

INVESTOR PRESENTATION ASHFORD COKING COAL PROJECT

DECEMBER 2024

ASX | C7A

DISCLAIMER

IMPORTANT INFORMATION AND DISCLAIMER

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This presentation has been prepared in relation to an equity capital raising by Clara consisting of an accelerated non-renounceable entitlement offer of new fully paid ordinary shares in Clara to be made to eligible institutional and retail shareholders of Clara ("New Shares") under section 708AA of the Corporations Act 2001 (Cth) ("Corporations Act") as modified by Australian Securities and Investments Commission ("ASIC") Corporations (Non-Trading Rights Issues) Instrument 2016/84 and ASIC Corporations (Disregarding Technical Relief) Instrument 2016/73 ("Entitlement Offer") and placement of New Shares to certain 'sophisticated' and 'professional' investors (as defined by the Corporations Act) under section 708A of the Corporations Act ("Placement", and together with the Entitlement Offer, the "Offer")

SUMMARY INFORMATION

This presentation is for information purposes only and should be read in conjunction with the most recent financial reports and other documents lodged by Clara with the Australian Securities Exchange ("ASX") in connection with its continuous disclosure obligations. This presentation does not purport to contain all of the information that an investor should consider when making an investment decision nor does it contain all of the information which would be required in a product disclosure statement or prospectus prepared in accordance with the requirements of the Corporations Act. Other market and industry data used in this presentation may have been obtained from research, surveys or studies conducted by third parties, including industry or general publications. Neither Clara nor its advisers or representatives have independently verified any such market or industry data provided by third parties or industry or general publications. No reliance should be placed on the information or opinions contained in this presentation, which are provided as at the date of this presentation (unless otherwise stated) and to the maximum extent permitted by law, Clara has no obligation to update the information contained in this presentation.

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The retail offer booklet for the offer of new shares to retail shareholders under the Entitlement Offer will be available following its lodgement with ASX. Any eligible retail shareholder in Australia or New Zealand who wishes to participate in the Entitlement Offer should consider the retail offer booklet before deciding whether to apply under that offer. To the maximum extent permitted by law, Clara and its officers, employees and agents disclaim all liability and responsibility (including without limitation any liability arising from fault or negligence on the part of Clara, its officers, employees and agents) for any direct or indirect loss or damage which may be suffered by any recipient through use of or reliance on anything contained in or omitted from this presentation. In making an investment decision, investors must rely on their own examination of Clara including the merits and risks involved. An investment in securities is subject to known and unknown risks, some of which are beyond the control of Clara. Prospective investors should have regard to Appendix 1 (Risk Factors) of this presentation when making their investment decision. Investors should consult with their own legal, tax, business and/or financial advisors in connection with any acquisition of securities.

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DISCLAIMER

INVESTMENT RISK

All investments in securities are subject to known and unknown risks, including an investment in Clara shares. Some of these risks are beyond the control of Clara and its directors and officers, and Clara does not guarantee any particular rate of return or level of performance. You should consider the risk factors outlined in Appendix 1 of this presentation when deciding whether or not to invest in Clara. Cooling off rights do not apply to the acquisition of New Shares.

FINANCIAL INFORMATION

All financial information set out in this presentation is expressed in Australian Dollars unless stated otherwise. Investors should be aware that certain financial measures included in this presentation are “non-IFRS financial information” under ASIC Regulatory Guide 230: “Disclosing non-IFRS financial information” published by ASIC and also “Non-GAAP financial measures” within the meaning of Regulation G under the US Securities Exchange Act of 1934 and are not recognised under the AAS or IFRS. Further, certain figures, amounts, percentages, estimates and calculations provided in this presentation are subject to the effect of rounding. Accordingly, the actual calculation of these figures may differ from the figures set out in this presentation.

PAST PERFORMANCE

Investors should be aware that past performance, including past share price performance of Clara and pro-forma financial information given in this presentation, provides no guidance as to (and should not be relied upon as an indicator of) the future financial performance of Clara. None of the information made available to you under this presentation is, or shall be relied upon as, a promise, representation, warranty or guarantee, whether as to the past, present or future.

FUTURE PERFORMANCE AND FORWARD-LOOKING STATEMENTS

This presentation contains certain ‘forward-looking’ statements, opinions and estimates, which are based on assumptions and contingencies that are subject to change without notice and involve known and unknown risks and uncertainties beyond the control of Clara and its officers. This includes statements about market and industry trends, which are based on interpretations of current market conditions. Indications of, and guidance on, future earnings and financial position are forward-looking statements. As are statements containing the words “expect”, “anticipate”, “estimate”, “intend”, “believe”, “guidance”, “should”, “could”, “may”, “will”, “predict”, “plan” and other similar expressions. Forward-looking statements are based on information available to Clara as at the date of this presentation and should not be relied upon as an indication or guarantee of future performance. Except as required by law or regulation (including the ASX Listing Rules), none of Clara, its representatives or advisers undertakes any obligation to provide any additional or updated information whether as a result of a change in expectations or assumptions, new information, future events or results or otherwise.

MINERAL RESOURCE ESTIMATES AND PRODUCTION TARGETS

The information in this presentation relating to production targets and the mineral resource estimates that underpin the production targets at the Ashford Coking Coal Project is extracted from the report titled “Ashford Project Scoping Study” disclosed to the market in an ASX release on 4 March 2024, and further information in the market release titled “Response to ASX Scoping Study Queries” disclosed to the market on 2 April 2024.

Clara confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and that all material assumptions and technical parameters underpinning the mineral resource estimates and production targets in the relevant market announcement continue to apply and have not materially changed. Clara Resources Australia confirms that the form and context in which the Competent Person’s findings are presented have not been materially modified from the original market announcement.

INVESTMENT HIGHLIGHTS

01

**100%
ownership of
coking coal
resource with
extension
potential**

02

**Scoping study
outlines
potential for
strong
economic
returns***

03

**Low risk small
open cut mine
with modest
capex
requirement**

04

**Viable
infrastructure
path via
trucking and
existing rail
networks**

*Investors should reference the full details of the Scoping Study as contained in the Company's ASX announcements of 4 March 2024 and 2 April 2024.

ASHFORD COKING COAL PROJECT

POTENTIAL TO PRODUCE SEMI-
HARD COKING COAL SOUGHT
BY GLOBAL STEELMAKERS



100%-OWNED ASHFORD LOCATION & TENEMENTS

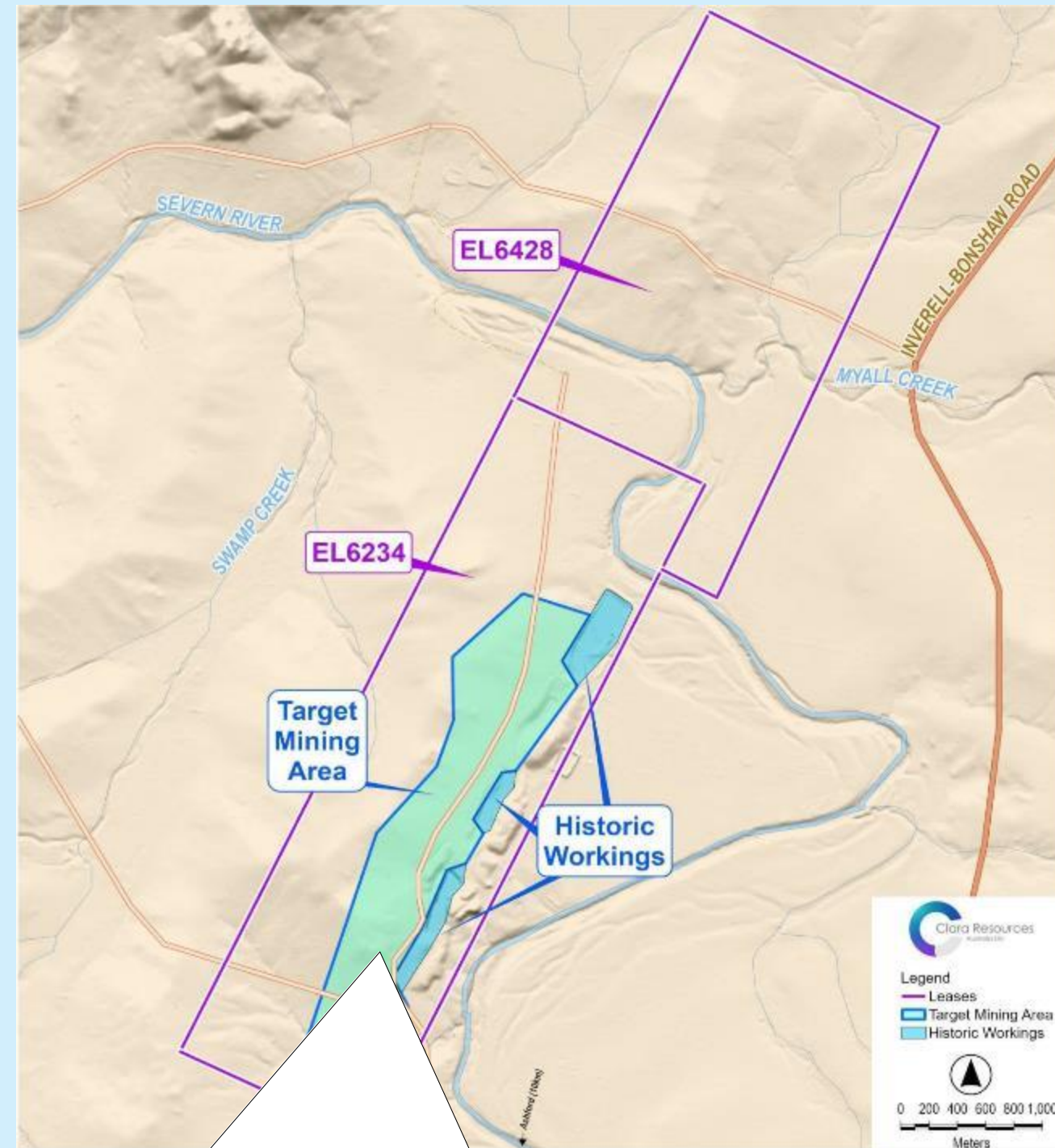
- Comprises **2 x exploration leases** EL6234 & EL6428
- **Open cut mined** from 1954 to 1989 supplying coal to the Ashford power station
- No legacy environmental permit issues
- Stable NSW royalty regime

