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## ASX Announcement

15 September 2025

# ASHFORD MAIDEN MEASURED RESOURCE

## Highlights

- JORC Measured resource for Ashford coking coal project
- Confirms confidence in Ashford geology and path to commercialization
- Next step PFS will validate mining, quality, cost and financial assumptions

Clara Resources Australia Ltd (ASX: C7A) (“Clara” or “the Company”) is pleased to announce it has commissioned and received an updated JORC Resource report for Ashford. This JORC statement supersedes the 2017 report conducted by Laneway Resources Ltd, previous owners of the Ashford project.

Recovery of previously unused drill hole data and compilation of historic mining pit survey data have provided additional points of observation, increasing confidence in structural and quality continuity. Total resources have not changed significantly since the previous assessment, however the increase in confidence has enabled a reduction in Inferred resource and a transfer of 2.5 Mt of resources to Measured status.

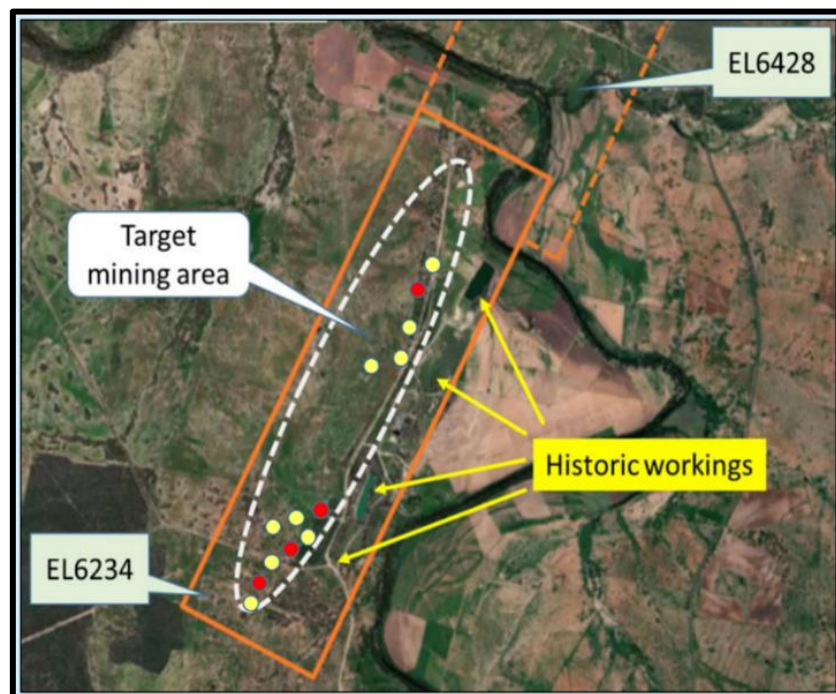
	Measured (Mt)	Indicated (Mt)	Inferred (Mt)	Total (Mt)
2017	-	6.5	8.3	14.8
2025	2.5	7.2	4.8	14.5

The Resource Statement has been compiled by Mal Blaik, Principal Consultant of JB Mining Services, who carried out the modelling and resource estimation. Historic data compilation was by Rick Walker, Clara Exploration Manager. The Resource Statement has been prepared in accordance with the “Australian Guidelines for Estimation Reporting and Classification of Coal Resources” (December 2014) and reported in compliance with the Joint Ore Reserves Committee’s Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (December 2012).

Transferring more resources to the Measured category and potentially increasing total coal resources will be achieved upon completion of the Pre-Feasibility Study, the next development milestone for Ashford. The PFS will also refine the mining plan and sequence, enhance the coal preparation process design options and improve the accuracy of cost assumptions and financial models.

A critical input to the PFS is the planned Resource and Quality Drilling Program, comprising 4 x cored holes and 8 x chip holes. This will provide the required information to:

- Further upgrade the JORC resource and specifically the Measured category
- Verify depth, thickness & structure of coal seams
- Improve coal quality data, including coking properties and washability



Work on the PFS has commenced and, depending on funding status, can be completed in 6 to 9 months.

Clara's Managing Director, **Mr Peter Westerhuis**, commented:

*"The current market environment for junior coal companies remains challenging; however, we remain confident about the technical and commercial robustness of the Ashford Coking Coal Project. The new, revised JORC statement fuels our confidence. A long-established characteristic of the global coal market is its volatility and cyclical nature. These are largely functions of world demand and supply. Market forecasts are anticipating longer-term increased demand for coking coal in an environment where not many new supply sources are being constructed. Clara's Ashford mine will be well placed*

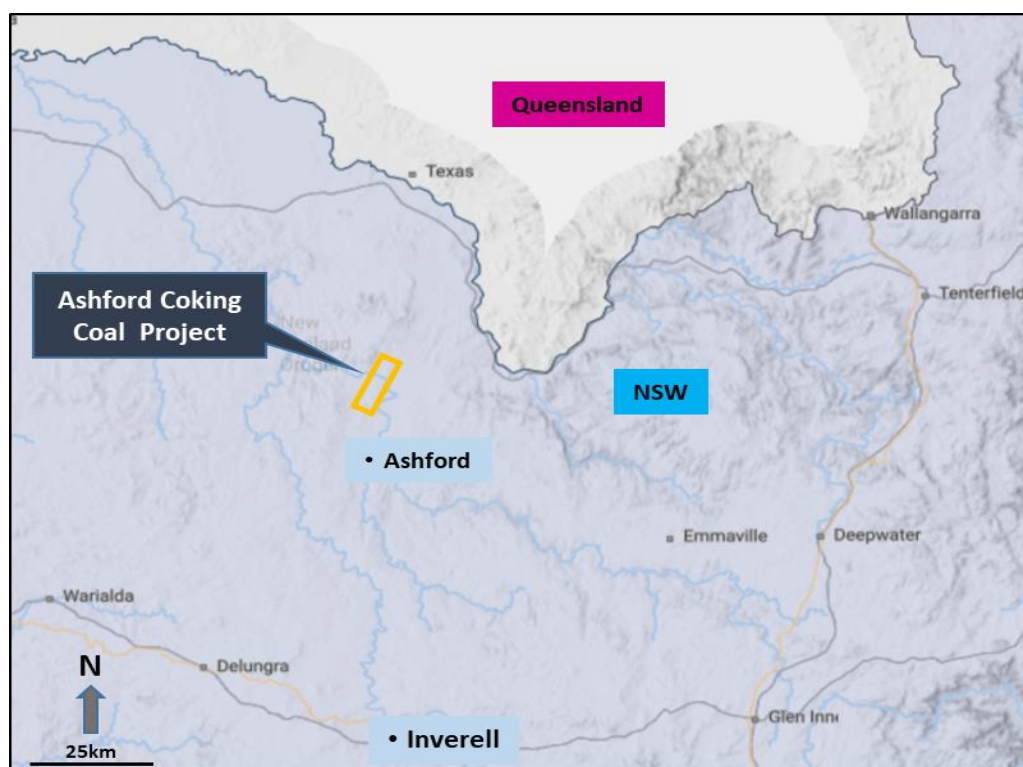
*to supply into this growing market. Meanwhile, as we navigate the present market conditions, we have moved to preserve cash by cutting down all non-essential expenditure. The board also continues to assess exploration and development projects to augment the current portfolio. We appreciate the ongoing support of our shareholders.”*

## SUMMARY OF THE KEY INFORMATION OF THE ASHFORD RESOURCE ESTIMATE

(Refer to Appendix, Table 1 for detail):

### Location

The Ashford Coking Project Coal 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.



### Geology and Geological Interpretation

Coal resources occur in the Permian Ashford Coal Measures. Coal has been mined in the region since the late 1800's with the coal being used for metallurgical smelting at the Silverspur Silver mine at Texas, Queensland. The Ashford Colliery, an open cut operation, was later operated from 1957 to 1988. The coal was supplied to the Ashford Power Station located beside the mine site.

The Permian Ashford Coal Measures are expressed as a narrow (< 10km wide) 80 km long basin, stretching from the Queensland border in the north to Inverell in the south, unconformably overlying highly deformed Carboniferous age marine sediments (Texas beds) basement. The coal measures may have been deposited in a west dipping half graben. The western margin of the coal measures is marked by a prominent west over east thrust fault– the Severn Thrust resulting in Carboniferous rocks overlying

the Permian sediments. Intruding the overthrust Carboniferous rocks is a leucogranite intrusive of the New England Batholith.

Quaternary alluvials from the Severn River overlie the Permian and carboniferous sequence. These unconsolidated materials include felsic sand, gravel and clay.

Depth of weathering is variable from about 4m to 50m. The average depth of weathering over the open cut area is in the order of 20 to 25m. Very shallow weathering can occur in overthrust granite/aplite rocks. Localised deeper weathering is likely to be related to intense fracturing in faulted zones.

### **Drilling Techniques**

Structural holes are approximately 100-150m (or less) spaced in the shallow seam area. Holes are up to 300m spaced in the southern downdip area. Core holes with raw coal quality analyses are 150-200m spaced in the central part of the resource. In the north raw quality holes are approximately 350m spaced. There are few holes in the south. Holes with Clean coal composite quality analyses are 200 - 400m spaced in the central part of the resource.

