



5 April 2023

ASX Announcement

Successful \$3.5m Capital Raising

Highlights

- **Successful \$3.5m two-tranche placement to institutional, sophisticated and professional investors**
- **Proposed 100:1 consolidation of issued capital of the Company**
- **Funds raised will enable the Company to accelerate commercialisation of the Ashford Coking Coal Project and development of the Kildanga Nickel and Cobalt Prospect.**
- **Current significant holders Savannah Goldfields and DGR Global to participate on up to a pro-rata basis.**

Clara Resources Australia Limited (**Clara**, the Company, ASX: **C7A**) is pleased to announce that it has received firm commitments for a share placement to raise A\$3.5 million (before costs) by way of a two-tranche placement (**Placement**) to institutional, sophisticated, and professional investors.

Clara is also pleased to announce in conjunction with the capital raise, the proposed consolidation of the issued capital of the Company through the conversion of every hundred (100) existing shares into one (1) share.

These measures are intended to enhance the liquidity of the Company's shares and enable the Company to accelerate commercialisation of the Ashford Coking Coal Project and development of the Kildanga Nickel and Cobalt prospect.

Clara's Ashford Coking Coal Project conceptual work potentially indicates a recoverable & marketable resource allowing Clara to take advantage of a market demand for quality coking coal.

The Kildanga Nickel and Cobalt prospect provides the potential opportunity to identify a resource of sufficient size from which a conceptual economic mine plan can be developed.

Foster Stockbroking acted as Lead Manager and Adelaide Equity Partners acted as Corporate Advisor to Clara in respect of the Placement.

Details of the measures to implement the recapitalisation strategy are provided below.

Placement - Tranche 1

The Company has secured firm commitments for a capital raising of \$0.7 million (before costs) by way of the placement (**Tranche-1 Placement**) of 1,166,666,667 new shares to be issued at \$0.0006 per share (on a pre-consolidation basis) to professional and sophisticated investors. Investors will also receive one free (1) attaching option for each two (2) subscribed shares. The options will be exercisable at \$0.0012 (on a pre-consolidation basis) within 3 years from the date of issue of the options.

In addition, the Company will issue 200,000,000 Broker options (on a pre-consolidation basis) to nominees of each of Foster Stockbroking and Adelaide Equity Partners. These options will be exercisable at \$0.0012 (on a pre-consolidation basis) at any time within 3 years from the date of issue of the options.

The Tranche-1 Placement, investor and Broker options will be undertaken under the Company's existing placement capacity under Listing Rule 7.1.

Consolidation

It is proposed to consolidate the issued capital of the Company through the conversion of every hundred (100) existing Shares into one (1) Share.

The consolidation will require shareholder approval and is proposed to be undertaken after completion of the Tranche-1 Placement.

The effect of the consolidation (assuming completion of the Tranche-1 Placement prior to the consolidation) is illustrated in the table below.

Stage	Ordinary Shares	Options
Pre-consolidation	15,383,453,534	823,333,334
Post-consolidation (1:100)	153,834,535	8,233,333

The consolidation will have no material effect on the percentage interest of each individual shareholder.

Proposed Placement-Tranche 2

The second tranche of the Placement (**Tranche-2 Placement**) will comprise the issue of up to 46,666,667 shares (on a post-consolidation basis). The shares will be offered at 6.0 cents (on a post-consolidation basis), raising a further \$2.8m (before costs). The Tranche-2 Placement is subject to shareholder approval. The Tranche-2 Placement will settle as soon as possible after the Company completes the 100:1 consolidation and receives shareholder approval for the issue of the Shares at a general meeting.

Investors in the Tranche-2 Placement will receive one (1) free attaching option for each two (2) subscribed Tranche-2 Placement Shares. The options will be exercisable at 12.0 cents (on a post-consolidation basis) within 3 years from the date of issue of the options.

Savannah Goldfields Limited (ASX: SVG), a holder of 19.65% of the Company's capital (prior to the Placement) has committed to subscribe for up to 11,462,500 shares in the Tranche 2 placement, subject to shareholder approval at the proposed General Meeting.

DGR Global (ASX: DGR), a holder of 12.3% of the Company's capital (prior to the Placements) has committed to subscribe for up to 6,358,333 shares in the Tranche-2 Placement, subject to shareholder approval at the proposed General Meeting.

For any amounts subscribed by, or introduced from, SVG or DGR, in the Tranche-2 Placement, Foster Stockbroking will pay through or direct the Company to pay SVG or DGR (as applicable), Foster Stockbroking's 4% placement fee on such funds.

Use of Funds

The funds raised from the placement will enable the Company to accelerate commercialisation of the Ashford Coking Coal Project and further geological modelling of the Kildanga prospect and a subsequent exploration program.

Use	Amount (\$m)
Kildanga Cobalt geological reconciliation, resource definition & exploration program development	0.90
Ashford geology & drilling program	1.65
Management & administration, working capital	0.95
Total	3.5

General Meeting

The Company is in the process of preparing a Notice of Meeting of Shareholders, currently proposed to be held in mid to late May 2023. The meeting will consider resolutions to ratify the issue of the shares and options in respect of the Tranche-1 Placement and associated Broker options. This meeting will also contain a resolution to consolidate the Company's Share Capital on the basis of every 100 existing shares being consolidated into 1 share.

The shares and options the subject of the Tranche-2 Placement (and associated Broker options) will also be put to shareholders for approval with such resolutions being inter-conditional upon the approval of the consolidation of the Company's share capital. Shareholders will also be asked to consider the approval of the issue of securities to certain directors and employees of Clara.

Indicative Timetable

The table below outlines key indicative dates for the Equity Raising.

Event	Day
Settlement of Tranche 1 Placement	13 April 2023
Allotment of new shares and attaching options for Tranche 1 Placement	14 April 2023
Extraordinary General Meeting	Mid May 2023
Settlement of Tranche 2 Placement shares and attaching options	Mid May 2023
Allotment of Tranche 2 Placement shares and attaching options	Mid May 2023

This Announcement has been authorised by the Board of Directors

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