*Includes 6.4Mt Indicated Mineral Resource and 8.3Mt Inferred Mineral Resource.

Assessment of confidence classification involved adoption of the following criteria:

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

Refer to Section 7.2 of the Scoping Study contained in the Company's ASX announcement of 4 March 2024.

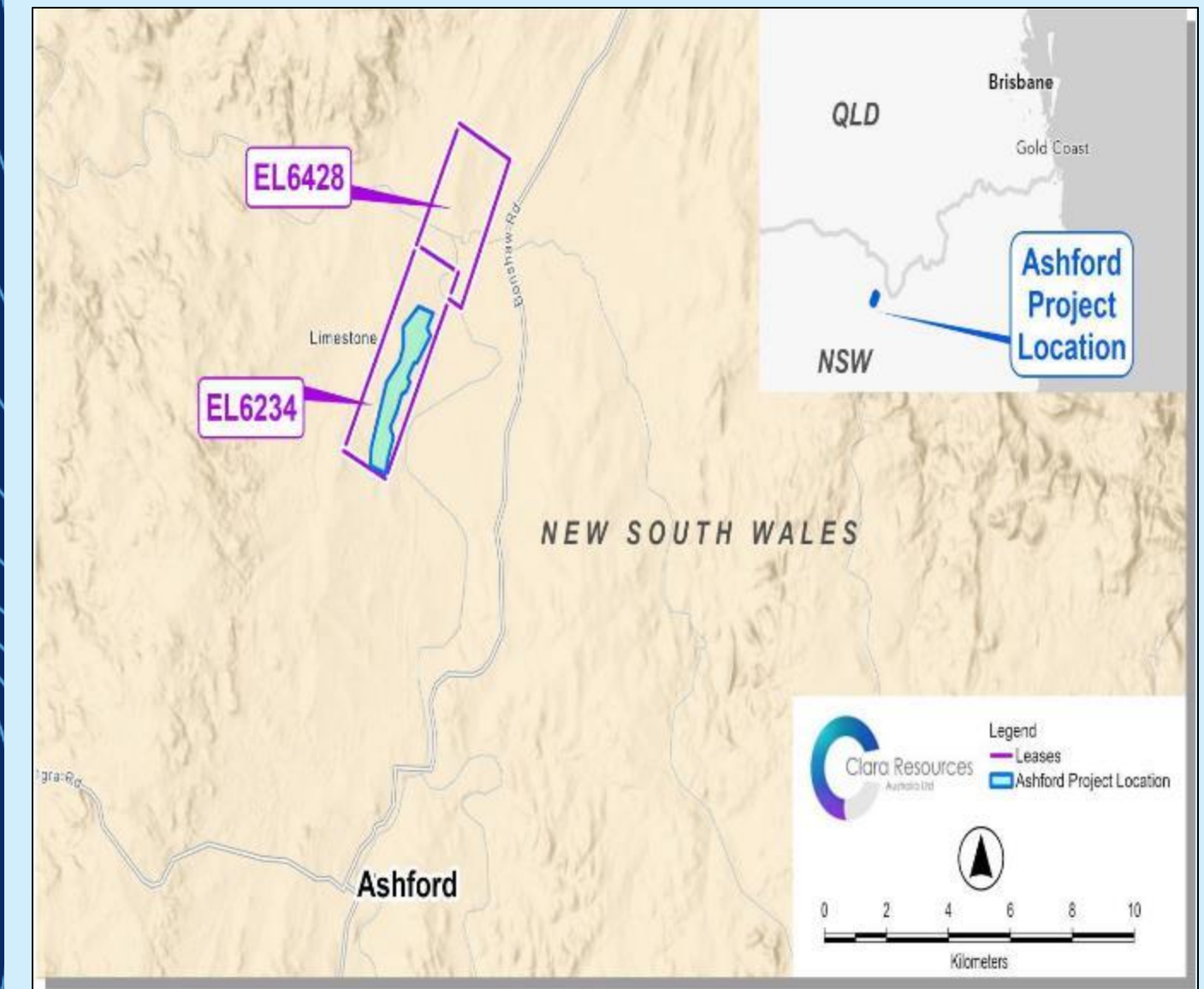


JORC Resource

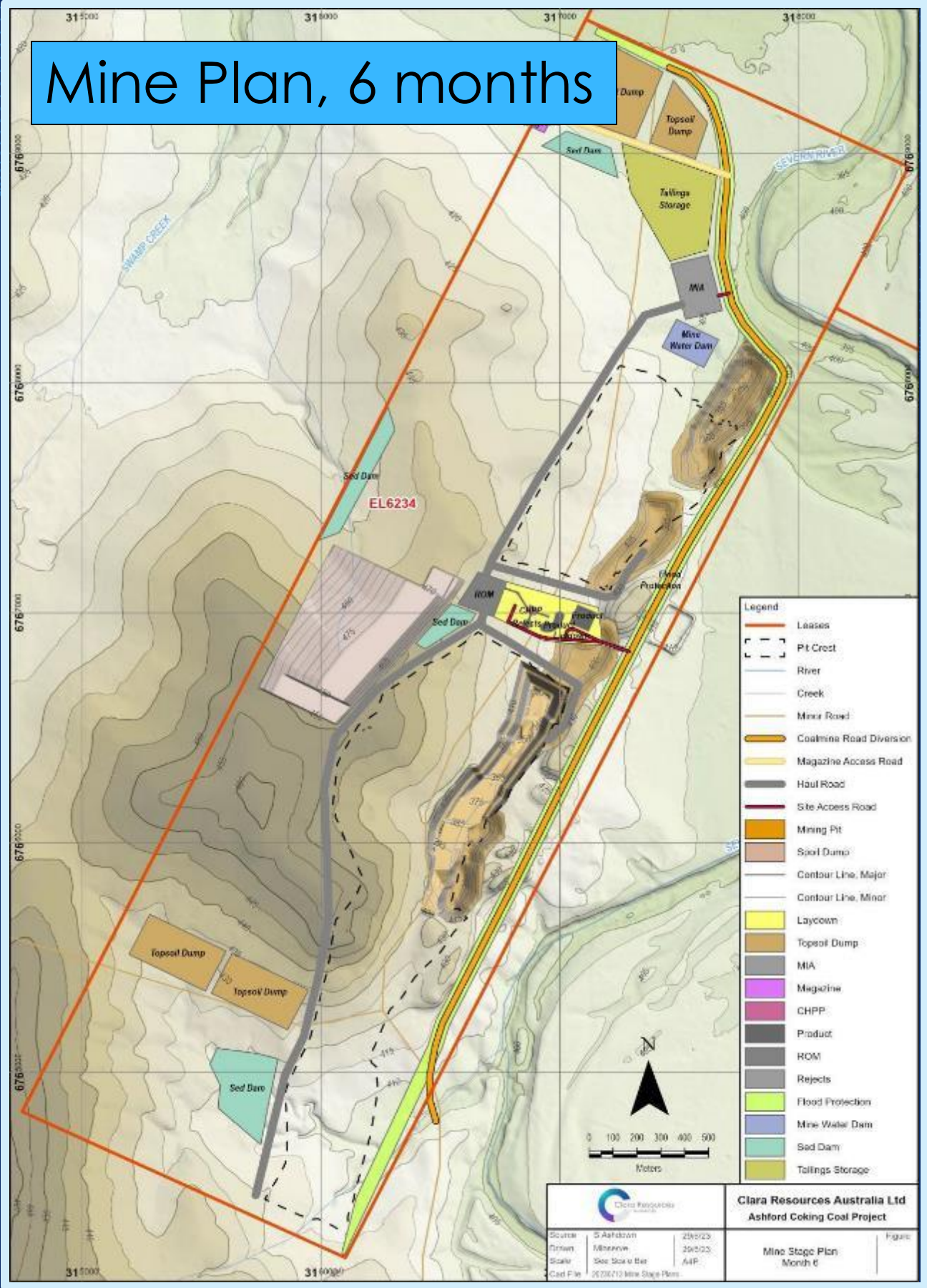
- 14.7Mt, limited to EL6234*
- Further resource upside on EL6428