Drilling programs utilised wireline and conventional core drilling and Reverse Circulation drilling using a downhole hammer. Core holes were partly cored. Drilling rigs comprised both conventional and top head drive units providing 63.5mm (HQ) core for coal quality sampling. HQ cores were photographed, geotechnically logged, sampled and bagged in the field. Reverse Circulation drilling provided chip samples which were archived in 1m chip samples where seams were not cored. All holes were attempted to be drilled vertical. Most modern holes were geophysically logged.

### **Sampling Techniques and Analysis**

Core samples were drilled and recovery noted by a supervising geologist. Sample lengths are compared with estimated drilled depths to aid determination of sample recovery. Density logs were used to check sample recovery. Redrills were required where core recoveries are <95%, except when due to adverse geological conditions. Drill cuttings and cores were lithologically logged in the field. Lithological logs were encoded directly in the field on industry standard coding sheets. Coal seam intercepts were corrected to downhole geophysics. Where possible, wireline logging of all drill holes has been routinely undertaken for the industry standard suite of logs - calliper, gamma and density. The level of detail is considered to be appropriate for coal resource definition.

Full cores were used for sample testing. Core sampling was completed at the core shed. Samples were crushed and sub-sampled in NATA registered laboratories using appropriate Australian Standards for coal testing. All samples are weighed, air dried then re-weighed before being crushed. Raw coal analyses were carried out on 35 holes intersecting the Ashford seam. The analyses included Proximates, RD, total sulphur, SE and CSN. The clean coal composites were carried out on 10 holes intersecting the Ashford seam. The clean coal composite analyses included Proximates, phosphorus, total sulphur, CSN, Gray King Coke Type, Giesler Fluidity, Ash Analyses, Petrographic analyses and Reflectance Ro Max. CSR tests have been performed on 2 bulk samples.

### **Resource estimation and modifying factors (including cut-off grades)**

The Ashford regional and local geological setting is well understood and defined by adequate drilling. The deposit was mined by open cut for over 30 years providing direct evidence of seam continuity and an understanding of the structure. There is sufficient raw coal quality analyses to provide an understanding of the potential product.

Critical data is viewed as raw ash which are well defined by core analyses. The seam shows reasonable consistency of raw coal quality, demonstrated by locally trending model contours and low coefficients of variation. There is fair variability in seam thickness.

Data analyses and verification throughout the exploration phase has identified and allowed correction of outlier data (where valid). Preliminary Geostatistical and Statistical analyses have been carried out. Variograms for Raw ash and thickness have been created. Although the geostatistical work was not definitive it has provided a basis for determining the drill hole spacing criteria for resource confidence estimation.

The resources at Ashford are considered to have reasonable prospects of eventual extraction by open cut and highwall mining methods.

Open cut limits:

- Updip limit as determined by full seam fresh lox line or mined out zones
- Minimum seam thickness of 1.0m
- Heat affected coal and thick partings are excluded.
- Downdip limit as determined by 15:1 (BCM/insitu Tonne) ratio cut off.
- Southern limit is the EL boundary
- Northern limit is determined by faulting and reduced seam thickness.

Highwall Mining Resource constraints are as follows:

- Updip limit as determined by Open cut downdip limit 15:1 ratio
- Minimum seam thickness of 1.0m
- Down dip limit set by maximum length of HW mining penetration 250m
- Southern limit is the EL boundary
- Northern limit is determined by faulting and reduced seam thickness and a 50m barrier to the river.

### **Mining and Metallurgical considerations**

The assessment of reasonable prospects for eventual economic extraction has been based on opencut mining. There is sufficient room for all required spoil dumps and on-site infrastructure. This coal resource estimation assumes that the coal will require beneficiation prior to export. The same coal has been exploited for more than 30 years and the quality characteristics are well understood.

This ASX release was authorized by the Board of Clara Resources Australia Ltd.

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*The information in this announcement relates to the Ashford Coking Coal deposit, specifically EL6234. It is based on and fairly represents information and supporting documentation prepared and compiled by Mr Mal Blaik and Mr Rick Walker. The Resource Statement has been compiled by Mal Blaik who carried out the modelling and resource estimation. Historic data compilation was by Rick Walker. The Resource Statement has been prepared in accordance with the "Australian Guidelines for Estimation Reporting and Classification of Coal Resources" (December 2014) and reported in compliance with the Joint Ore Reserves Committee's Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (December 2012).*

*Mal Blaik is a Principal Consultant of JB Mining Services Pty Ltd. Mal Blaik is a qualified geologist (BSc App Geol (Hons) University of Queensland, 1979) with over 40 years' experience in coal geology and over 25 years' experience in resource evaluation. Mr Blaik is a Member of the Australasian Institute of Mining and Metallurgy and qualifies as a Competent Person under the JORC Code. Neither Mal Blaik nor JB Mining Services Pty Ltd (JBMS) have any material interest or entitlement, direct or indirect, in the securities of Clara Resources or any companies associated with Clara Resources.*

*Rick Walker, Exploration Manager for Clara, is a qualified geologist (BSc Geol (Hons) of the University of New England, 1994) with over 25 years' experience in coal geology. Mr Walker is a Member of the Australasian Institute of Mining and Metallurgy (No 112568 & AIG No 6383) and qualifies as a Competent Person under the JORC Code.*

*This announcement is issued with the prior written consent of Mr Blaik and Mr Walker as to the form and context in which the exploration results and mineral resources and supporting information are presented.*

Attachment: Appendix 1 - JORC Table 1

**ASHFORD COAL RESOURCES**

**JUNE 2025**

**JORC TABLE 1**

**CHECKLIST OF ASSESSMENT AND REPORTING CRITERIA  
(THE JORC CODE, 2012 EDITION)**

**JORC TABLE 1** provides a summary of assessment and reporting criteria used for the ASHFORD Project in accordance with the Table 1 Checklist in “*The Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code, 2012 Edition)*”.

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Section 1	
Sampling Techniques and Data	
(Criteria in each section apply to all preceding and succeeding sections.)	
Criteria	Explanation
<i>Sampling Techniques</i>	Core holes were partly cored. Drilling rigs comprised both conventional and top head drive units providing 63.5mm (HQ) core for coal quality sampling. All NEC HQ cores were photographed, geotechnically logged, sampled and bagged in the field. Reverse Circulation drilling provided chip samples which were archived in 1m chip samples where seams were not cored. All holes were attempted to be drilled vertical. Most modern (NEC) holes were geophysically logged.
<i>Drilling techniques</i>	Wireline and conventional core drilling and Reverse Circulation drilling using a downhole hammer
<i>Drill sample recovery</i>	Core sample drilled and recovery noted by supervising geologist. Sample lengths are compared with estimated drilled depths to aid determination of sample recovery. Density logs used to check sample recovery.  Redrills were required where core recoveries are <95%, except when due to adverse geological conditions.
<i>Logging</i>	Drill cuttings and cores were lithologically logged in the field. Lithological logs were encoded directly in the field on industry standard coding sheets. Coal seam intercepts were corrected to downhole geophysics.  The more modern cores were photographed.  Where possible, wireline logging of all drill holes has been routinely undertaken for the industry standard suite of logs - calliper, gamma and density. The level of detail is considered to be appropriate for coal resource definition.
<i>Sub-sampling techniques and preparation</i>	Full cores were used for sample testing. Core sampling was completed at the core shed.  Samples have been crushed and sub-sampled in NATA registered laboratories using appropriate Australian Standards for coal testing. All samples are weighed, air dried then re-weighed before being crushed. .  Raw coal analyses were carried out on 35 holes intersecting the Ashford seam. The analyses included Proximates, RD, total sulphur, SE and CSN  The coking clean coal composites were carried out on 10 NEC holes intersecting the Ashford seam. The clean coal composite analyses included Proximates, phosphorus, total sulphur, CSN, Gray King Coke Type, Giesler Fluidity, Ash Analyses, Petrographic analyses and Reflectance Ro Max. CSR tests have been performed on 2 bulk samples.  .
<i>Quality of assay data and laboratory tests</i>	NATA registered laboratories have been used for all coal testing. Nata laboratories have quality assurance/quality control schemes.
<i>Verification of sampling</i>	On arrival at the laboratory, sample mass is compared with theoretical mass to check for recovery and thickness loss/inconsistencies. Samples are compared with geophysics to confirm to ensure consistency

<i>and assaying</i>	and check for core loss. If lithological logs are adjusted to geophysics, sample depths are adjusted accordingly.
<i>Location of data points</i>	The survey Datum is Australian Geodetic Datum GDA (94) and the height datum is Australian Height datum Drill hole collars are surveyed by registered surveyors post drilling. Many historic drill holes have been excluded due to lack of collar survey.
<i>Data spacing and distribution</i>	A total of 251 holes are in the lithological database of which 197 are used for structure modelling. Structural holes are approximately 100m – 150m (or less) spaced. Holes are up to 300m spaced in the southern downdip area. 41 sections from highwall survey pickups provide seam TOC and FOC data in in cuts 7,8,9.  Analyses from 35 cored holes are used in the coal quality model. Coal Quality cores are generally 150-200m spaced in the north and central part of the resource. In the south quality holes are approximately 350m-500m spaced.. Some cores are excluded from modelling due to inappropriate sampling/ analyses and or core loss.
<i>Orientation of data in relation to geological structure</i>	Drilling has attempted to maintain hole verticality. The general dip of the area is 20-25 degrees at the seam subcrop. Dips flatten downdip to approximately 15 degrees. Seam structure modelling is based on triangulation of the structure roof and floor intercepts. Seam thickness is derived by structure roof minus floor models.
<i>Sample security</i>	Core samples were bagged and labelled with a unique field sample ID. Field sample despatch records were compiled detailing the sample depths, general composition (coal/parting) and intended analyses instructions. On arrival at the laboratory field samples were re-weighed and confirmed against sample despatch advice data.
<i>Audits or reviews</i>	Coal seam intercepts were checked and corrected to downhole geophysics.

