

# QUARTERLY ACTIVITIES REPORT

**Period Ending 31/03/2023**

## COMPANY INFORMATION

**Clara Resources Australia Limited (“the Company”, “ANW” or “Clara Resources”, formerly Aus Tin Mining Limited)**

**ASX Code: C7A (formerly ANW)**

**At time of release**

**Shares on Issue**

15.44 Billion

**Market Capitalization**

\$15.44 M (at \$0.001/share)

**Contact Details**

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**Directors**

Brian Moller (Chairman)

Nick Mather

Richard Willson

Brad Gordon

**Chief Executive Officer**

Peter Westerhuis

**Company Secretary**

John Haley

## SUMMARY

### Funding

During the quarter Clara conducted a \$3.5M capital raise by way of a 2-tranche equity placement to institutional, sophisticated and professional investors. The Company announced the successful completion of the first \$700,000 (before costs) raise shortly after the end of the quarter. The funds will be put toward continuation of the Ashford and Kildanga development work programs.

The Company paid \$20,000 in non-executive Director fees in the quarter.

### Granville (100% Clara Resources Australia)

The Company signed a binding term sheet for the sale of the company's wholly owned subsidiary, Ten Star Mining Pty. Ltd ("Ten Star"). Ten Star holds the tenements and other assets, including a rehabilitation bond, relating to the Granville Tin project in Tasmania. The Purchaser is Perth-based (WA) Reforme Group Pty Ltd, an unrelated private company. It is expected that the long-form Agreements for the sale of Ten Star to Reforme Group will be consummated by 12 May 2023 under an executed extension agreement, with settlement shortly there-after.

A previous Agreement to sell Ten Star to Spero Mining Pty Ltd (announced in 2022-Q4) was terminated when Spero was unable to secure the necessary financial and statutory approvals.

### The Ashford Coking Coal Project (40% Clara Resources Australia)

The Ashford Coking Coal Project is the immediate priority of the Company. Work is being directed towards advancing the project to development. Present emphasis is a range of work packs to enable completion of a Scoping Study.

### Kildanga (100% Clara Resources Australia)

The Company continues a geological review of data from previous work on this project. This review will inform additional work programs. The objective is a regional assessment of the prospect with a view to undertaking further exploration enabling the identification of a mineralized resource of sufficient size from which a conceptual economic mine plan can be developed.

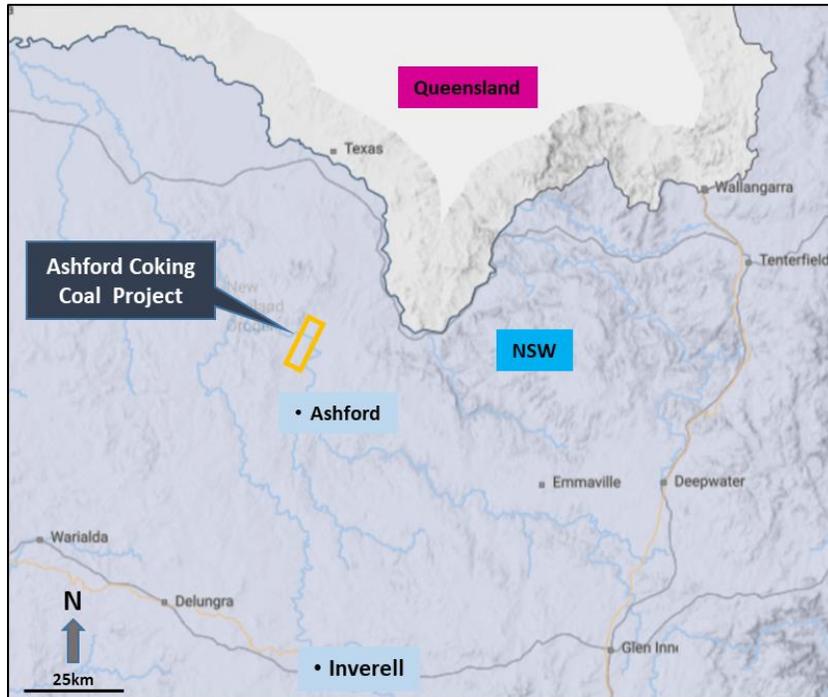
### MacKenzie Coal Project

The Option Agreement enabling Clara Resources Australia to potentially acquire the MacKenzie Coal Project in central Queensland expired in July 2022. The current owner of the project is under Administration and Clara is in discussion with the appointed Receiver about potentially acquiring the asset.

## ASHFORD COKING COAL PROJECT

Clara Resources Australia owns 40% of the Project with an option to acquire the remaining 60%, this described in an agreement made with Laneway Resources Ltd (now Savannah Goldfields Ltd) in 2021.

