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ASX Release
19/12/2025

Clara Resources to Acquire Hodgkinson Basin Gold Project in Far North Queensland

Highlights

- Clara has entered into a binding agreement to acquire 100% of the Hodgkinson Basin Gold Project, a significant 265 km² tenement package in the historically productive Far North Queensland gold district.
- The project is located within the Hodgkinson Basin, a region with a long history of high-grade gold production. Historical drilling on the tenure includes more than 130 exploration holes, providing a strong basis for ongoing geological assessment.
- The tenement package covers over 13km of a major regional shear zone and remains largely underexplored, despite its proximity to areas of historical gold mining operations.
- Clara to issue 533,333,333 shares plus staged consideration of $1.25m cash in total to acquire the Project. The transaction is subject to shareholder approval and other customary conditions.
- Clara will embark on a two-phased program for 2026 focused on rapidly advancing the project towards a maiden JORC Mineral Resource estimate whilst testing areas of significant exploration upside.

Clara Resources Australia Limited (ASX: C7A) ("Clara" or "the Company") is pleased to announce it has executed a binding term sheet (“Binding Term Sheet”) to acquire 100% of the issued share capital of AU SB Minerals Pty Ltd ("AUSB"). AUSB is party to two option agreements (“Option Agreements”) to acquire three granted Exploration Permits for Minerals (EPMs) that constitute the Hodgkinson Basin Gold Project ("the Project").

The acquisition of the Hodgkinson Basin Gold Project provides Clara with a significant holding in a historically important and underexplored gold province. The Company considers that the Project's geological setting, regional prospectivity, and proximity to established infrastructure present an attractive opportunity for future exploration and potential resource development, supporting value creation for Clara's shareholders. Cerberus Advisory and HopgoodGanim Lawyers have been appointed as financial and legal advisors in assisting with this transaction.

Clara Managing Director, Mr Peter Westerhuis said:

"This is a transformational acquisition for Clara Resources. The Hodgkinson Basin is a world-class gold province that has been overlooked for many years. The historical high-grade drill results, combined with the extensive strike length of the mineralised system, give us great confidence in the potential of this project. We have a clear strategy to rapidly unlock this potential through a systematic and aggressive

exploration program in 2026. This will be a very exciting year for Clara as we simultaneously progress the Ashford Coking Coal Project to pre-feasibility study status"

THE HODGKINSON BASIN GOLD PROJECT

Location and Tenement Package

The Project is located approximately 90km west of Cairns in Far North Queensland and comprises three granted EPMs covering a total area of 265 km². The tenements are situated within the Hodgkinson Province, a geological terrane that has produced over 1.6 million ounces of gold from the Palmer River and Hodgkinson goldfields during the late 1800s and early 1900s.

The Project is strategically located with good access via sealed highway to Dimbulah, followed by established 4WD tracks to the tenement area. This proximity to infrastructure supports cost-effective exploration and potential future development.

