



# Quarterly Activities Report

PERIOD ENDED 30 SEPTEMBER 2022



## COMPANY INFORMATION

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

**ASX Code: ANW (will change to C7A)**

### **At time of release**

#### **Shares on Issue**

14.27 Billion

#### **Market Capitalization**

\$14.27 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

### Shares on Issue

At the EGM on 29 September 2022 shareholders approved the issue of the following shares:

- 200,000,000 Shares at the issue price of \$0.001 to DGR Global Ltd
- 50,000,000 Shares at an issue price of \$0.001 to Laneway Resources Ltd
- 200,000,000 Shares at an issue price of nil to Laneway Resources Ltd

Collectively the share issues raised \$250,000 and these funds were received after the end of the 30 September 2022 quarter.

### Name Change

At the EGM on 29 September 2022 shareholders approved the name change to Clara Resources Australia Limited. This reflects the repositioned strategic direction, particularly the tin divestments and priority on the coking coal and Ni/Co resources. The ASX ticker (ANW), will change to C7A, this transition not yet complete at time of writing.

### Granville (100% Clara Resources Australia)

During the quarter the company executed 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 Zeehan-based (Tas) Spero Mining Pty Ltd, an unrelated private company which holds nearby mining tenements.

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

The Ashford Coking Coal Project is the immediate priority of the Company. During the remainder of 2022 and subsequently, work will be directed towards advancing the project to development. Present emphasis is completion of a Scoping Study.

During the quarter the Company's application to renew the Exploration Licence for EL6428, for a further 3 years, was approved by the NSW Department of Mining, Exploration and Geoscience.

### 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.

During the quarter the Company's application to renew the Exploration Permit for EPM19366, for a further 3 years, was approved by the Queensland Department of Resources.

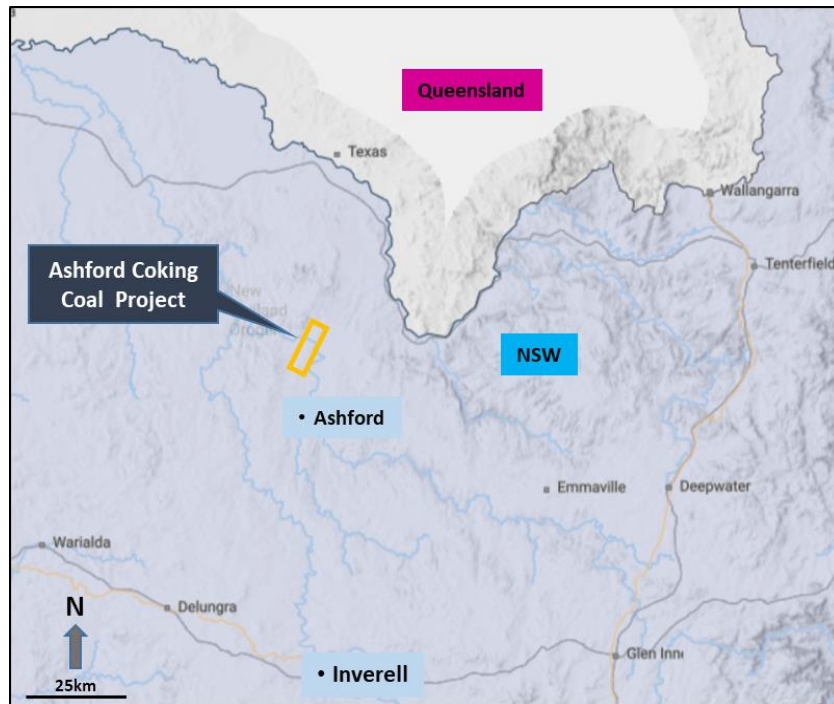
### MacKenzie Coal Project

During the quarter the Option Agreement enabling Clara Resources Australia to potentially acquire the MacKenzie Coal Project in central Queensland expired. The Company remains in negotiating for a further possible extension of the Option.