**Section 2****Reporting of Exploration Results**

(Criteria listed in the preceding section also apply to this section.)

**Criteria****Explanation**

*Mineral  
tenement  
and land  
tenure  
status*

Tenure No.	Name	Date Granted	Expires	Area (ha)	Holder
EL6234	Ashford	19/04/2004	19/04/2026	792	Renison Coal Pty Ltd*
EL6428	Ashford iii (Appletree flat)	07/06/2005	07/06/2025	587	Renison Coal Pty Ltd*

\* The Ashford Coking Coal Project comprises the above 2 EL's 6428 & 6324. Located approximately 60km north of Inverell (northern NSW). The Ashford Coking Coal Project (EL6428 & EL6324) is owned by Renison Coal which is a subsidiary of Clara Resources Australia Ltd.

*Exploration  
done by  
other  
parties*

Coal was first discovered in in 1884. The Ashford seam was mined by underground methods in the early part of the 20<sup>th</sup> century. The Ashford open cut colliery operated from 1957 to 1988 supplying the local power station. Exploration has been carried out by various parties including the Bureau of Mineral Resources (BMR), The Joint coal Board (JCB), White Industries Limited (WIL), Earth Resources of Australia (ERA) and the Northern Energy Corporation (NEC). The following table provides a summary of the drilling

Company	Number of Holes	Date	Total Metres	Cored Metres
Mr White	9	1940's	NA	NA
BMR	15	1949-1950	NA	NA
JCB	4	1950's	452	362
WIL	9	1970's	NA	54
ERA	11	1970's	NA	NA
ERA	15	1980	NA	40
WIL	12	1987	1871	127
NEC	40	2005	5722	1073
NEC	73	2006	11355	519
NEC	2	2007	258	11
NEC	5	2012	650	0

*Geology***Regional Geology**

The Permian Ashford Coal Measures are expressed as a narrow (< 10km wide) 80 km long basin, stretching from the Queensland border in the north to Inverell in the south, unconformably overlying highly deformed Carboniferous age marine sediments (Texas beds) basement.

The coal measures may have been deposited in a west dipping half graben. The western margin of the coal measures is marked by a prominent west over east thrust fault– the Severn Thrust resulting in Carboniferous rocks overlying the Permian sediments. Intruding the overthrust Carboniferous rocks is a leucogranite intrusive of the New England Batholith (Age Unknown).

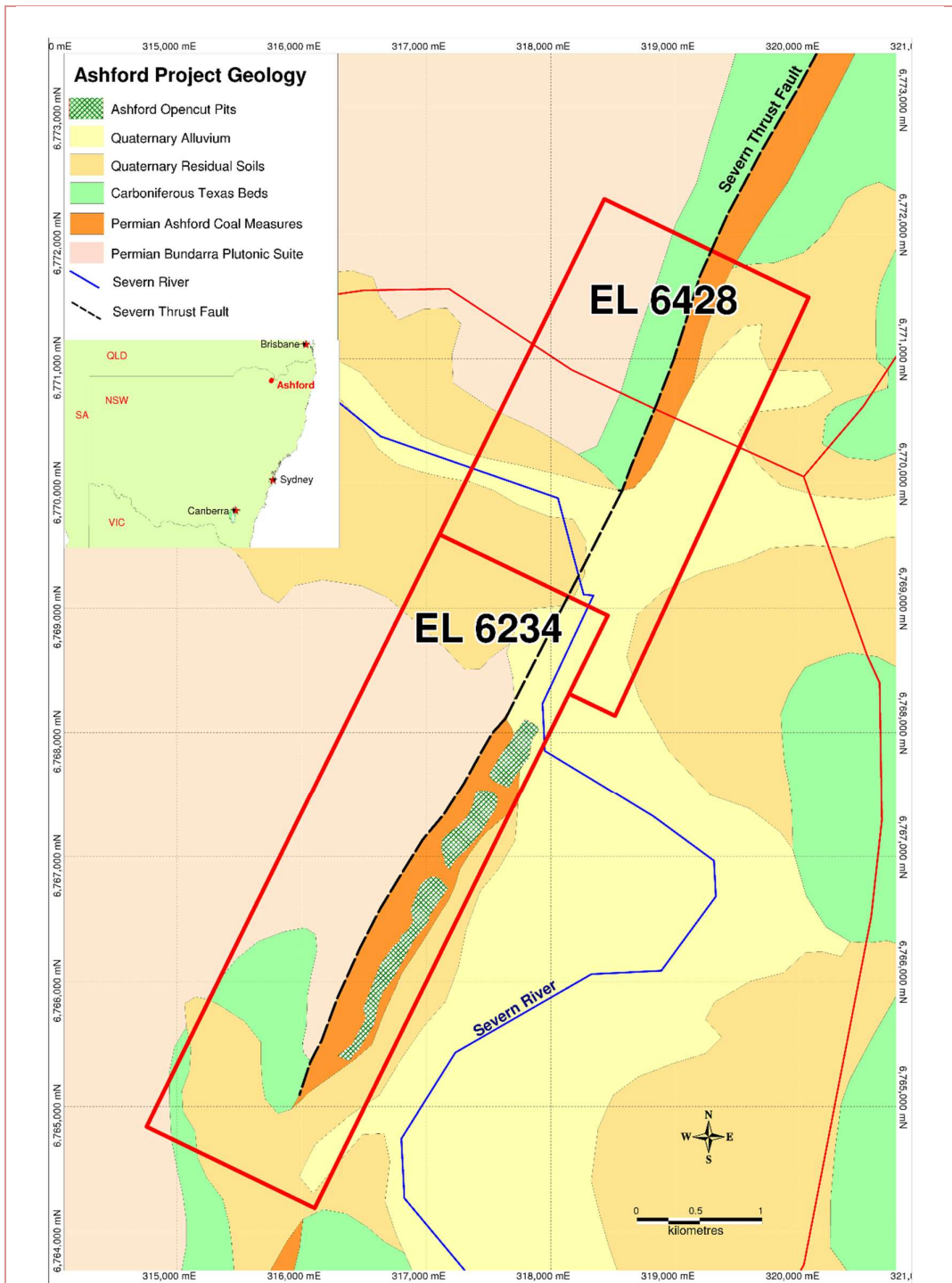
**Local Geology**

Quaternary alluvials from the Severn River overlie the Permian and carboniferous sequence. These unconsolidated materials include sand gravel and clay.

Depth of weathering is variable from about 4m to 50m. The average depth of weathering over the open cut area is in the order of 20 to 25m.

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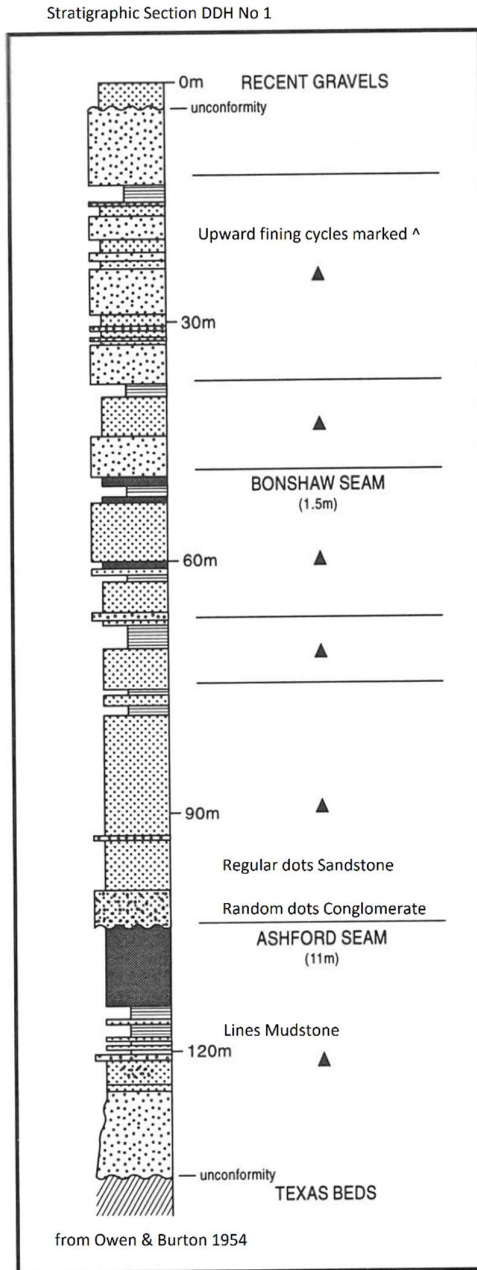


**Ashford Coal Measures**

The Ashford Coal Measures comprised up to 300m of freshwater lithic conglomerates to sandstones generally white in colour and grey carbonaceous shales and some coal. An upper carbonaceous shale and coal unit is referred to as the Bonshaw seam. Approximately 30-50m below the Bonshaw seam is the economic Ashford seam