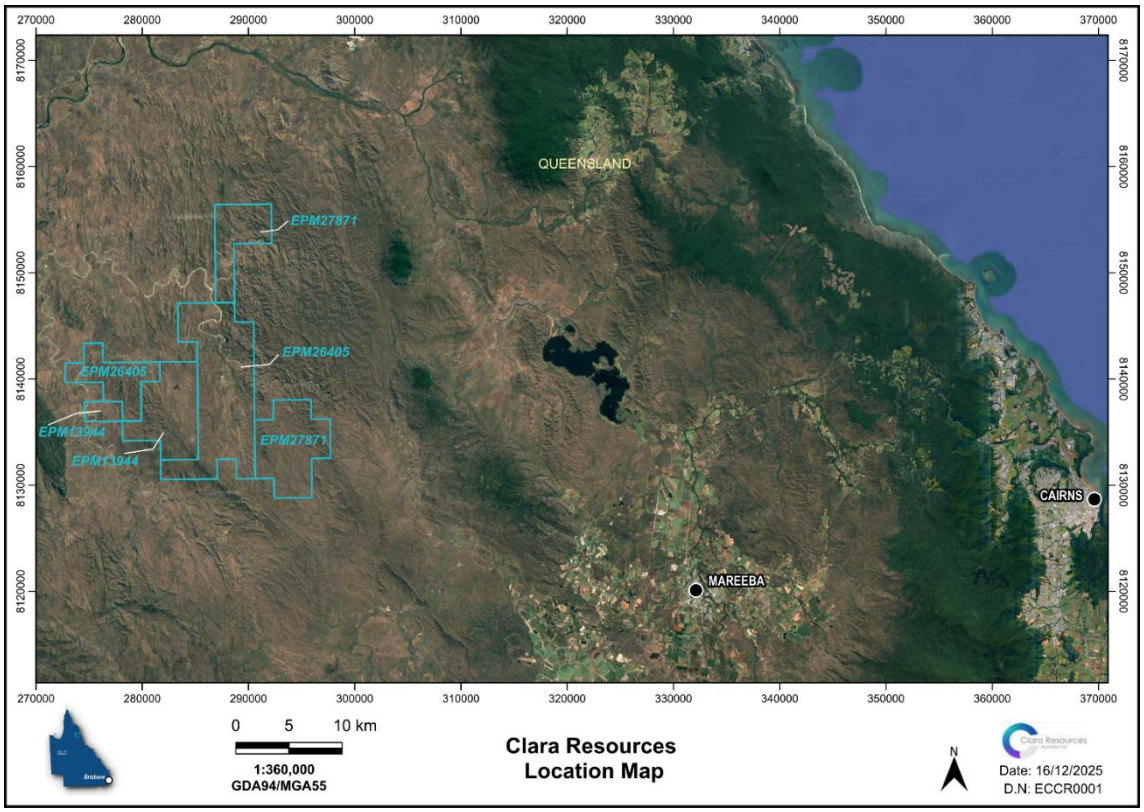


Figure 1: Location of the Hodgkinson Basin Gold Project with granted EPMs

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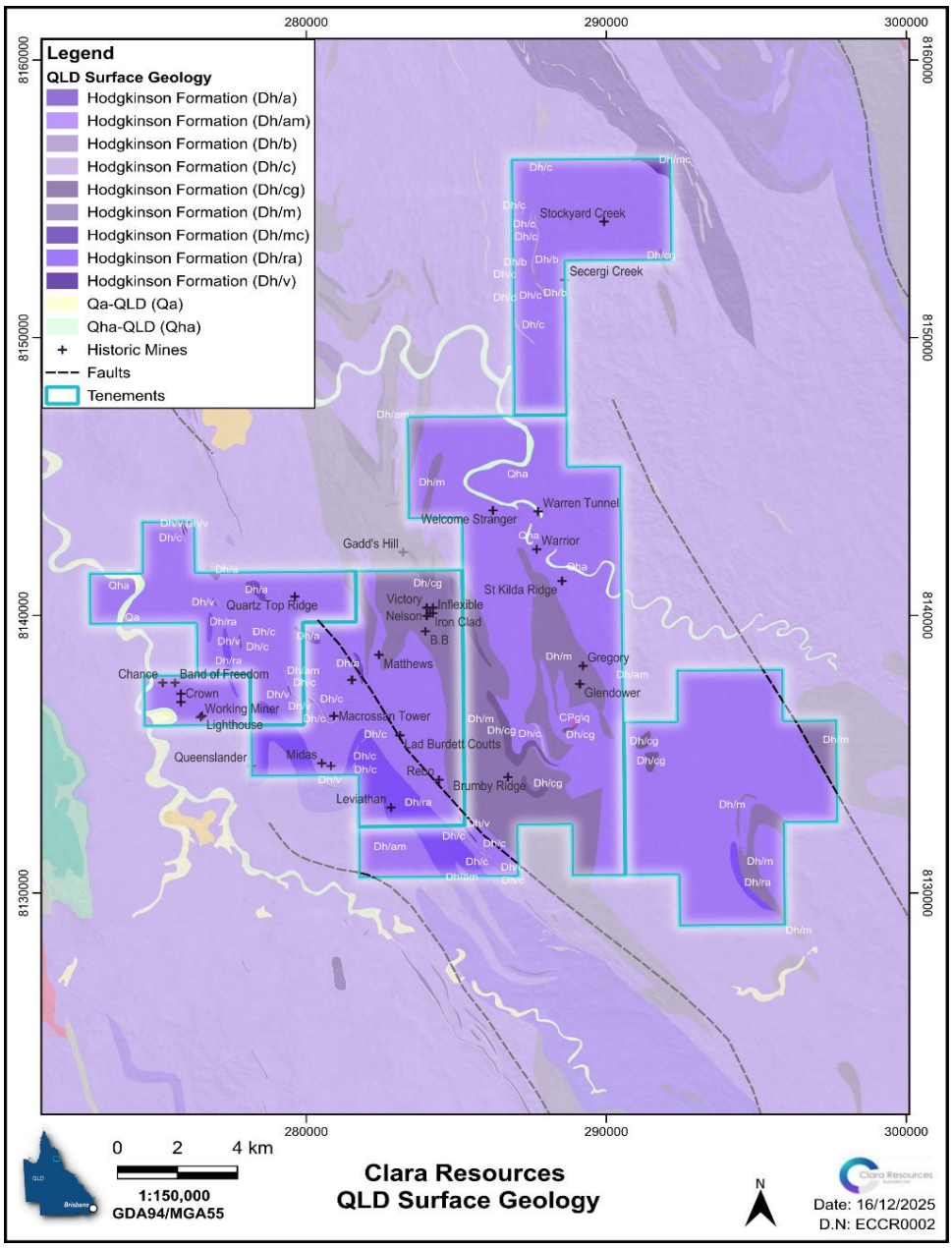


