as the generic product. A more similar product to Ashford is Poitrel coking coal, for which the CSR matches the mid-point of the Ashford range, and for which other properties are similar. Poitrel coal generally trades at around 80% to 85% of the Premium Low Volatility (PLV) Hard Coking Coal index. For the Scoping Study Ashford coking coal is pegged at a 20% discount to the PLV HCC index price.

The following PLV HCC price forecasts are utilised in the Scoping Study:

1. Year 1 & year 2 price is based on the average historical price over the period 2022-2023 (US$322/t), published by Platts S&P Global, less $20/t.
2. For year 3 to 12, flatline of the 3-year historical price (US$285/t), published by Platts S&P Global, less $20/t.

A 20% discount is then applied to the PLV HHC price to determine the Ashford price.

$US/T	MINE YEAR		
	1	2	3-12
Scoping Study HCC Price Assumption	302	302	265
Ashford coking coal price, 80%	242	242	212

At the time of writing this report the PLV HCC Index price is US$325, implying an Ashford price of US$260.

A target market for Ashford coking coal will be the steel mills in India where stamp-charging is used extensively to produce high strength coke from semi-hard coking coals. Ashford coking coal could also be used in these and other mills to ameliorate higher sulphur and higher ash content coals in coking coal blends.

13.2 Thermal Coal

The Ashford mine will produce a thermal coal as a by-product of the coking coal washing process and from selective Ashford seam plies.

Ashford thermal coal properties were compared with products from Hunter Valley Operations, Bengalla and Mount Thorley-Warkworth mines, all of which produce widely traded export thermal coals. Additionally, the properties of the generic globalCOAL products, gCNewc and High Ash Australia 5500 index have been included as a reference for relative price determination. This comparison showed that Ashford thermal coal has:

- Energy and sulphur contents within the range of reference coals.
- Ash content higher than that of the higher calorific value reference coals, and the maximum permissible value for gCNewc
- Higher HGI value.
- At the lower end of its range, the volatile content for Ashford thermal coal is lower than that of all reference coals
- At the upper end of its range, Ashford's volatile content is within the range required for HA Australia 5500.

As the calorific value for Ashford thermal coal exceeds the minimum requirement of 5850 kcal/kg NAR for gCNewc, it is expected the Ashford thermal price can be reasonably linked to the 6000 NAR Benchmark, albeit with a quality discount applied to take account of the higher ash and lower volatile contents.

In addition to the energy adjustment, it is estimated that at the upper end of the range of volatile matter range (24% adb), a quality discount of 10% would be applicable. As the combustibility of coal deteriorates as volatile content decreases, at the lower end of the volatile matter range (19% adb), the quality discount may increase to 15%.

Commodity Insights provides coal price forecasts to subscribers of its Thermal Coal Portal. Prices covered are 6,322kcal GAR Newcastle, GlobalCoal 6,000kcal NAR Newcastle and 5,500kcal NAR Newcastle. These forecasts are updated quarterly. The scoping study utilises an index price $20/t below the forecast NEWC6000. The estimated price range for Ashford thermal coal, factored with a 15% discount, is also shown. All forecasts are in nominal US$/t.

PROPERTY	ENERGY ADJUSTMENT	QUALITY DISCOUNT	PRICE RELATIVITY TO 6000 BENCHMARK
Upper End of VM Range	5890 ÷ 6000 = 98.2%	10%	98.2% * 90% = 88%
Lower End of VM Range	5890 ÷ 6000 = 98.2%	15%	98.2% * 85% = 83%
Mid-Point			85%

Forecasts for the 6,000kcal NAR index, the Study index and the adjustment mid-point for Ashford thermal coal are tabled here.

US$/t							
	1	2	3	4	5	6	7-12
Newc 6000 index forecast	152	147	151	156	160	165	170
Scoping Study NEWC6000 index price	132	127	131	136	140	145	150
Ashford thermal coal price, 85%	112	108	111	116	119	123	128

At the time of writing this report the NEWC6000 index was US$148/t, implying an Ashford thermal coal price of US$125.

Ashford thermal will likely be sold into Malaysia, Vietnam and China, common destinations for 5500 NAR products. While opportunities for direct stand-alone sales into the power utility markets in Japan, Korea and Taiwan may be precluded on account of Ashford's relative high ash content (which is typically limited to a maximum of 17%), it is probable it would be used in these market destinations as a component of blended cargoes assembled on account of the relatively high calorific value and low sulphur content.

14 ENVIRONMENTAL, SOCIAL AND PERMITTING

14.1 General

Multiple legislative frameworks determine approval for a coal mine in Australia and NSW:

i. Commonwealth Legislation
ii. State Legislation
iii. Local Government requirements

Mining projects are assessed by the NSW Department of Planning & Environment (DPE) under the 'Bilateral Agreement' between the Commonwealth and the NSW Governments. Only one Environmental Impact Statement (EIS) document is therefore prepared to support both applications. Approval under the Federal EPBC Act can be granted following the grant of NSW planning approval.

14.2 Commonwealth Legislation

The *Environment Protection and Biodiversity Conservation Act 1999* (EPBC Act) and the *Native Title Act 1993* (NT Act) have historically been the two primary Commonwealth regulatory approvals triggered in relation to a coal mining project. Recent amendments to the *National Greenhouse and Energy Reporting Act 2007* (NGER Act) and the *Climate Change Act 2022* means this legislation will also be of material consideration in the determination of the project.

14.2.1 Environment Protection and Biodiversity Conservation Act 1999

The EPBC Act provides an assessment and approval process for actions likely to have a significant impact on Matters of National Environmental Significance (MNES). A significant impact is an impact which is of notable consequence, having regard to its context or intensity. The nine MNES are:

- World Heritage properties;
- National Heritage places;
- Wetlands of international importance (listed under the Ramsar Convention);
- Listed threatened species and ecological communities;
- Migratory species protected under international agreements;
- Nuclear actions (including uranium mines);
- Commonwealth marine areas;
- The Great Barrier Reef Marine Park; and
- A water resource in relation to coal seam gas development and large coal mining development.

Proposed mining activities that could adversely affect these matters may be deemed to be a 'controlled action' and will require approval under the EPBC Act. For Ashford the key MNES are likely to be in relation to listed threatened species, ecological communities and water resources.

14.2.2 Native Title Act 1993

The Act provides a legislative framework for the recognition and protection of common law native title

rights. At Ashford a native title claim has been submitted by the Gomeroi People, registered by the National Native Title Tribunal. The Act requires Clara to consult and negotiate with Gomeroi to obtain land access and develop a mine on the area subject to the claim.

14.2.3 Safeguard Mechanism

The safeguard mechanism, described in the *National Greenhouse and Energy Reporting Act 2007* (NGER Act), applies to 'designated large facilities' where the total direct greenhouse gas emissions operations exceed a threshold of more than 100,000 tonnes of carbon dioxide equivalent per year. This Bill aims to ensure businesses covered by the Safeguard Mechanism contribute a proportional share of Australia's legislated 2030 emissions reduction target under the *Climate Change Act 2022* and are on a pathway to net zero by 2050.

It is unlikely the Ashford Project will exceed the threshold, but an assessment is required. If the Project exceeds the threshold, additional costs related to the abatement and offsetting of greenhouse gas emissions will be incurred, principally by the compulsory purchase of carbon-credits.

14.2.4 Federal EPA

The Federal Government is establishing the independent Federal Environmental Protection Authority and other reforms to environmental regulation in response to the *Independent Review of the EPBC Act*. It is expected this new regulator will have project assessment and decision-making authority.

14.3 State Legislation

In NSW mining is approved and regulated primarily under three pieces of legislation, being:

- Environmental Planning and Assessment Act 1979 (EP&A Act);
- *Mining Act 1992* (Mining Act); and
- Protection of the Environment Operations Act 1997 (POEO Act).

14.3.1 Environmental Planning and Assessment Act 1979

All development in NSW, including mining, is regulated by the EP&A Act, which provides the process for applying for '*planning approval*' for development, and is administered by the Department of Planning and Environment (DPE). The *State Environmental Planning Policy* provides that development for the purposes of '*coal mining*' is a State Significant Development (SSD) to which an approval under the EP&A Act will be required.

The steps involved in gaining development consent for SSD mining projects are summarised.

14.3.1.1 Approvable Mine Plan

An approvable, concept level mine plan is presented to the State Division of Mining, Exploration and Geoscience (MEG) at a Conceptual Project Development Plan (CPDP) meeting to demonstrate the project is a responsible and sustainable mining development that minimises impacts on the environment.

Once the mine plan is endorsed by MEG, a further presentation is made to DPE which also requires a preliminary stakeholder engagement process.

Provided the DPE is satisfied with the nature and quality of information describing the project, a request for the Secretary's Environmental Assessment Requirements (SEARs) can be made.

14.3.1.2 Request for SEARS

Applications for SEARs is supported by a Scoping Document describing the Project and includes an outline of its potential environmental impacts, socio-economic benefits and social impact assessment.

The SEARs contains general requirements for the assessment of key impact issues relevant to the Project and informs the preparation of the Environmental Impact Statement (EIS).

14.3.1.3 EIS Preparation

Clara is preparing an Environmental Impact Statement (EIS) certified by an independent Registered Environmental Assessment Practitioner. The EIS must meet the requirements as specified in the SEARs. A detailed description of the most likely terms of reference and contents of the EIS is provided in the Appendix.

14.3.1.4 Public Exhibition

The EIS will be publicly exhibited for a minimum of 28 days. DPE will review and collate any submissions and request a Response to Submissions from Clara.

14.3.1.5 EIS Assessment

Evaluation of the Project is completed by experts within DPE or other government agencies. Clara will meet regularly with Agencies to discuss the project's assessment progress.

The DPE prepares a Preliminary Assessment Report which details their conclusions about the impacts of the Project and the planned mitigation measures and whether the Project is in the public interest and as such may be approvable in accordance with the NSW legislation.

14.3.1.6 NSW Independent Planning Commission

The NSW Independent Planning Commission (IPCN) acts independently to DPE, and provides a level of independence, expertise and transparency to the assessment and determination of SSD applications.

If the Project has more than 50 unique community objections, objection from the local council or a reportable political donation, the determination is delegated to the IPCN.

This IPCN review involves a public hearing, where people both opposed to and supporting the Project can both provide written submissions and speak. The IPCN produces a public report on their findings.

14.3.2 Mining Act 1992

Mining is also regulated by the Mining Act, which states that mining can only be conducted in accordance with a mining lease. A mining lease can only be granted in NSW once planning approval under the EP&A Act is in place. The Mining Act is administered by the MEG and the Resources Regulator.

The objectives of the Mining Act are to encourage and facilitate the discovery and development of mineral resources in New South Wales, having regard to ecologically sustainable development. It provides an integrated framework to effectively regulate prospecting and mining operations, including:

- Compensation to landholders for loss or damage resulting from operations;

- Ensuring an appropriate return to the State from mineral resources;
- Security of costs for the rehabilitation of mine sites;
- Ensuring effective and progressive rehabilitation of disturbed land and water; and
- To ensure mineral resources are identified and developed in ways that minimise impacts on the environment.

Application for a Mining Lease can occur in parallel to the EP&A Act approvals process.

As Native Title has not been extinguished on segments of the proposed mining areas Clara is complying with the Native Title '*Right to Negotiate Process*' with the Gomeroi People Native Title Claimant Group, prior to the issuance of a Mining Lease.

14.3.3 Protection of the Environment Operation Act (POEO)

The purpose of the POEO Act is the control of pollutants and their effect on the community and the environment. All mining projects require an Environmental Approval Licence under the POEO Act.

14.3.4 Additional Acts & Policies

Clara will require an approval license or consent under a number of additional State Acts and Policies, including:

- Biodiversity Conservation Act 2016
- Roads Act 1993
- National Parks and Wildlife Act 1974
- Heritage Act 1977
- Water Management Act 2000
- Pipelines Act 1967
- State Environmental Planning Policy - Biodiversity and Conservation 2021
- State Environmental Planning Policy - Planning Systems 2021
- State Environmental Planning Policy - Resources and Energy 2021

14.4 Local Government Requirements

The Project is on land zoned RU1 Primary Production under the *Inverell Local Environment Plan 2012*. The stated objectives for this zone are:

- *To encourage sustainable primary industry production by maintaining and enhancing the natural resource base.*
- *To encourage diversity in primary industry enterprises and systems appropriate for the area.*
- *To minimise the fragmentation and alienation of resource lands.*
- *To minimise conflict between land uses within this zone and land uses within adjoining zones.*

Open cut mining is listed as a use that is permitted with consent.

15 OPERATING COSTS

Operating costs for the Project are characterised by relatively high transportation costs to the port reflecting the trucking cost to the rail head and the relatively long rail distance to Newcastle.

Unit rates are derived from a range of sources:

i. Typical Australian contractor matrix rates for overburden, coal load and haul and mine service costs obtained from mining consultant database.

ii. Operating cost databases from specialist coal handling and preparation consultant.
iii. Databases of specialist road train operations advisors.
iv. Specialist rail and port contracts advisors.

An allowance for progressive rehabilitation is included but mine closure costs have not been estimated due to limited information on the final landform required.

PROCESS		UNIT, A$	YEAR 1	YEAR 2	YEAR 3	YEAR 4 ON
Waste Stripping	Land Clearing	$/Ha	$1,000	$1,000	$1,000	$1,000
	Drill & Blast	$/bcm blasted	$1.25	$1.25	$1.25	$1.25
	Dozer Push	$/bcm	$2.00	$2.00	$2.00	$2.00
	Truck & Shovel	$/bcm	$3.50	$3.75	$4.00	$4.50
Coal Mining	Mine & haul O/C Bonshaw	$/t ROM	-	-	-	-
	Mine & haul O/C Ashford	$/t ROM	$3.75	$4.00	$4.25	$4.50
	Auger Mining	$/t on pit floor	$45.00	$45.00	$45.00	$45.00
	Load & haul Auger coal	$/t ROM	$2.25	$2.50	$2.75	$3.00
	Rehandle	$/t ROM	$2.00	$2.00	$2.00	$2.00
	Pit Services	$/t ROM	$1.00	$1.00	$1.00	$1.00
	ROM stock management	$/t ROM	$1.00	$1.00	$1.00	$1.00
Coal Handling and Preparation	Coal Crushing	$/t ROM	$1.25	$1.25	$1.25	$1.25
	Coal Preparation	$/t ROM	$13.00	$13.00	$13.00	$13.00
	Grade Control & Lab Costs	$/t ROM	$0.50	$0.50	$0.50	$0.50
	Stockpile Management	$/t product	$1.00	$1.00	$1.00	$1.00
	Reject haulage	$/t	$2.50	$2.50	$2.50	$2.50
Transportation and Logistics	Load road trains	$/t hauled	$2.20	$2.20	$2.20	$2.20
	Truck to Rail	$/t hauled	$27.50	$26.50	$26.00	$25.00
	Regional road levy	$/t hauled	$1.25	$1.25	$1.25	$1.25
	Load train	$/t railed	$2.20	$2.20	$2.20	$2.20
	Rail to Port	$/t railed	$28.62	$28.62	$27.62	$27.62
	Port	$/t shipped	$3.00	$3.00	$3.00	$3.00
	Grade Control & Lab Costs	$/t shipped	$0.50	$0.50	$0.50	$0.50
	Demurrage	$/t shipped	$0.25	$0.25	$0.25	$0.25
Marketing	Agency	$/t shipped	$1.00	$1.00	$1.00	$1.00
Reclamation		$/Ha	N/A	$30,000	$30,000	$30,000
ACARP Levy		$/t sold	$0.05	$0.05	$0.05	$0.05
SVG royalty		$/t sold	$0.75	$0.75	$0.75	$0.75
NSW State royalty		% of revenue	10.8%	10.8%	10.8%	10.8%