## 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 in 2021.

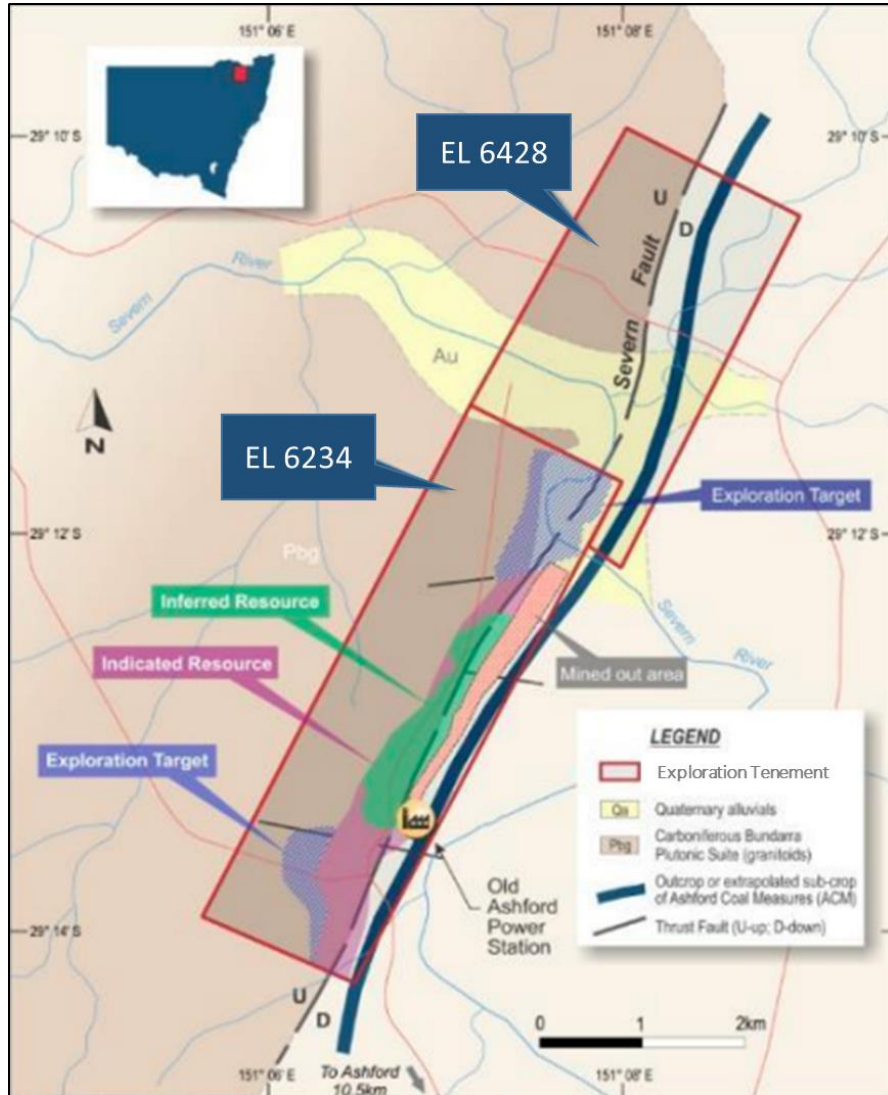
The Project is located within exploration licence tenements EL6234 and EL6428 in the Northern Tablelands of NSW, approximately 10km north of the Ashford township and 65km north of Inverell, a large regional centre.



**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

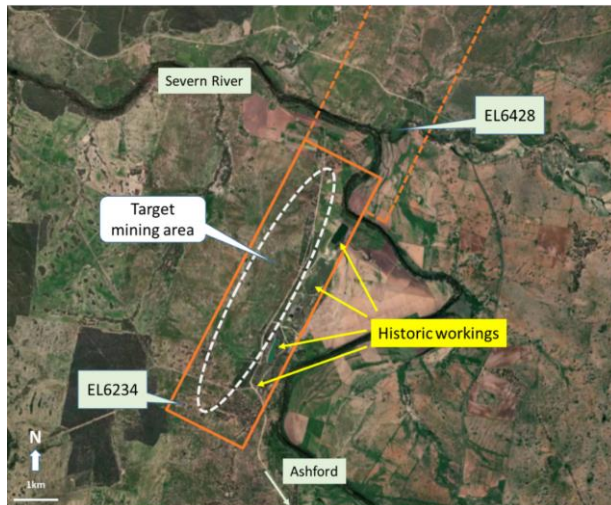
sale of coking coal from Ashford economically viable.



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. During the quarter the Company's application to renew the Exploration Licence for EL6428, for a further 3 years, was approved by the NSW Department of Mining, Exploration and Geoscience.