Figure 2: Hodgkinson Basin Gold Project Exploration Permits showing geology of the region

The three EPMs comprising the Project are detailed in the table below:

EPM	Status	Sub-blocks	Approximate Area
13944	Granted	16	52 km^2
26405	Granted	39	128 km^2
27871	Granted	26	85 km^2
Total		81	265 km^2

Regional Geological Setting

The Hodgkinson Province forms part of the northern Tasman Fold Belt and is characterised by a thick sequence of deep-water sedimentary rocks (turbidites) that have been subjected to multiple phases of tectonic deformation. The Hodgkinson Formation, which dominates the Project area, consists predominantly of arenites, siltstones, and shales with minor conglomerate, chert, basalt, and limestone, all of Late Silurian to Late Devonian age.

The region has undergone significant structural modification from the Late Devonian through to the Early Permian, with early tight folding and shear development subsequently overprinted by steeply plunging folds and reverse faults. The structural framework is dominated by northwest to north-northwest trending faults and shear zones, which are key controls on mineralisation and are analogous to those hosting gold in nearby historical fields.

Local Geology and Mineralisation Style

Within the Project area, the Hodgkinson Formation is represented by meta-arenite, phyllitic mudstone, and chert, with subordinate metabasalt and mica schist. These units are intersected by northwest to north-northwest trending faults and shear zones, which provide the primary structural controls on mineralisation. Gold occurrences within the Project include both alluvial and hard-rock prospects, with primary mineralisation typically hosted in quartz veins associated with north-northwest trending faults and their splays.

The mineralisation is characterised by multiple, stacked quartz vein systems within a broad mineralised corridor. This style of mineralisation is consistent with orogenic gold systems, which are known to have significant potential for both extension at depth and along strike.

Historical Exploration

Previous exploration during the 1980s and 1990s by major mining companies including Freeport and WMC was largely restricted to shallow percussion drilling to depths of 30 to 40 metres. Despite this limited depth of investigation, historical drilling successfully delineated a continuous mineralised gold trend extending for approximately 6 kilometres along the Eastern Bounding Fault Zone (EBFZ), which transects the tenement package.

Historical Drilling Results

The Company is currently reviewing and compiling historical drilling data to ensure alignment with the JORC Code (2012). Any validated data will be disclosed in accordance with JORC reporting requirements upon completion of this review. Preliminary due diligence has included a review of historical exploration records, which supports further technical evaluation of the tenure.

Recent Rock Chip Sampling

Rock chip sampling programs were conducted in 2014, 2015, and most recently in 2025. These programs form part of the historical exploration record currently under review. The Hodgkinson Mineral Field is a well-documented gold-bearing district, and the tenure is considered prospective based on regional geological characteristics.

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Figure 3: Quartz vein outcrop observed at Hodgkinson Basin Gold Project. The image illustrates geological features relevant to the project's exploration context and does not imply economic viability.[1]

Exploration Upside

The Project is considered highly prospective and presents substantial exploration upside for Clara Resources:

Depth Potential

Historical drilling has generally been shallow, with most holes limited to approximately 30 - 40 metres. The continuation of mineralisation at depth remains largely untested, presenting a compelling opportunity to discover primary lode-gold mineralisation below the zone of weathering and supergene enrichment.

Strike Length Extension

The 6km mineralised corridor delineated by historical drilling remains open both to the north and south along strike. Systematic exploration along the full extent of the Eastern Bounding Fault Zone and related structures has the potential to define additional mineralisation.