100% Ownership

Completed acquisition of Renison Coal Pty Ltd (owner of Ashford) from Savannah Goldfields in May 2024



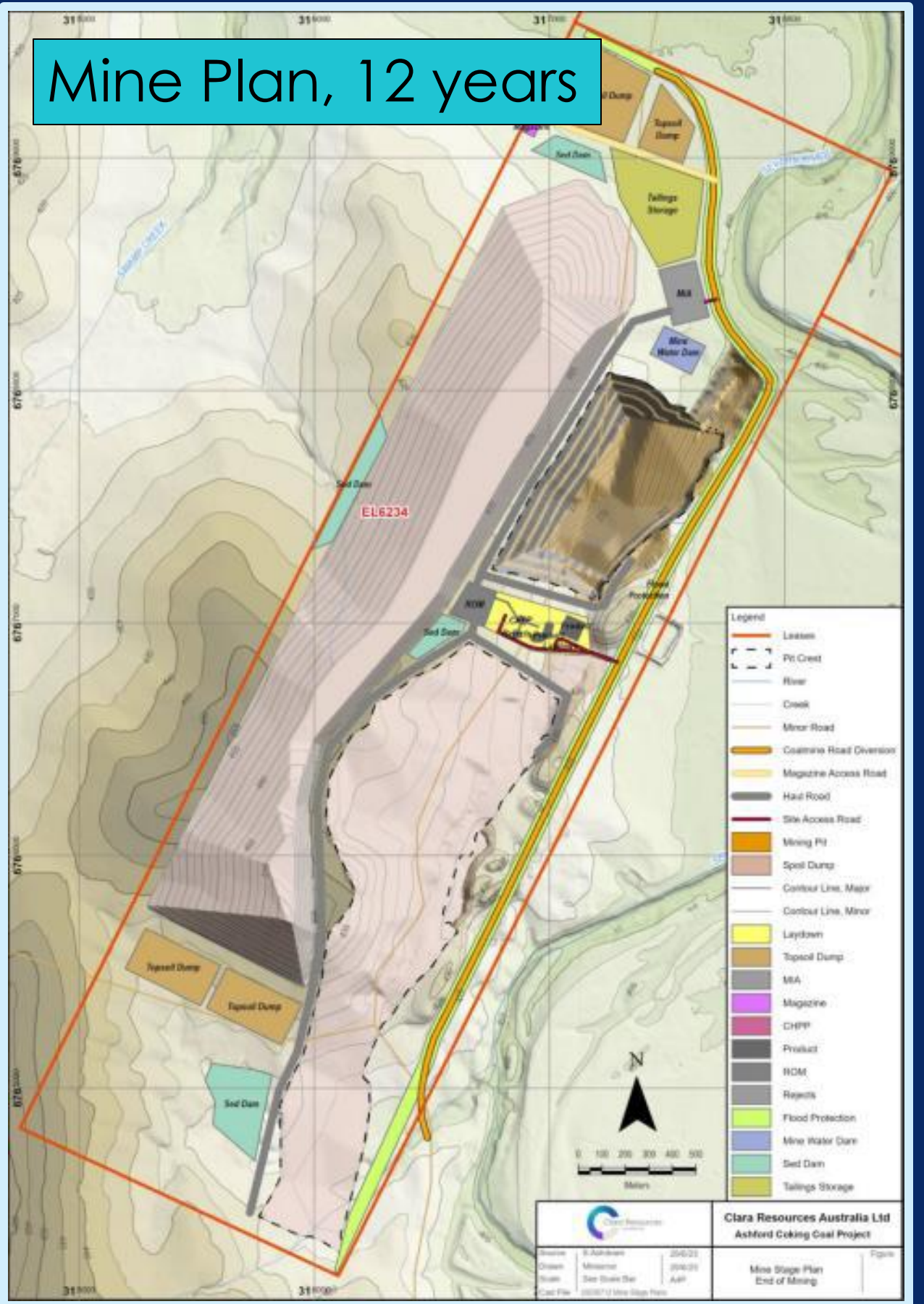
Ashford will be a Conventional Open Cut Mine Utilizing Proven Technology & Mining Methods



CLEAN COAL COMPOSITE ANALYSIS

CSR Index	45 - 55
Vol Mat	22% - 25%
Ash	9% - 10.5%
Sulphur	0.4% - 0.5%
Phos	0.03% - 0.04%
CSN	5.5 – 6.5
FC	66% - 68%

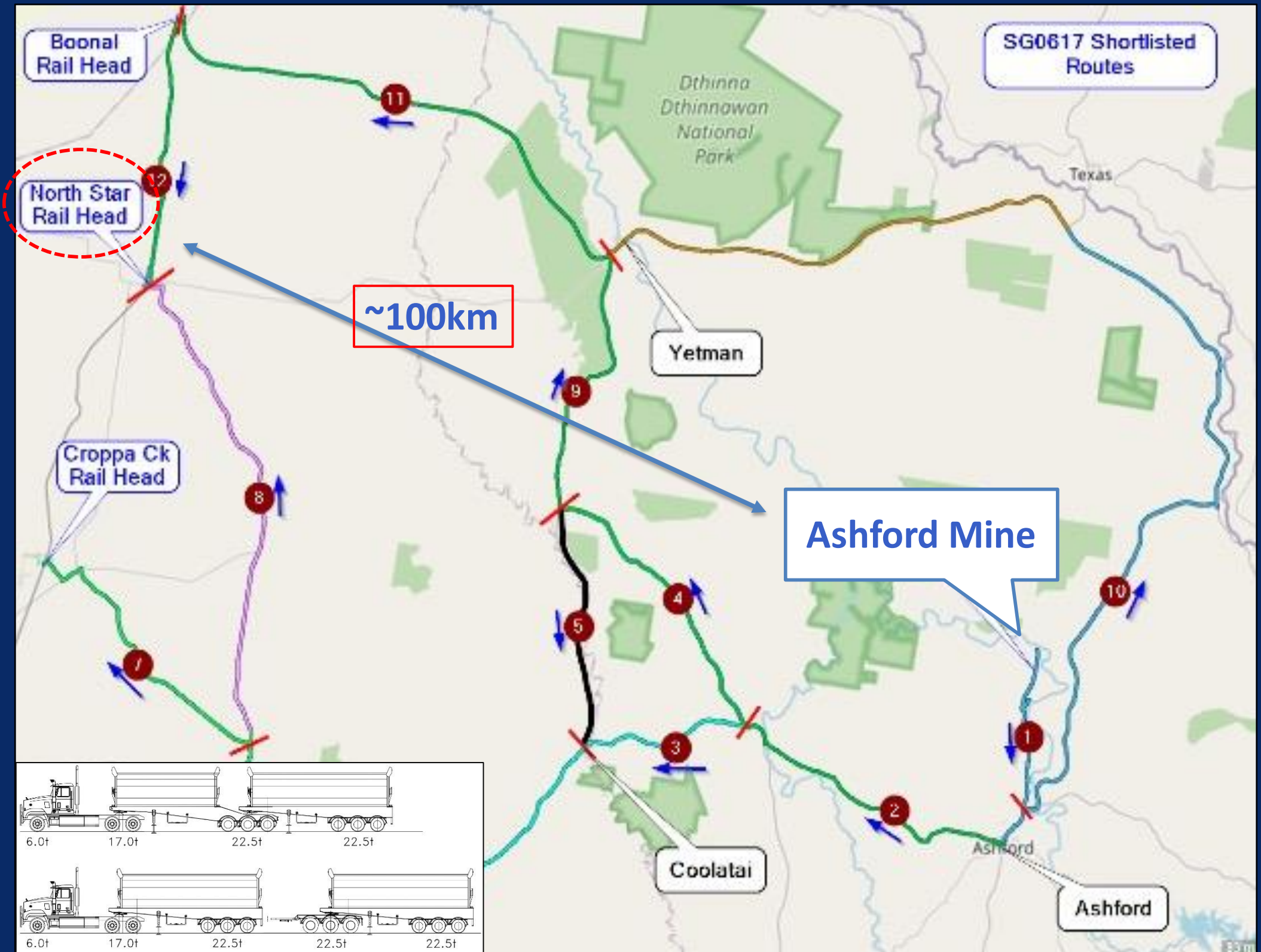
Testwork shows clean coal has rank, vitrinite and ash chemistry similar to Qld coking coals. Would produce a semi-hard and possibly a hard coking product. Further test-work will confirm