The roof of the Ashford seam is a competent lithic conglomerate with a shaley and clayey matrix. Below the Ashford seam the conglomerates are comprised of rounded pebbles set in a grey shale matrix. Limited studies indicate the source of the Permian sediments appears to be the underlying Carboniferous age formation. The Carboniferous/Permian unconformity interface occurs between 10 to 30 metres below the Ashford Seam

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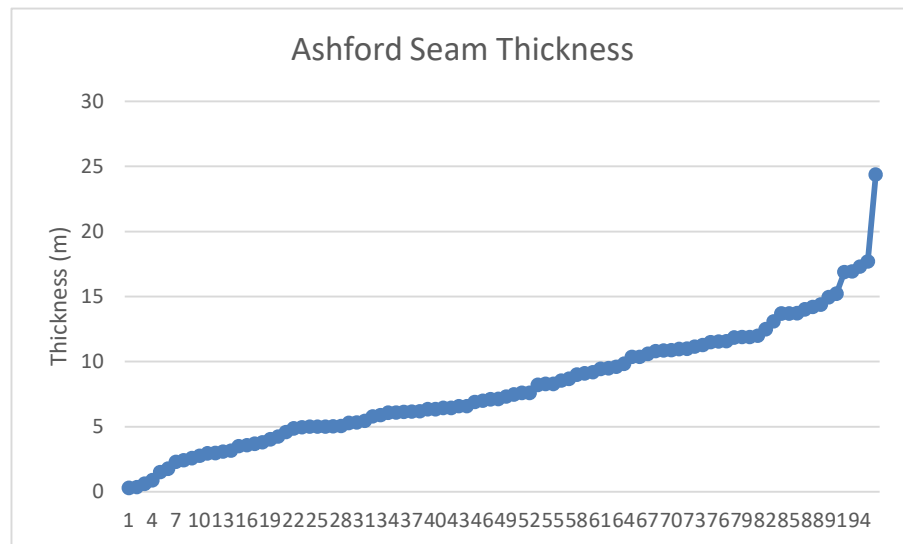
**The Bonshaw seam**

The Bonshaw seam is erratic in both thickness and location and is generally poor in quality. The seam consists of intercalated carbonaceous mudstone and coal is not viewed as economically prospective.

### **The Ashford Seam.**

The Ashford Seam thickness varies from over 20 metres thickness to less than 3 metres. It is postulated that the “unfaulted” seam thickness is in the order of 9 metres, however it is difficult to prove given the degree of variation which is attributed to thrust faulting. Mylonite zones occur in the roof and floor of the seam- essentially the weaker coal taking the strain in preference to the stronger conglomeratic roof. The mylonite generally has a high ash due to fault dilution. In the pit it can be difficult to discern at times from coal, being similar in colour. It can be easily distinguished by its streak (Roach, pers com).

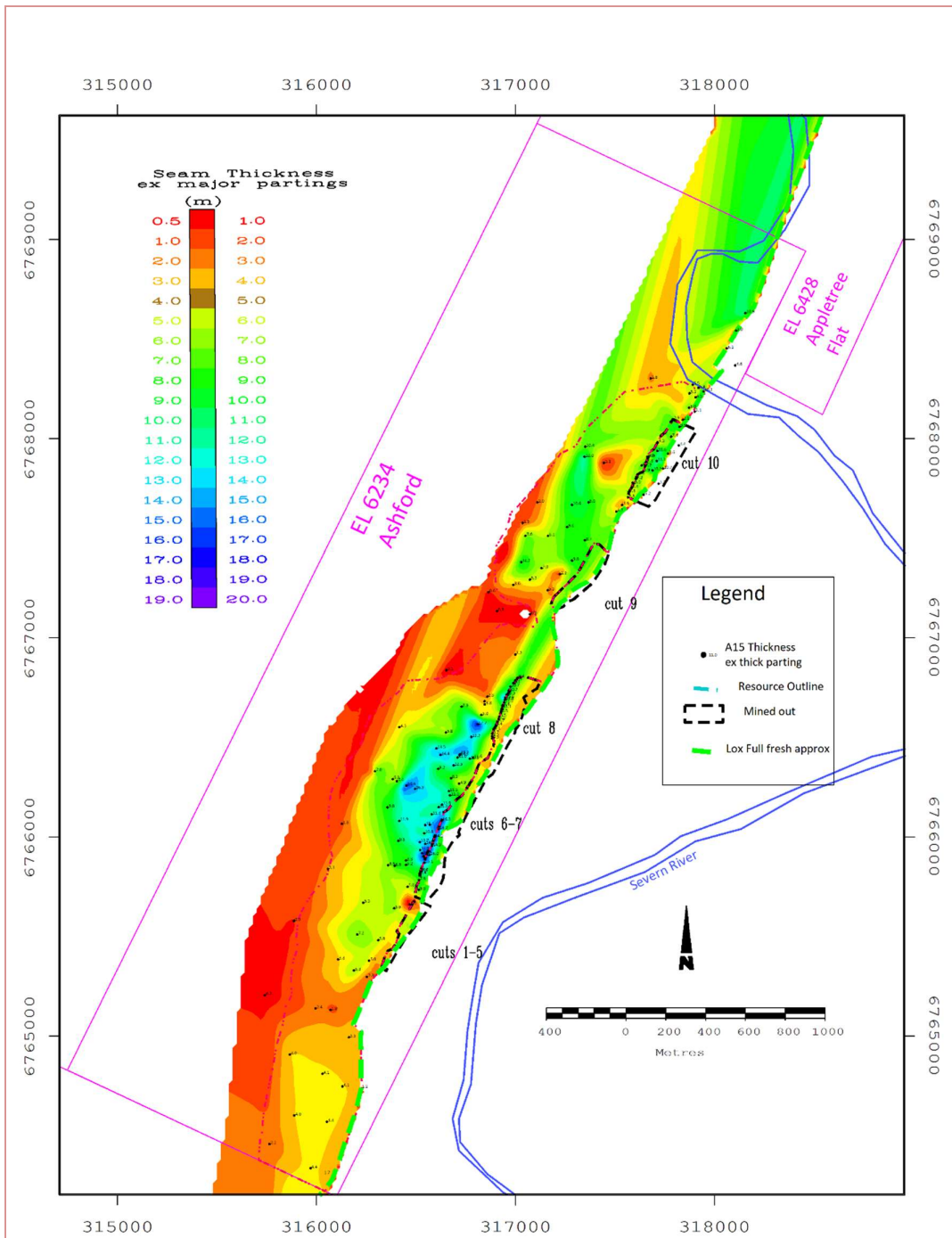
The following simplistic chart demonstrates the variability in seam thickness.



The seam contains moderately bright coal. Core logs indicate approximately 40% of the coal has >40% bright bands explaining the good coking properties of the coal. Partings >0.3m occur in the seam in places particularly in the southern portion of the deposit where the lower plies separate from the main body of the seam. Seam splitting in this southern area appears sedimentary. The sporadic occurrence of parting in the seam elsewhere, however, is likely to be introduced by thrust faulting. To exclude thick parting from resource tonnages the seam has been divided into 5 plies for modelling. It should be noted that the variability in seam thickness makes the allocation of the plies hazardous and the plies should only be viewed as useful for the purpose excluding thick parting.

Seam Thickness contours are shown in the following figure

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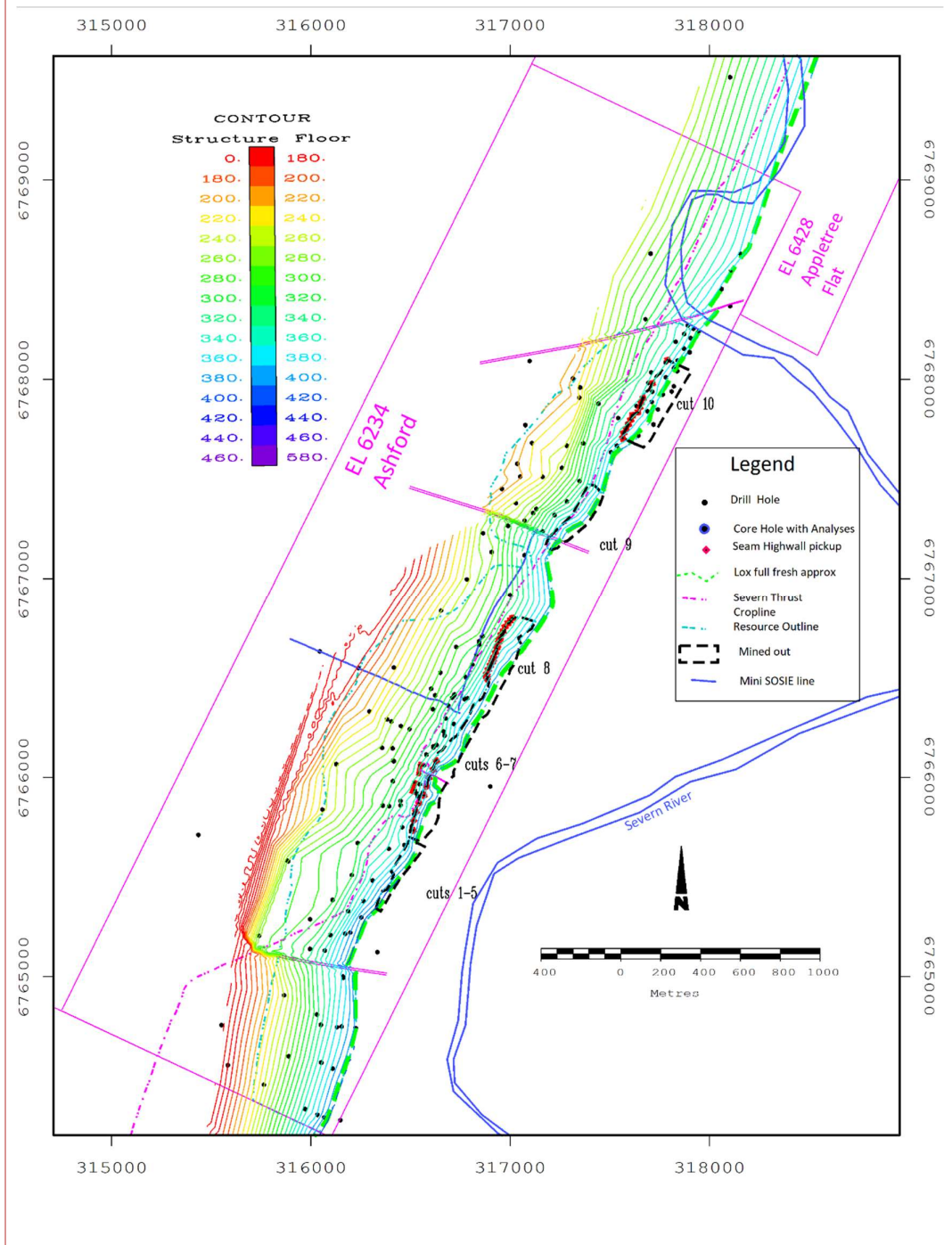