Historical Workings

The tenure includes numerous historical workings, such as artisanal pits and trenches, located outside areas previously tested by exploration drilling. These features confirm past small-scale mining activity and highlight the strong geological potential of the tenement. While these workings provide encouraging indications for further investigation, they do not constitute Mineral Resources or Ore Reserves under the JORC Code (2012 Edition). Their presence identifies priority areas for follow-up exploration aimed at assessing continuity and grade potential.

[1] The images shown in this announcement are for geological context only and do not represent Exploration Results, Mineral Resources or Ore Reserves as defined by the JORC Code (2012 Edition) and should not be considered as an indication of economic viability. Any interpretation of mineralisation is preliminary and subject to further exploration and evaluation. The visuals should be read in conjunction with the accompanying text in this announcement.

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Figure 4: Quartz vein outcrop with artisanal pit observed at Hodgkinson Basin Gold Project in EPM26405. The image illustrates geological features and historical workings relevant to the project's exploration context and does not imply economic viability[1].

Multiple Vein Systems

The tenure is located within a geological setting known to host quartz vein systems, consistent with regional mineralisation styles, suggesting a complex structural setting with significant potential for additional target generation.

Regional Potential

The Project covers a substantial portion of a major regional shear zone system. Geophysical data and structural interpretation have identified multiple additional targets within the broader tenement package that remain untested by drilling.

EXPLORATION STRATEGY

Clara will work towards a systematic, two-phased exploration program designed to rapidly advance the Hodgkinson Basin Gold Project towards a maiden JORC Mineral Resource estimate. The program is structured to deliver early momentum and de-risk the asset through confirmatory drilling and systematic target generation.

Commencing H1 2026: Geophysical Surveys and Geological Mapping

Geophysical Surveys and LiDAR Mapping

Early-stage geophysical work, combined with high-resolution LiDAR surveys, will define structural trends, confirm historic mining occurrences, and improve prospect targeting across the total tenure. This work will provide critical structural and topographic data to refine the geological model and guide drilling programs.

Integrated Geological Mapping and Sampling

Detailed structural mapping and systematic rock chip sampling will run in parallel with geophysical studies to refine geological models and identify additional gold targets. This work will focus on the Eastern Bounding Fault Zone and related structures, with particular emphasis on areas of historical mining activity and areas where geophysical anomalies suggest untested mineralisation.

Commencing H2 2026: Confirmatory and Extensional Drilling

Confirmatory Drilling

Shallow reverse circulation drilling along the Eastern Bounding Fault Zone will validate historical high-grade intercepts from WMC and Freeport programs. This work is designed to confirm the continuity and grade of mineralisation and to provide samples for metallurgical testing.

Depth Extension Drilling

Targeted deeper holes will test the continuity of mineralisation at depth, with the objective of defining primary lode-gold mineralisation below the zone of weathering. This work is critical to establishing the scale and economic potential of the deposit.

TRANSACTION SUMMARY

Acquisition Structure

Clara will acquire 100% of the issued share capital of AUSB ("Acquisition") by issuing 533,333,333 fully paid ordinary shares to the vendors of AUSB ("Vendors").

AUSB is a private company which holds an option over the Project on the terms set out below.

The Acquisition is subject to the satisfaction or waiver of the following conditions precedent:

1. Due Diligence: Clara being satisfied, in its sole discretion, with the results of its due diligence investigations on AUSB and the Project.

2. Tenement Transfer: Clara being satisfied, in its sole discretion, with the ability of the optionors to transfer the Project tenements to AUSB.

3. Execution of Definitive Agreements: The parties executing a formal Share Sale Agreement and any other ancillary documents necessary to implement the transaction.

4. Shareholder Approvals: Clara obtaining all necessary shareholder approvals required by the Corporations Act 2001 (Cth) or the ASX Listing Rules to lawfully complete the transaction, including (if required) for the issue of the consideration shares.

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5. ASX Confirmation: Clara obtaining confirmation from the ASX that the transaction does not require it to re-comply with Chapters 1 and 2 of the ASX Listing Rules.

As at the date of this announcement, Clara has obtained the ASX Confirmation. The Company is undertaking due diligence on AUSB and the Project, and expects to seek the required shareholder approvals at a general meeting to be held in early February 2026, with the Acquisition to complete shortly thereafter.

