

ASX Release 30/6/2023

Resource extension drilling program at Ashford Coking Coal Project

Highlights

- Broad drilling program to take place aimed at improving resource size and confidence level;
- Additional drilling within current resource (EL6234) will aim to define a JORC Measured Resource over area slated to be first mining location;
- Drilling over same area will also provide critical additional information around coking coal quality specifications and assist in outcomes for Coal Washing Options study;
- Resource extension drilling over adjacent EL6428 will aim to define a JORC Inferred and Indicated Resource;
- Land access negotiations with landholders and First Nations are well advanced with drilling to commence on finalisation of agreements.

Clara Resources Australia Limited (ASX: C7A, “Clara” or “the Company”) is pleased to advise a drill program has been designed aimed at increasing the scale of the Ashford coking coal project and provide additional coal quality specification information.

The Ashford coking coal project comprises two (2) coal exploration leases, EL6234 and EL6428.

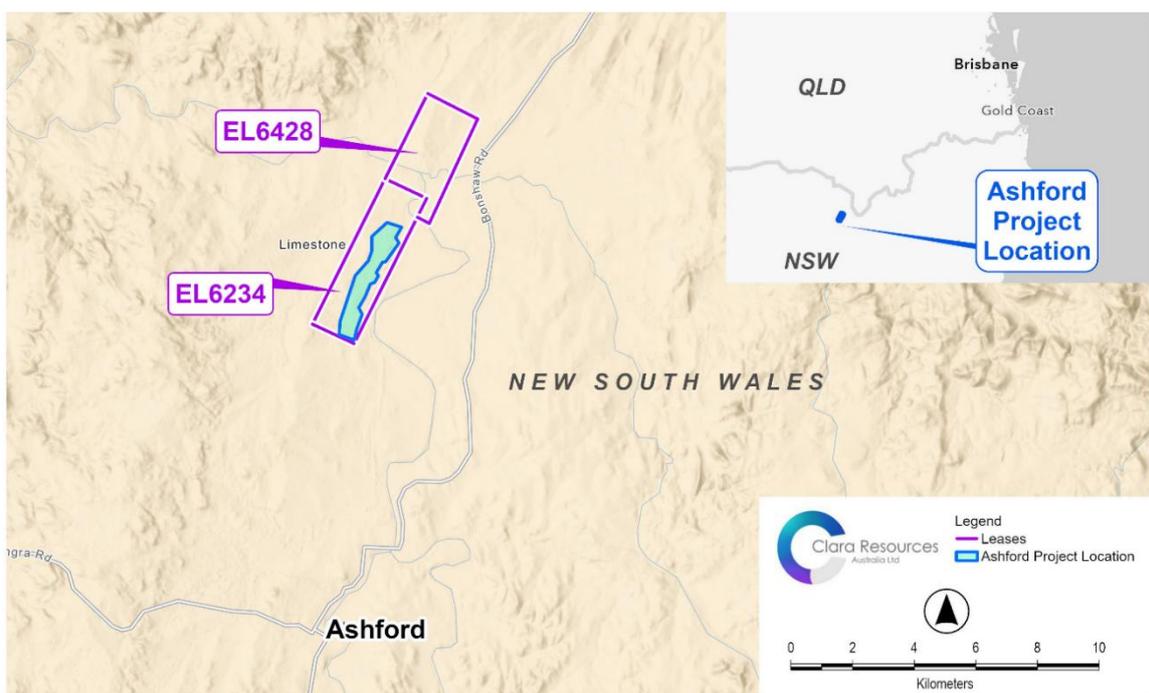


Figure 1: Regional Tenement Location Plan

All previous mining and the majority of historical exploration has occurred on EL6234. It contains all the JORC inferred & indicated resource, representing the existence of a potentially economically recoverable and marketable resource. EL6234 will define the initial mining lease application area.