NSW coal royalties are calculated at the rate of 10.8% of coal revenue with allowable deductions for:

i. The coal research levy
ii. Coal processing costs, calculated at $3.50/tonne sales

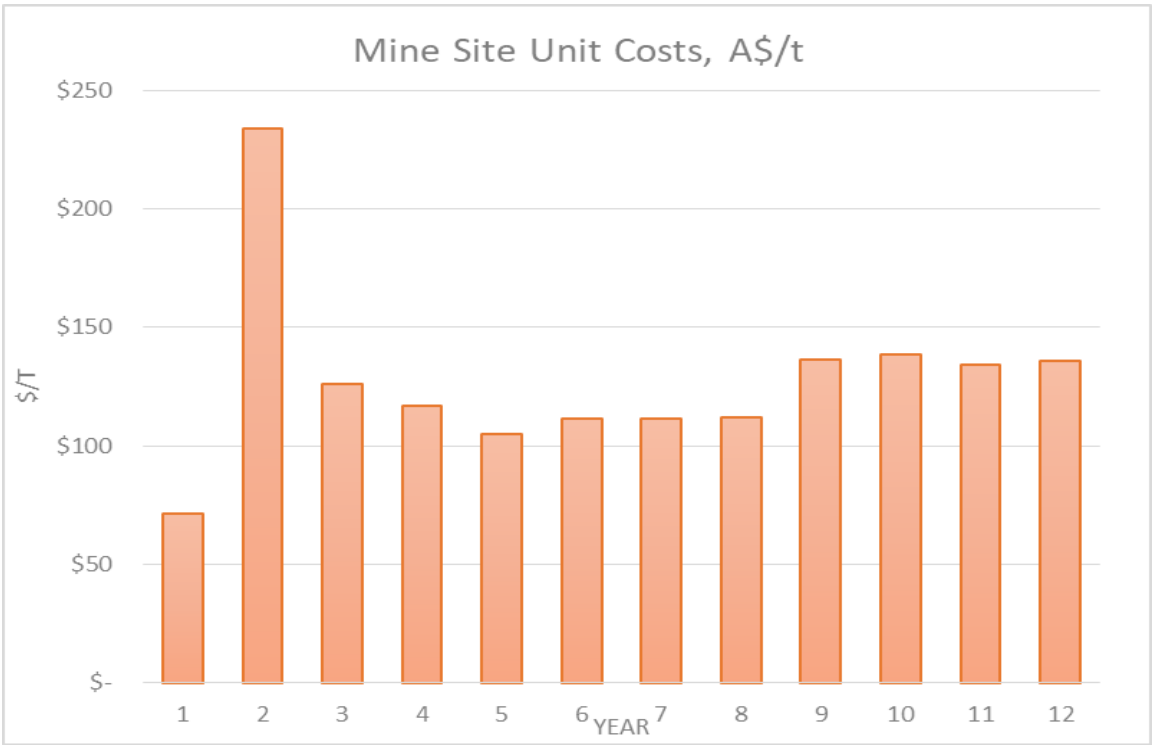


FIGURE 32 MINE SITE UNIT COSTS

The spike in Year 2 operating costs reflects the increased waste moved and reduction in coal produced, this a consequence of establishing the pit, in particular the removal of overburden in advance.

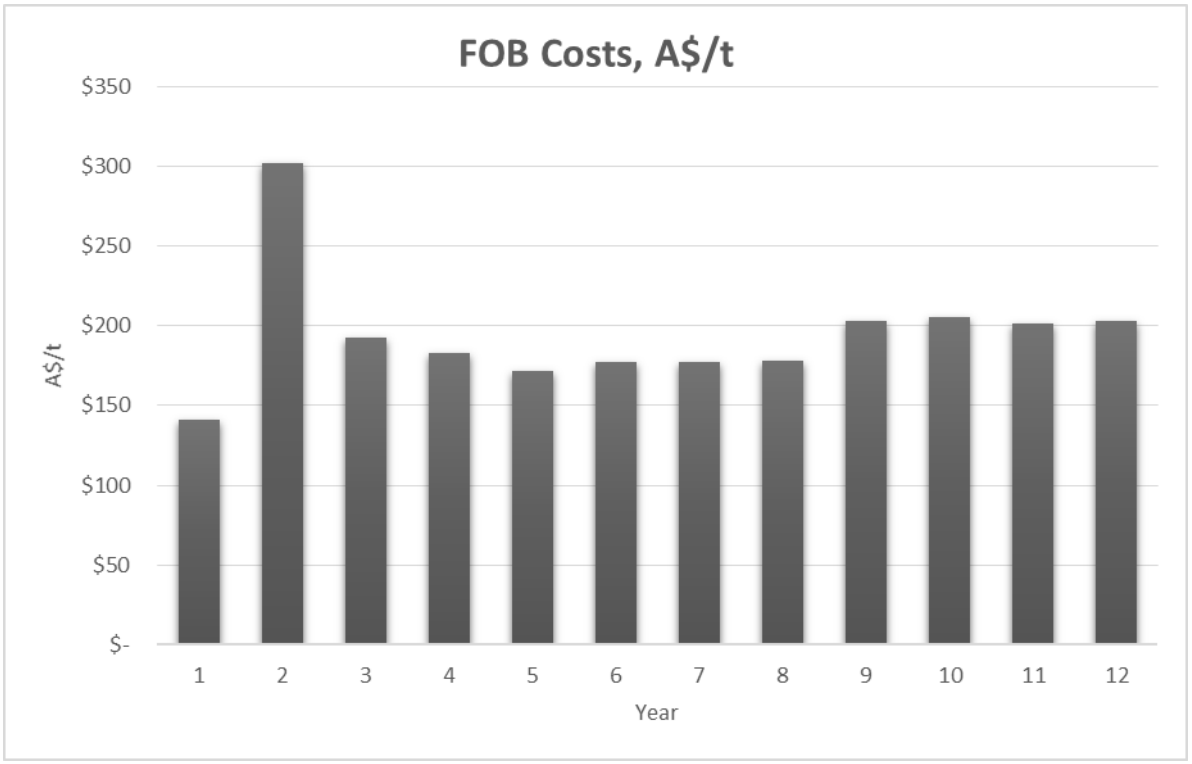


FIGURE 33 FOB COSTS

16 CAPITAL COSTS

16.1 Infrastructure

Clara engaged ***Projectick***, specialist mine start up infrastructure consultants, to prepare a scoping level infrastructure study. Projectick conducted a site inspection, reviewed available reports and other 'desktop' information and prepared infrastructure concept layouts based on available information and experience with other similar open cut coal mine projects. Based on available information and concept infrastructure layouts, Projectick has prepared an Order of Magnitude (OOM) Estimate which meets or exceeds the typical requirements for a Scoping Study, as defined by the Australian Institute of Mining and Metallurgy (AusIMM), which is loosely equivalent to a Class 5 Cost Estimate as defined by the Association for the Advancement of Cost Engineering.

The total OOM Estimate for infrastructure works is $37.7M split between two phases, a Phase 1 estimate for works required to develop the southern pit of $33.2M and a Phase 2 estimate for works required to allow mining in the northern pit of $4.6M.

Typically, a Class 5 Estimate attracts a contingency allowance of 25 to 35% however Projectick advice is the estimate prepared falls between a Class 5 and Class 4 Estimate. A Class 4 Estimate typically attracts a contingency allowance of 20 to 25%. Accordingly, the scoping study adopts a contingency of 25%, which is at the bottom end of the range for a Class 5 Estimate and at the top end of the range for a Class 4 Estimate. Therefore, the Total Infrastructure Cost Allowance is $47.1M, with an allocation of $41.5M for Phase 1 works and $5.6M for Phase 2 works.

16.2 Coal Handling and Preparation Plant

As described in CHPP Section two (2) processing configurations are expected to deliver the preferred project outcomes in terms of product yield and quality, capital and operating costs and availability. Total cost for each option has been estimated by A&B Mylec and includes a tailings thickener and dewatering equipment.

Costs for the raw coal crushing and handling plant and the product handling plant are also shown, these common to both processing configurations.

CONFIGURATION	CAPITAL COST
Raw coal crushing and handling	$11,300,000
Prefabricated Modular Single Stage Dense Medium Cyclones with Fines Treatment	$54,000,000
Prefab Modular Two-Stage Cyclones with Fines Bypassing to Secondary Product	$42,900,000
Product coal handling	$4,500,000

The scoping study assumes the higher cost option ($54m) processing plant, constructed in 2 phases to account for the high-grade raw coal mined in the first 3 years of mine development, requiring less processing.

<u>Processing Plant Stage 1 - $42M</u>

- Civil, structural, mechanical and electrical construction of plant
- Primary dense medium cyclone circuit for all +1mm material
- Fines (<1mm) untreated & dewatered to secondary circuit

<u>Processing Plant Stage 2 - $12M</u>

- Addition of fines reflux classifiers and flotation circuit

Similarly, the product coal handling plant will be competed in 2 stages, viz:

<u>Product Handling Stage 1 - $2.6m</u>

- Civil, structural, mechanical and electrical construction of plant
- Fixed product stockpile conveyor/stacker

Product Handling Stage 2 - $1.9M

- Addition of radial stacker

16.3 Train Load Out

Lycopodium estimated a cost of $5.2m to construct the train loading facility. For the scoping study a Monte Carlo simulation was used to determine a P90 capital cost of $6.5m. It is assumed the train loading facility will be constructed in 2 stages, viz:

Trainloading Facility Stage 1 - $3m

- Civil, structural, mechanical and electrical construction of plant
- Trains loaded directly by 2 x front end loaders (supplied by contractor)

Trainloading Facility Stage 2 - $2.5m

- Addition of coal hopper and wagon loading conveyor

16.4 Capital General

Yellow Goods

There is nil capital allowance for mining and mobile equipment on the basis of contractor operations, which is factored into the operating costs.

Sustaining Capital

Sustaining capex of $1/t ROM is included, reducing to $0.50/t toward the later stages of mine life.

Clara Allowance

Clara management will have a small team on site. An allowance for vehicles and miscellaneous equipment is included.

16.5 CAPEX Summary

CAPEX (AU$m)		Year					Total
		0	1	3	6	7 to 12	
INFRASTRUCTURE	Contingency						
Access Roads	25%	$ 9.33			$ 1.62		$ 10.95
Haul Roads	25%	$ 0.13					$ 0.13
MIA	25%	$ 10.67					$ 10.67
Coal Handling Infrastructure	25%	$ 3.89					$ 3.89
Mine Infrastructure	25%	$ 2.37			$ 0.12		$ 2.49
Water Management	25%	$ 10.51			$ 2.72		$ 13.23
HV Power	25%	$ 4.57			$ 1.16		$ 5.73
TOTAL - INFRASTRUCTURE		$ 41.47			$ 5.62		$ 47.09
Raw Coal Handling	20%	$ 11.3					$ 11.3
CHPP	20%	$ 41.9		$ 12.1			$ 54.0
Product Coal Handling	20%	$ 2.6		$ 1.9			$ 4.5
Train Load Out	20%	$ 3.0		$ 2.5			$ 5.5
Sustaining			$ 1.3	$ 0.9	$ 1.4	$ 4.5	$ 11.1
Total - CAPEX		**$ 100.3**	**$ 1.3**	**$ 17.4**	**$ 7.0**	**$ 4.5**	**$ 133.5**

17 FINANCIAL ANALYSIS

Financial estimates for the Ashford Project were developed by Cerberus Advisory using a discounted cash flow (DCF) model. The mine and transport functions are contractor operated.

The intended estimation accuracy of the Scoping study is +/- 35 to 40%. Individual inputs for the financial model are based on advice from specialist advisors for the range of production processes and project capital requirements.

Basis of estimates

The estimate was prepared under the following assumptions:

- A discount rate of 10% was used for discounted cash flow modelling.
- The financial outcomes are intended to provide a high-level assessment.
- Costs are quoted in real 2024 terms, unless otherwise stated.
- Cash flow periods are expressed annually in calendar years.
- No stockpile adjustments have been applied; and it is assumed that all coal produced within a calendar year is sold within the same period.
- All financial assessments have been undertaken on a 100% project ownership (full equity) basis.
- Mobile equipment is contractor owned and operated.
- Sunk costs and any expenditure to date has not been considered for valuation purposes.
- All costs are stated exclusive of GST.
- Project valuation is on a pre-tax basis and post-tax basis. Tax treatment assumptions are clarified below.
- Government royalties are based on the NSW Royalty rate of 10.8% for open cut coal mines, with allowable deductions for the industry research levee and coal preparation costs.
- No consideration is given to future productivity improvements, technological advances, force majeure conditions or industrial relations disruptions.

Coal price assumptions and revenue factors

The following PLV HCC price forecasts are utilised in the Scoping Study:

1. Year 1 & year 2 price is based on the average historical price over the period 2022-2023 (US$322/t), published by Platts S&P Global, less $20/t.
2. For year 3 to 12, flatline of the 3-year historical price (US$285/t), published by Platts S&P Global, less $20/t.

A 20% discount is then applied to the PLV HHC price to determine the Ashford price.

$US/T	MINE YEAR		
	1	2	3-12
Scoping Study HCC Price Assumption	302	302	265
Ashford coking coal price, 80%	242	242	212

For thermal coal, forecasts for the 6,000kcal NAR index, the Study index and the adjusted price for Ashford thermal coal are tabled here.

US$/t							
	1	2	3	4	5	6	7-12
Newc 6000 index forecast	152	147	151	156	160	165	170
Scoping Study NEWC6000 index price	132	127	131	136	140	145	150
Ashford thermal coal price, 85%	112	108	111	116	119	123	128

The long-term $AU:$US exchange rate forecast of 0.70 (current is 0.65) has been adopted, obtained from various Australian bank publications.

Taxation Treatment

The following conservative assumptions are applied and underpin the tax treatment of Ashford cashflows at this stage:

- The Project is 100% equity financed.
- A 30% corporate tax rate has been applied to taxable income with no allowance for internal structuring or arrangements to minimise tax.
- Depreciation at 25% per annum for calculating a deduction against taxable income.
- Historical audited carried-forward losses of Au$30m are applied in Year 1.

These assumptions are subject to confirmation and testing. It is anticipated assumptions will require adjustment at the project feasibility study phase, impacting financial metrics. It is very unlikely the project will be 100% equity financed. Clara will consider pre-production and working capital funding from sources such as project debt, offtake prepayment, equipment leasing, a Build-Own-Operate-Transfer (BOOT) contract or royalty funding. These types of funding will impact post-tax financial metrics in a positive manner.

Key financial metrics

Forecast LOM financial metrics for development of the Ashford Project in-line with the Scoping Study parameters are summarised in the table below.