Connects Ashford to
Hunter Valley rail
network and Newcastle
port



The ARTC Inland Rail Project changes operability and economics of Project. It is complete to **North Star** – near perfect for Ashford



PATH TO MONETISATION

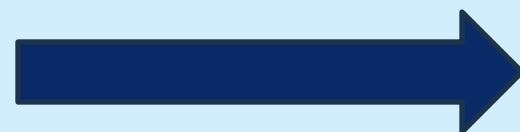
FOOTPRINT



14km²

Over two exploration licences in New South Wales

RESOURCE



14.7Mt

Indicated and Inferred Mineral Resource with scope for increase

PRODUCTION¹



11.9Mt

Run of mine coal production

REVENUE¹

\$2.5bn

Gross Life of Mine revenue

\$210M

Pre Tax NPV

SCOPING STUDY MARCH 2024 –HIGHLIGHTS

- Study demonstrates strong economic, technically robust Coking Coal operation
- Modest capex estimate of Au\$133.6m, of which Au\$100.3m is pre-production
- Estimated mine life of 12 years, averaging 1Mtpa ROM
- Project NPV10 of Au\$156m (post-tax) and initial payback period < 12 months
- Strongly saleable product for supply into Asian coal markets

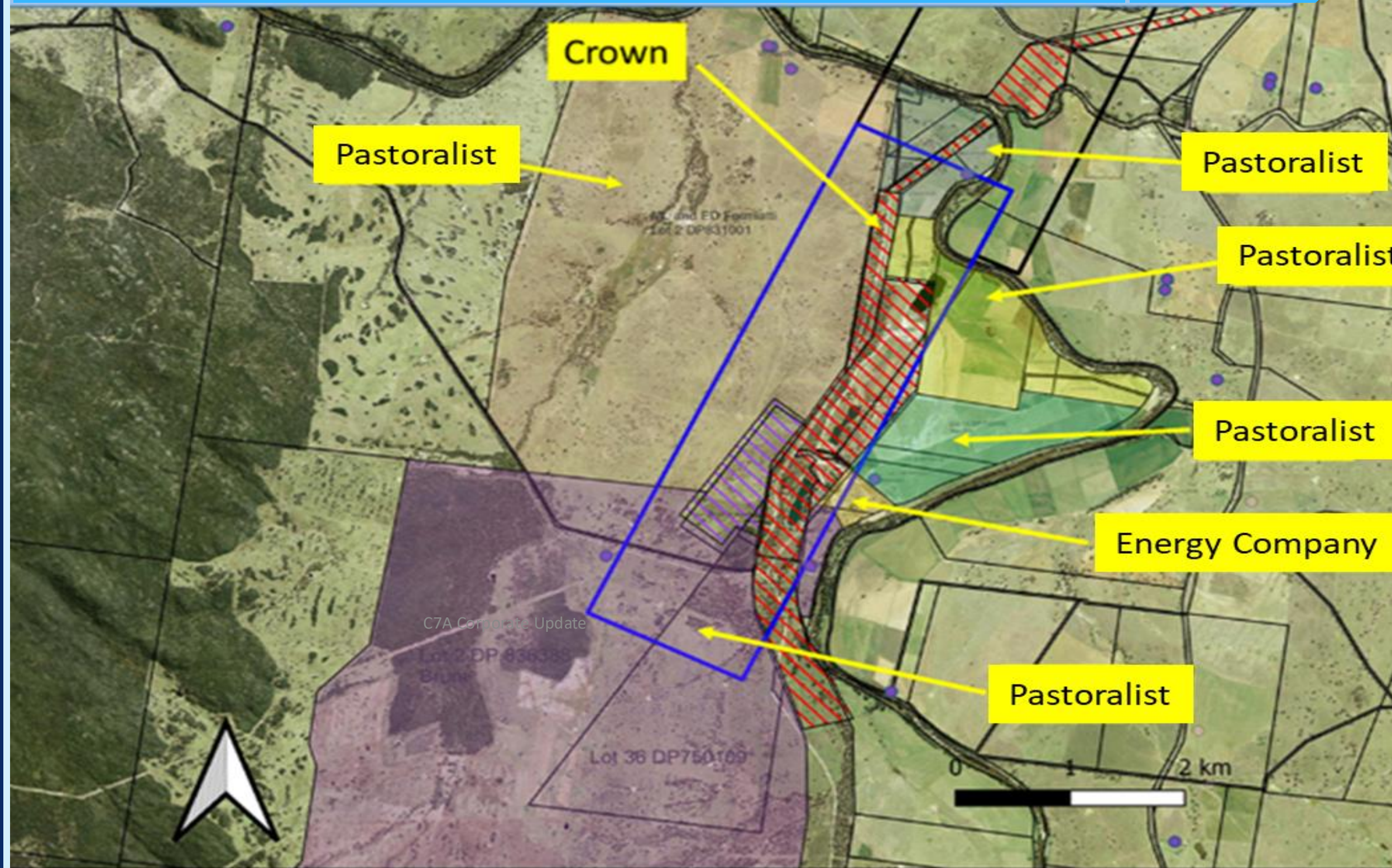
* Scoping Study is a high level, incomplete assessment. Contains risks associated with resource category, product quality, pricing, offtake, fundability and permitting. Risk factors will be quantified in completing the PFS. Investors should reference the full details of the Scoping Study as contained in the Company's ASX announcements of 4 March 2024 and 2 April 2024.



PROJECT DEVELOPMENT ACTIVITIES

PATH TO FINALISING PFS

Ashford Stakeholder Engagement



Drawn By:	Rick Walker
Date:	13/9/22

Ashford
Landholders
Affected Neighbours

ACCESS AGREEMENTS

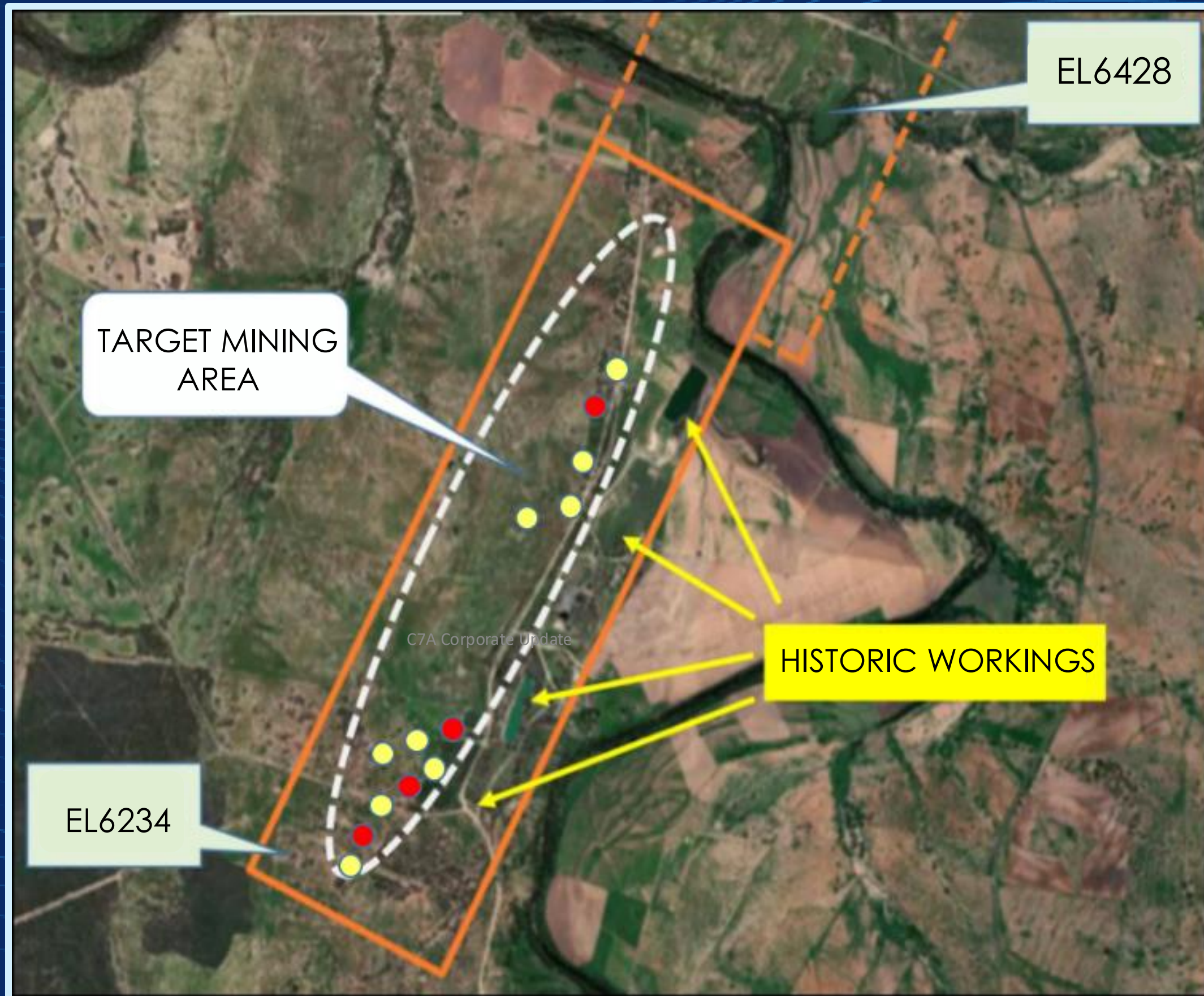
Made with:

- Pastoralists
- Gomeroi NTAs

Regular Consultation with:

- IRC & GSC
- Chambers of Commerce
- Landcare Groups
- State member

DRILLING – RESOURCE DELINEATION



- 4 x cored holes
- 9 x chip holes

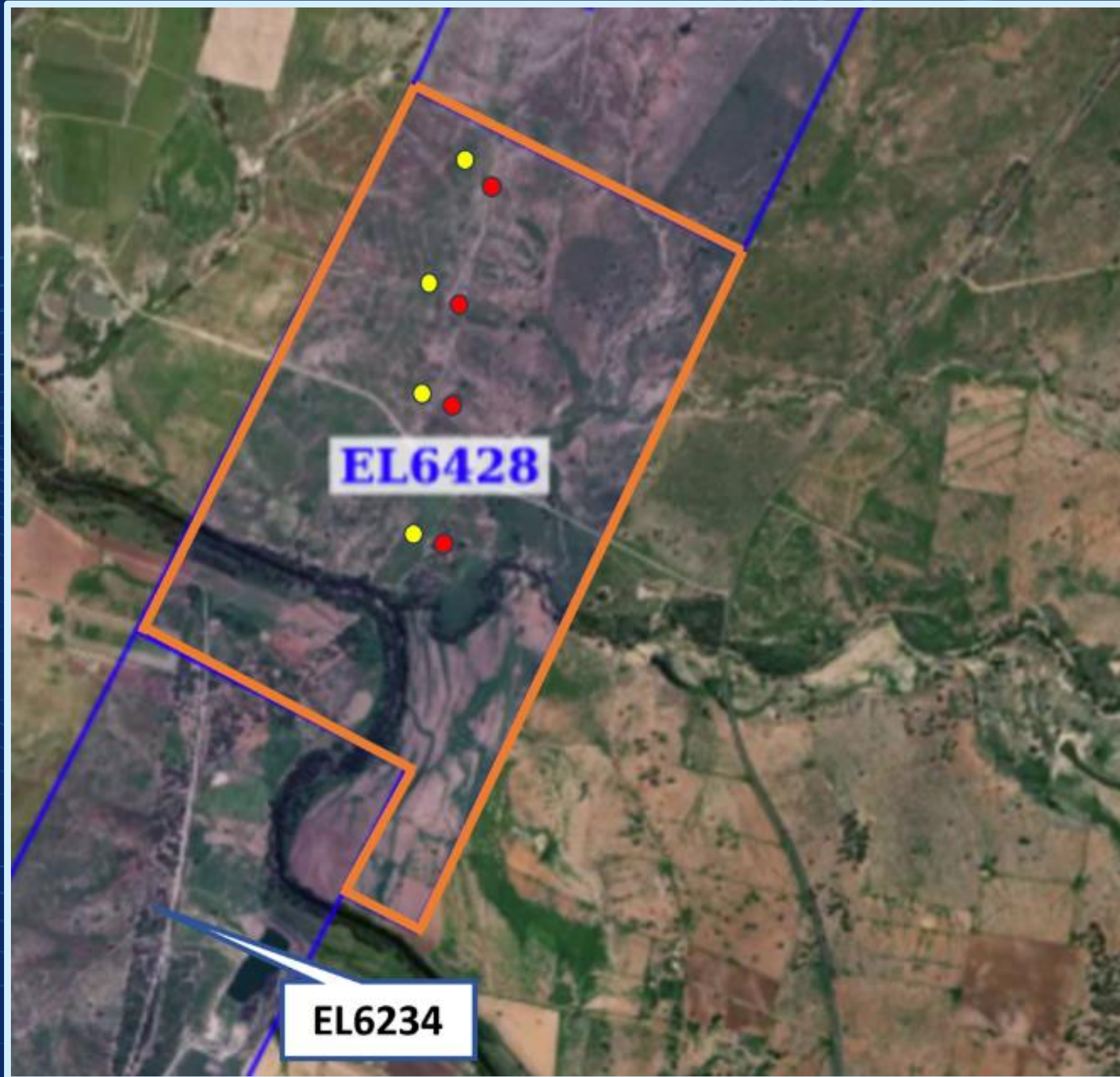
Purpose

- Upgrade resource to measured & indicated
- Verify depth, thickness & structure
- Coal quality data, including coking properties
- Washability

Essential for PFS, specifically...

- Next stage Mining plan/sequence
- Coal preparation study
- Costings

MAIDEN DRILLING – RESOURCE EXTENSION INTO EL6428



EL6428 Exploration Drilling Program

- 4 x chip holes
- 4 x cored holes

Purpose

- Declare maiden JORC resource
- Verify seam depth, thickness & structure
- Provide coal quality data, incl coking properties
- Generate preliminary washability data

DRILLING – ENVIRONMENTAL / PERMITTING

- ~30 holes

Important component of Baseline Environmental Study Program

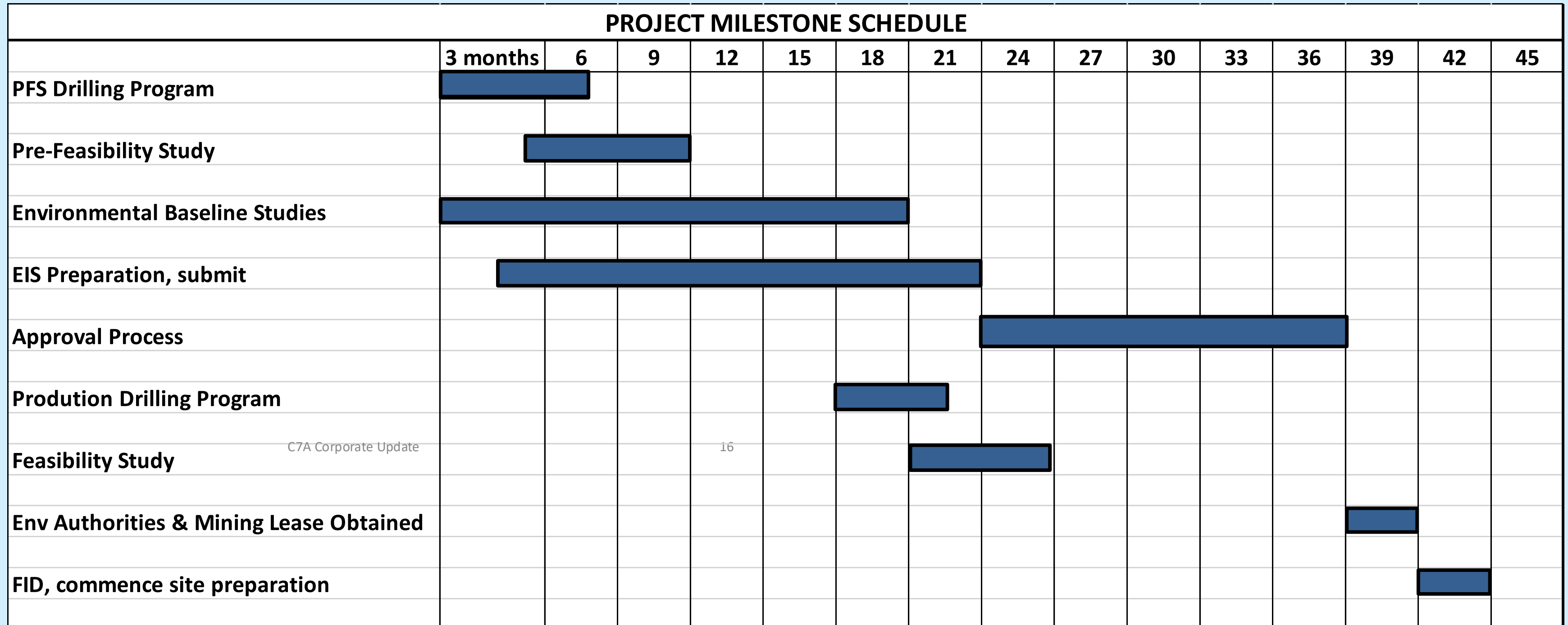
Purpose

- Installation of monitoring bores & piezometers
- Identification of groundwater resources
- Potential impact of mining on water users
- Design of groundwater monitoring network
- Determine hydrological properties of aquifer systems
- Collection of core samples (overburden)
- Collection of representative water quality samples