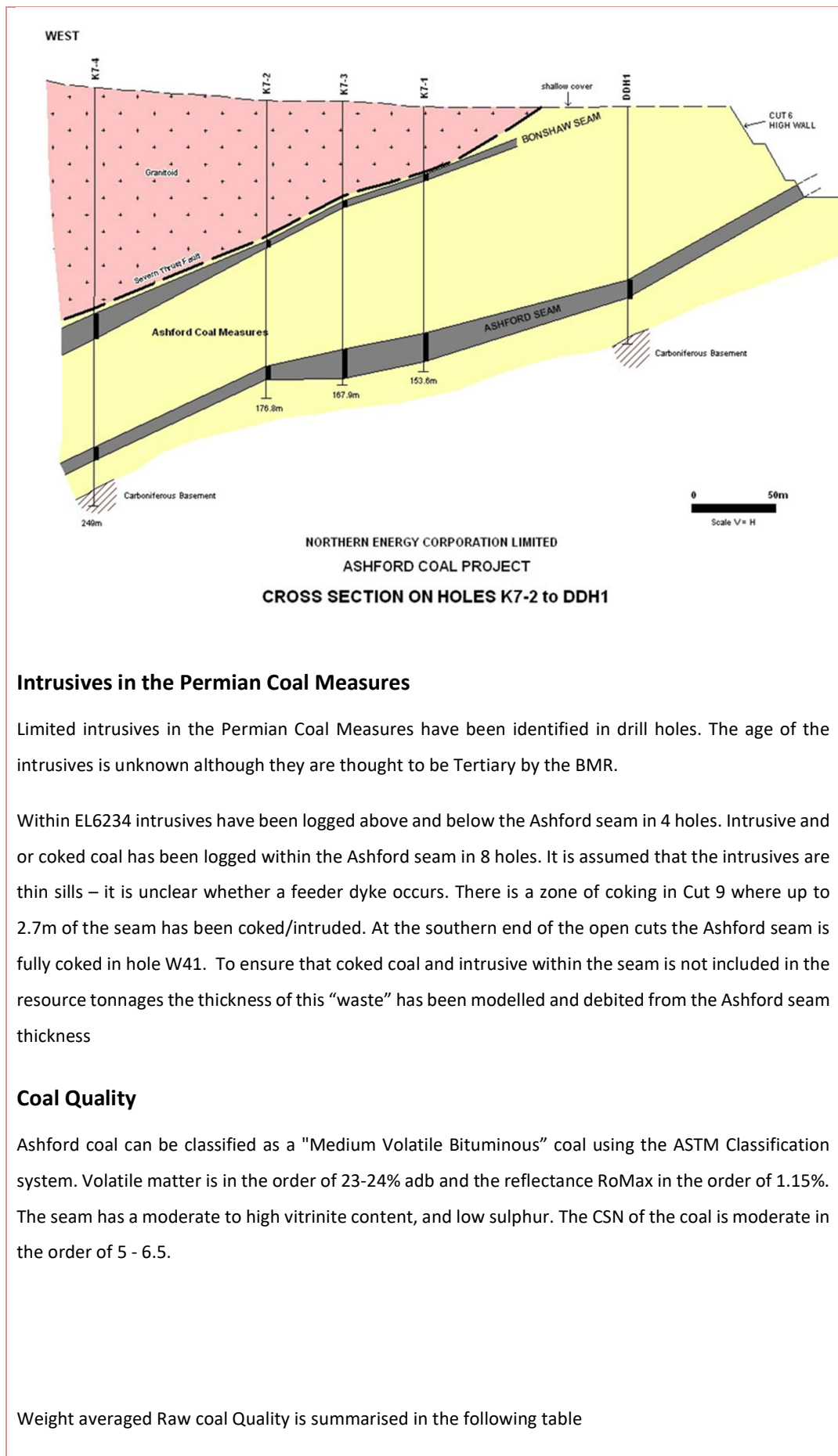
**Structure and Faulting**

The principal structural feature in the area is the prominent Severn Thrust which has thrust older Carboniferous rocks over the Permian sequence. The dip of the thrust is in the order of 20-25 degrees to the west. Owens & Burton in 1954 postulated that the throw of the thrust was in the order of 170m. Orthogonal to the thrust are tear faults which are largely strike slip. Significant strain has been taken up by the ductile coal seams and results in mylonite zones in the Ashford seam. The Ashford seam strikes approximately 20 degrees from north in the resource area and is essentially parallel to the

Severn thrust. Seam dip in the subcrop area is 25 to 30 degrees flattening out to approximately 15 degrees downdip under the Severn fault and granite to the west.

Seam structure floor contours and faults in the resource area are shown on the following Figure





### Intrusives in the Permian Coal Measures

Limited intrusives in the Permian Coal Measures have been identified in drill holes. The age of the intrusives is unknown although they are thought to be Tertiary by the BMR.

Within EL6234 intrusives have been logged above and below the Ashford seam in 4 holes. Intrusive and or coked coal has been logged within the Ashford seam in 8 holes. It is assumed that the intrusives are thin sills – it is unclear whether a feeder dyke occurs. There is a zone of coking in Cut 9 where up to 2.7m of the seam has been coked/intruded. At the southern end of the open cuts the Ashford seam is fully coked in hole W41. To ensure that coked coal and intrusive within the seam is not included in the resource tonnages the thickness of this “waste” has been modelled and debited from the Ashford seam thickness

### Coal Quality

Ashford coal can be classified as a "Medium Volatile Bituminous" coal using the ASTM Classification system. Volatile matter is in the order of 23-24% adb and the reflectance RoMax in the order of 1.15%. The seam has a moderate to high vitrinite content, and low sulphur. The CSN of the coal is moderate in the order of 5 - 6.5.

Weight averaged Raw coal Quality is summarised in the following table

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Raw Quality adb				
Insitu RD	IM%	Ash%	TS%	VM%
1.46	0.9	24.4	0.36	21.1

Historically Ashford coal has been used principally for power generation. Studies by Minserve in 2006 and recently in 2017 indicate that the coal is well suited for the coking coal market. The studies indicate that washed Ashford seam could produce at least a semi hard coking product. In addition the studies considered the potential coking quality from a raw product and found that the seam could qualify as a semi hard coking coal provided the raw ash is not above 10.5%.

There are 35 holes with Raw quality data. Raw coal quality analyses included Ash, Inherent Moisture, Volatile Matter, Total Sulphur Specific Energy and Relative Density. Only 25% of the samples have Raw Coal Crucible Swell No, Giesler Maximum Fluidity was tested in 7 of the NEC holes.

Clean coal composite analyses performed on 10 NEC holes are as follows: Proximates, Total Sulphur, Ash Analysis, CSN, Giesler Fluidity, Gray King Coke and Petrographics. Coke oven testing has been carried out on samples from two holes.