EBITDA

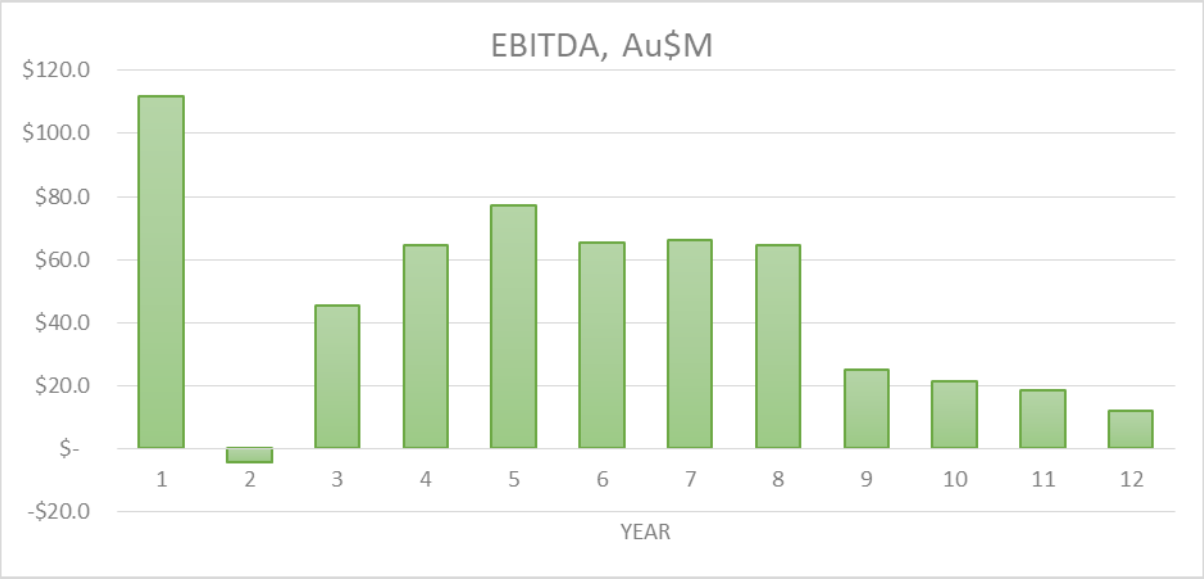


FIGURE 34 EBITDA

FINANCIAL METRICS

KEY FINANCIAL OUTCOMES	Unit	Value
Price inputs		
Au$/US$ (long-term forecast)	X-Rate	0.70
Long-term PLV HCC price	US$/t	265
L/T Ashford SHCC price	US$/t	212
L/T Newc6000 price	US$/t	150
L/T Ashford Thermal price	US$/t	128
NPV, returns and key metrics		
Discount Rate	%	10
NPV - LOM (pre-tax)	Au$M	210.5
IRR (pre-tax)	%	59%
Payback period (pre-tax)	years	1.0
NPV - LOM (post-tax)	Au$M	156.2
IRR (post-tax)	%	53%
Payback period (post-tax)	years	1.0
Capital expenditure		
Pre-production capital expenditure	Au$M	100.3
Additional & sustaining capital expenditure	Au$M	33.3
Capital efficiency (NPV / PP capex)	x	2.1
Operating costs (LOM average)		
Minesite costs	Au$/t, on stockpile	121.82
Truck, rail transport and port	Au$/t sales	62.21
Marketing, demurrage	Au$/t sales	1.25
FOB Costs	Au$/t sales	185.28
Royalties	Au$/t sales	0.02
Corporate Costs	Au$/t sales	3.39
Project cashflow (ungeared)		
Gross revenue	Au$M	2,556
FOB Operating costs	Au$M	1,701
Operating cashflow	Au$M	855
Royalties	Au$M	266
Project net cashflow (pre-tax)	Au$M	455

FIGURE 35 FINANCIAL METRICS

Cash flow, annual and cumulative

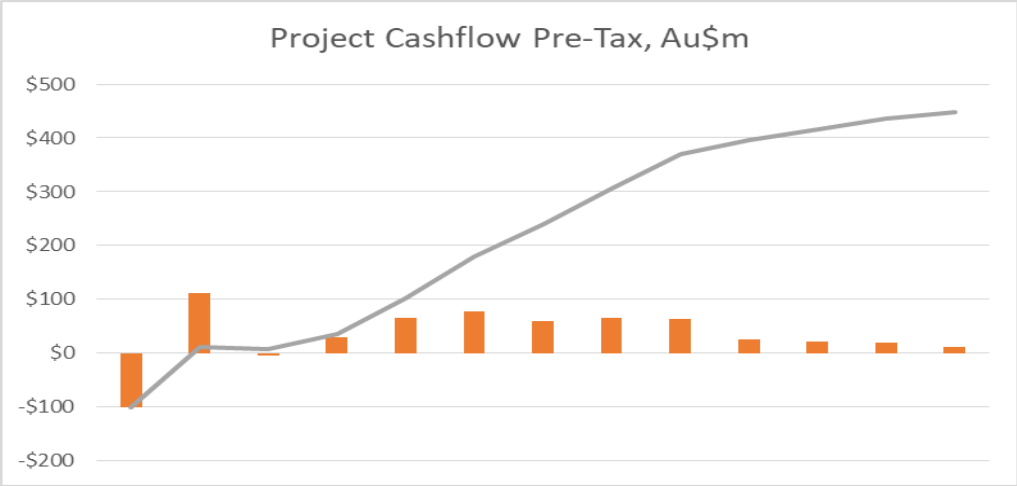


FIGURE 36 CASHFLOW

Following the pre-production capital expenditure invested in Year 0, and establishment of the main open cut pit in Year 2 production will stabilise from Year 3 onward.

Sensitivity analysis

The key revenue metrics of coal price and Au$/US$ X-rate are the most volatile determinants in NPV outcomes. CAPEX and OPEX estimates are also key fundamental value drivers. A plethora of coal handling and treatment equipment is frequently available on the Australian used plant market. The Ashford CHPP will utilise conventional equipment, meaning there are good prospects for purchasing used equipment, potentially and significantly reducing the CHPP capital requirement.

The sensitivity of the Ashford Project NPV to these key inputs is illustrated here:

NPV Sensitivity, Au$m, Pre-Tax							
Variance	**-15%**	**-10%**	**-5%**	**0%**	**5%**	**10%**	**15%**
Coal Pricing	29.6	89.9	150.2	210.5	270.9	331.2	391.5
FX Rate	423.4	344.6	274.0	210.5	153.1	100.9	53.2
FOB Cost	340.1	301.1	252.1	210.5	164.1	130.0	87.2
CAPEX	226.8	221.2	215.6	210.5	204.5	198.9	193.3

18 PROJECT DEVELOPMENT SCHEDULE

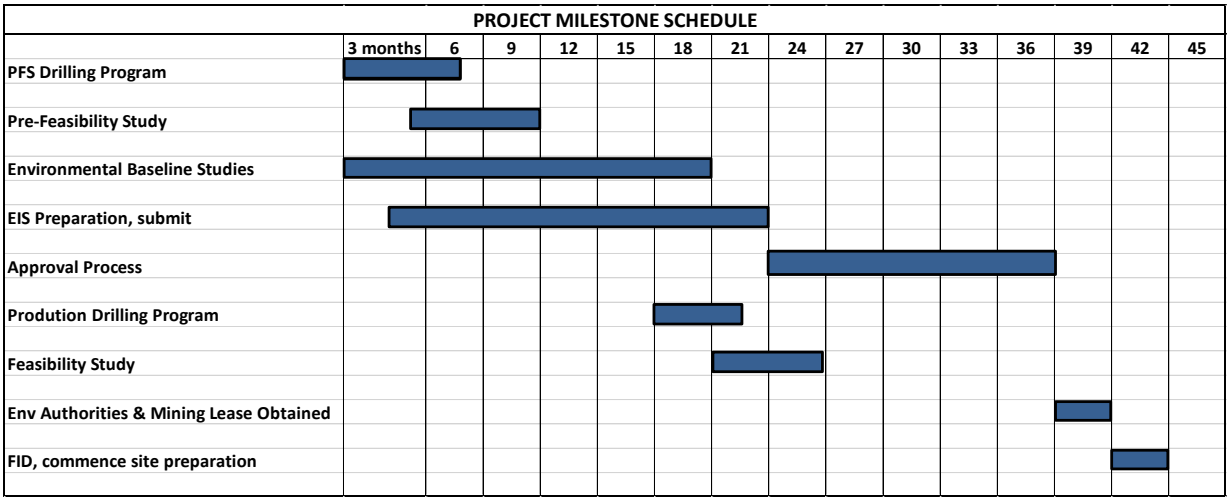
Clara's aim is to accelerate the commercialization schedule and to take advantage of the growing market demand for quality coking coal.

Technically, the Ashford Project is not unique. The EIS assessment and Mining Lease approval are the critical paths on the schedule.

Clara will pursue opportunities to accelerate entry to market including:

- Maintain stakeholder consultation
- Secure off-take agreements for some production in advance
- Develop project funding options
- Securing longer lead items earlier

A broad schedule outline is provided here.



19 KEY RISKS AND OPPORTUNITIES

19.1 Risks

Key project risks and mitigation measures identified for the Scoping Study are summarised here. Mitigation actions will be progressed as project shifts to the feasibility phases.

RISK	DESCRIPTION	CATEGORY	MITIGATIONS
Land categorisation	Federal or State Government declare the area too sensitive to disturb and refuse permits for mining	Low	Greenfield project on a brownfield location. Early and ongoing engagement of government officials and department personnel
Stakeholder relations	Objections from First Nations, pastoralists and other stakeholders, denying land access	High	Proactive engagement, meaningful consultation, satisfactory access and compensation agreements, future commercial and employment opportunities
Endangered species	Endangered flora and fauna identified in areas affected by mining activities, creating obstructions to mining lease application and environmental consents	Low	▪ Previously mined area ▪ Large portion of the area is pastoral land ▪ Low probability of significant wildlife habitats ▪ Create an offsetting plan & habitat for species directly impacted by mine development ▪ Progressive rehabilitation ▪ Mine closure planning
Approval timeframe longer than anticipated	• Uncertain approvals timeframe created by stakeholder objections • Geology, mine planning, coal quality and treatment studies	High	▪ Continual engagement with regulators and direct with stakeholders ▪ Build on relationships created in

	impacted by resources • Increased government regulation, red & green tape		scoping study ▪ Adhere to the defined statutory approval process
Delays due to activism, lawfare	Anti fossil fuel environmental activists attempt to stop project	Medium	▪ Ashford is a coking coal project ▪ Not in environmentally sensitive area ▪ Brownfields site ▪ Positive local support
Road transportation permits	Unable to secure traffic permits from regional councils for trucks on public roads to transport coal from mine to rail	Low	▪ Regional councils support economic opportunity created by project ▪ Engage councils on permit conditions and road upkeep contribution
Train loading location	Unable to secure access to preferred location site	Low	▪ Early engagement with landholder ▪ Determine acceptable alternative location ▪ Provides alternative source of income for landholder
Water licence	Unable to secure water licence to extract water for CHPP and other uses	Medium	• Early engagement with NSW Water • Some water will come from the mine
Water health	Potential for elevated levels of parameters of interest within the receiving environment	Medium	▪ Geochemical risk study ▪ Dump strategy & placement ▪ Runoff capture in water management plan ▪ Define aquatic receptor thresholds for impact assessment
Accuracy of geological models	Potential for variation in pit ROM tonnes, coal quality and strip ratio based on limitations of scoping study stage geological model	Medium	Further exploration work to increase geological confidence, upgrading of resource classification and detailed mine design during next phase of study
Coal quality	Raw coal quality different to expectations, impacting design of plant, yield, ash and coking/thermal ratio	Medium	▪ Further analysis of raw coal data from additional boreholes in specifically selected locations ▪ Comprehensive testing to further confirm coal quality
Proposed production levels not achieved	Geotechnical risks associated with steep dips, seam splitting and complex structures. Difficulty in scheduling auger mining with open cut sequencing	Low	▪ Resource has previously been mined ▪ Confirm geotechnical risks by further drilling program ▪ Increase granularity of scheduling

Unable to establish offtake agreements, sales	Unable to contract buyers for Ashford products	Low	▪ Ashford creates an alternative source for met coal buyers ▪ The expected product quality & costs structure enables Ashford to compete in met coal market
Coking coal price falls significantly	Global demand for coking coal slumps, impacting the coal price	Low	▪ Economic forecasts predict strong global steel demand ▪ Commercially viable alternative technologies for steek production at scale decades away ▪ Supply pipeline of new met coal mines remains subdued
Key personnel	The loss of key personnel and failure to recruit and retain competent staff for critical positions needed to progress the project into the next phase	Medium	▪ Maintain enjoyable, challenging work environment ▪ Competitive compensation including incentives
Project Funding	Failure to secure funding for project development, start-up CAPEX	Medium	▪ Produce high quality feasibility studies ▪ Work closely with advisors & brokers to develop financing options

19.2 Opportunities

Further exploration and resource growth

The Scoping Study considers only the resources and proposed coal extraction confined to the area defined by the Ashford seam on EL6234. Resource upside exists by:

- Drilling and analysing the Bonshaw seam. Based on the thickness contours this could increase the resource by up to 1Mt. The next stage drilling program will determine tonnage, raw coal quality and washability.
- Extending the project to include the area defined by EL6428. This area has been targeted for future exploration drilling to define a resource and obtain coal quality data.

Further resource delineation has the clear potential to supplement the currently planned Ashford project development by extending operating life, delivering expansion potential, creating capacity for coal quality blending and potentially lowering average strip ratios.

Used Equipment

A plethora of coal handling and treatment equipment is frequently available on the Australian used plant market. The Ashford CHPP will utilise conventional equipment, meaning there are good prospects for purchasing used equipment. Tapping into the active market of used coal handling and preparation equipment will reduce lead times, the capex requirements and improve project finance metrics.

BOOT financing

Construction of the CHPP and the train load out facility are a large component of the start-up capital requirements. By utilising contractor build, own, operate and transfer agreements it may be possible to substantially reduce the capex requirements and improve project finance metrics.

Process yield increase

More detailed washability testwork, additional sampling and simulated yield modelling will be conducted for the next phase of study, potentially improving assumptions for overall product yield.

HCC price inputs

The Scoping Study assumed price forecast for Ashford coking coal in Year 1 of operations & sales is US$242/t, based on an HCC index price of US$302/t. This compares with the prevailing HCC index price of US$315/t in March 2024. The average annual price over the past 2 years is US$322/t and US$231/t over the last 5 years, reinforcing the widely held view that HCC prices are trending upward.

Funding

Financing the project with 100% equity is unlikely. Clara will consider pre-production and working capital funding from sources such as project debt, offtake prepayment, equipment leasing, a Build-Own-Operate-Transfer (BOOT) contract or royalty funding. These types of funding will impact post-tax financial metrics in a positive manner.

20 FUNDING AND REASONABLE BASIS FOR FUNDING ASSUMPTION

To achieve the range of outcomes indicated in this Scoping Study, pre-production funding of approximately Au$100M is required. There is no certainty Clara will be able to source that amount of funding in the timeframes required. It is also possible that such funding may only be available on terms that may dilute Clara's shareholders. It is also possible that Clara could pursue other value realisation strategies such as a sale, partial sale or joint venture of the Ashford Project. This could materially reduce Clara's proportionate ownership of the Project.

The various funding alternatives for the Ashford Project are considered based on precedent funding transactions in the coking coal mining industry. Clara has formed the view that there is a reasonable basis to believe that requisite future funding for development of the Ashford Project will be available when required, based on a number of factors:

- Global debt and equity finance availability for high-quality coking coal projects remains robust. Examples of significant funding made available for progression or construction of coking coal projects, or strategic acquisitions of such projects owned by Australian companies include:
    - Golden Investments (Australia) Pte Ltd completing an Au$175m on-market takeover for the residual interest in Stanmore Coal Limited (ASX: SMR) in April 2020.
    - TerraCom Limited (ASX: TER) acquiring 90% of the shareholding in Universal Coal Plc (ASX: UNV) for Au$175m in March 2020.
    - Bowen Coking Coal (ASX:BCB) completing a Au$50m capital raise for development of the Burton coking coal project in 2023.
    - Bathurst Resources (ASX: BRL) acquiring the Telkwa coking coal project in Canada from Allegiance Coal for US$10m in 2023.
    - Whitehaven Coal (ASX: WHC) acquired 100% of the Daunia and Blackwater coking coal mines from BMA for US$3.2Bn in 2023.
    - Stanmore (ASX: SMR) completing the purchase of the South 32 (ASX: S32) 50% stake in the Eagle Downs coking coal mine for Au$135m in 2024.

