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RESOURCE DRILLING PROGRAM AND PFS ACTIVITIES TO COMMENCE AT ASHFORD COKING COAL PROJECT

Highlights

- Drilling program to take place in coming months on key Ashford coking coal lease to further upgrade resource definition and expand coal quality data;
- Delivery of program key element of Clara moving PFS study forward in conjunction with additional technical studies.

Clara Resources Australia Limited (ASX: C7A, "Clara" or "the Company") is pleased to advise that preparation work for the next stage drilling program at the Ashford coking coal project is near completion. Technical scopes, specifications and Request for Proposal documentation is in place and suitable drilling contractors have been identified.

This drilling program is a key part of Clara delivering on a Preliminary Feasibility Study ("PFS") for Ashford. The PFS will expand on the Scoping Study to further refine the viability of developing the Project as a coking coal mine and exporting product through the Port of Newcastle. The study will identify the most effective economic development pathway for the project, based on coal pricing forecasts and defined mining, processing and transportation assumptions. The PFS will include a qualified financial analysis and project metrics with an intended accuracy of the financial modelling used in the PFS of +/- 25%.

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

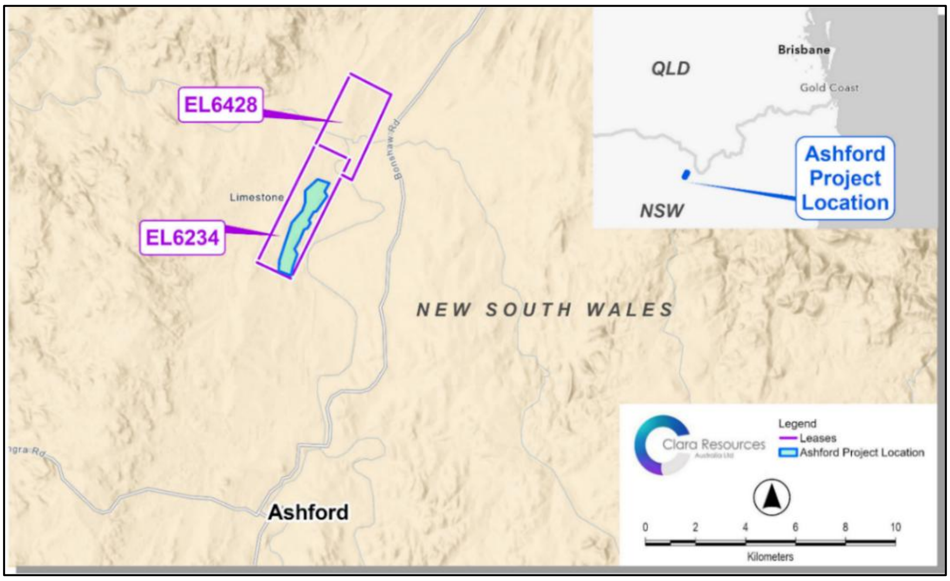

Figure 1: Regional Tenement Location Plan

All previous mining and the majority of historical exploration has occurred on EL6234. It contains all the JORC inferred & indicated resource, indicating the existence of a potentially economically recoverable and marketable resource, as described in the Ashford Project Scoping Study released to the market in March 2024. Refer to ASX releases on 4/3/24 and 2/4/24. EL6234 will define the initial mining lease application area.