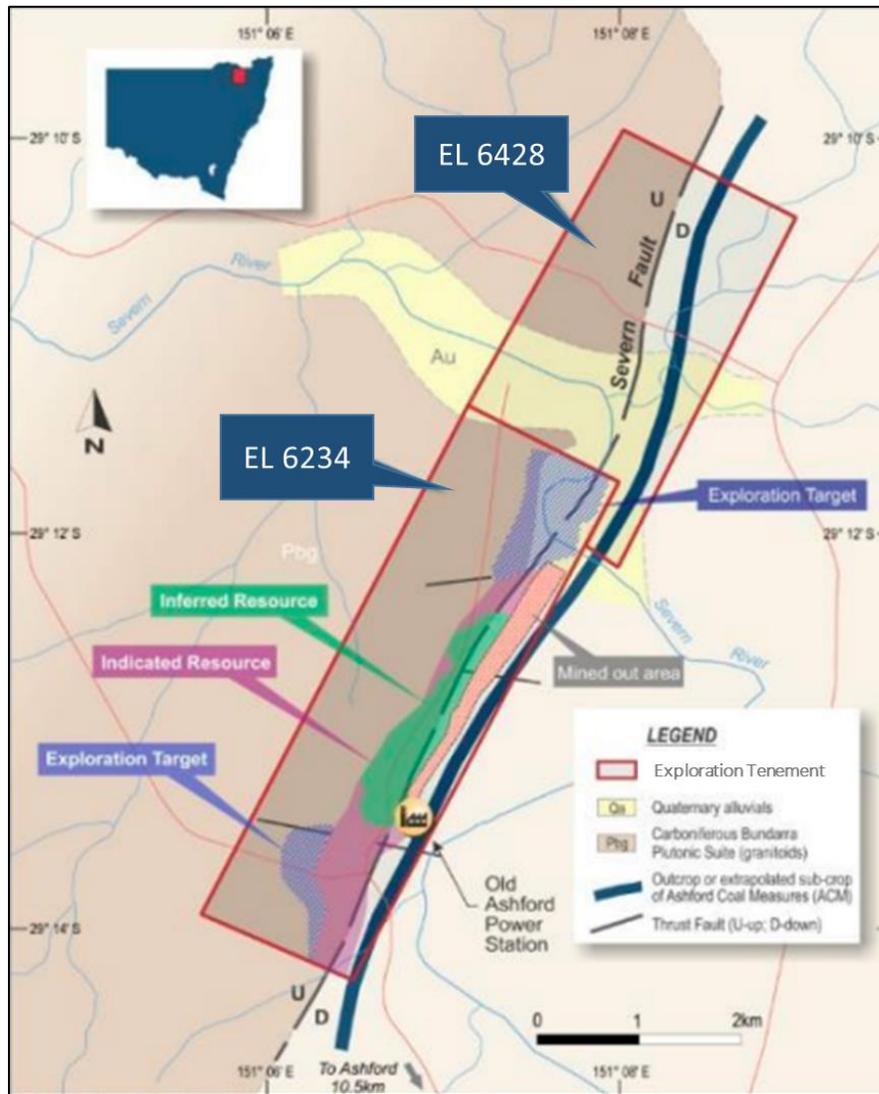
The Project is located within exploration licence tenements EL6234 and EL6428 in the Northern Tablelands of NSW, approximately 10km north of the Ashford township and 65km north of Inverell, a large regional centre.



**Figure 1 Project Location**

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.

The exploration license tenement areas cover approximately 8 square kilometres of the Ashford Coal Measures.



**Figure 2 Regional Tenement Location Plan**

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

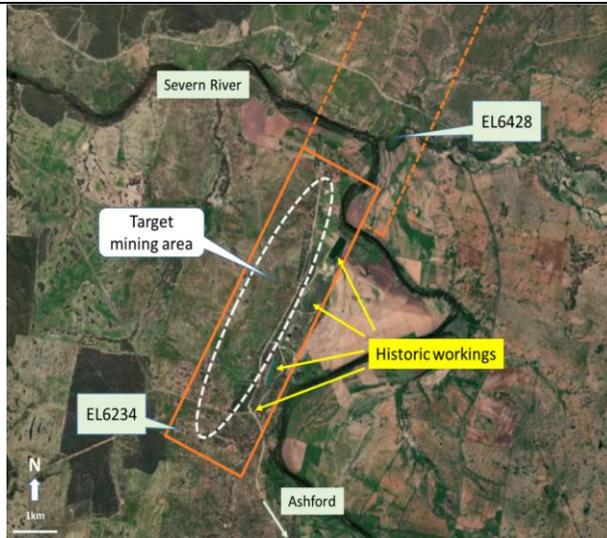
- i. The Australian Rail Track Corporation (ARTC) proceeding with the *Inland Rail Project* connecting Brisbane and Melbourne, providing an efficient rail connection north to Brisbane Port and south to Newcastle Port via the Hunter Valley Coal Rail System. The upgraded rail line will be within 120km of the Ashford Project, a potentially viable trucking distance.
- ii. Recent significant uplift in the global traded coking coal price. Independent forecasts consistently predict a coking coal price range which could make the sale of coking coal from Ashford economically viable.



