



2023 Notice of Annual General Meeting and Explanatory Memorandum

The Annual General Meeting of Clara Resources Australia Limited (formerly Aus Tin Mining Limited) will be held at 11:00am on 27 November 2023 at Level 7 Waterfront Place, 1 Eagle Street, Brisbane, QLD, Australia].

Clara Resources Australia Limited ACN 122 957 322

Registered office:

Level 27, 111 Eagle Street
Brisbane
Queensland 4000

Each Resolution to be put to the Meeting will be decided by poll vote, as a combination of proxy votes lodged, together with any votes cast in person at the Meeting. Accordingly, Shareholders are encouraged to lodge their votes online via the Company's Registry (www.linkmarketservices.com.au) or via the proxy form to be supplied.

Any questions that Shareholders would like to put to the Meeting can also be emailed to the Company Secretary (jhaley@clararesources.com.au) by 5:00pm on 25 November 2023. Responses to any questions will be given verbally at the Meeting, with a summary of material issues addressed in a subsequent ASX release.



Notice of Annual General Meeting

Notice is given that the Annual General Meeting of Shareholders of **Clara Resources Australia Limited ACN 122 957 322 (the Company)** will be held at the offices of [HopgoodGanim, Level 7, Waterfront Place, 1 Eagle Street, Brisbane, Qld, 4000], on 27 November 2023 at 11:00am (Brisbane time).

Terms used in this Notice of Meeting are defined in the “**Definitions**” section of the accompanying Explanatory Memorandum.

ASX takes no responsibility for the content of this Notice or of the Explanatory Memorandum.

AGENDA

ORDINARY BUSINESS

Annual Financial Report

To receive and consider the Company’s Annual Report comprising the Directors’ Report and Auditors’ Report, Directors’ Declaration, Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows and Notes to and forming part of the financial statements for the Company for the financial year ended 30 June 2023.

See Explanatory Statement below for further information.

Resolution 1. Remuneration Report

To consider and if thought fit, pass the following Advisory Resolution:

“That the Remuneration Report for the year ended 30 June 2023 (as set out in the Directors’ Report) is adopted.”

The vote on **Resolution 1** is advisory only and does not bind the Directors or the Company. The Company’s 2023 Annual Report, which contains the Remuneration Report, is available on the Company’s website <https://clararesources.com.au/>.

See Explanatory Memorandum for further details.

VOTING RESTRICTION PURSUANT TO SECTION 250R(4) OF THE CORPORATIONS ACT

A vote on Resolution 1 must not be cast (in any capacity) by or on behalf of any of the following persons:

- a member of the Key Management Personnel (**KMP**) details of whose remuneration are included in the Remuneration Report; or
- a Closely Related Party of a KMP.

However, this does not apply to a vote cast in favour of this Resolution by:

- a person as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with directions given to the proxy or attorney to vote on this Resolution in that way; or
- the chair of the Meeting as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with a direction given to the chair to vote on this Resolution as the chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting on this Resolution; and
 - the holder votes on this Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

*Shareholders should be aware that any undirected proxies given to the Chairman will be cast by the Chairman and counted in favour of the Resolutions the subject of this Meeting including **Resolution 1**, other than Resolutions where the Chairman is a related party and the subject of the Resolution, or is an associate of a related party the subject of a Resolution, in which case the Chairman cannot cast undirected proxies in respect to that Resolution.*



Resolution 2. Re-election of Richard Willson as a Director

To consider and if thought fit, pass the following Resolution as an Ordinary Resolution of the Company:

"That in accordance with Rule 38.1 of the Company's Constitution, Mr. Richard Willson who retires by rotation in accordance with Rule 38.6 of the Company's Constitution and Listing Rule 14.4, and being eligible and offering himself for re-election, be re-elected as a Director of the Company."

See Explanatory Memorandum for further information.

Resolution 3. Re-election of Brian Moller as a Director

To consider and if thought fit, pass the following Resolution as an Ordinary Resolution of the Company:

"That in accordance with Rule 38.9 of the Company's Constitution, Mr. Brian Moller who retires in accordance with Rule 38.1(c) of the Company's Constitution, and being eligible and offering himself for re-election, be re-elected as a Director of the Company."

See Explanatory Memorandum for further information.

Resolution 4. Approval of Employee Share Option Plan

To consider and if thought fit, pass the following Resolution as an Ordinary Resolution of the Company:

"That, for the purposes of Listing Rule 7.2 (Exception 13) and for all other purposes, the Shareholders grant approval for the Company to adopt the equity incentive scheme approved by the Directors titled Employee Share Option Plan (Plan) and to issue securities under the Plan, on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice."

See Explanatory Memorandum for further information.

Voting Exclusion Statement

The Company will disregard any votes cast in favour of this Resolution 4 by or on behalf of:

- a person who is eligible to participate in the Employee Share and Option Plan; or
- an associate of those persons.