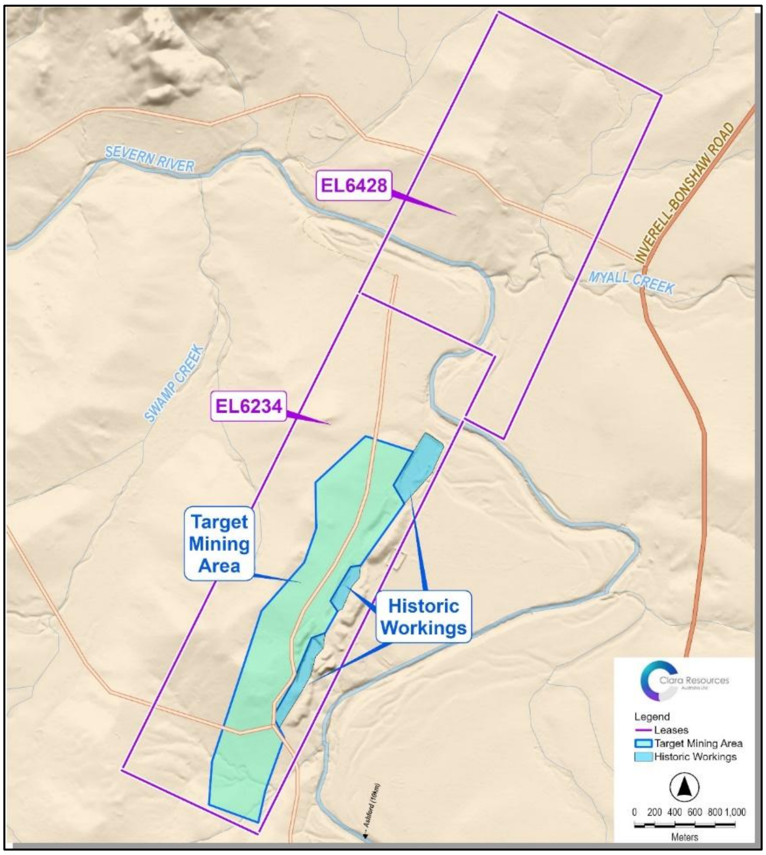

Figure 2: Target mining area on EL6234

Drill Program

The drilling program to be undertaken on EL6234 comprises total 4 core holes and 8 chip holes – 12 holes in total. Clara expects this will provide the necessary information for an updated JORC Resource report for Ashford with more resources transferred to the Measured category.

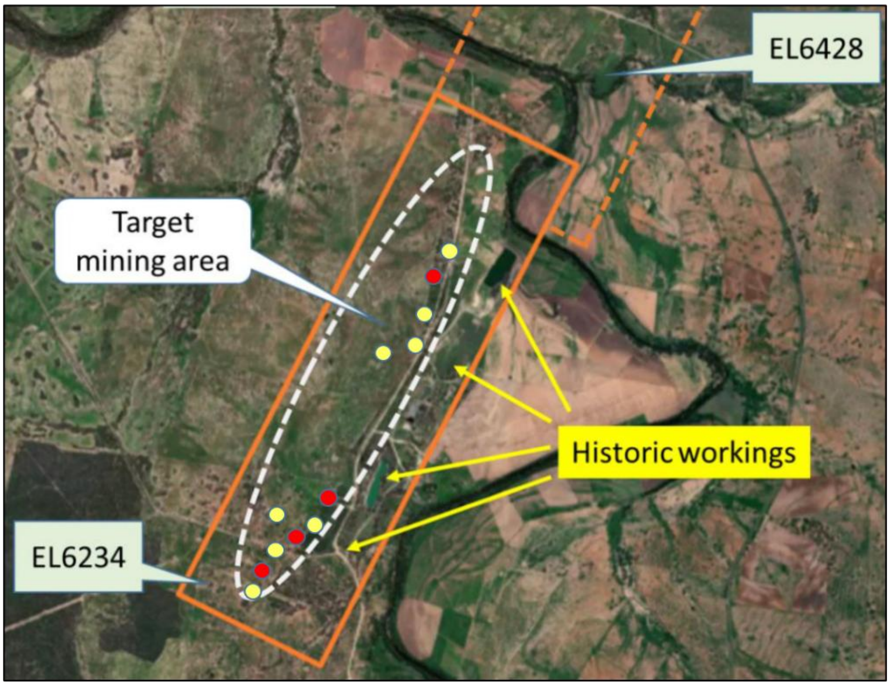

Figure 3: Location of drill holes

With respect to coal quality specifications the program will provide important 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.
- Washability.
- Petrographics.