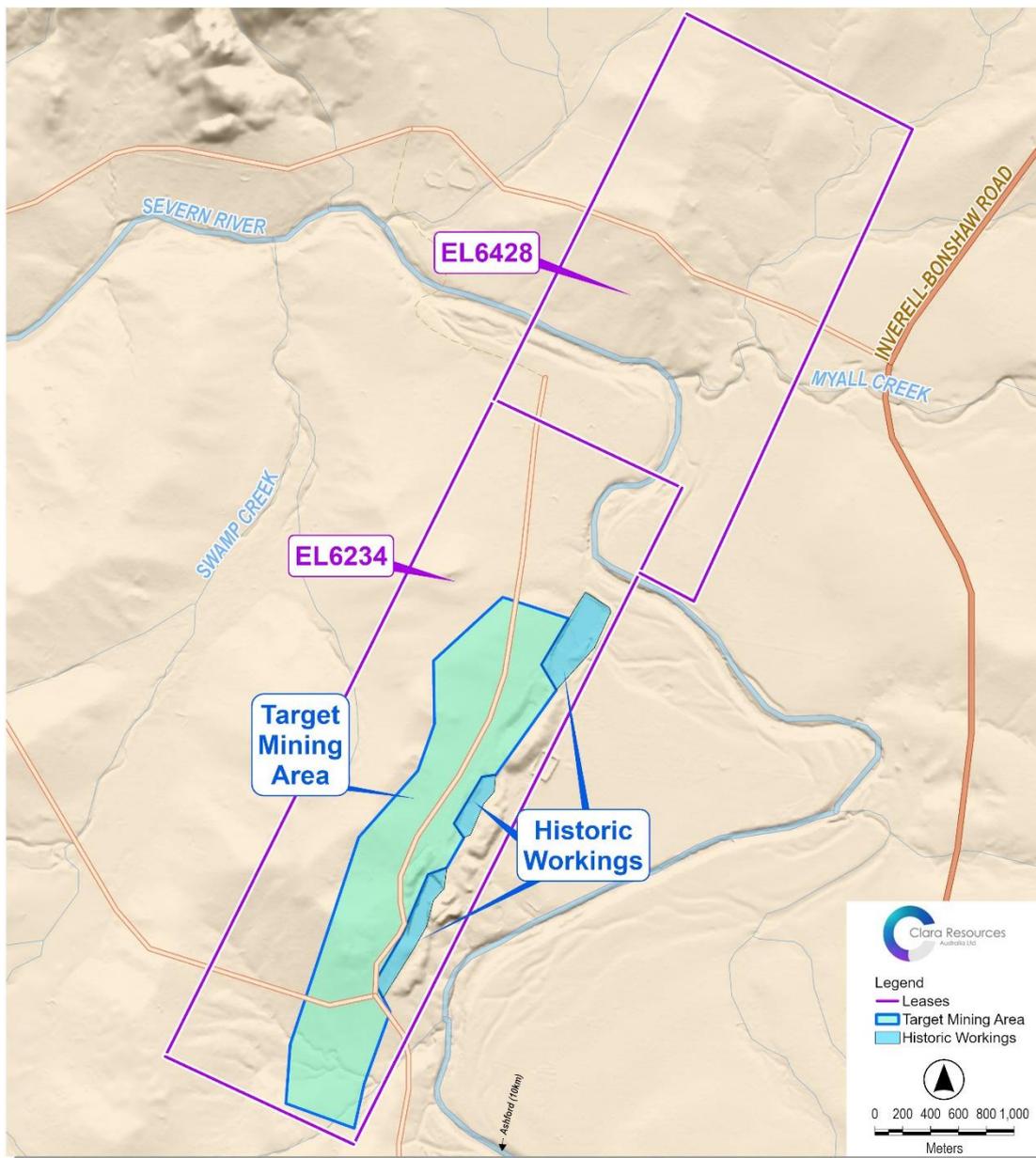


Figure 2: Target mining area on EL6234

The 8-hole planned exploration program will generate increased geological confidence to define a JORC compliant measured resource on EL6234 and an inferred and indicated resource on EL6428, collectively potentially increasing the scale of the Ashford coking coal project.

With respect to coal quality specifications the program will provide critical information:

- Coke oven testing, including coke strength after reaction (CSR) and coke reactivity index (CRI)
- Proximate analysis for moisture, fixed carbon and volatile matter
- Total Sulfur, crucible swell number (CSN) and fluidity
- Ash analysis
- Petrographics (RvMax and macerals)