The conditions relating to Due Diligence, Tenement Transfer and Execution of Definitive Agreements must be satisfied or waived by Clara on or before 17 January 2026, and the remaining conditions must be satisfied or waived on or before 6 February 2026. Any party may elect to terminate the Binding Term Sheet if the conditions precedent are not satisfied or waived by the relevant date.

Option Agreements

Upon completion of the Acquisition and AUSB becoming a wholly-owned subsidiary of Clara, Clara proposes to exercise the options held by AUSB to acquire the Project tenements under the Option Agreements. The material terms of the Option Agreements are set out below:

Brian Wallace Option

The option held with Brian Wallace covers EPM 26405. The key terms are:

- Initial Option Period: 60 business days (commencing 10 November 2025)
- Option Extension Fee: $20,000 in cash (if an additional 30 business days are required)
- Option Exercise Fee: $500,000 in cash
- Successful Tenement Transfer Payment: $500,000 in cash

Queensland Mining Pty Ltd Option

The option held with Queensland Mining Pty Ltd covers EPMs 13944 and 27871. The key terms are:

- Initial Option Period: 60 business days (commencing 10 November 2025)
- Option Extension Fee: $10,000 in cash (if an additional 30 business days are required)
- Option Exercise Fee: $100,000 in cash
- Successful Tenement Transfer Payment: $150,000 in cash

The Company proposes funding the Option Exercise Fees using its current working capital. It is anticipated that the transfer and registration of the EPMs, and the corresponding obligation to pay the Successful Tenement Transfer Payments, may take up to 6 months from the exercise of the Options. The Company notes that it will likely be required to raise additional capital at such time in order to fund these payments, which may result in further dilution to existing shareholders.

Post Acquisition Capital Structure[2]

	Shares	%	Options
Existing Shareholders	1,272,442,581	70.47%	228,337,743
Vendors	533,333,333	29.53%	0
Post-Acquisition	1,805,775,914	100%	228,337,743

[2] Assumes no further shares are issued and no further options are issued or exercised.

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Indicative Timetable

Event	Date
Execution of Binding Term Sheet and announcement of Acquisition	19 December 2025
Completion of due diligence and execution of Share Sale Agreement	Mid-January 2026
General Meeting of Clara shareholders	6 February 2026
Complete Proposed Transaction, Issue Consideration Shares and exercise Options	13 February 2026

Incentive Package for approval at General Meeting

The Board intends to seek shareholder approval at the upcoming General meeting of the Company for the issue of an incentive package for Directors. The incentive package is proposed to be up to a maximum of 5% of shares on issue post the transaction and will be issued on similar terms as the options issued to the underwriter for the Rights Issue. Refer Appendix A for key terms.

FORWARD-LOOKING STATEMENTS

This announcement contains forward-looking statements which are identified by words such as "may", "could", "believes", "estimates", "targets", "expects", or "intends" and other similar words that involve risks and uncertainties. These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this announcement, are expected to take place. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors and our management.

We cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this announcement will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements. The Company undertakes no obligation to update or revise any forward-looking statements to reflect events or circumstances after the date of this announcement, except as required by law.

ABOUT CLARA RESOURCES AUSTRALIA LIMITED

Clara Resources Australia Limited (ASX: C7A) is an Australian mineral exploration company focused on the exploration and development of a portfolio of high-quality mineral assets. The Company is committed to creating shareholder value through the discovery and development of economic mineral deposits.

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

For further information, please contact:

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Appendix A **- Terms of Options**

The Director Options will be issued on the following terms:

(a) **Entitlement**

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

(a) **Exercise Price**

Subject to paragraph (i), the amount payable upon exercise of each Option is $0.0045 (**Exercise Price**).

(b) **Expiry Date**

Each Option will expire at 5:00 pm (AEDT) 4 years after the date of their issue (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(c) **Exercise Period**

The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(d) **Notice of Exercise**

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(e) **Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

(f) **Timing of issue of Shares on exercise**

Within 5 Business Days after the Exercise Date, the Company will:

(i) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;

(ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and

(iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options. If a notice delivered under (g)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after

becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(g) **Ranking**

Shares issued on exercise of the Options rank equally with the then issued Shares of the Company.

(h) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of an Option holder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(i) **Bonus Issue:**

If there is a bonus issue to the holder of Shares, the number of Shares over which an Option is exercisable may be increased by the number of Shares which the option holder would have received if the Option had been exercised before the record date for the bonus issue.

(j) **Participation in new issues**

There are no participation rights or entitlements inherent in the Options and the holder will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without first exercising the Options.

(k) **Change in exercise price**

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

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