15



ASHFORD COKING COAL PROJECT – PROJECT MILESTONES



C7A Corporate Update

16

NEAR TERM DELIVERABLES / OPPORTUNITIES

DRILLING

Resource extension
drilling with potential
significant uplift

PFS

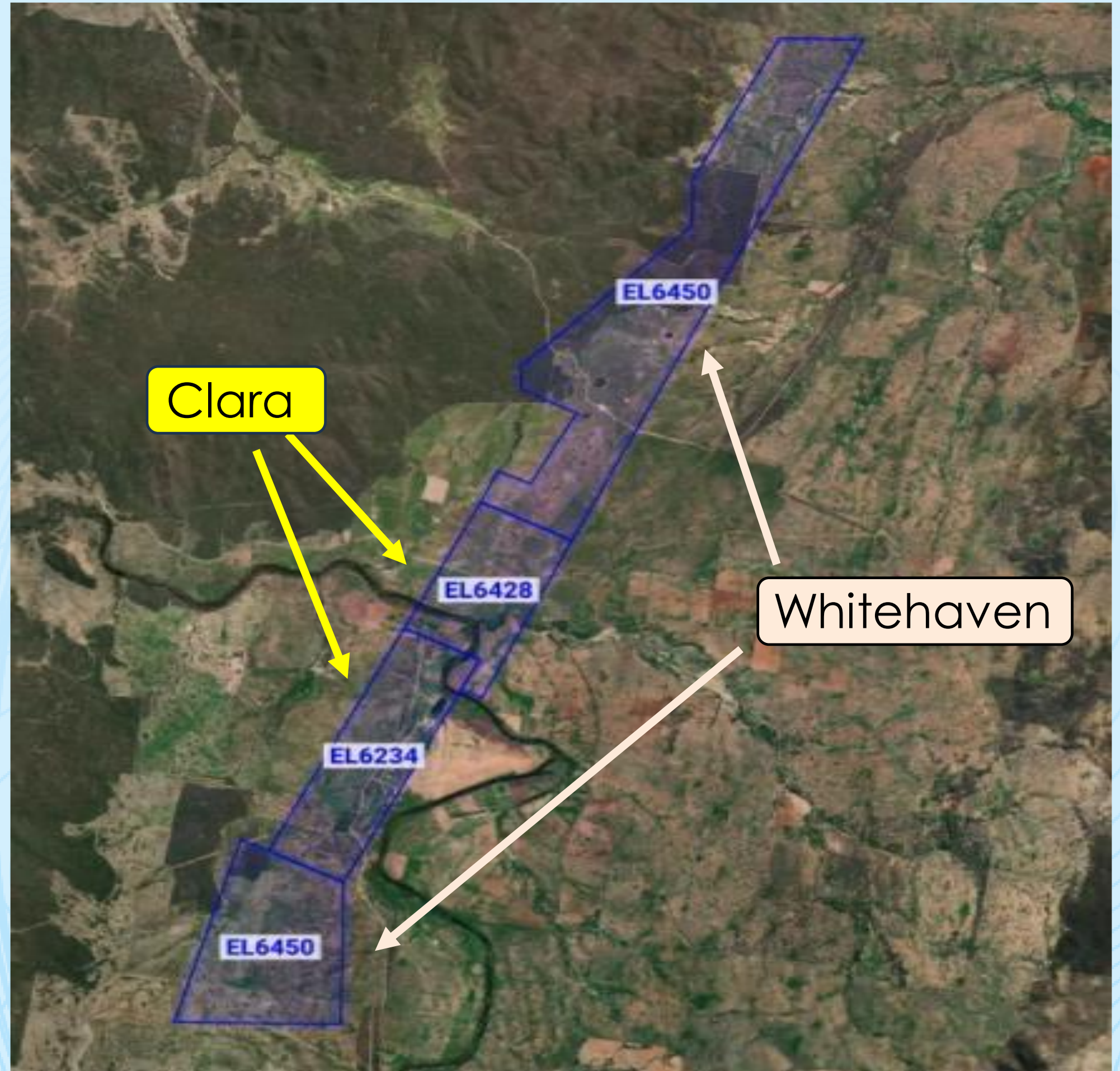
LOM Resource
delineation

Environmental work
program

CORPORATE

Aim to secure
adjacent resource
positions

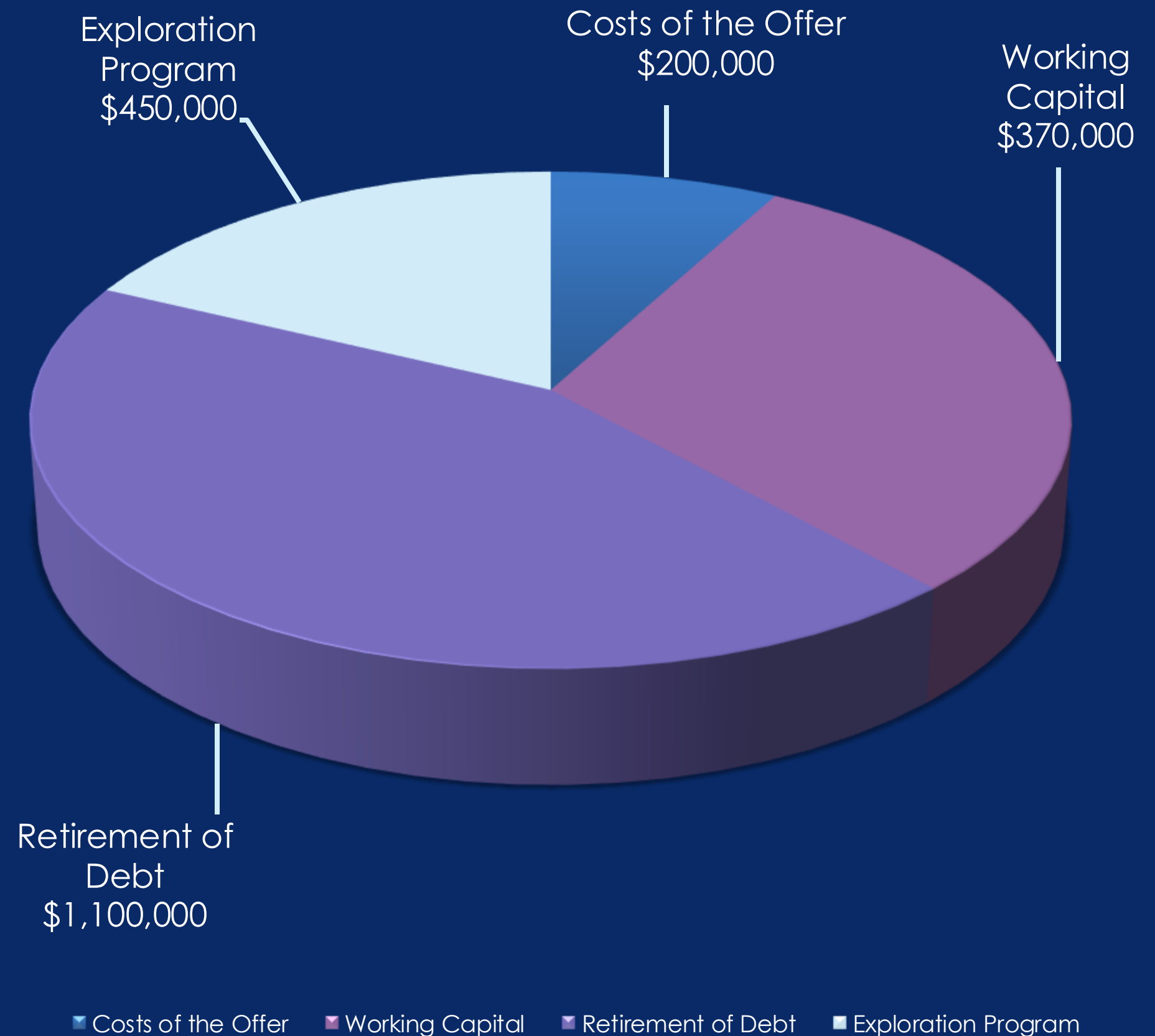
Potential to secure adjacent resource positions



PROPOSED CAPITAL RAISING

Clara is seeking to raise \$2.12m (before costs) under a 1:1 Accelerated Rights Issue to raise \$1.7m and Placement to raise \$0.42m at \$0.006 per share.