    - GEAR and M-Resources offering Au$2.5Bn for the South 32 Illawarra coal business in 2024.
- Clara has held preliminary, confidential funding discussions with several potential strategic partners and financiers, including international mining companies, trading houses, lenders and other parties capable of providing the financing required to develop the Ashford Project. These discussions have indicated that the Ashford Project possesses physical and financial attributes that potentially means a reasonable likelihood of securing funding for the project.
- The technical and financial parameters detailed in the Ashford Project Scoping Study are economically attractive. It is a greenfields project in a brownfields location in a first world country and within the well-established and low-risk mining state of NSW. Release of the study fundamentals provides a platform for Clara to advance discussions with potential strategic partners, off-takers, debt providers and equity investors.
- Clara has an uncomplicated capital structure. Following the recently announced transaction with Savannah Goldfields, Clara now owns 100% of the Ashford Project. Presently, 100% of the forecast hard coking coal production from the Project remains uncommitted. These aspects are expected to be highly attractive to potential strategic investors, offtake partners and conventional equity investors, and provide flexibility in engagement with potential debt providers.
- The Clara Board and management team has extensive experience in the global resources industry. They have held leading roles in the exploration, development and project financing of several large coal projects. Clara personnel have a demonstrated track record of success in identifying, acquiring, defining, developing, funding and operating large scale coal assets.
- Pre-production funding and initial working capital is not expected to be required until close to or post completion of a Definitive Feasibility Study (DFS). Global forecast demand, and market prices for hard coking coal are expected to be robust in the medium and longer term.
- Clara is targeting total pre-production and working capital funding from a suite of options, including:
    - Project debt
    - Offtake prepayment
    - Equipment leasing
    - Build-Own-Operate-Transfer (BOOT) contract
    - Equity and/or royalty funding

  Pre-production funding of approximately Au$100m will be required. The selected funding mix will depend on general market and industry conditions, counterparty appetite and terms, and Clara's prevailing views on optimal funding mix and balance sheet configuration. A general view is that debt financing can form a component of the total pre-production capital requirement.

In summary, assessment of the demand for coal, potential for securing off-take contracts and debt funding, the past success of management in progressing financing of mining projects and the support of key shareholders gives confidence that securing the necessary funding to build the project is probable and realistic.

21 CONCLUSION AND NEXT STEPS

The Scoping Study examines the viability of developing the Ashford Project as a coking coal mine and exporting product through the Port of Newcastle. The study has identified a potentially economic development pathway for the project. The study utilises a range of realistic and currently available data, including coal pricing forecasts and mining, processing and transportation assumptions.

The study includes:

- Qualified but very attractive project financial metrics, noting the limitations of financial modelling typically used in scoping studies.
- A summary of major project risks and opportunities.

The Ashford coking coal project will now transition to the Pre-Feasibility Study (**PFS**) phase. A number of work packages will be undertaken:

Geology	▪ Further exploration program to increase resource confidence of Ashford and Bonshaw seams. ▪ Determine a JORC coal reserve
Geotechnical and mine design	▪ Analyse data from boreholes to improve geotechnical assumptions and design criteria for highwall, low-wall, end-wall and spoil dumps
Mine Plan	▪ Refine mine design and layout ▪ Account for improved coal quality model ▪ Increase schedule granularity to quarterly mining sequence, equipment paths, waste movement, coal uncovered and inclusion of auger mining
Coal quality	▪ From additional borehole data improve veracity of raw coal quality model, emphasising o Raw coal ply working sections o Variation across the site o Yield confidence ▪ Improve product characterisation particularly coking coal properties ▪ Improved definition of the extent of the coking coal resource ▪ Blending and product strategy revenue optimisation modelling
Coal Preparation	▪ From additional borehole data conduct further washability simulations to confirm product yield and quality for chosen plant design configurations at range of mining locations. ▪ Assess potential impacts of the resource strategy and preferred mining sequence on the CHPP infrastructure to identify opportunities for revenue optimisation and deferred capital. ▪ Investigate functionality, availability and pricing of suitable second-hand CHPP infrastructure (complete plant or major equipment items) to reduce Capex and schedule. ▪ Progress trade-off studies to select preferred CHPP option for value, capacity alignment with mine plans, functionality, operational flexibility, and sustainability of product quality over life-of-mine. ▪ Refine cost estimates ▪ Investigate availability & pricing of suitable used equipment ▪ Engage with plant constructors and operators with a view to utilising BOOT model
Mine Infrastructure	▪ Increase level of engineering definition ▪ Reduce cost contingency to range 15% to 20%

	▪ Examine opportunities for capex deferral
Road Transportation	▪ Confirm location of rail hub & trucking route ▪ Engage with landholders ▪ Engage with shire councils on pathway to operate HML A-doubles on preferred route ▪ Refine cost estimates
Train loading facility	▪ Increase level of engineering definition ▪ Confirm opportunity for capex deferral
Rail & Port	▪ Engage with below & above rail operators and port corporations for early-stage contract negotiations ▪ Improve confidence of rail & port cost estimates
Offtake sales agreement	▪ Build on existing relations with coking coal marketers and traders active in diverse geographic markets ▪ Increase profile of project to broad range of global coking coal buyers
Funding options	▪ Increase detail and granularity of financial model ▪ Incorporate funding models, eg debt, equity, off-take finance, BOOT into financial model ▪ Market project to resources finance community

In parallel, work will continue on stakeholder engagement and preparation of the Environmental Impact Statement and Mining Lease Application.

22 APPENDIX A - ENVIRONMENTAL IMPACT STATEMENT (EIS)

The EIS must include conceptual mine plans and must meet the requirements as specified in the SEARs. The environmental setting of the Project is critical context for the EIS.

Environmental Setting
The Project is located 10 km north of the township of Ashford and approximately 56 km north of Inverell on the Northern Tablelands of NSW, in close proximity to the NSW and Queensland border. The Project is located within the Inverell Shire Council which is a part of the North West Tablelands Region.

In the 2016 Census, there were 652 people reported to reside in the township of Ashford (NSW). The population is made up of approximately 17% Aboriginal and/or Torres Strait Islander people. The Project lies within the traditional lands of the Gomeroi People.

Major industries providing employment for the people of Ashford currently include farming, in particular sheep and beef cattle.

The Project is adjacent to the Severn River and its associated alluvial flats and is surrounded by gently undulating topography. Land use in the area is primarily agricultural including livestock grazing and some crop farming on the alluvial flats. The Project area encompasses the old Ashford Mine.

Kwiambal National Park is located approximately 9.5 km west of the Project. The Severn River flows to the east and north of the Project Boundary and joins the Macintyre River within the Kwiambal National Park below the Macintyre Falls. The Kwiambal National Park is renowned for limestone caves, granite outcrops and numerous waterfalls. The Ashford Limestone Caves are located approximately 11km to the west of the Project and are considered a site of Aboriginal cultural heritage significance. The Ashford Limestone Caves are also considered to have some ecological significance as a breeding site for numerous threatened bat species.

Stakeholders
The land on which the Project is proposed is not owned by Clara and comprises both freehold land and Crown Land.

A detailed Stakeholder Engagement Plan (SEP) will need to be developed for the key stages of the Project. Key community, regulatory and industry stakeholders relevant to the Project will be identified and strategies developed to build strong and effective relationships. The SEP will describe the methods and process to identify key stakeholders, set out the engagement objectives, imbed agreed key project messaging, characterise potential issues and develop strategies for consultation to support the EIS process.

Potential constraints that may impact the Project that need to be considered include:

- The land on which the Project is proposed is not owned by Clara and includes both freehold land and Crown Land. A land access strategy is under development and negotiations have commenced for access initially for exploration drilling, environmental monitoring and environmental assessment purposes;
- Residential dwellings are located in the vicinity of the Project and form part of the stakeholder engagement process. This is vital to developing the environmental monitoring network and for modelling the potential impacts of the Project;

- Land access agreements are being made with surrounding landholders to facilitate access for exploration drilling, environmental monitoring and environmental assessment purposes which will assist with gathering data required to prepare the EIS;
- Native title has not been extinguished in the areas of certain Crown Land across the Project Boundary. The Project lies within the Toomelah Local Aboriginal Land Council area and is on the traditional lands of the Gomeroi People. Clara has commenced the Native Title Right to Negotiate (RTN) Process;
- The Project is located within the Inverell LGA and is proposing the realignment of Coalmine Road. This road realignment will directly impact residences. Early consultation with these potentially affected landowners during the planning of the road re-alignment will be required to address any emerging concerns. Consultation has commenced with the Inverell Shire Council to inform them of the Project and to confirm their expectations in relation to the design requirements of the road realignments;
- There are a number of residences located along the proposed truck route to North Star. Early consultation will be required to assess any potential safety impacts and community concerns associated with increased truck movements;
- The positioning of the required rail load out facility and the subsequent impacts/implications of the use of public road infrastructure to access this facility will need to be understood.

Mining Authority

The Project area is contained within EL 6234. During the mine planning phase, all project components which require a Mining Lease will need to remain entirely within the existing EL boundaries. This includes active mining areas, overburden emplacement areas, water and other infrastructure and all other ancillary mining and mine related activities.

Surface Water

The Project is located to the south of the Severn River within the Macintyre catchment of the Murray Darling Basin. The Severn River is identified as a Major River under the *NSW Water Sharing Plan for the Border Rivers Regulated River Water Sources 2021*. The Project is also located within the *NSW Water Sharing Plan for the Border Rivers Unregulated River Water Sources 2012*, Inverell Water Source in the Macintyre River Tributaries Trading Zone. This water sharing plan applies for the surface water catchments which feed the Severn River Regulated River water source.

Surface runoff will drain into an unnamed tributary to the Severn River via three large dams (historical open cut voids). There are an additional two dams within EL6234 which were used for water supply during the original Ashford Coal Operation. The unnamed tributary will likely be classified as a second order stream.

Potential surface water impacts as a result of the Project include:

- Potential for increased turbidity and sedimentation impacting on downstream water quality;
- Potential for the requirement to discharge surplus water and / or to source water from neighbouring water sources;
- Changes to the catchment area, with consequent impacts on catchment yields and drainage downstream of the site;
- Any discharge, with consequent potential impacts on downstream water quality and drainage;

- Any public road relocations which intersect natural drainage lines; and
- Post-mining surface water impacts on catchment yields water quality and drainage.

A Flood Assessment and Surface Water Impact Assessment will be required in the preparation of an EIS. This will include monitoring and review of background water quality, levels and meteorological conditions, an assessment of the predicted impacts from the operations and proposed control measures.

Development of the Surface Water Impact Assessment and water balance model will require inputs from sufficient data to demonstrate the existing conditions and any potential impacts associated with the Project. The water stored in the historical voids will need to be quantified. This will assist in informing the completion of a site water balance and pumping strategy which will need to be developed as part of the EIS to allow these areas to be mined.

Background water quality monitoring of water contained onsite as well as neighbouring surface water systems is also required to inform seasonal variations to water quality and establish an appropriate background to which to assess the impacts of the Project. The surface water monitoring program will include:

- Detailed surveys of the existing water storage dams within the Project Boundary to quantify the capacity of the final void areas and water held;
- Field monitoring to complete an ongoing sampling program including:
  - Sampling and laboratory analysis of the existing dams/water storages onsite and surrounding water drainage systems at locations upstream and downstream of the Project, including pH, Electrical Conductivity, Total Suspended Solids, Dissolved Oxygen;
  - Collection of representative water quality samples for laboratory analysis (6 monthly basis) and field-based water level and quality monitoring.

Groundwater

The Project is located in the *NSW Murray–Darling Basin Fractured Rock Groundwater Sources 2020*, New England Fold Belt MDB Groundwater Source. Potential groundwater impacts include:

- Groundwater drawdown effects, changes to groundwater flow directions and changes to groundwater quality;
- Potential for depressurisation of the Permian aquifer systems resulting in drawdown within the alluvial aquifer;
- Increased groundwater inflows to the mining area;
- Loss of groundwater yield at existing bore locations; and
- Long term changes (post mine closure) to groundwater levels, groundwater quality and flow direction.

Results from geological and resource exploration activities should be utilised to determine seam, overburden/interburden permeabilities and any connectivity to the Severn alluvial. Confirmation of the presence and quality of the Beacon Claystone located to the east of the Project and provides an impermeable layer between the coal seam to be mined and the Severn River alluvium should be further investigated. Exploration and survey data will be needed to assign geographic and geological parameters like seam depths, special geological anomalies, riverbed heights, coal seam geometry, other

smaller drainages and alluvial lands.

A Groundwater Impact Assessment will be included in the EIS. This will include monitoring and review of background groundwater levels and quality, development of a groundwater model and an assessment of the predicted impacts, and proposed control measures. Development of a groundwater model, by a technical specialist, will be an integral component of the EIS program.

The installation of new monitoring bores between the historical open cut mining areas and the Severn River and associated alluvial aquifers will assist in understanding the permeability and potential inflows into the proposed open cut pit. The relationship between the alluvium, the existing dams and the coal seams will be assessed. Depressurization of the coal seams by open cut mining could induce leakage from the alluvium, with resulting impacts on surface systems.

Under 2020 updates to the Water Sharing Plans (WSP), high potential terrestrial Groundwater Dependent Ecosystems (GDEs), as defined in the *GDE Atlas of Australia* (BoM, 2019), are now considered a high priority under the WM Act. Mapping shows the presence of high potential aquatic/terrestrial GDEs. As such in accordance with the *NSW Aquifer Interference Policy* (DPI-Water, 2012) (AIP) the impact of the Project on groundwater sources, including groundwater users and GDEs, will need to be assessed against the minimal impact considerations.

Water Licensing

The Project is located within the Border Rivers catchment, which includes areas in both NSW and QLD. The region includes catchments for a number of rivers including Dumaresq, Severn, Macintyre and Barwon Rivers which drain from the Great Dividing Range. The water sharing plans (WSP) that apply to the surface water and groundwater resources near the Project include:

- NSW Border Rivers Regulated River Water Source 2021;
- NSW Border Rivers Unregulated River Water Sources 2012, Inverell Water Source in the Macintyre River Tributaries Trading Zone; and
- NSW Murray–Darling Basin Fractured Rock Groundwater Sources 2020, New England Fold Belt MDB Groundwater Source.

Under Section 60A of the WM Act, a Water Access License is required to account for any water taken from a water source that is the subject of a WSP. The Groundwater and Surface Water Impact Assessment will identify the WALs required for Clara to account for the predicted water takes for the Project.

Geochemical and Contamination

The Project's coal resources occur in an outcrop of the Permian Ashford Coal Measures situated beneath carboniferous sediments and a granite sill. Spoil will be generated from the removal of overburden waste material to access the target coal seams. This spoil will report to the overburden emplacement areas. Geochemical characterisation will be required to confirm that the majority of this material is benign in nature.

A Geochemistry Assessment will be required to support the EIS. The assessment will require a testing and analysis program to geochemically categorise any existing contamination issues on the site and the future mining waste and coal characteristics. It will require representative samples of the in situ materials to be obtained. Material sampling will focus on representative samples of drill core and drill chip materials.

The geochemical analysis program, by a Geochemical Technical Specialist, will:

- Clarify any existing contamination issues associated with mining waste from historical coal mining and power generation activities;

- Quantify the total sulphur content and sulphate mobility of mining waste and coal materials to evaluate the potential for sulphate drainage issues;
- Quantify the sulphide content and potential neutralising capacity in all material types to verify the potential for the generation of Acid and Metalliferous Drainage; and
- Assess the potential for impacts of the mining waste and coal processing waste materials on water quality over time using a series of analyses on leachates from static and kinetic tests.

Traffic

Product from Ashford will be transported by truck for approximately 120 km west to a rail loading facility between North Star Rail and Croppa Creek. Coal will then be transported by rail via the Inland Rail and the Hunter Valley rail network to the Port of Newcastle for export.

For open cut mining to progress to the west and access the available resource, an existing section of Coalmine Road will need to be realigned, as will the intersection with and the eastern most section of the Goberts Road.

All public roads in the vicinity of the Project are the responsibility of the NSW Department of Transport or Inverell Shire Council.