Figure 3 Inland Rail Project

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.

The majority of historical 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 potentially economically recoverable and marketable resource. EL6234 is therefore the Project target area, and the central point of the scoping study. EL6234 will also define any future mining lease application.



**Figure 4 Target Mining Area on EL6234**

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.

**Ashford Scoping Study**

The immediate emphasis for the Ashford Coking Coal Project is completion of a scoping study. A study was undertaken in 2006 by then owners of the project, Northern Energy Corporation Ltd. Through the passage of time many factors considered in assessing the project have changed, making it necessary to conduct a new study.

The Scoping Study will examine the viability of developing the Project as a coking coal mine and exporting product either through the Port of Brisbane or from 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 will also include:

- A qualified financial analysis and project metrics. The intended accuracy of financial modeling used in scoping studies is typically +/- 35 to 40%.
- A summary of major project risks and opportunities.

Clara Resources Australia has engaged independent experts to conduct the concept level technical and commercial work in the specific segments. These principal work streams have commenced. These specialists will also provide advice and recommendations about the scopes for further feasibility studies.

**Principal study team specialists & scope outlines**

**Environmental: James Bailey & Associates**

- EIS Process
- Project environmental management advisors
- NSW & Commonwealth statutory approvals
- Social impact assessment

**Geology: JB Mining Services**

- JORC resource estimates
- Raw coal quality
- Geological modelling

**Mining: Minserve**

i.	Mine planning
ii.	Progressive disturbance & rehabilitation
iii.	Mining Capex & Opex
iv.	EIS input
Processing: AB Mylec	
v.	Coal handling & process options
vi.	Coal quality
vii.	Capex estimates
Transport: Smith Global	
viii.	Trucking route options
ix.	Train load-out location
x.	Truck configurations & operating costs
Train Load Out Facility: Haald Engineering	
xi.	Loading options
xii.	Concept engineering
xiii.	Capex & Opex estimates
Scoping Study Management: Clara Resources Australia	
xiv.	Project management & strategic direction
xv.	Exploration management and execution
xvi.	Market analysis and product pricing
xvii.	Rail and Port
xviii.	Financial analysis & modeling
xix.	Stakeholder engagement
xx.	Risks & Opportunities
xxi.	Funding options
During the quarter priority was placed on the capital raise, meaning most of the technical and permitting studies were temporarily suspended. With successful completion of the capital raise all work programs are being reenergized.	

Some work packs are clearly more complex than others so these will determine the critical path of the Scoping Study. The intent is to complete the Scoping Study in Q2-2023 however there remains strong industry demand for mining technical services and resources. This may impact timely completion of the Study.

### Ashford Access Agreements

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

The access agreements will also enable the Company to undertake an additional drilling program at Ashford. This drilling program will have several objectives:

- i. Contribute to calculation of a JORC Measured Resource
- ii. Provide information to sharpen the specification range of the Ashford coal seam coking coal properties
- iii. Provide additional information to support coal washability assumptions
- iv. Provide geo-chemical and ground water data for the EIS process

The Company has commenced the consultative process, meeting with all stakeholders individually including with representatives of the Gomerioi indigenous group in Tamworth. The Company needs to make all the agreements before access can be assumed.

## GRANVILLE

The Company signed a binding term sheet for the sale of the company's wholly owned subsidiary, Ten Star Mining Pty. Ltd ("Ten Star"). Ten Star holds the tenements and other assets, including a rehabilitation bond, relating to the Granville Tin project in Tasmania. The Purchaser is Perth-based (WA) Reforme Group Pty Ltd, an unrelated private company.

A previous Agreement to sell Ten Star to Spero Mining Pty Ltd (announced in 2022-Q4) was terminated when Spero was unable to secure the necessary financial and statutory approvals.

It is expected that the long-form Agreements for the sale of Ten Star to Reforme Group will be consummated by 12 May 2023 under an executed extension agreement to that date, with settlement shortly there-after.

The purchase price totaling \$650,001 is payable as follows:

- i. \$250,001 on Date of Settlement, expected in May 2023.
- ii. \$400,000 in deferred Payments as follows:
  - a. \$130,000 to be paid on the date that is one month following Settlement;
  - b. \$130,000 to be paid on the date that is two months following Settlement;
  - c. \$140,000 to be paid on the date that is three months following Settlement.

The deferred payments will be secured over the Granville assets. The sale is subject to obtaining of any required regulatory approvals.