These funds will be used predominantly to further project development initiatives at the Company's Ashford Coking Coal Project.





CONTACT US

PETER WESTERHUIS – MD & CEO

PHONE NUMBER

0427 123 171

EMAIL ADDRESS

pwesterhuis@clararesources.com.au

ADDRESS

19/10 Eagle Street, Brisbane QLD Aus 4000

APPENDIX 1 – RISK FACTORS

INTRODUCTION

- There are risks involved with participating in the Offer and holding Shares in Clara Resources Australia Limited (the “Company”, “Clara”, “we” or “us”). Certain risks are specific to an investment in the Company and others are specific to investing in and holding securities. The occurrence of these risks may have an adverse impact on the Group's business, results of operations, financial condition and the price of Clara's securities.
- The risks detailed below may change after the date of this document and other risks relevant to the Company and its subsidiaries (the “Group”) and the Shares may emerge which may have an adverse impact on the Group and the price of the Shares.
- The risks set out in this section are not exhaustive. Other risks may materially affect the future performance of the Group and the price of the Shares. Additional risks and uncertainties not presently known to management or that management currently believe not to be material may also affect the Company's business. Accordingly, no assurances or guarantees of future performance, profitability, distributions, or returns of capital are given by Clara or any other person.
- Risks relating to Clara may impact Clara, its business, financial position and performance as well as the businesses, financial position and performance of its subsidiaries which, in turn impacts Clara. Accordingly, a reference to a risk impacting Clara, should be taken to be a reference to a risk which may also impact its subsidiaries.

SHARE MARKET RISK

The market price of listed securities can be expected to rise and fall in accordance with general market conditions and factors specifically affecting the Australian resources sector and exploration companies in particular. The New Shares carry no guarantee in respect of profitability, dividends, return on capital, or the price at which they may trade on the ASX.

There are a number of factors (both national and international) that may affect the share market price and neither the Company nor its Directors have control of those factors.

GENERAL ECONOMIC CONDITIONS

Changes in the general economic climate in which the Company operates may adversely affect the financial performance of the Company. Factors that may contribute to that economic climate include the general level of economic activity, interest rates, inflation, supply and demand, industrial disruption and other economic factors. The price of commodities will also be of particular relevance to the Company. These factors are beyond the control of the Company and the Company cannot, with any degree of certainty, predict how they will impact on the Company.

SHARE PRICE FLUCTUATIONS

The market price of the Company's securities will be subject to varied and often unpredictable influences in the share market. Both domestic and world economic conditions may affect the performance of the Company. Factors such as the level of industrial production, inflation and interest rates impact all commodity prices.

LEGISLATIVE CHANGE

Changes in government regulations and policies may adversely affect the financial performance or the current and proposed operations generally of the Company.

UNFORESEEN EXPENSES

While the Company is not aware of any expenses that may need to be incurred that have not been taken into account, if such expenses were subsequently incurred, the expenditure proposals of the Company may be adversely affected.

RISK OF NOT TAKING UP ENTITLEMENT OFFER

Entitlements cannot be traded on ASX or privately transferred. If eligible retail shareholders do not take up all or part of their available entitlements, individuals' percentage shareholding in Clara will be diluted (in addition to the dilution which will take place as a result of the Placement). In addition, investors may have their investment diluted by future capital raisings by Clara.

APPENDIX 1 – RISK FACTORS

CURRENT AND FUTURE SOURCES OF FUNDING

The Company's ability to effectively implement its business strategy over time may depend in part on its ability to raise additional funds. There can be no assurance that any such equity or debt funding will be available to the Company on favourable terms or at all. If adequate funds are not available on acceptable terms, the Company may not be able to take advantage of opportunities or otherwise respond to competitive pressures.

Although the Directors believe that on completion of the Offer the Company will have sufficient working capital to carry out its short-term business objectives, there can be no assurance that such objectives can be met without further financing or, if additional financing is necessary, that financing can be obtained on favourable terms or at all. Further, if additional funds are raised by issuing equity securities, this may result in dilution for some or all of the Shareholders.

The Company's ability to raise further funding to meet both its development and capital expenditure requirements, depends upon a number of different factors. The Company's ability to raise further equity financing is very sensitive to negative market sentiment. Accordingly, there is no guarantee that the Company will be able to secure additional funding on terms favourable to the Company. If the Company is unable to obtain additional financing as required, it will be unable to continue to fund its existing projects, or take advantage of opportunities as they arise. Further, without additional funding the Company may not have sufficient working capital to be able to meet day to day expenses as and when needed.

The due date for repayment of the Bridging Loans was 29 July 2024. As repayment did not occur on 29 July, a Lender has the right to call for immediate repayment of its Bridging Loan at any time in accordance with the relevant documentation. The Company has facilitated repayment of certain of the Bridging Loans, however some remain outstanding. The Company notes that if the Entitlement Offer is not fully subscribed (and the Shortfall is not able to be placed shortly thereafter), then the ability of the Company to meet repayment of the remaining Bridging Loans may be reduced. If such a circumstance arises, the Company will consider all options available to it. Such alternatives may be dilutionary to Shareholders or be on less than favourable terms to the Company.

ENVIRONMENTAL REGULATIONS AND RISKS

National and local environmental laws and regulations affect nearly all of the operations of the Company. These laws and regulations set various standards regulating certain aspects of health and environmental quality, provide for penalties and other liabilities for the violation of such standards and establish, in certain circumstances, obligations to remediate current and former facilities and locations where operations are or were conducted. The Company will minimise the potential impact of these laws and regulations by taking steps to ensure compliance occurs and, where possible, by carrying appropriate insurance.

Significant liability could be imposed on the Company for damages, clean-up costs or penalties in the event of certain discharges into the environment, environmental damage caused by previous owners of properties acquired by the Company or non-compliance with environmental laws or regulations.

INSURANCE ARRANGEMENTS

The Company intends to maintain insurance within ranges of coverage the Company believes to be consistent with industry practice and having regard to the nature of activities being conducted. No assurance however, can be given that the Company will be able to obtain such insurance coverage at reasonable rates or that any coverage it arranges will be adequate and available to cover any such claims.

Exploration and evaluation risks

Investors should understand that mineral exploration and development can potentially be high risk undertakings. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited.

The circumstances in which a mineral deposit becomes or remains commercially viable depend on a number of factors. These include the particular attributes of the deposit, such as size, grade and proximity to infrastructure, as well as Clara successfully obtaining all necessary consents and approvals and the successful design, construction and operation of extracting, processing and transportation facilities.

A combination of these factors may result in projects not being developed, or operations becoming unprofitable. Delays or difficulties in obtaining relevant approvals, or obtaining conditional or limited approvals, may interfere with the Company's operations which could materially impact the business, financial position and performance of the Company.

APPENDIX 1 – RISK FACTORS

MINE DEVELOPMENT RISK

Future development of a mining operation at the Ashford Coking Coal Project or any of Clara's other current or future projects is dependent on a number of factors including, but not limited to, the acquisition and/or delineation of economically recoverable mineralisation, favourable geological conditions, receiving the necessary approvals from all relevant authorities and parties, seasonal weather patterns, unanticipated technical and operational difficulties encountered in extraction and production activities, mechanical failure of operating plant and equipment, shortages or increases in the price of consumables, spare parts and plant and equipment, cost overruns, access to the required level of funding and contracting risk from third parties providing essential services.

If the Company discovers an economically viable mineral deposit that it intends to develop, it will, among other things, require various approvals, licences and tenements before it will be able to mine the deposit. There is no guarantee that the Company will be able to obtain all required approvals, licences and tenements. To the extent that required authorisations are not obtained or are delayed, the Company's operational and financial performance may be materially adversely affected.

If Clara commences production, its operations may be disrupted by a variety of risks and hazards which are beyond its control, including environmental hazards, industrial accidents, technical failures, labour disputes, unusual or unexpected rock formations, flooding and extended interruptions due to inclement or hazardous weather conditions and fires, explosions, pandemics or accidents.

The risks outlined above mean that there can be no assurances as to the future development of a mining operation in relation to the Ashford Coking Coal Project (or other future projects) or that Clara will achieve commercial viability through the development or mining of any its projects.

GEOLOGY AND COAL QUALITY

There is risk associated with potential variation in the Ashford Coking Coal Project run-of mine (ROM) tonnes, coal quality and strip ratio based on the limitations of the scoping study stage geological model. Further exploration work is required to increase geological confidence, upgrading of resource classification and detailed mine design during the next phase of study.

The Ashford Coking Coal Project raw coal quality in may be different to the forecast expectations, impacting design of the plant, yield, ash and the coking/thermal ratio. Further analysis of raw coal data from additional boreholes in specifically selected locations is required, including comprehensive testing to further confirm coal quality.

There is no certainty further exploration and analysis will confirm the assumptions in the scoping study.