Potential traffic impacts associated with the Project are likely to include:

- Increased traffic movements on the local road network (employees and deliveries);
- Access for landholders and nuisance associated with the re-alignment of Coalmine Road and Goberts Road;
- Approximately 200 B-Double trucks (i.e. 50 tonne capacity) per week transporting product coal from the Project to North Star; and
- Increase demand on the Inland Rail network.

The EIS will include a Traffic and Transport Impact Assessment. This will include an assessment of the existing transport network, model the predicted increase in traffic for the Project and confirm how the Project's movements will be accommodated, assess impacts and identify mitigation measures.

Air Quality

The Project is located in a rural environment, where the predominant land uses include livestock grazing, cropping in alluvial areas and recreational use of the Severn State Forest and Kwiambal National Park. Initial stakeholder consultation indicates residents in the region are generally supportive of coal mining operations returning to the region and the associated socio-economic benefits.

Potential air quality impacts as a result of the Project include:

- Short-term dust impacts associated with construction activities;
- Dust generation from open cut mining activities;
- Cumulative impacts with agricultural industries during planting, harvest or drought periods; and
- Emissions of odorous gasses from potential spontaneous combustion and blast fume.

An Air Quality & Greenhouse Gas Impact Assessment will be included in the EIS. This will include monitoring

and review of background dust levels and meteorological conditions, an assessment of the predicted dust levels from the operations, likely impacts to private residences and proposed control measures.

Typically, air quality monitoring data is required over the course of at least a year to reliably establish the existing background levels of particulate matter within the air and how these levels are influenced by land uses within a region.

Air quality monitoring units will be installed at a location proximate to the Project and representative of the key residential receivers in the surrounding area.

Greenhouse Gas/Climate Change

Greenhouse gases, in particular fugitive emissions from coal are the subject of increased public scrutiny. Similarly, the growing global concern about climate change and political and social activism against coal mining has changed the environment in which mines operate. The NSW Government's *Net Zero Plan Stage 1: 2020-2030* (DPIE, 2020) was released in March 2020 and sets out several initiatives to cut greenhouse gas emissions by 35% in 2030 compared with 2005 levels.

In parallel, the Federal Government has amended the *National Greenhouse and Energy Reporting Act 2007* (NGER Act) and the *Climate Change Act 2022* to ensure new developments are consistent with Australia's legislated 2030 emissions reduction target under the *Climate Change Act 2022* and its pathway to net zero by 2050.

As part of the EIS, a Greenhouse Gas Assessment will be required, typically included within the Air Quality and Greenhouse Gas Impact Assessment.

Noise and Vibration

The Project is located in a rural and relatively isolated area. As this is a rural area there are no other material sources of background noise such as industrial developments, train lines or major arterial roads. Initial stakeholder consultation indicates residents in the region are generally supportive of coal mining operations returning to the region and the associated socio-economic benefits.

Potential noise impacts associated with the Project are likely to include:

- Noise generation from construction activities (including the realignment of public roads);
- Operational activities such as land clearing, drilling, blasting, loading and movement of haul trucks, overburden emplacement, processing activities and other ancillary mining activities;
- Local traffic noise associated movement of personnel, consumables and waste to and from the Project;
- Traffic noise associated with the transport of coal from the Project to the rail line;
- Assessment of any potential cumulative noise impacts; and
- Blasting vibration and overpressure impacts at near neighbours.

The EIS will include a Noise and Blasting Impact Assessment.

Heritage

Potential impacts to Aboriginal archaeology and cultural heritage and European heritage include the direct removal of sites and items within the proposed disturbance areas and indirect impacts associated with the Project (such as blasting, visual impacts, etc.).

An Aboriginal Archaeological and Cultural Heritage Impact Assessment will be required as part of the EIS. This will require detailed field assessments with relevant stakeholders, review of historical records, assessment of impacts and mitigation strategies. The key component of this work will be a consultation program with registered Aboriginal stakeholders.

Biodiversity

The Project area has been previously cleared for mining and agricultural grazing. The area to the East of EL6234 was also cleared and rehabilitated in association with the original Ashford Colliery. When the mine was rehabilitated the overburden emplacement areas were shaped and the mining voids allowed to fill with water to provide a wetland habitat. Potential ecological impacts associated with the Project will include:

- Clearance of vegetation within the disturbance boundary; and
- The displacement of faunal communities and therefore increased competition for habitat in the surrounding environment.

Detailed ecological assessments will be required to support a Biodiversity Impact Assessment, including baseline Flora and Fauna Assessments. This provides a background to the existing ecological environment and assists identifying the appropriate seasonal field surveys required to address the requirements of the Biodiversity Conservation Act.

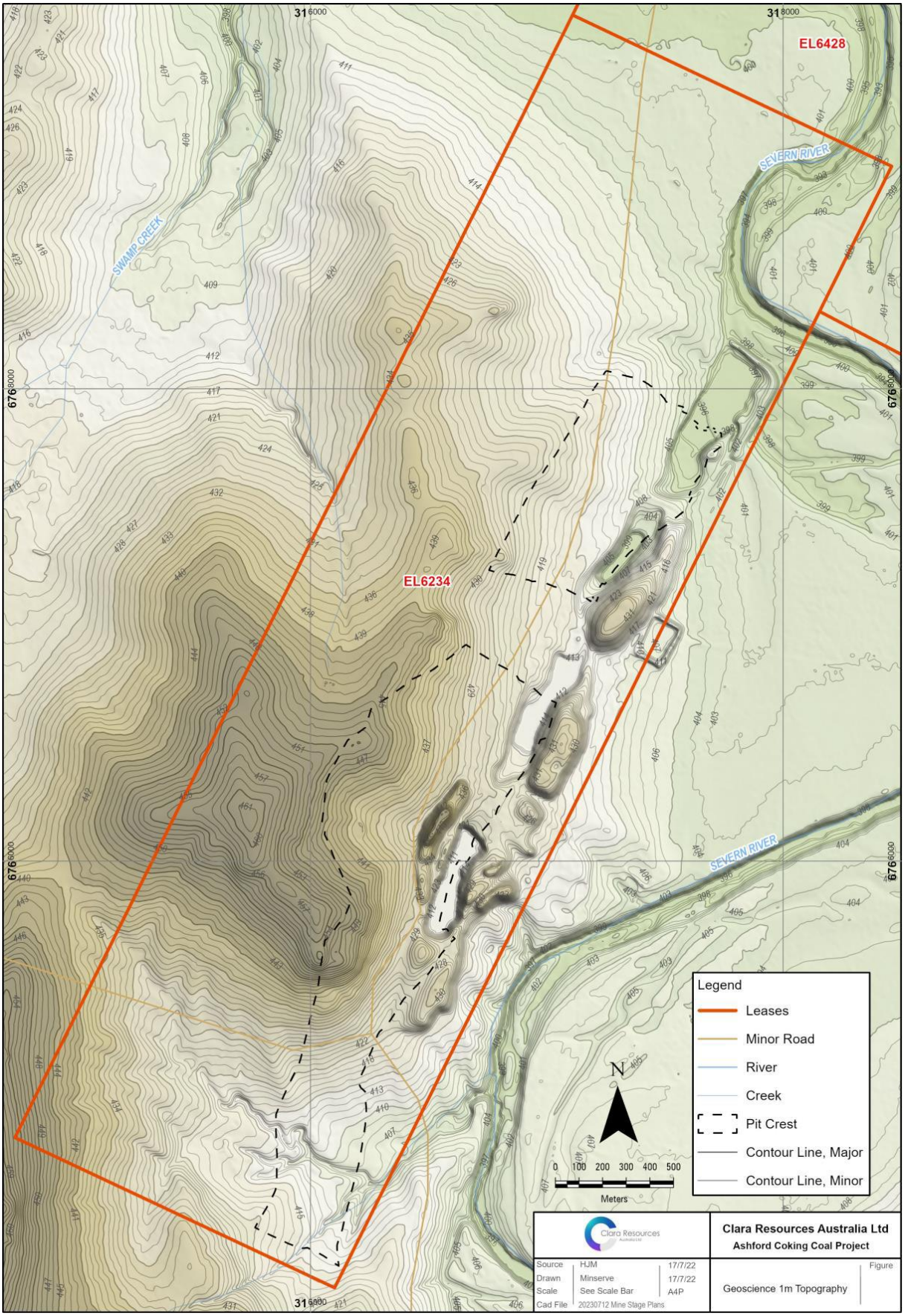
The EP&A Act and the SSD Consent Approvals require offsetting to compensate the Project's ecological impacts. Any offset requirements for the Project will consider the approach to compensation which may include the purchase of credits, payment to a biodiversity fund or the purchase of land to establish the Project's own Biodiversity Stewardship Agreement.

Biophysical Strategic Agricultural Land (BSAL)

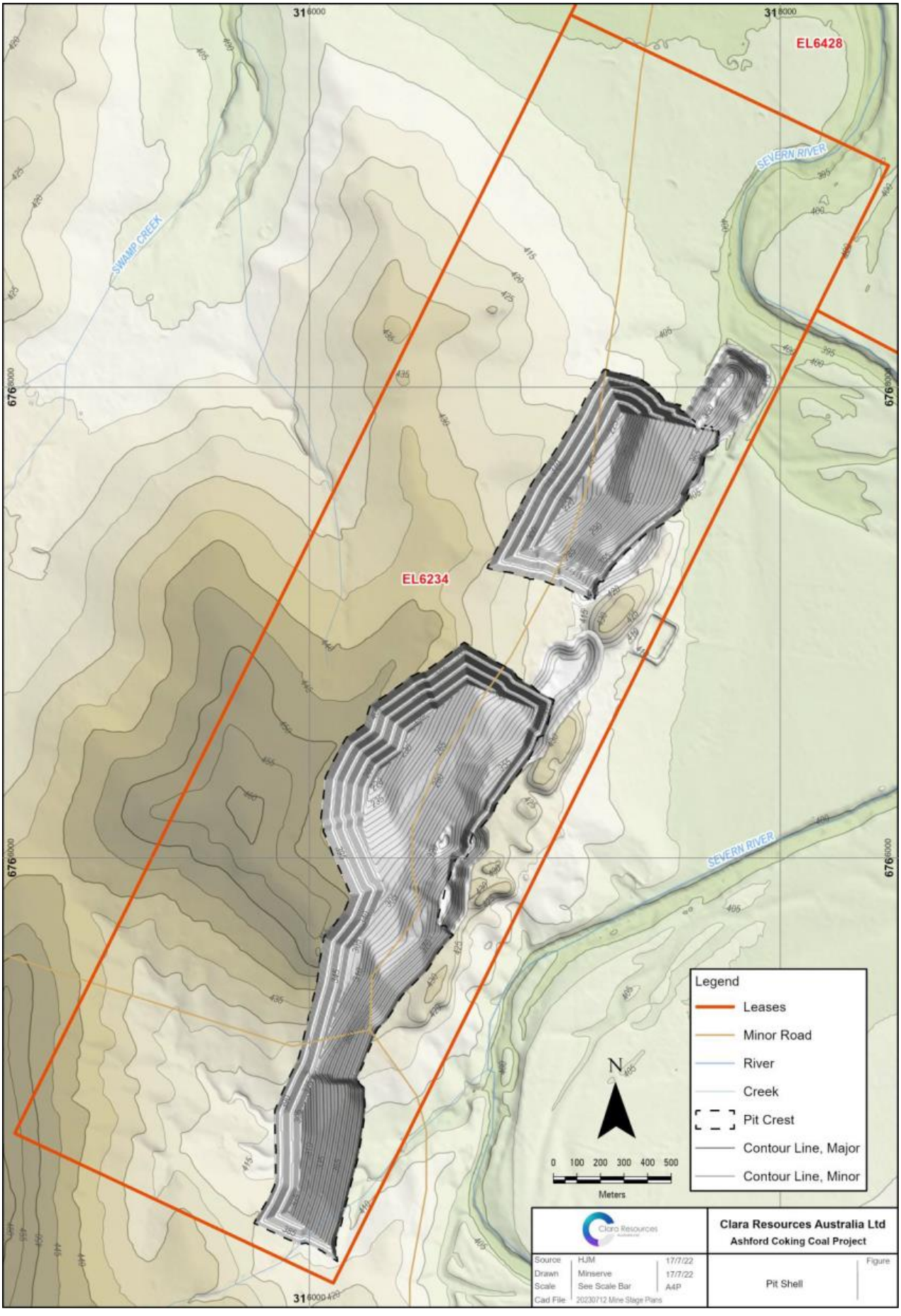
A site verification certificate (SVC) will be required to determine if the land within the Project Boundary is BSAL, or not. Clara has commenced field work within EL 6234 to verify that there is no BSAL present within the proposed mining disturbance area. This work will need to be finalised in support of an application to the NSW Government to obtain a SVC verifying that this is the case.