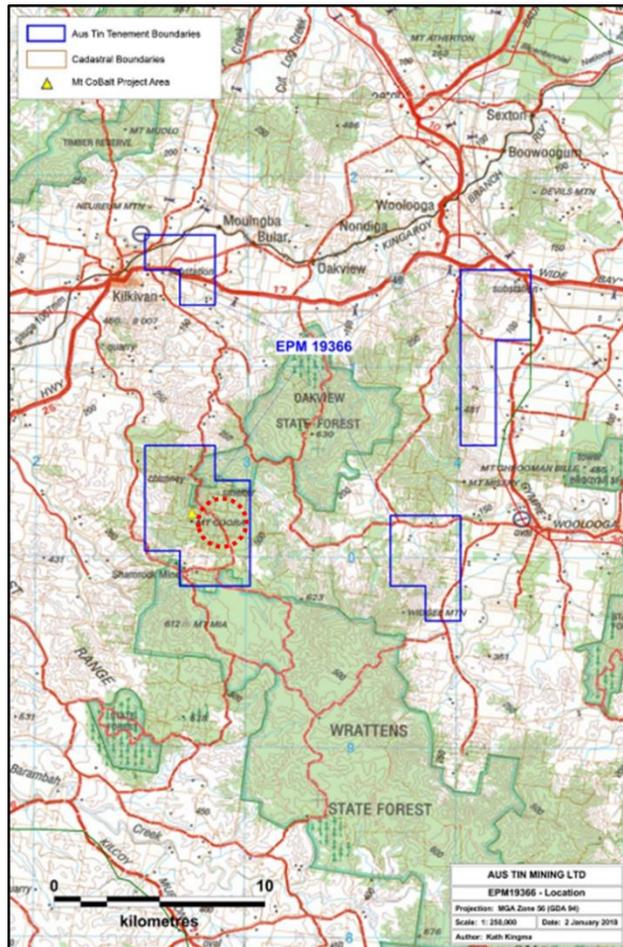
## KILDANGA

The Kildanga prospect consists of 4 distinct areas. More recently the SW section has been targeted in multiple exploration programs, creating an extensive database.

Market updates on exploration programs were released over 2018 & 2019. These showed some encouraging, close to surface intersections of Ni & Co.

The ore is considered suitable for crushing, milling and flotation to produce concentrate.

The Company continues to compile and review all historical geological data, this review extending to all exploration permit areas to create a regional reconciliation. This will be used to determine the work needed, including additional exploration, to identify a mineralized resource of sufficient size from which a conceptual economic mine plan can be developed.



## FUNDING (completed after Quarter end)

During the quarter Clara conducted a \$3.5M capital raise by way of a 2-tranche equity placement to institutional, sophisticated and professional investors. The Company announced the successful completion of the raise shortly after the end of the quarter. Tranche 1 raised \$0.7M and Tranche 2 will raise \$2.8M. In conjunction with the capital raise, the Company also advised of a proposed consolidation of the issued capital of the Company through the conversion of every hundred (100) existing shares into one (1) share. These measures are intended to enhance the liquidity of the Company's shares and enable the Company to accelerate commercialisation of the Ashford Coking Coal Project and development of the Kildanga Nickel and Cobalt prospect.

The Company will soon issue a Notice of Meeting of Shareholders, currently proposed to be held in late May or early June 2023. The meeting will consider resolutions to ratify the issue of the shares and options in respect of the Tranche-1 Placement, the Share Consolidation and the Tranche-2 Placement. Shareholders will also be asked to consider the approval of the issue of securities to brokers and certain directors and employees of Clara.

Foster Stockbroking acted as Lead Manager and Adelaide Equity Partners acted as Corporate Advisor to Clara in respect of the Placement.

*Authorised by the Board of Directors*

**Peter Westerhuis**

**Chief Executive Officer**

Electronic copies and more information are available on the Company website: [www.clararesources.com.au](http://www.clararesources.com.au)

**For further information contact:**

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## APPENDIX

### Appendix 1

#### Details of Exploration Tenements Held by Clara Resources Australia Limited

No tenements were acquired or disposed of during the quarter.

The Company expended \$30,000 on exploration during the quarter. No funds were expended on development or operations.

<b>Mining Leased/Exploration Licences held at 31 March 2023</b>	<b>Location</b>	<b>% Interest</b>	<b>Grant Date</b>	<b>Expiry Date</b>
2M/2018	TAS (Zeehan)	100%	20.06.22	05.03.27
32M/1988	TAS (Zeehan)	100%	01.11.88	01.11.24
EL/2019	TAS (Zeehan)	100%	29.08.19	11.06.26
EPM 19366	QLD (Kilkivan)	100%	08.07.22	09.08.25
EL 6234	NSW (Ashford)	40%	19.04.04	19.04.26
EL 6428	NSW (Ashford)	40%		07.06.25