However, this does not apply to a vote cast in favour of this Resolution by:

- a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way;
- the chair of the meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the chair to vote on the Resolution as the chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Voting Restriction pursuant to Section 250BD of the Corporations Act – Resolution 4

As Resolution 4 is connected directly or indirectly with the remuneration of a member of Key Management Personnel (KMP) for the Company, pursuant to section 250BD of the Corporations Act, a person must not cast a vote, and the Company will disregard any votes cast on this Resolution by:

- (a) any member of the Company's KMP (or, if the Company is part of a consolidated entity, the KMP of the entity); or

(b) a Closely Related Party of such KMP (or, if the Company is part of a consolidated entity, of the entity), who is appointed as a Shareholder's proxy, on the basis of that appointment, where the Shareholder does not direct in writing the way the proxy is to vote on this Resolution 4.

However, the Company need not disregard a vote if it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, where the Shareholder does not direct in writing the way the proxy is to vote on this Resolution 4, if the appointment of proxy expressly authorises the chair to exercise the proxy even if this Resolution 4 is connected directly or indirectly with the remuneration of a member of the KMP for the Company or if the Company is part of a consolidated entity, of the entity.

Voting intentions of the Chairman

Shareholders should be aware that any undirected proxies given to the Chairman will be cast by the Chairman and counted in favour of the Resolutions the subject of this Meeting, including Resolution 4, subject to compliance with the Corporations Act. In exceptional circumstances, the Chairman of the Meeting may change his voting intention on any Resolution, in which case an ASX announcement will be made.

Further details, in relation to the ability of the Chairman to vote on undirected proxies are set out in the accompanying proxy form.

"SPECIAL BUSINESS

Resolution 5. Approval to issue an additional 10% of the fully paid ordinary issued capital of the Company over a 12-month period pursuant to Listing Rule 7.1A

Commented [JN1]: Fully paid ordinary issued capital

To consider and, if thought fit, pass the following Resolution as a Special Resolution of the Company:

"That pursuant to and in accordance with Listing Rule 7.1A, and for all other purposes, Shareholders approve the issue of Equity Securities of up to 10% of the fully paid ordinary issued capital of the Company (at the time of issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2, over a 12 month period from the date of the Meeting (or such shorter time period as described in Listing Rule 7.1A.1), at a price not less than that determined pursuant to Listing Rule 7.1A.3 and otherwise on the terms and conditions described in the Explanatory Memorandum (Placement Securities)."

Commented [JN2]: Fully paid ordinary issued capital

Commented [JN3]: Not necessarily over a 12 month period from the date of the meeting. Refer to LR 7.1A.1.

See Explanatory Memorandum for further details.

Voting Exclusion Statement

As at the date of this Notice, the Company is not proposing to make an issue of Equity Securities under Listing Rule 7.1A. Accordingly, a voting exclusion statement is not included in this Notice.

Notes

The proposed allottees of any Placement Securities are not as yet known or identified. In these circumstances (and in accordance with the note set out in Listing Rule 14.11.1 relating to Listing Rules 7.1 and 7.1A), for a person's vote to be excluded, it must be known that person will participate in the proposed issue. Where it is not known who will participate in the proposed issue (as is the case in respect of the Placement Securities), Shareholders must consider the proposal on the basis that they may or may not get a benefit and that it is possible that their holding will be diluted and there is no reason to exclude their votes.

GENERAL BUSINESS

To consider any other business as may be lawfully put forward in accordance with the Constitution of the Company.

By order of the Board



A handwritten signature in black ink, appearing to read 'J Haley', is positioned below the company logo.

John Haley
Company Secretary
26 October 2023



EXPLANATORY MEMORANDUM

This Explanatory Memorandum is provided to Shareholders of Clara Resources Australia Limited (formerly Aus Tin Mining Limited) ACN 122 957 322 (the **Company**) to explain the Resolutions to be put to Shareholders at the Annual General Meeting to be held at [HopgoodGanim, Level 7, Waterfront Place, 1 Eagle Street, Brisbane, Queensland] on 27 November 2023 at 11.00am (Brisbane time).

This Explanatory Memorandum is intended to provide Shareholders with sufficient information to assess the merits of Resolution 1 to Resolution 5 contained in the Notice of Meeting. The Directors recommend that Shareholders read the accompanying Notice of Meeting (including this Explanatory Memorandum) in full before making any decision in relation to the Resolutions.

Terms used in this Explanatory Memorandum are defined in section 7.

1. Consider the Company's 2023 Annual Report

The Corporations Act requires the Company's Annual Report comprising the Directors' Report, the Auditor's Report, Directors' Declaration, Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows and Notes to and forming part of the financial statements to be laid before the Annual General Meeting for discussion.