23 APPENDIX B - MINE DEVELOPMENT PLANS

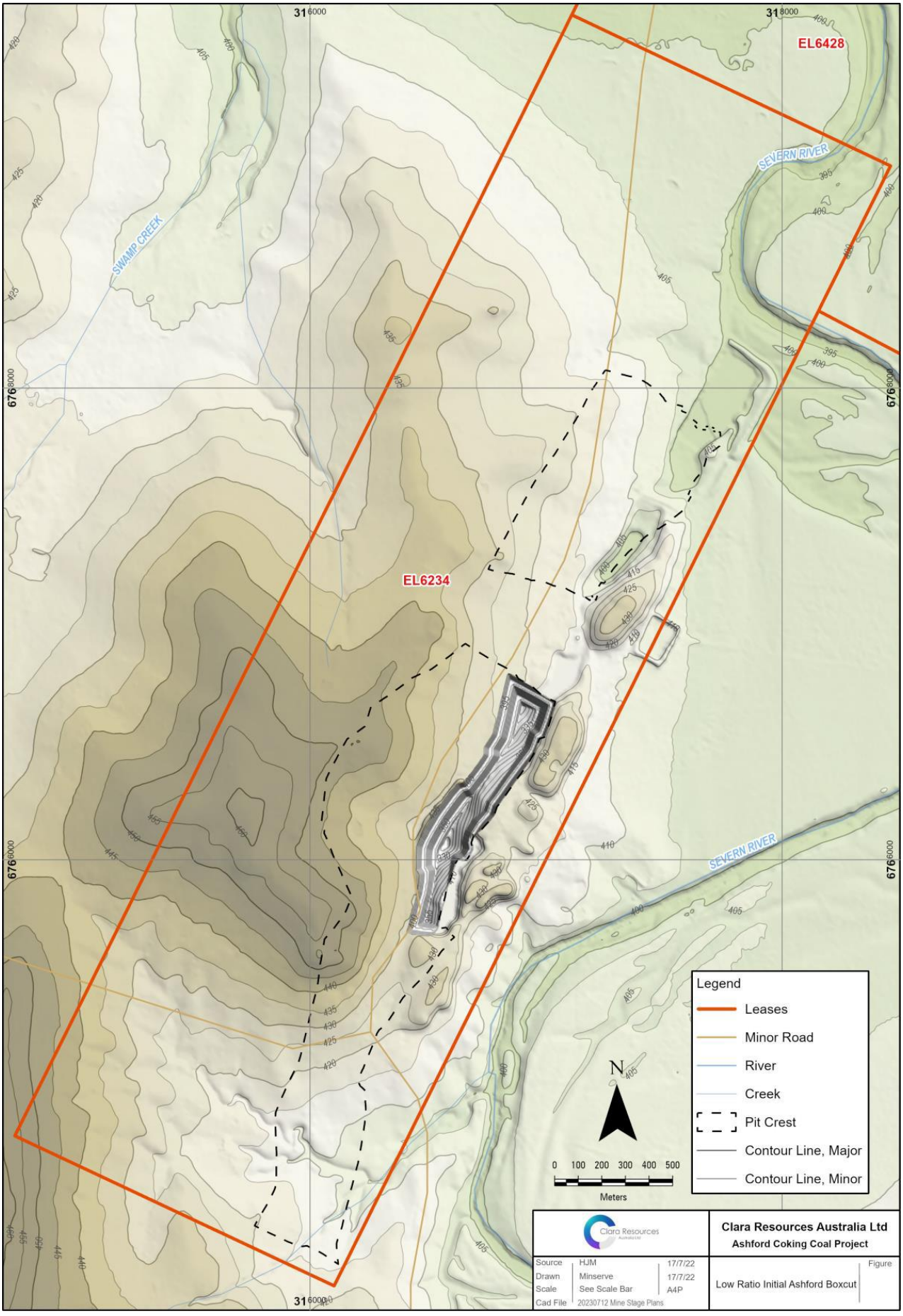
23.1 Pit crest shown within EL6234



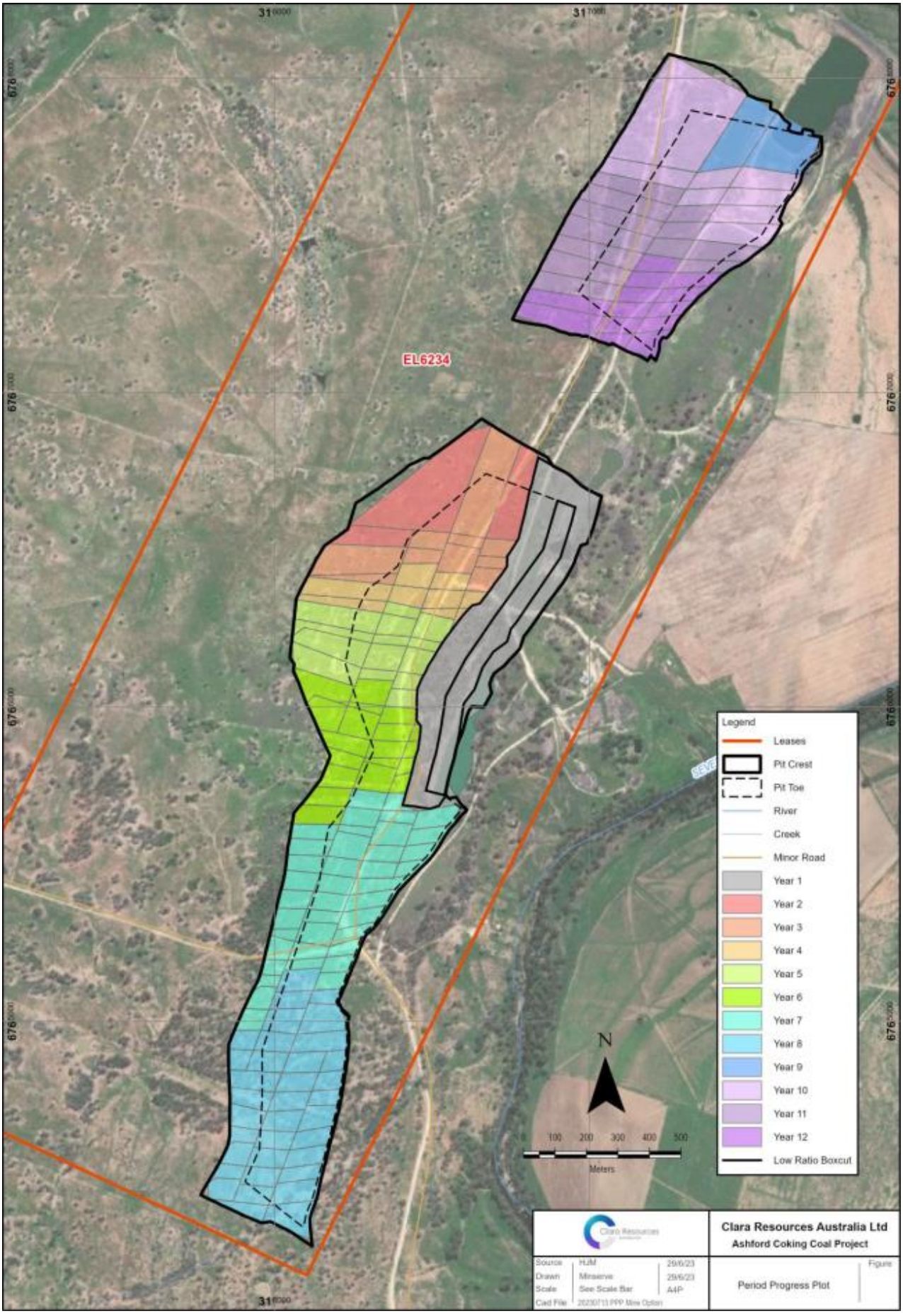
23.2 Pit Shell



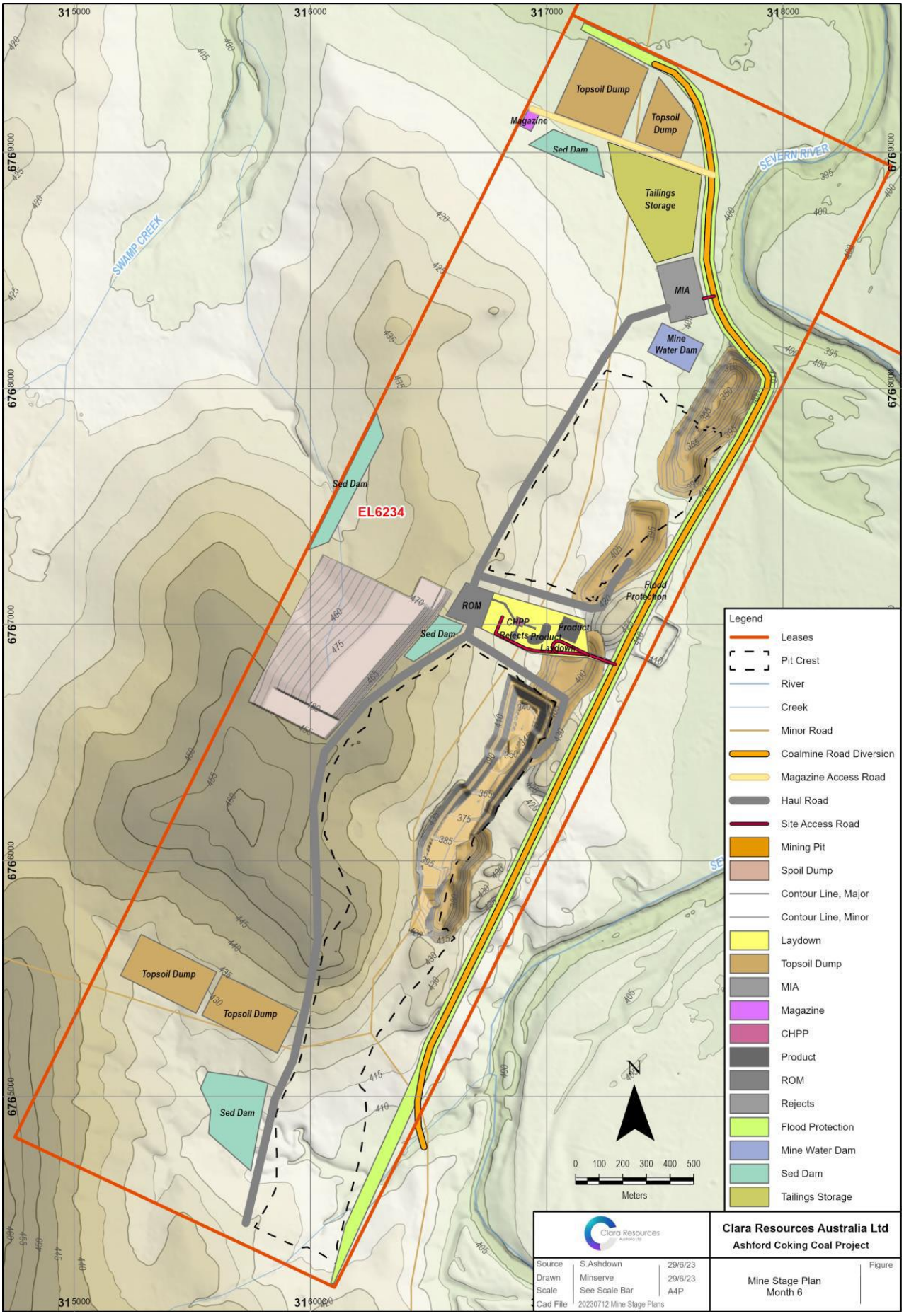
23.3 Low strip ratio initial box cut



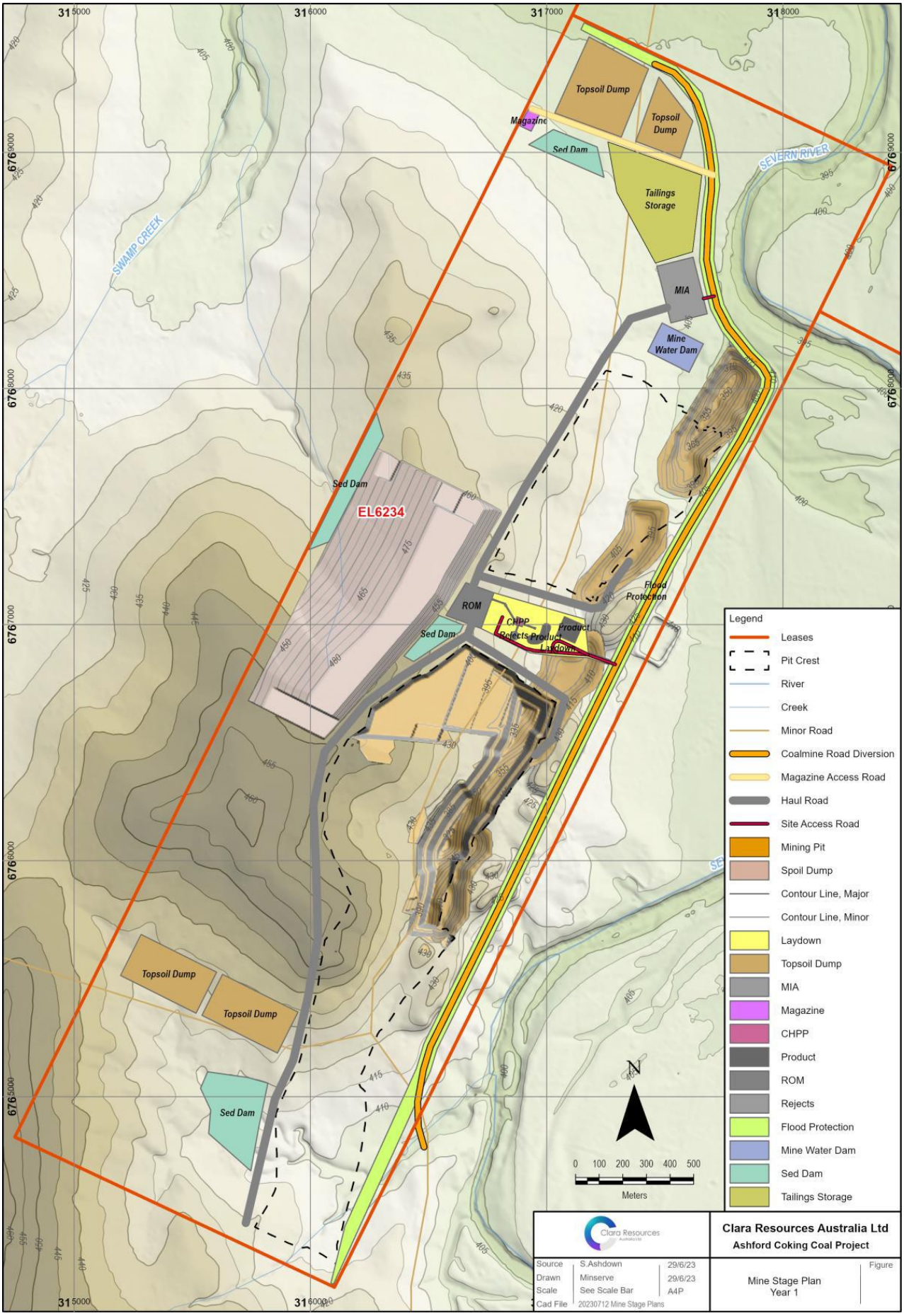
23.4 Period Progress Plot



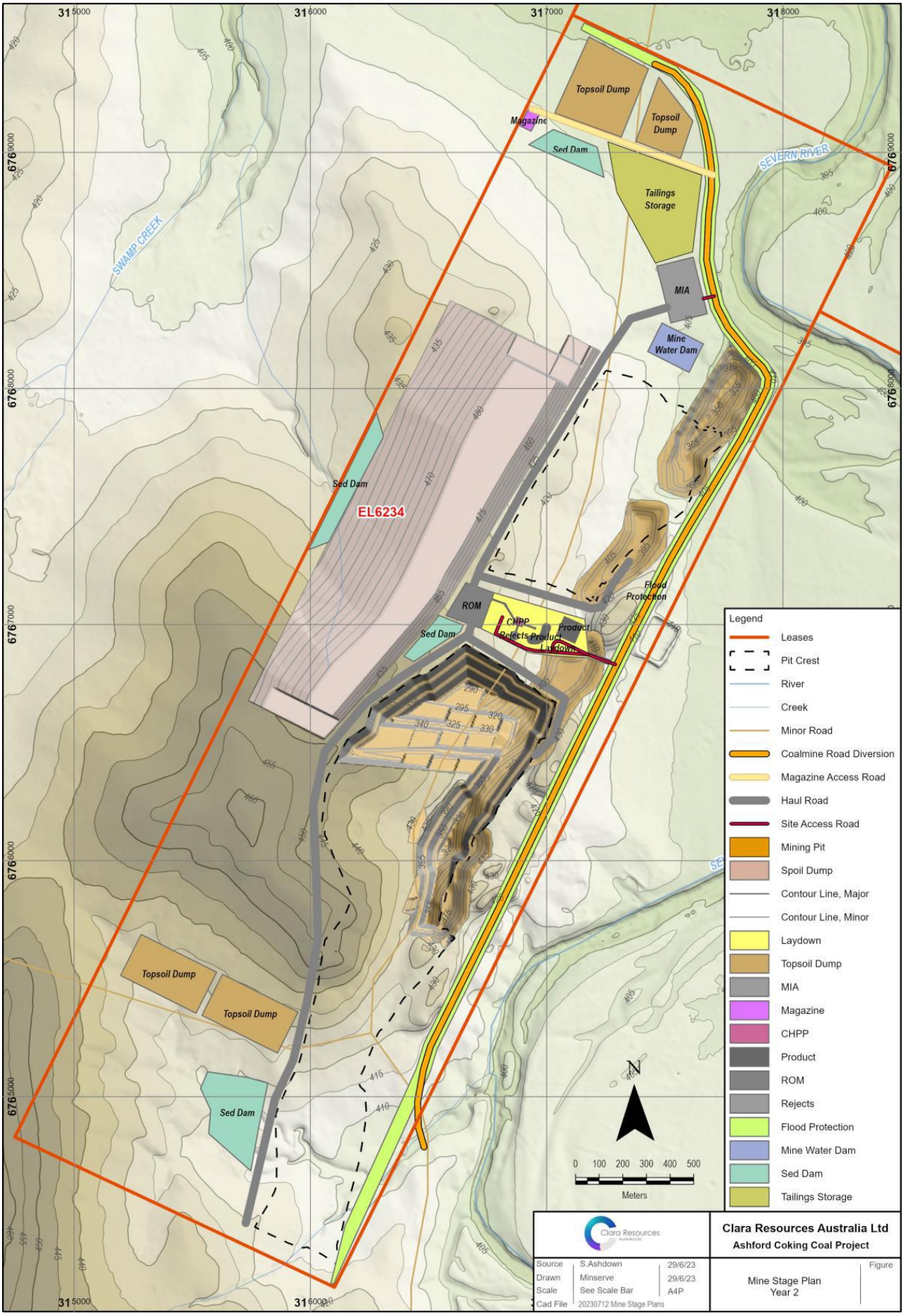
23.5 Mine Plan – End 6 months



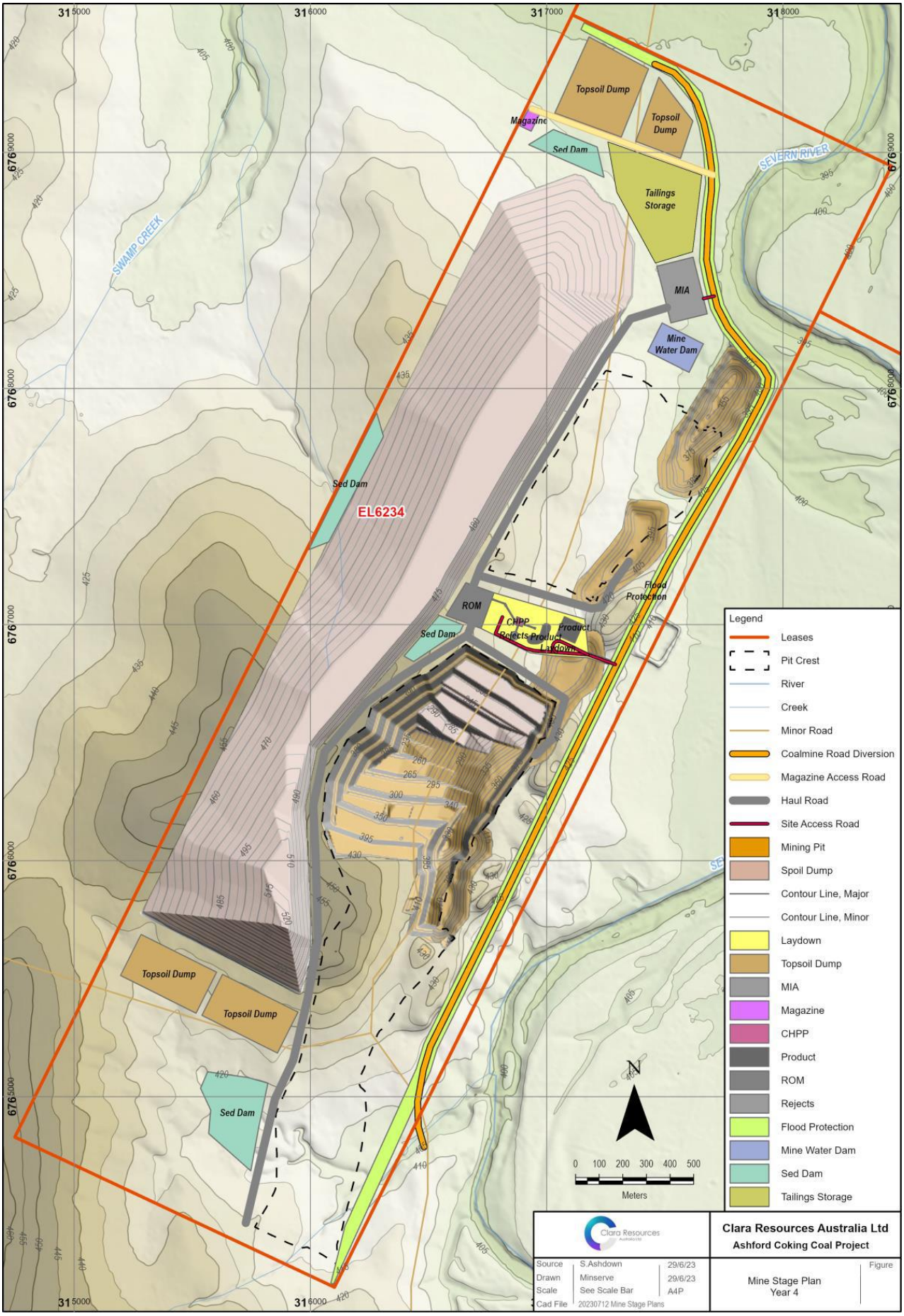
23.6 Mine Plan – End Year 1



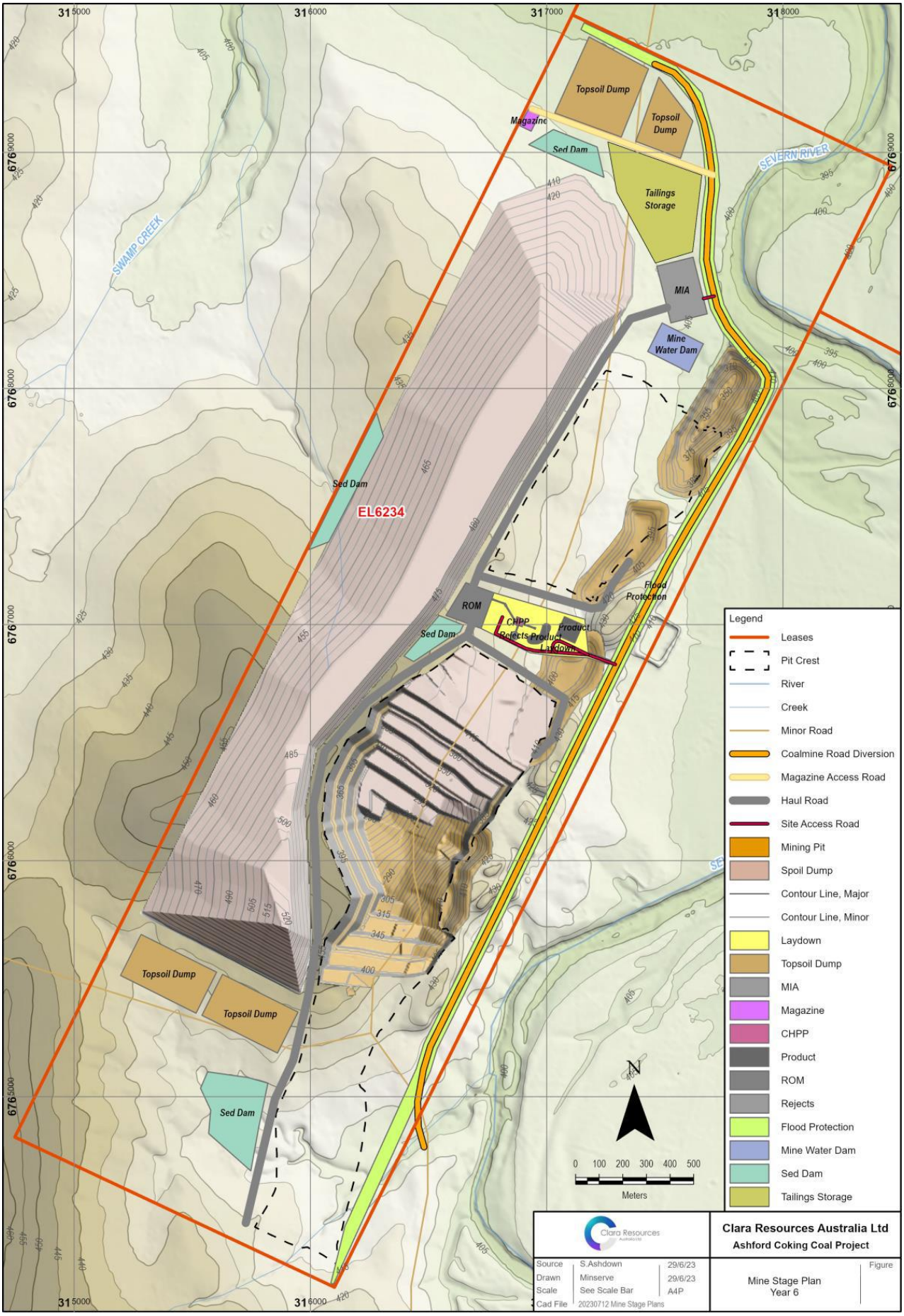
23.7 Mine Plan – End Year 2