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 and underpin 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

- Mine planning
- Progressive disturbance & rehabilitation
- Mining Capex & Opex
- EIS input

#### Processing: AB Mylec

- Coal handling & process options
- Coal quality
- Capex estimates

#### Transport: Smith Global

- Trucking route options
- Train load out location
- Truck configurations & operating costs

#### Train Load Out Facility: Haald Engineering

- Loading options
- Concept engineering
- Capex & Opex estimates

#### Scoping Study Management: Clara Resources Australia

- Project management & strategic direction
- Exploration management and execution
- Market analysis and product pricing
- Rail and Port
- Financial analysis & modeling
- Stakeholder engagement
- Risks & Opportunities
- Funding options

Work has commenced on all work streams. Some segments are clearly more complex than others so these will determine the critical path of the study. There is presently strong industry demand for mining technical services and resources so it is anticipated the Scoping Study will be complete in Q1-2023.



## 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 agreements with affected stakeholders, including pastoralists and representatives of the Gomeri indigenous group. The Company has commenced the consultative process to make these access agreements, so the field work for these studies can commence.

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 will provide periodic updates on access agreement negotiations and the site access arrangements.

## GRANVILLE

During the quarter the company executed 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 Zeehan-based (Tas) Spero Mining Pty Ltd, an unrelated private company which holds nearby mining tenements.

It is anticipated full transaction documents will be completed with an execution date on or before 15 November 2022 and a settlement date of 21 December 2022.

The purchase price totalling \$650,000 is payable as follows:

- i. \$25,000 as a non-refundable deposit, which was paid upon signing of the Term Sheet.
- ii. \$375,000 on 21/11/22, this being 1 month before the Date of Settlement. This will be held in escrow until Date of Settlement.
- iii. \$250,000 in deferred payments, to be paid post-completion, as follows:
  - a. \$50,000 by 31/5/23
  - b. \$100,000 by 30/6/23

c. \$100,000 by 31/7/23.

The deferred payments will be secured over the Granville assets and certain assets of the purchaser. The sale is subject to obtainment of any regulatory approval which may be required.

## KILDANGA

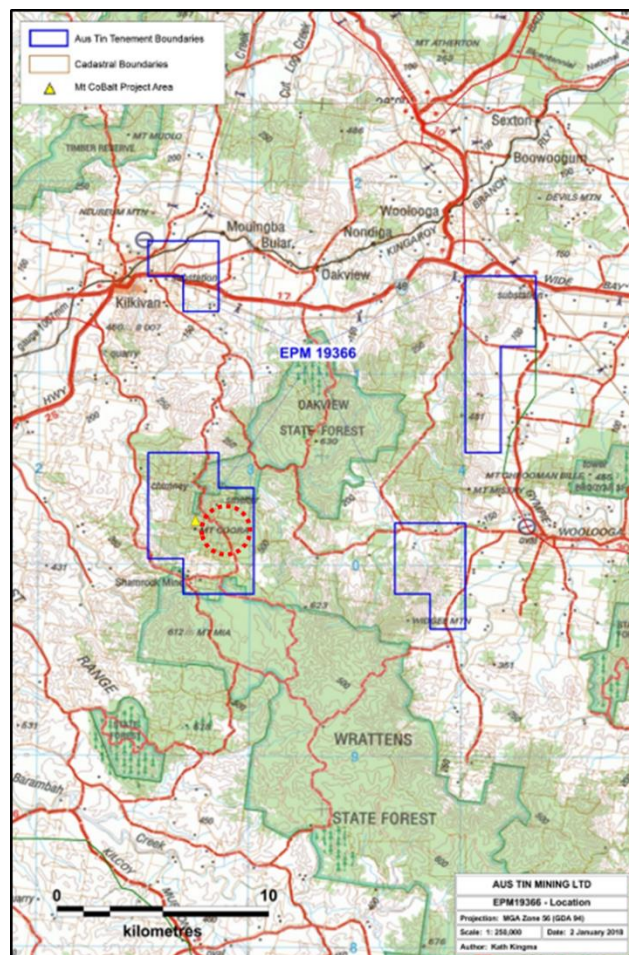
The Kildanga prospect consists of 4 distinct areas. More recently the SW section has been targeted in multiple exploration programs, creating an extensive database

Numerous 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 is presently reviewing the historical database, this review extending to all exploration permit areas to create a regional reconciliation. This will be used to determine the work needed to identify a Ni & Co mineralized resource of sufficient size from which a conceptual economic mine plan can be designed.

During the quarter the Company's application to renew the Exploration Permit for EPM19366, for a further 3 years, was approved by the Queensland Department of Resources.





*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)

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## APPENDIX

### Appendix 1

Details of Exploration Tenements Held by Clara Resources Australia Limited

<b>Mining Leased/Exploration Licences held at 30 Sept 2022</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