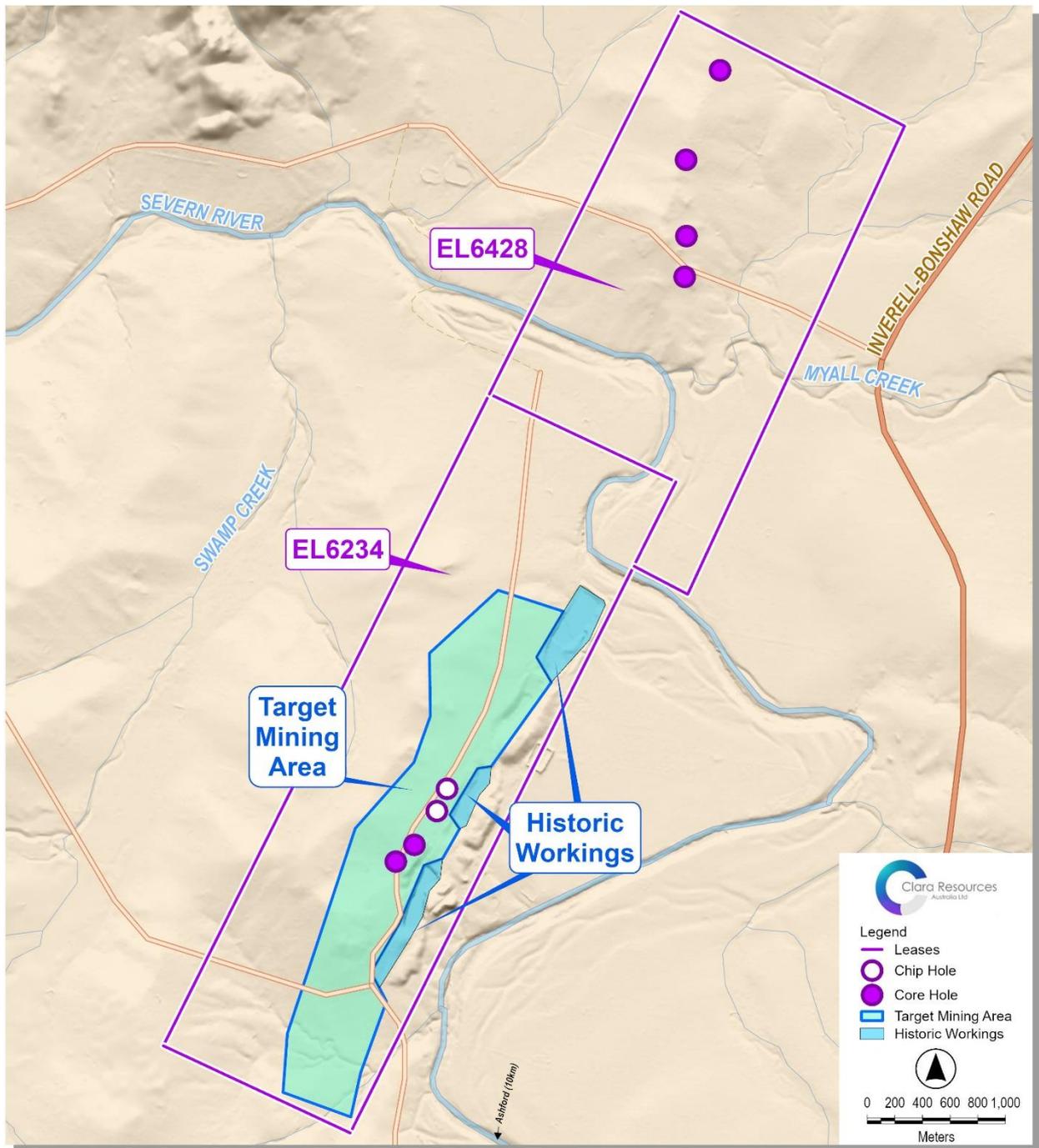


Figure 3: Location of exploration holes

The coking coal specification information will be used to validate and expand the coking coal washability modeling previously undertaken by A&B Mylec (*refer to ASX Release dated 8 June 2023*). Further updates to the coal treatment options study, and particularly the process plant design options, will be provided when this information is tested by A&B Mylec.

Clara is finalising exploration access agreement negotiations with landholders and the Gomeroi First Nations. These discussions are well-advanced, and most agreements have been signed. Clara has obtained competitively priced offers from regionally based drilling contractors to undertake the work. The preferred contractor will be selected and mobilised to site following consummation of all access agreements with work expected to commence in Quarter 3, 2023.

Clara Resources CEO, Peter Westerhuis, said:

“Potentially upscaling the size of the resource and increasing the amount of coal quality information is a considerable step forward in the development of the Ashford coking coal project. These will be significant factors in demonstrating what we believe can be some very attractive project fundamentals. Clearly resource size and quality will be prominent factors in the Scoping Study, which we continue to progress.”

This announcement has been authorised for release by the Board of Clara Resources Limited.

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