Ashford seam Clean coal composites	Units	Bas is	Weighted Average 10 holes
<b>Simprep Yield (no dilution)</b>	mass %	ad	<b>72.4</b>
<b>Simprep Ash (no dilution)</b>	mass %	ad	<b>7.4</b>
<b>Proximate Analysis</b>			
IM	mass %	ad	<b>1.1</b>
Ash	mass %	ad	<b>7.3</b>
Ash	mass %	db	<b>7.4</b>
VM	mass %	ad	<b>23.6</b>
VM	mass %	db	<b>23.8</b>
VM	mass %	daf	<b>25.7</b>
FC	mass %	ad	<b>68.0</b>
<b>Total Sulphur</b>	mass %	ad	<b>0.43</b>
<b>RD</b>		ad	<b>1.35</b>
<b>HGI</b>		ad	<b>77</b>
<b>Basicity Index</b>			<b>0.161</b>
<b>Modified BI</b>			<b>1.56</b>
<b>Total Alkalis</b>	% in ash	db	<b>0.86</b>
<b>Minor/Trace Elements (in coal)</b>			
Phosphorus	mass %	ad	<b>0.034</b>
<b>CSN</b>			<b>6.5</b>
<b>Gray-King</b>			<b>G4-G6</b>
<b>Mean Max Vitrinite Reflectance</b>	%		<b>1.14</b>
<b>Total Vitrinite</b>	vol %	aa	<b>48.9</b>

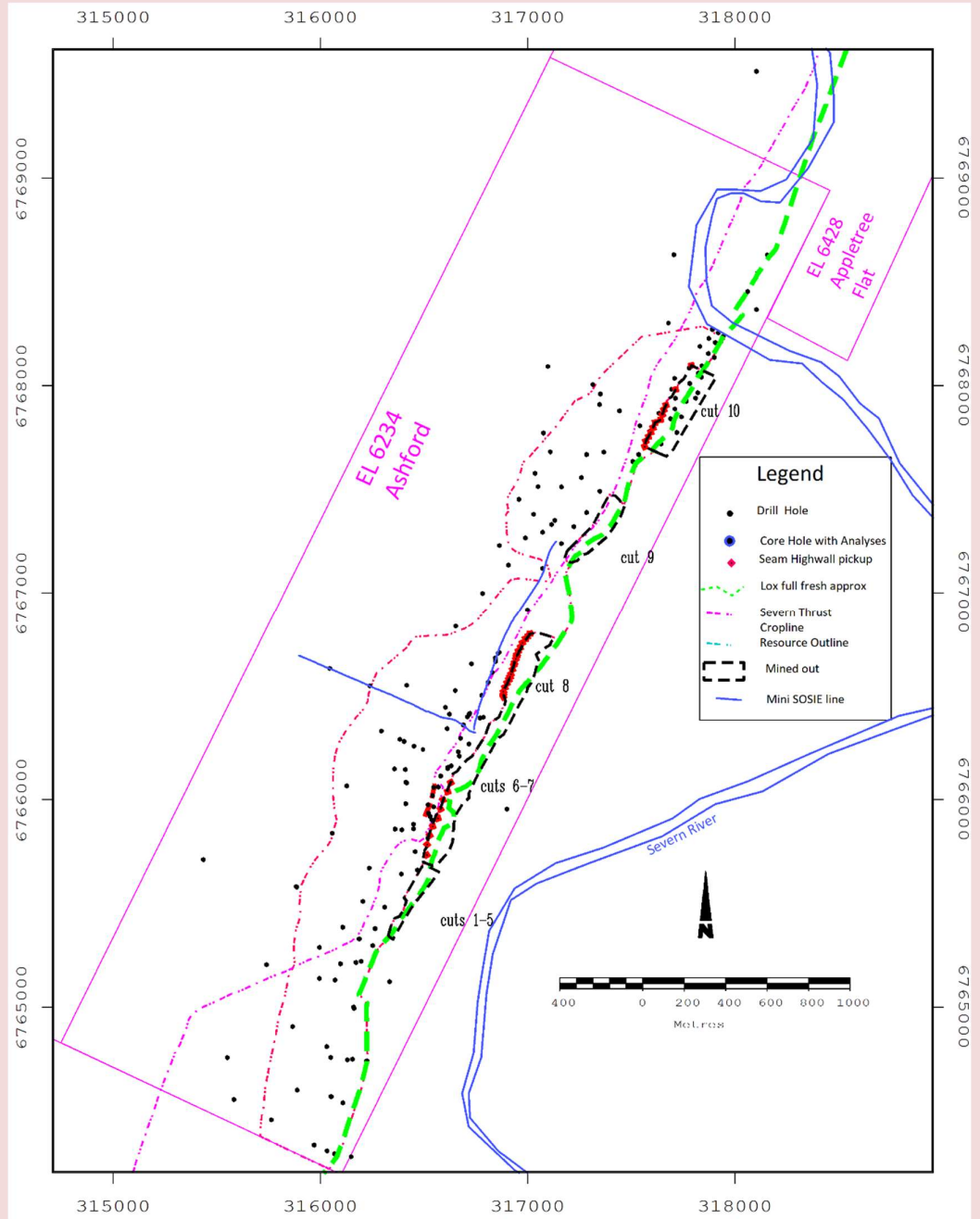
*Drill hole  
information*

Given the large amount of data as detailed in the following table- tabulation of all the drill hole locations and seam intercepts would overload this document with information of limited value. Instead, plots of the holes used for structural and quality modelling demonstrate the location and density of the drilling data.

Number	Details
292	Total Number of Holes in Database including barren &HW intercepts
41	Highwall TOC and FOC intercepts
251	Total Number of Holes in Database excluding HW intercepts
164	Total Number of Holes in EL6324 only
39	Total Number of Holes in EL6428 Appletree Flat
156	Holes used in Structural Modelling
35	Holes used in Quality Modelling

Note 37 drill holes lie in adjacent lease EL 6428

Drill hole locations are shown in the following diagram



**Data aggregation methods**

A number of contiguous coal seam samples have been composited on an industry standard length by density basis for Raw coal quality and length by density by yield basis for clean coal quality. Reported coal quality is for the whole seam section except for thick parting which is excluded from analyses.

**Relationship between mineralisation widths and**

Tabulated coal thickness are downhole thicknesses. Coal resource modelling and estimation methods adjust for seam thickness versus the apparent thickness. Seam structure modelling is based on triangulation of the structure roof and floor intercepts. Seam thickness is derived by structure roof minus floor models. Thick partings, intrusion and coked coal are excluded from the seam thickness model.

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<i>intercept depths</i>	
<i>Diagrams</i>	Apart from figures embedded in the text of this table, appended to the end of this document are the following diagrams: Seam Thickness contours, Seam structure floor contours and faults, seam depth of cover contours, Vertical Insitu Ratio contours, Resource outline plots, Raw ash coal quality plots.
<i>Balanced reporting</i>	All data and geological information are reported on. Where data has not been used an explanation is provided as to why the data has been excluded from the modelling and resource definition. Coal resources are reported by seam, confidence level (Indicated and Inferred) in depth categories.
<i>Other substantive exploration data</i>	A Gravity survey was conducted by the BMR in 1954 and a mini-SOSIE trial survey was conducted in May 2006.
<i>Further Work</i>	To improve resource definition infill Coal quality and structural drilling is recommended.