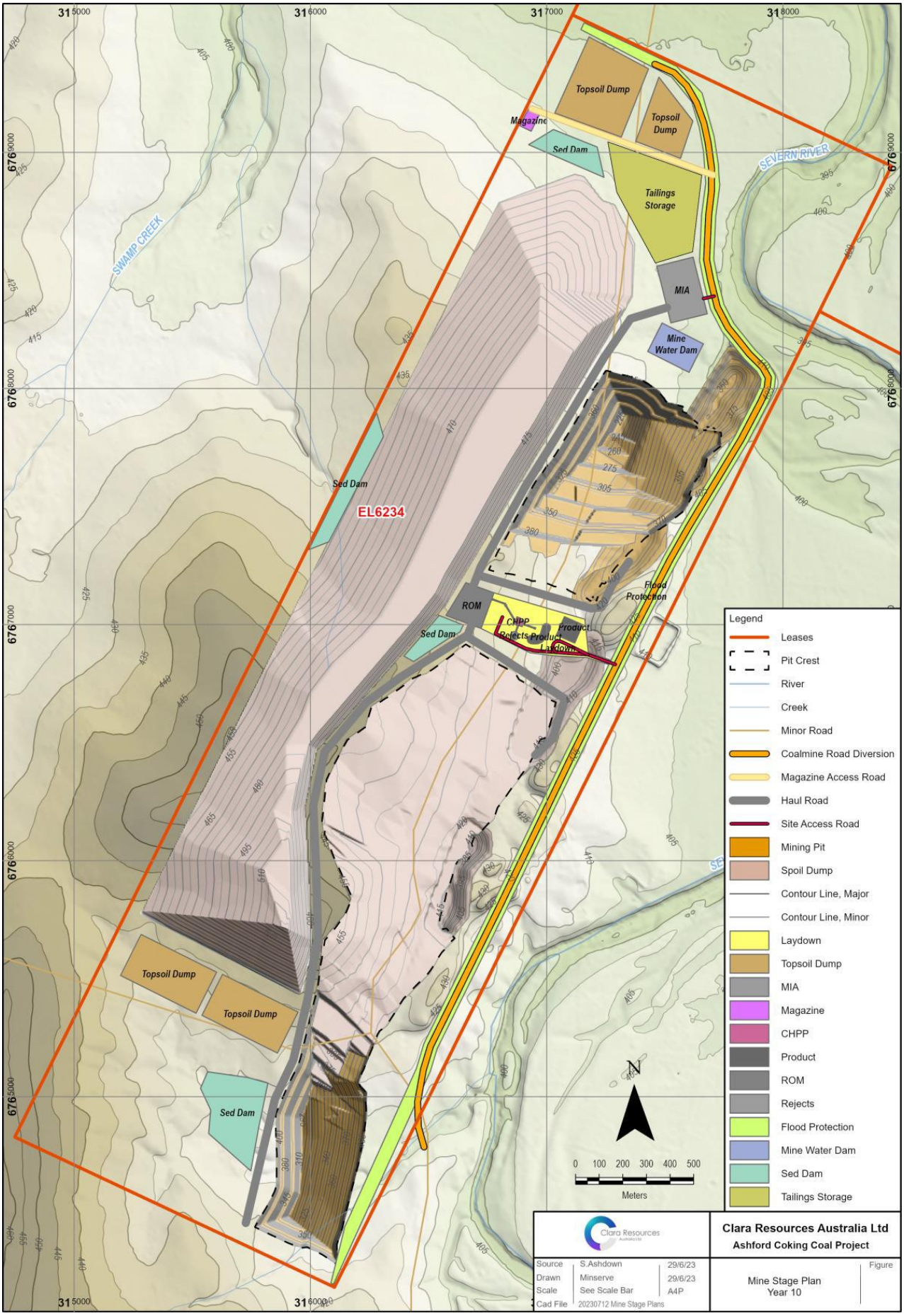
23.8 Mine Plan - End Year 4



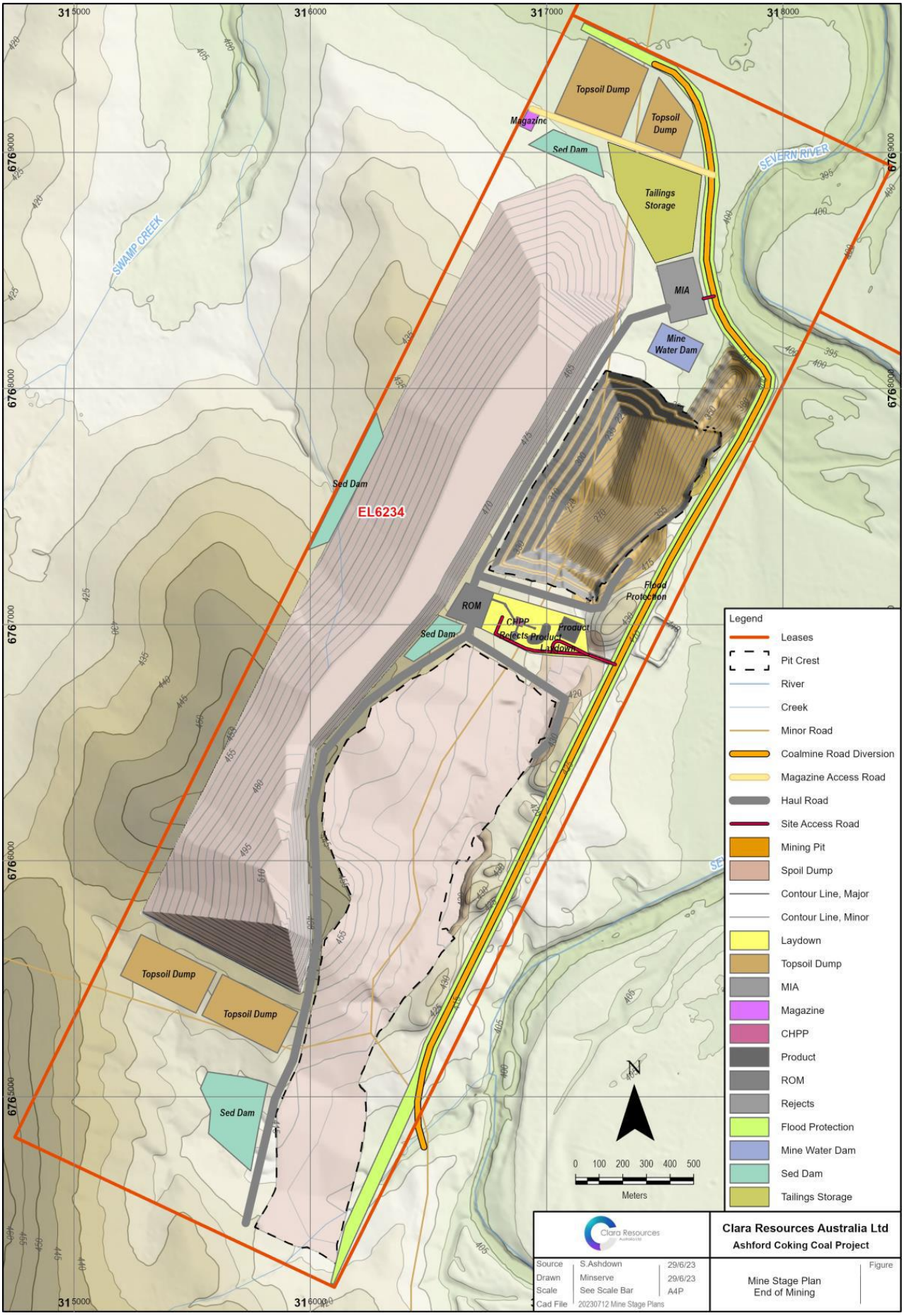
23.9 Mine Plan - End Year 6



23.10 Mine Plan - End Year 10



23.11 Mine Plan - End Mining (Year 12)



24 APPENDIX C - COMPETENT PERSON'S STATEMENT

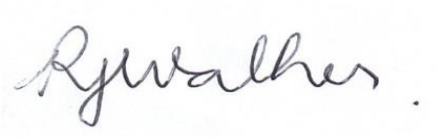
The results of the Scoping Study and Coal Resources that underpin the production target are based on, and fairly represent, information and supporting documentation compiled by Mr Rick Walker, who is a Member of the Australasian Institute of Mining and Metallurgy (# 112568).