COMMODITY PRICES

The Company's prospects will be influenced from time to time by the prevailing short-term prices of the commodities targeted in its exploration programs, in this case, the price of hard coking coal (HCC). HCC prices fluctuate and are affected by factors including supply and demand, hedge activities associated with commodity markets, the costs of production and general global economic and financial market conditions.

These factors may cause volatility which in turn, may affect the viability of the Company's projects, including the Ashford Coking Coal Project.

The events relating to the Russia/Ukraine war have had an impact on global demand for the Company's target commodities. It is difficult if not impossible to accurately predict the direction of those markets in the short or medium terms.

TENEMENT RISKS

The rights to resource tenements carry with them various obligations which the holder is required to comply with in order to ensure the continued good standing of the tenement and, specifically, obligations in regard to minimum expenditure levels and responsibilities in respect of the environment and safety. Failure to observe these requirements could prejudice the right to maintain title to a given area and result in government action to forfeit a permit or permits.

There is no guarantee that current or future exploration permit applications or existing permit renewals will be granted, that they will be granted without undue delay, or that the holder of the mineral tenements can economically comply with any conditions imposed on any granted exploration permits.

APPENDIX 1 – RISK FACTORS

LAND ACCESS RISK

Land access is critical for exploration and evaluation to succeed. In all cases the acquisition of prospective tenements is a competitive business, in which propriety knowledge or information is critical and the ability to negotiate satisfactory commercial arrangements with other parties is often essential.

Access to land for exploration purposes can be affected by land ownership, including private (freehold) land, pastoral lease and regulatory requirements within the jurisdictions where the Company, its subsidiaries or companies it holds interests in operate.

NATIVE TITLE AND HERITAGE RISK

The Native Title Act 1993 (Cth) recognises certain rights of indigenous Australians over land where those rights have not been extinguished. These rights, where they exist, may impact on the ability of the Company to carry out exploration and in future, mining activities, or obtain exploration or mining licences in Australia. In applying for licences over crown land, the Company must observe the provisions of Native Title legislation.

There are also laws of the States and Territories which impose duties of care which require persons, including the Company, to take all reasonable and practical measures to avoid damaging or destroying Aboriginal cultural heritage.

In carrying out exploration and/or mining operations, the Company must observe Native Title legislation (where applicable), Aboriginal heritage legislation and heritage legislation which protects sites and objects of significance and these may delay or impact adversely on the Company's operations in Australia.

TITLE RISK

The exploration and prospecting permits and claims in which either the Company, its subsidiaries or companies it holds interests in has now, or may, in the future, acquire an interest, are subject to applicable local laws and regulations. There is no guarantee that any such claims, applications or conversions in which the Company, its subsidiaries or companies it holds interests in has a current or potential interest will be granted.

All of the projects in which the Company, its subsidiaries or companies it holds interests in has an interest will be subject to application for claim renewal from time to time. Renewal of the term of each claim is subject to applicable legislation. If the claim is not renewed for any reason, the Company may suffer significant damage through loss of the opportunity to develop and discover any mineral resources on that claim.

CONTRACTUAL AND JOINT VENTURE RISK

The Company's ability to efficiently conduct its operations in a number of respects depends upon a third party product and service providers and contracts have, in some circumstances, been entered into by the Company and its subsidiaries in this regard. As in any contractual relationship the ability for the Company to ultimately receive benefits from these contracts are dependent upon the relevant third party complying with its contractual obligations.

To the extent that such third parties default in their obligations, it may be necessary for the Company to enforce its rights under any of the contracts and pursue legal action. Such legal action may be costly and no guarantee can be given by the Company that a legal remedy will ultimately be granted on appropriate terms.

The Company may wish to develop its projects or future projects through joint venture arrangements. Any joint ventures entered into by, or interests in joint ventures assigned to the Company, could be affected by the failure or default of any of the joint venture participants.

Additionally, failure by contractors to perform in accordance with required timelines, may expose any project in which the Company its subsidiaries or companies it has an interest, to risk of forfeiture under applicable laws.

APPENDIX 1 – RISK FACTORS

OPERATIONAL RISKS AND COSTS

Prosperity for the Company will depend largely upon an efficient and successful implementation of all the aspects of exploration, developments, business activities and management of commercial factors.

Exploration has been and will continue to be hampered on occasions by unforeseen weather events, accidents, unforeseen cost changes, environmental considerations, natural events and other incidents beyond the control of the Company.

By its nature, the business of exploration is a highly speculative endeavour and involves significant risks. The Company's performance depends on the successful exploration and/or acquisition of resources or reserves, competent operational management and efficient financial management. Further, the nature of exploration can sometimes result in industrial accidents and other incidents beyond the control of the Company.

There can be no assurances that the Company's exploration programs, will result in the discovery of a satisfactory resource. Even if a resource is identified, there is no guarantee that it will be viable for economic exploitation. Ultimate success depends on the discovery and delineation of economically recoverable mineral resources, establishment of efficient exploration operations, obtaining necessary titles and access to projects, as well as government and other regulatory approvals.

The exploration and mining activities of the Company may be affected by a number of factors, including but not limited to geological conditions, seasonal weather patterns, technical difficulties and failures, continued availability of the necessary technical equipment, plant and appropriately skilled and experienced technicians, adverse changes in government policy or legislation and access to the required level of funding.

If the Company decides to develop and commission a mine, the operations of the Company including mining and processing may be affected by a range of factors. These include failure to achieve the predicted grades and quality in exploration, mining and processing, technical difficulties encountered in commissioning and operating plant and equipment, mechanical failure, metallurgical problems which affect extraction rates and costs, adverse weather conditions, industrial and environmental accidents, industrial disputes, unexpected shortages or increase in the costs of consumables, spare parts, plant and equipment.

CLIMATE CHANGE RISK

The operations and activities of Clara are subject to changes to local or international compliance regulations related to climate change mitigation efforts, specific taxation or penalties for carbon emissions or environmental damage and other possible restraints on industry that may further impact the Company. While the Company will endeavour to manage these risks and limit any consequential impacts, there can be no guarantee that the Company will not be impacted by these occurrences.

Climate change may also cause certain physical and environmental risks that cannot be predicted by the Company, including events such as increased severity of weather patterns, incidence of extreme weather events and longer-term physical risks such as shifting climate patterns. All these risks associated with climate change may significantly change the industry in which the Company operates.

MANAGEMENT ACTIONS

The Directors of the Company will, to the best of their knowledge, experience and ability (in conjunction with their management) endeavour to anticipate, identify and manage the risks inherent in the activities of the Company, but without assuming any personal liability for same, with the aim of eliminating, avoiding and mitigating the impact of risks on the performance of the Company and its Securities.

However, there is no assurance that the Directors will be able to successfully avoid circumstances giving rise to an adverse effect on the assets, operations and ultimately the financial performance of the Company and the market price of its securities.

APPENDIX 1 – RISK FACTORS

INTERNATIONAL CONFLICTS RISK

The ongoing military conflict between Russia and Ukraine, and recent conflict in Israel and Gaza, are having a material effect on the global economy. These hostilities have created uncertainty for capital markets around the world, and this uncertainty may lead to adverse consequences for the Company's business operations. Measures taken by governments around the world to end these conflicts (such as imposing tariffs on Russian exports and other economic sanctions) may cause disruptions to the Company's supply chains and adversely impact commodity prices.

GOVERNMENT POLICY

Changes in relevant taxation, interest rates, other legal, legislative and administrative regimes, and Government policies in Australia or any other jurisdiction in which the Company, its subsidiaries or companies it holds interests in undertakes or may undertake operations, may have an adverse effect on the assets, operations and ultimately the financial performance of the Company. These factors may ultimately affect the financial performance of the Company and the market price of its securities.

In addition to the normal level of income tax imposed on all industries, the Company its subsidiaries or companies it holds interests in may be required to pay government royalties, indirect taxes, GST and other imposts which generally relate to revenue or cash flows. Industry profitability can be affected by changes in government taxation policies.

Changing attitudes to environmental, land care, cultural heritage and indigenous land rights' issues, together with the nature of the political process, provide the possibility for future policy changes. There is a risk that such changes may affect the Company's, its subsidiaries or companies it holds interests in exploration plans or, indeed, its rights and/or obligations with respect to the tenements.

RELIANCE ON KEY PERSONNEL

The Company's progress in pursuing its exploration and evaluation programmes within the time frames and within the costs structure as currently envisaged could be dramatically influenced by the loss of existing key personnel or a failure to secure and retain additional key personnel as the Company's exploration programme develops. The resulting impact from such loss would be dependent upon the quality and timing of the employee's replacement.

Although the key personnel of the Company have a considerable amount of experience and have previously been successful in their pursuits of acquiring, exploring, evaluating and operating resource projects, there is no guarantee or assurance that they will be successful in their objectives. Shareholders should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for the New Shares.