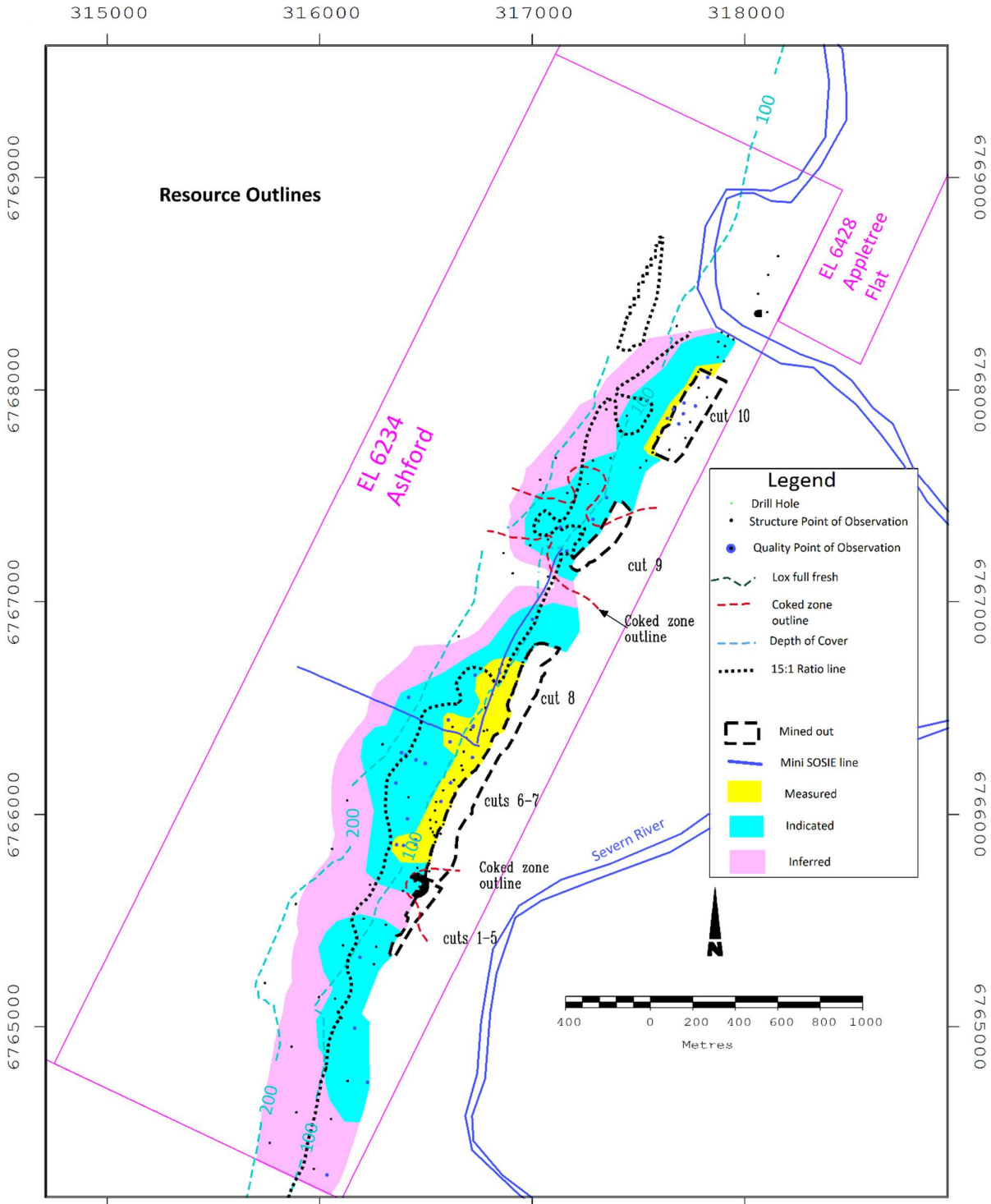
<b>Section 3 Estimation and Reporting of Mineral Resources</b> (Criteria listed in section 1, and where relevant in section 2, also apply to this section.)	
<i>Criteria</i>	<b>Explanation</b>
<i>Database integrity</i>	Lithological logs, wireline geophysical logs, assay results and coal intersection depths have been reconciled in previous modelling and resource estimations. Random checks of seam intercepts depths with downhole geophysics show no inconsistencies.
<i>Site visits</i>	Rick Walker geologist and Ashford resource exploration manager has been working on the site for several years. Mal Blaik has visited the site and has experience in modelling and resource estimation of similarly deformed coal deposits.
<i>Geological interpretation</i>	The geological interpretation for this resource estimate is based in the integration of all drillhole and coal quality data. There is sufficient drilling data to allow an unambiguous interpretation of the area. The interpretation is consistent with previous work on the deposit.
<i>Dimensions</i>	The dimensions of the Ashford resource are approximately 4.2 km north south by 500 m east west (downdip). The resource dips to the west at 15 to 25 degrees. The target seam ranges in depth from 10m to 200m. Approximately 5.7 Mt (40%) of the resource is shallower than 100m.
<i>Estimation and modelling techniques</i>	Geological modelling and resource estimation has been carried out by the Competent Person using Maptek's VULCAN 3-D geological modelling software. The model is of seams with waste modelled as a default. Seam structure modelling (20x20m grid) is based on triangulation of the structure roof and floor intercepts. Seam thickness is derived by structure roof minus floor models. Coal quality models (100x100m grid) are generated using the Inverse Distance Algorithm.
<i>Moisture</i>	Air dry Relative Density and Inherent Moisture are modelled from directly from analytical data for each seam. In situ Moisture has been estimated in the order of 6% in previous work. For this resource assessment a 6% In Situ moisture value has been assumed.
<i>Cut-off parameters</i>	<p>The resources at Ashford are considered to have reasonable prospects of eventual extraction by open cut and underground (highwall Mining) methods. Several detailed Concept studies indicate that the Ashford seam could be open cut mined economically to a vertical ratio limit of approximately 15:1 BCM/insitu tonne. This is based on the product being a coking coal with a sale price &gt;AUS\$150/tonne.</p> <p>Open cut limits</p> <ul style="list-style-type: none"> <li>• Updip limit as determined by full seam fresh lox line or mined out zones</li> <li>• Minimum seam thickness of 1.0m</li> <li>• Heat affected coal and thick partings are excluded.</li> <li>• Downdip limit as determined by 15:1 (BCM/insitu Tonne) ratio cut off.</li> <li>• Southern limit is the EL boundary</li> <li>• Northern limit is determined by faulting and reduced seam thickness.</li> </ul> <p>Underground (by Highwall Mining) Resource constraints are as follows:</p>

	<ul style="list-style-type: none"> <li>• Updip limit as determined by Open cut downdip limit 15:1 ratio</li> <li>• Minimum seam thickness of 1.0m</li> <li>• Down dip limit set by maximum length of HW mining penetration 250m</li> <li>• Southern limit is the EL boundary</li> <li>• Northern limit is determined by faulting and reduced seam thickness and a 50m barrier to the river.</li> </ul>												
<i>Mining factors or assumptions</i>	<ul style="list-style-type: none"> <li>• Open cut mining by standard truck and shovel methods</li> <li>• Underground mining by highwall mining methods. Maximum length of HW mining penetration 250m. Minimum height of Highwall mining is assumed to be 1m.</li> </ul>												
<i>Metallurgical factors or assumptions</i>	<p>This coal resource estimation assumes that the coal will require beneficiation prior to export.</p> <p>Previous mining experience in the area indicates that selective side-casting of the higher ash mylonite zones is generally successful in keeping ash levels within specification.</p>												
<i>Environmental factors or assumptions</i>	<p>There are no known environmental factors or assumptions constraining the resource. A 50m offset barrier to the river is applied at the northern boundary.</p>												
<i>Bulk density</i>	<p><i>In-situ</i> density is estimated using the Preston &amp; Sanders formula. Air dry Relative Density and, Inherent Moisture are modelled directly from analytical data for each seam. <i>In situ</i> Moisture is assumed to be 6% for this assessment.</p>												
<i>Classification</i>	<p>Resource classification is based on the density of Coal quality Points of Observation (POB) and Structural POB. As structural variability in terms of seam thickness is greater than quality variability in this deposit the principal confidence delimiter is the structural drilling density.</p> <p><b>A quality point of observation</b> for each seam is defined as a cored hole with coal recovery of &gt;90 % and having raw coal quality data.</p> <p><b>A quantity point of observation</b> for the seam is defined as drill hole intercept with downhole geophysics or fully cored section.</p> <p>Most structural holes have downhole geophysics.</p> <p>Results from geostatistical studies have provided a basis for the following classification criteria.</p> <p style="text-align: center;"><b>Drill Hole Radius of Influence for Resource Classification</b></p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>Criteria</th> <th>Measured</th> <th>Indicated</th> <th>Inferred</th> </tr> </thead> <tbody> <tr> <td>Structure</td> <td>50m</td> <td>150m</td> <td>200m</td> </tr> <tr> <td>Quality (Grade)</td> <td>100m</td> <td>200m</td> <td>800m</td> </tr> </tbody> </table>	Criteria	Measured	Indicated	Inferred	Structure	50m	150m	200m	Quality (Grade)	100m	200m	800m
Criteria	Measured	Indicated	Inferred										
Structure	50m	150m	200m										
Quality (Grade)	100m	200m	800m										

	Resource outline plots are attached to this table
<i>Audits or reviews</i>	Company internal reviews of previous resource assessments have been undertaken. The tonnages in this assessment is consistent with previous assessments.
<i>Discussion of relative accuracy/confidence</i>	Confidence classification involves evaluation of both structural definition as well as grade definition. Confidence in structural definition involves confidence both in seam thickness consistency/continuity as well as confidence in seam location. Confidence in seam thickness prediction is moderate and is reflected by the lower resource status.