Rick Walker is Exploration Manager at Clara. He 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. Mr Walker consents to the inclusion of the Scoping Study results disclosed by the Company in the form in which it appears.

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.

COMPETENT PERSON

Rick Walker
Member AusIMM (# 112568)
Member Australian Institute of Geo-Scientists (#6383)
Exploration Manager
Clara Resources Australia Ltd



Signed – Rick Walker

25 APPENDIX D – REASONABLE BASIS FOR FORWARD LOOKING STATEMENTS

No Ore Reserve has been declared. This scoping study report has been prepared in compliance with the current JORC Code (2012) and the ASX Listing Rules. All material assumptions on which the Scoping Study production target and forecast financial information are based have been included in this report and are disclosed in the table below.

CRITERIA	JORC CODE EXPLANATION	COMMENTARY
Mineral Resource estimate for conversion to Ore Reserves	▪ *Description of the Mineral Resource estimate used as a basis for the conversion to an Ore Reserve.* ▪ *Clear statement as to whether the Mineral Resources are reported additional to, or inclusive of, the Ore Reserves.*	▪ As an early-stage exploration project at Scoping Study level, the resource base is at Indicated to Inferred classification ▪ No Ore Reserve has been declared.
Site visits	▪ *Comment on any site visits undertaken by the Competent Person and the outcome of those visits.* ▪ *If no site visits have been undertaken indicate why this is the case.*	▪ The Competent Person has undertaken multiple site visits to the Ashford project site in 2022 and 2023 ▪ The Competent Person has been involved in many aspects of the project since 2022
Study status	▪ *The type and level of study undertaken to enable Mineral Resources to be converted to Ore Reserves.* ▪ *The Code requires that a study to at least Pre-Feasibility Study level has been undertaken to convert Mineral Resources to Ore Reserves. Such studies will have been carried out and will have determined a mine plan that is technically achievable and economically viable, and that material Modifying Factors have been considered.*	▪ The Ashford project is an early-stage exploration project at Scoping Study level ▪ The project is not at Pre-Feasibility level and an Ore Reserve has not been declared.
Cut-off parameters	▪ *The basis of the cut-off grade(s) or quality parameters applied.*	▪ Cut off grades or limits to particular coal quality attributes have not been applied in the estimation of the production target ▪ The basis for this is that all coal seams included in the production target can be processed and blended into the final product ▪ There are no particular seams identified that have negative coal quality attributes that would justify their exclusion from the production target ▪ Geological modelling provides the basis for the following classification criteria: SEAM / INDICATED / INFERRED Structural Definition / 100 / 200 Quality definition / 200 / 800

Mining factors or assumptions	▪ *The method and assumptions used as reported in the Pre-Feasibility or Feasibility Study to convert the Mineral Resource to an Ore Reserve (i.e. either by application of appropriate factors by optimisation or by preliminary or detailed design).* ▪ *The choice, nature and appropriateness of the selected mining method(s) and other mining parameters including associated design issues such as pre- strip, access, etc.* ▪ *The assumptions made regarding geotechnical parameters (eg pit slopes, stope sizes, etc), grade control and pre-production drilling.* ▪ *The major assumptions made and Mineral Resource model used for pit and stope optimisation (if appropriate).* ▪ *The mining dilution factors used.* ▪ *The mining recovery factors used.* ▪ *Any minimum mining widths used.* ▪ *The manner in which Inferred Mineral Resources are utilised in mining studies and the sensitivity of the outcome to their inclusion.* ▪ *The infrastructure requirements of the selected mining methods.*	▪ ROM and/or Marketable Ore Reserves have not been declared. ▪ The production target in this report was estimated by undertaking a pit optimisation process followed by practical pit adjustments ▪ Open cut mining has been selected as the mining method and will be a mix of strip, terrace and highwall auger mining. This is determined by the depth of cover and geological structure. Too shallow for underground mining, so would not be suitable ▪ An open cut mine operated in this same area for more than 30 years. Existing remnant highwalls appear very stable. Accordingly historical design assumptions have been applied ▪ The highwalls are designed on individual slope angles of 60° with 15m bench width every 50 metres ▪ Low-walls are designed with face angles of 45° with 8m bench width every 36 metres ▪ Open cut working sections were built using a minimum coal thickness of 0.3m and maximum parting thickness of 0.3m ▪ Mining losses of 5cm and out of seam dilution (at 2.20) were added to working section roof and floors ▪ ROM tonnes were estimated using a coal RD of 1.50 ▪ The production target includes 56% Ashford seam Inferred resources ▪ The same Ashford seam was mined for more than 30 years, giving confidence the majority of inferred resource will be converted to measured ▪ Bonshaw seam is not included in resource and mine plan. Contour thickness indicates 1Mt. Targeted for next stage exploration
Metallurgical factors or assumptions	▪ *The metallurgical process proposed and the appropriateness of that process to the style of mineralisation.* ▪ *Whether the metallurgical process is well-tested technology or novel in nature.* ▪ *The nature, amount and representativeness of metallurgical test work undertaken, the nature of the metallurgical domaining applied and the corresponding metallurgical recovery factors applied.* ▪ *Any assumptions or allowances made for deleterious elements.* ▪ *The existence of any bulk sample or pilot scale test work and the degree to which such samples are considered representative of the*	▪ The processing design work was undertaken by A&B Mylec, who have significant experience ▪ The CHPP design basis incorporates dense media cyclones (DMC), reflux classifiers and a flotation circuit, with product & tailings dewatering ▪ This processing design and flowsheet options are common in the coal industry ▪ Float sink testwork is only partially complete and will be required in order to undertake washability simulation work and predict CHPP yields on a seam by seam basis for each mining area ▪ The preference for large diameter coring is favourable for sizing and washability analysis and subsequent processing design work

	orebody as a whole. ▪ *For minerals that are defined by a specification, has the ore reserve estimation been based on the appropriate mineralogy to meet the specifications?*	▪ The processing yields used, 55% to 87%, reflect the simulations for various mining areas ▪ Coke oven testing for CSR predictions were undertaken in 2012, further coke testing to be included in next-stage drilling program
Environmental	▪ *The status of studies of potential environmental impacts of the mining and processing operation. Details of waste rock characterisation and the consideration of potential sites, status of design options considered and, where applicable, the status of approvals for process residue storage and waste dumps should be reported.*	▪ Clara has commenced environmental baseline program to characterize the environmental setting and identify potential sensitive receptors within the Project area ▪ Clara is being advised by James Bailey & Associates, experienced and reputable environmental management advisors ▪ The study area for the baseline program includes all land areas within the proposed mine footprint that are expected to be impacted by mine development and operations ▪ A comprehensive EIS is being prepared to satisfy all components of the regional, NSW State and Commonwealth mining and environmental legislative Acts & statutory instruments
Infrastructure	▪ The existence of appropriate infrastructure: availability of land for plant development, power, water, transportation (particularly for bulk commodities), labour, accommodation; or the ease with which the infrastructure can be provided, or accessed.	▪ The Project is located approximately 120km east of the rail mainline that provides access to coal terminals in Newcastle, a railing distance of 550km ▪ Access to the rail line will be via road trucks traveling on sealed roads ▪ The project site requires development of haul roads, a coal handling and processing plant, and a stockpile for loading trucks to transport product to the rail line ▪ 22Kv HV is in place nearby ▪ Land in the project area is designated as Crown Land and pastoral freehold land ▪ Clara will apply for a water licence to extract water from the nearby Severn River ▪ Labour and accommodation can be accessed from nearby towns including Ashford and Inverell
Costs	▪ *The derivation of, or assumptions made, regarding projected capital costs in the study.* ▪ *The methodology used to estimate operating costs.* ▪ *Allowances made for the content of deleterious elements.* ▪ *The source of exchange rates used in the study.* ▪ *Derivation of transportation charges.* ▪ *The basis for forecasting or source of treatment and refining charges, penalties for failure to meet specification, etc.*	▪ Capital cost estimates were undertaken by specialist engineering advisors Projectick for infrastructure, A&B Mylec for coal handling & treatment and Lycopodium for train loading facilities. ▪ Estimates are Class 5, as defined by Association for Advancement of Cost Engineering. ▪ Operating costs were estimated using a combination of first principles build ups, factored estimates and internal databases generated from other similar operations. ▪ Rail and port loading operating costs are largely based on costs reported by

	▪ *The allowances made for royalties payable, both Government and private.*	other regional operating coal mines ▪ The project is subject to payment of NSW coal royalties, currently set at 10.8% of revenue. Allowable deductions include the research levee and the cost of washing.
Revenue Factors	▪ *The derivation of, or assumptions made regarding revenue factors including head grade, metal or commodity price(s) exchange rates, transportation and treatment charges, penalties, net smelter returns, etc.* ▪ *The derivation of assumptions made of metal or commodity price(s), for the principal metals, minerals and co- products.*	▪ The historical 3-year averaged price of premium low volatile hard coking coal index is used as the long-term real forecast, US$285/t, less $20. ▪ Based on advice from Specialist Market Advisors Commodity Insights a 20% discount to the PLV HCC price is applicable to Ashford coking coal, implying a long-term model price of US$212/t. ▪ A thermal coal forecast pricefor NEWC6000 price of US$170/t is used, less $20, A discount of 15% is applied to Ashford thermal to account for energy adjustment and higher ash content. This implies an Ashford thermal coal price of US$128/t longer-term. ▪ A 0.70 foreign exchange rate forecast for the AU$:US$ is used, derived from economic data published by Australian banks.
Market Assessment	▪ *The demand, supply and stock situation for the particular commodity, consumption trends and factors likely to affect supply and demand into the future.* ▪ *A customer and competitor analysis along with the identification of likely market windows for the product.* ▪ *Price and volume forecasts and the basis for these forecasts.* ▪ *For industrial minerals the customer specification, testing and acceptance requirements prior to a supply contract.*	▪ All economic forecasts predict increased demand for steel. On a commercial scale there is no short or medium-term technical or metallurgical replacement for coking coal (coke) in the production of steel ▪ Ashford's proposed coking coal production is expected to penetrate the export coal market through the projected global increase in demand. Market share will come from increasing demand and replacing depleting resources at other mines ▪ Specifically, there is increasing demand forecast for premium low volatile coking coal ▪ A target market for Ashford coking coal would be Indian steel mills where stamp-charging is used extensively to produce high strength coke from semi-hard coking coals. ▪ At the lower end of its ash range, Ashford coking coal could also be used in these and other mills to ameliorate higher ash content coals in coke blends. ▪ The main target markets are Japan and South Korea, India, China and Europe ▪ The price forecast for premium low volatile hard coking coal is based on the historical 3-year average price, US$285/t ▪ For Ashford thermal coal, it would most likely be sold into China, Malaysia, Vietnam which is the most common destination for

		5500 NAR products. It will also be attractive to generators in Japan, Korea and Taiwan as a component of blended cargoes on account of the relatively high calorific value and low sulphur content.
Economic	▪ *The inputs to the economic analysis to produce the net present value (NPV) in the study, the source and confidence of these economic inputs including estimated inflation, discount rate, etc.* ▪ *NPV ranges and sensitivity to variations in the significant assumptions and inputs.*	▪ The discount rate used is 10% real which reflects the early stage of the project and risk ▪ Cash flow periods expressed annually in calendar years ▪ Depreciation rate of 25% of project capital has been applied. ▪ The intended estimation accuracy of the study is +/-35 to 40 %. ▪ Sensitivity analyses is included to demonstrate effect on NPV with regard to coal price, FX rate, processing yield, discount rate, operating costs and CAPEX.
Social	▪ *The status of agreements with key stakeholders and matters leading to social licence to operate.*	▪ Clara has engaged with all key stakeholders including aboriginal, pastoralists, government, communities and other directly impacted stakeholders. ▪ Commenced early engagement with regulators to ensure alignment on objectives, scopes and terms of reference ▪ Generally strong support for the project in the community
Other, including legal and Government	▪ *To the extent relevant, the impact of the following on the project and/or on the estimation and classification of the Ore Reserves:* ▪ *Any identified material naturally occurring risks.* ▪ *The status of material legal agreements and marketing arrangements.* ▪ *The status of governmental agreements and approvals critical to the viability of the project, such as mineral tenement status, and government and statutory approvals. There must be reasonable grounds to expect that all necessary Government approvals will be received within the timeframes anticipated in the Pre-Feasibility or Feasibility study. Highlight and discuss the materiality of any unresolved matter that is dependent on a third party on which extraction of the reserve is contingent.*	▪ The Project is contained with 2 x exploration leases (EL6234 & EL6428) which are in good order. ▪ Clara intends to apply for a mining lease over an area with EL6234. ▪ Multiple legislative frameworks determine approval for a coal mine in Australia and NSW: ▪ Commonwealth Legislation ▪ State Legislation ▪ Local Government requirements ▪ Mining projects are assessed under the 'Bilateral Process' between the Commonwealth and the NSW Governments, whereby the assessment of the Project is undertaken by the NSW Department of Planning & Environment (DPE). ▪ Only one Environmental Impact Statement (EIS) document is therefore prepared to support both applications. ▪ Approval under the EPBC Act can be granted following the grant of the NSW planning approval. ▪ Clara is progressing the preparation of the EIS.
Classification	▪ *The basis for the classification of the Ore Reserves into varying confidence categories.* ▪ *Whether the result appropriately reflects the Competent Person's*	▪ No Ore Reserve has been declared. ▪ The factors used in determination of final resource classification polygons included: reliability of the data, removal of isolated points of observation, quantity and location

	view of the deposit. ▪ *The proportion of Probable Ore Reserves that have been derived from Measured Mineral Resources (if any).*	of coal quality data points, variability shown in continuity and grade, and likelihood of the coal seams being mined ▪ The Bonshaw seam is not included in the resource calculation
Audits or reviews	▪ *The results of any audits or reviews of Ore Reserve estimates.*	▪ No Ore Reserve has been declared. ▪ An independent review of the geological models and resource estimates was undertaken by JB Mining in Sept 2023 ▪ An independent review of the draft Scoping Study was also undertaken
Discussion of relative accuracy/ confidence	▪ *Where appropriate a statement of the relative accuracy and confidence level in the Ore Reserve estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the reserve within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors which could affect the relative accuracy and confidence of the estimate.* ▪ *The statement should specify whether it relates to global or local estimates, and,* ▪ *if local, state the relevant tonnages, which should be relevant to technical and economic evaluation.* ▪ *Documentation should include assumptions made and the procedures used.* ▪ *Accuracy and confidence discussions should extend to specific discussions of any applied Modifying Factors that may have a material impact on Ore Reserve viability, or for which there are remaining areas of uncertainty at the current study stage.* ▪ *It is recognised that this may not be possible or appropriate in all circumstances. These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.*	▪ No Ore Reserve has been declared. ▪ The production target has been based on geological models and resources that are classified as Indicated and Inferred ▪ In the case of the Bonshaw seam no resource has been declared ▪ In the view of the Competent Person, the Indicated to Inferred resource classification reflects the moderate level of confidence within the deposit, highlighting the project requires further exploration to improve the level of geological confidence and resource classification ▪ The Ashford mine was previously mined for more than 30 years, giving confidence in converting the inferred and indicated resource to measured resource ▪ No geostatistical assessments have been carried out. ▪ As a Scoping Study, the intended estimation accuracy of the study is +/-35 to 40 %. ▪ Key modifying factors that may impact on accuracy and confidence of the resource and study results include the relatively complex geology, lack of reliable geotechnical data, limited amount of coal quality and washability data points, and processing yield assumptions. ▪ Clara plans to conduct further exploration to improve the fulsomeness and accuracy of relevant geological and metallurgical data