This information will be vital inputs for the PFS and specifically:

- Refinement of the mining plan and sequence.
- Enhancement of the coking coal washability modeling and processing options.
- Improving the accuracy and reliability of cost models.

It is anticipated the drill program will commence during Q1, CY2026.

Clara will engage independent project discipline experts to conduct the PFS level technical and commercial work in the specialist segments.

PFS STUDY SPECIALISTS	
Study Management: Clara ▪ Project management & strategic direction ▪ Stakeholder engagement ▪ Risks & Opportunities	
Geology ▪ JORC resource reports ▪ Raw coal quality ▪ Geological modelling	**Environment & Permitting** ▪ EIS Process ▪ Environment management ▪ Statutory approvals ▪ Social impact assessment
Mining • Mine planning & layout • Production level and schedule • Rehabilitation • Mining Opex	**Metallurgy & Coal Processing** ▪ Coal handling & processing ▪ Plant procurement options ▪ Coal quality ▪ Processing costs
Road Transport ▪ Preferred trucking route ▪ Train load-out location ▪ Truck configurations & costs	**Train Loading** ▪ Loading options ▪ Preferred layout prelim engineering ▪ Capex & Opex estimates
Infrastructure ▪ Mine site infrastructure requirements ▪ Capex	**Rail & Port** ▪ Independent costings ▪ Contracts advice
Marketing ▪ Coal end use applications ▪ Customers, regions to target ▪ Developing the value proposition ▪ Price range estimates	**Financial Analysis** ▪ Financial analysis & modelling ▪ Funding options

Figure 4: PFS Specialist Work Segments

Clara will expedite the PFS work program noting the various segments will be outsourced to specialist technical consultants. The work schedule to complete the PFS will therefore be heavily dependent on the resourcing capabilities of the various advisors. An indicative work schedule is shown here:

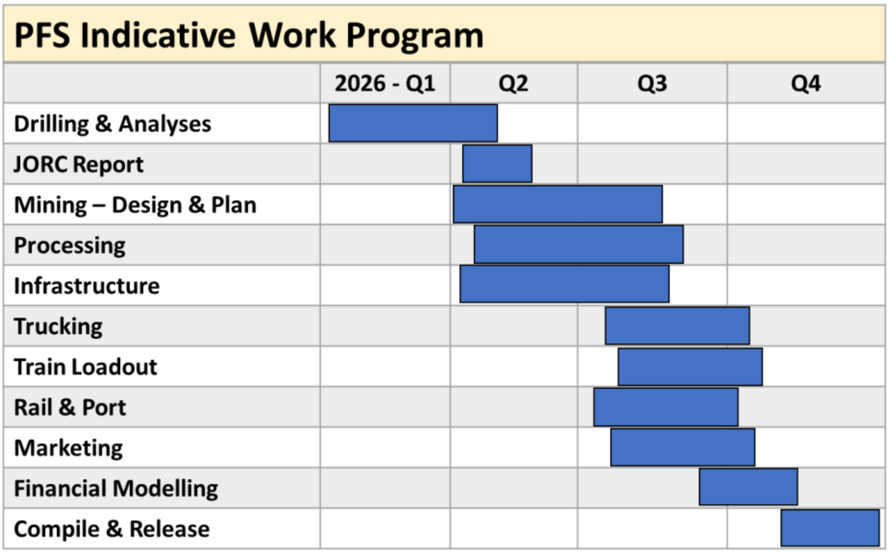

Figure 5: PFS Indicative Work Schedule

Clara Resources MD, Peter Westerhuis, said:

"Securing the funds to further increase resource confidence, expand coal quality information and progress the PFS are important steps in the development of the Ashford coking coal project. This will further demonstrate what we believe will be some very attractive project fundamentals."

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

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