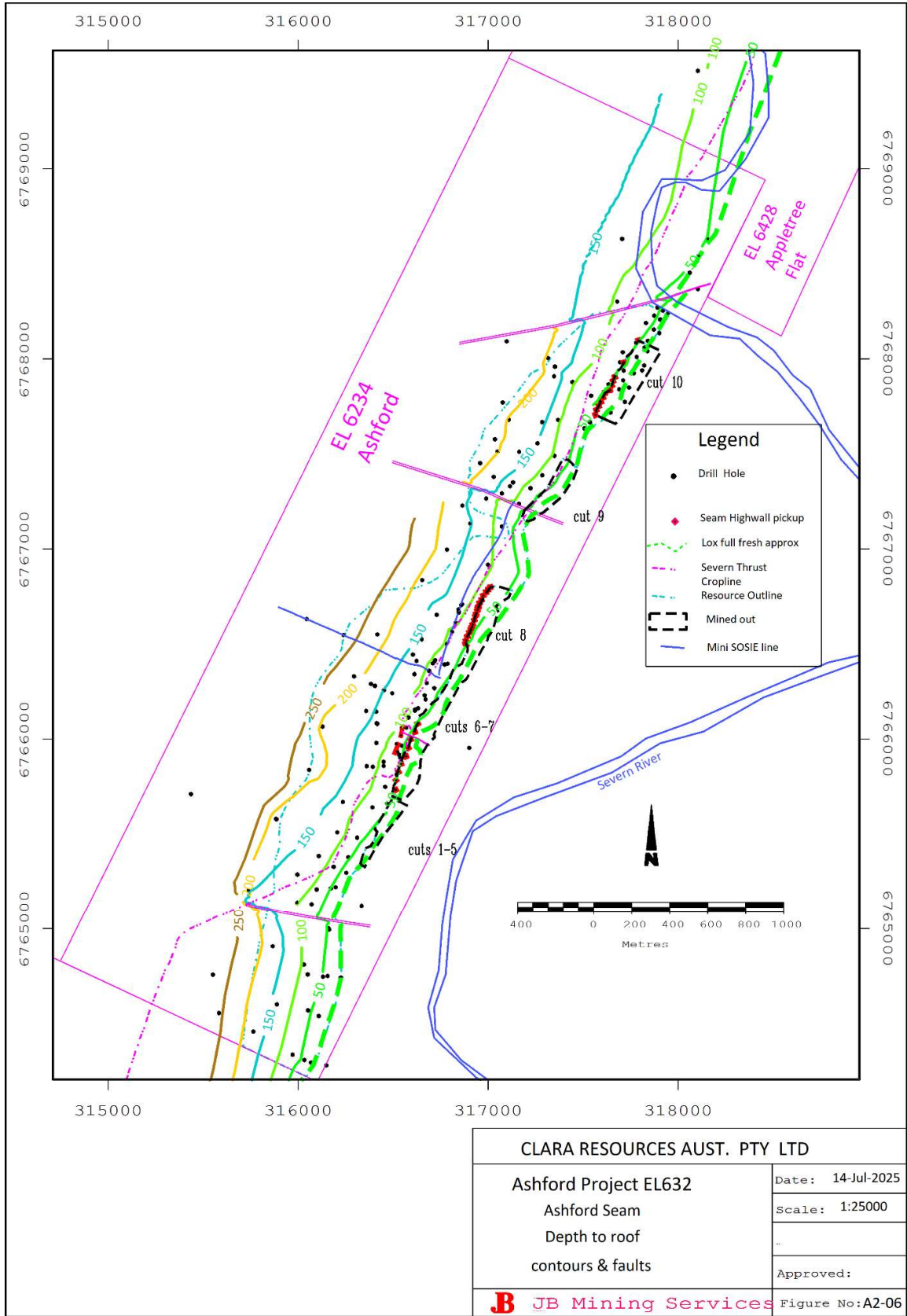
#### Attachments

- Ashford seam Resource Outlines
- Ashford Seam Depth of cover Contours
- Ashford seam Raw Ash Contours
- Ashford seam Ratio of Waste to coal tonnes BCM/insitu tonne
- Mini SOSIE line 2 image

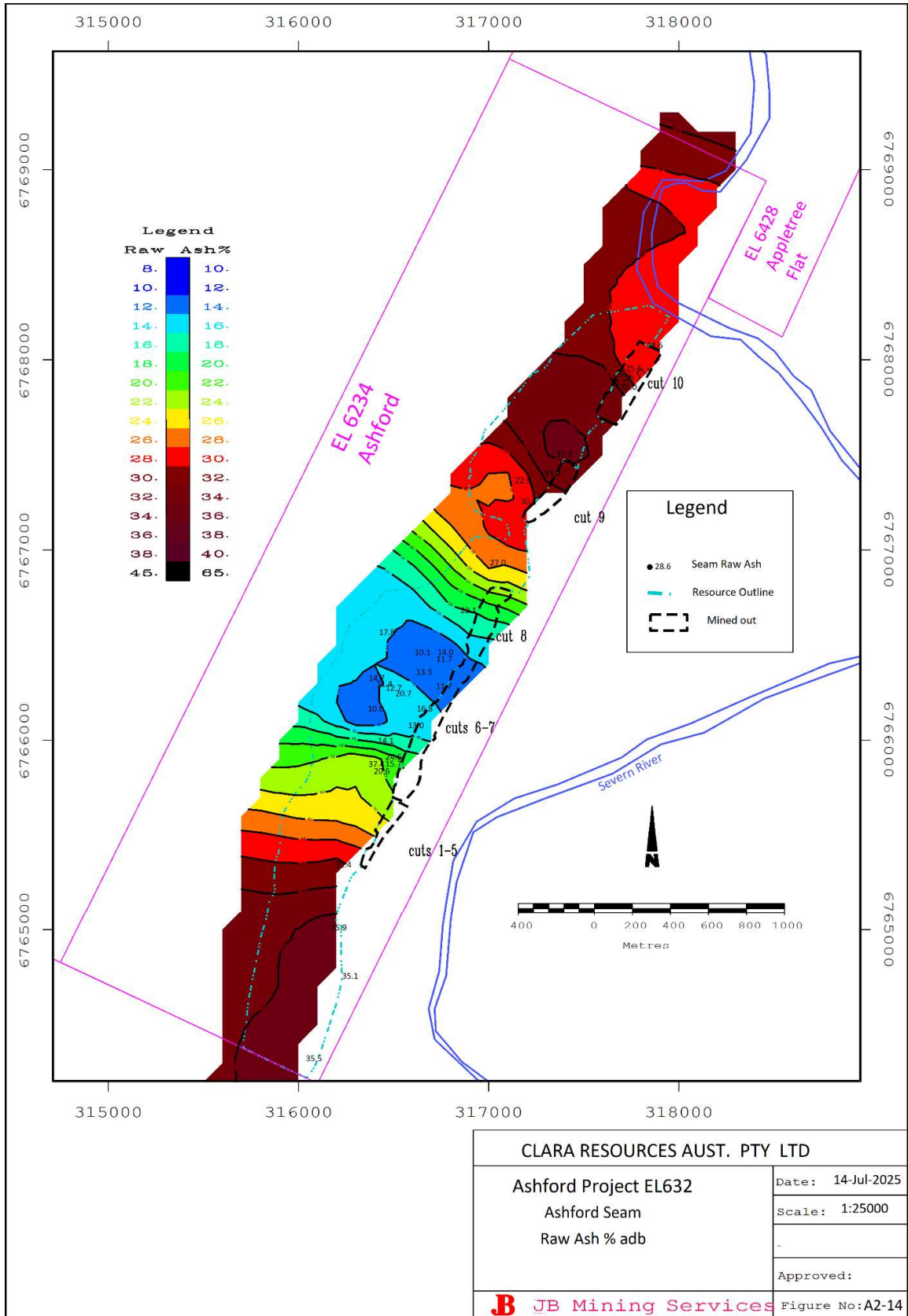


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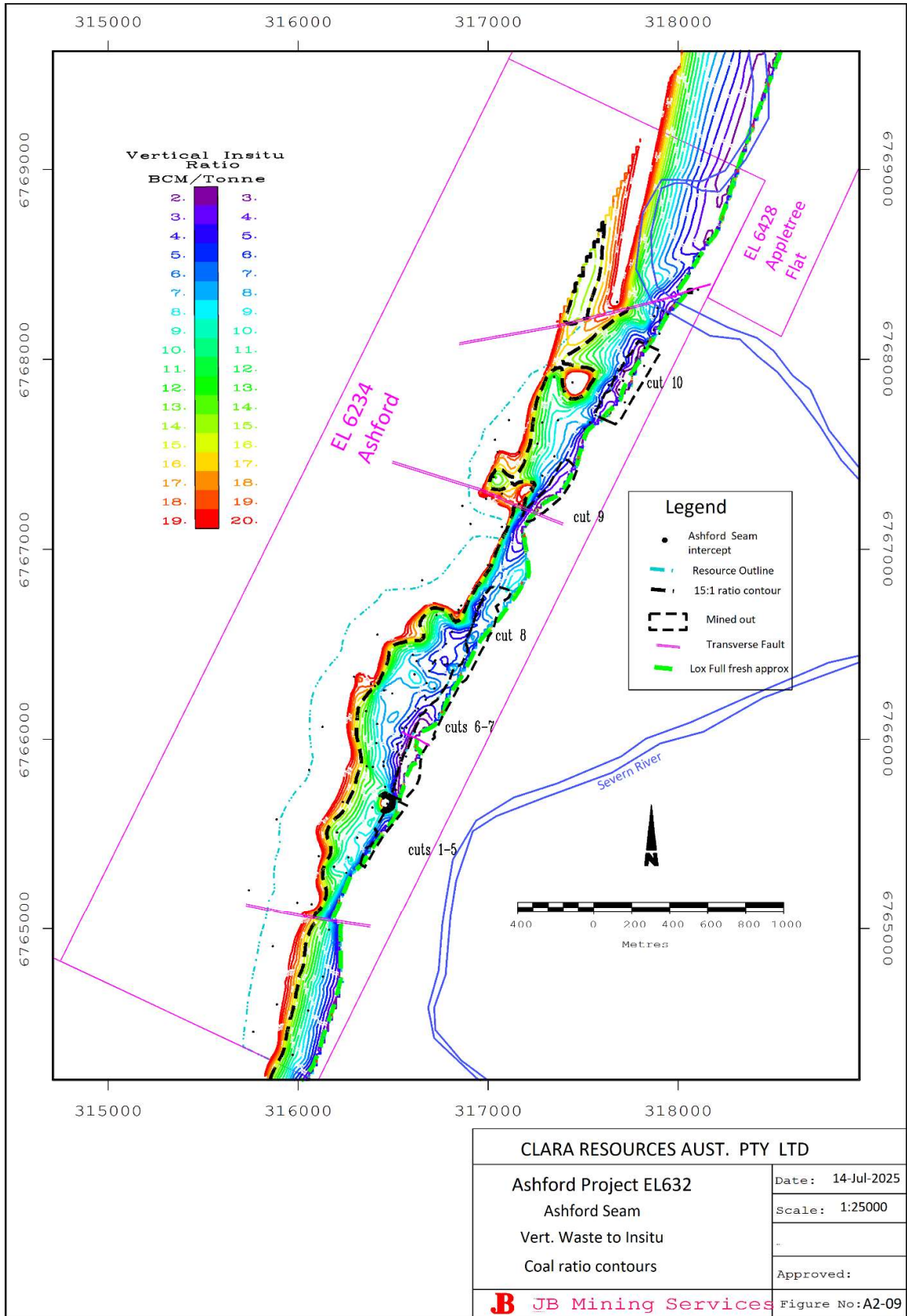
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