There is no requirement either in the Corporations Act or in the Constitution of the Company for Shareholders to approve the Company's Annual Report. The Company's 2023 Annual Report is placed before the Shareholders for discussion. No voting is required for this item.

The Company will not provide a hard copy of the Company's Annual Financial Report to Shareholders unless specifically requested to do so. Shareholders can obtain a copy of the Company's 2023 Annual Report by sending a request to info@clararesources.com.au or by downloading a copy from the Company's website: <https://clararesources.com.au/>.

2. Resolution 1: Adoption of Remuneration Report

Remuneration Report

In accordance with section 250R of the Corporations Act, the Board has submitted its Remuneration Report (included in the 2023 Annual Report) to Shareholders for consideration and adoption by way of a non-binding advisory Resolution.

The Remuneration Report is set out in the Directors' Report section of the 2023 Annual Report. The Report, amongst other things:

- explains the Board's policy for determining the nature and amount of remuneration of Key Management Personnel of the Company;
- explains the relationship between the Board's remuneration policy and the Company's performance;
- sets out remuneration details for each Director and the most highly remunerated senior executives of the Company; and
- details and explains any performance conditions applicable to the remuneration of Key Management Personnel of the Company.

A reasonable opportunity will be provided for discussion of the Remuneration Report at the meeting.

Directors' recommendation

The Directors unanimously recommend that Shareholders vote in favour of adopting the Remuneration Report. A vote on this resolution is advisory only and does not bind the Directors or the Company.

Voting restrictions on Key Management Personnel and their Closely Related Parties and their proxies

A Voting Exclusion Statement is set out in the Notice of Meeting for this Resolution. Shareholders should be aware that any undirected proxies given to the Chairman will be cast by the Chairman and counted in favour of the Resolutions the subject of this Meeting, including this Resolution 1, subject to compliance with the Corporations Act.



As set out in the notes to Resolution 1, a voting restriction applies with respect to the voting on this Resolution by members of the Key Management Personnel and their Closely Related Parties and their proxies voting (in any capacity) (**Voting Restriction**). Key Management Personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity.

The Voting Restriction does not apply where:

- (a) the Chairman or any other member of the Key Management Personnel is appointed in writing (by a Shareholder who is not a member of the Key Management Personnel or a Closely Related Party of the Key Management Personnel) as a proxy with specific instructions on how to vote on a resolution to adopt the remuneration report of the Company; or
- (b) the Chairman is appointed in writing (by a Shareholder who is not a member of the Key Management Personnel or a Closely Related Party of the Key Management Personnel) as a proxy with no specific instructions on how to vote on a non-binding Shareholder vote on remuneration, where the Shareholder provides express authorisation for the Chairman to do so.

Shareholders should be aware that any undirected proxies given to the Chairman will be cast by the Chairman and counted in favour of the Resolutions the subject of this Meeting, including this Resolution 1, subject to compliance with the Corporations Act. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

3. **Resolution 2: Re-election of Mr. Richard Willson as a Director**

Retirement by Rotation

Under Rule 38.6 of the Company's Constitution and Listing Rule 14.4, Directors shall not continue in office for a period in excess of three consecutive years or until the third annual general meeting following the Director's appointment, whichever is the longer, without submitting to re-election. Mr Willson was last re-elected as a Director of the Company at the 2020 AGM.

Mr Richard Willson retires by rotation in accordance with the Company's Constitution as well as Listing Rule 14.4 and, being eligible, offers himself for re-election as a Non-Executive Director. There is no voting exclusion statement for this Resolution.

Qualifications and Experience

The Board considers Mr Willson to be an independent director and supports the re-election of Mr Willson for the reasons described below.

Mr Richard Willson is an experienced non-executive director, Company Secretary and CFO with 20+ years' experience in publicly listed and private companies.

Mr Willson has a Bachelor of Accounting from the University of South Australia, is a Fellow of CPA Australia and a Fellow of the Australian Institute of Company Directors. He is NED of Titomic Ltd (ASX:TTT), Thomson Resources Ltd (ASX:TMZ), 8IP Emerging Companies Ltd (ASX:8EC), PNX Metals Ltd (ASX:PNX), MedTEC Holdings Ltd and Unity Housing Company.

Mr Willson was appointed as a Director of the Company on 18 January 2013 and brings a wealth of valuable experience to the Board. He is also the Chair of the Audit Committee of Titomic Ltd, 8IP Emerging Companies Ltd, New Peak Metals Ltd and Unity Housing Company and Remuneration & Nomination Committee Chair of Titomic Ltd.

Directors' recommendation

The Directors (with Mr Willson abstaining) recommend that you vote in favour of this Ordinary Resolution.

Commented [JN4]: Please consider including a statement regarding the independence of this director. Refer to Recommendation 1.2 of the Corporate Governance Principles and Recommendations.



4. **Resolution 3: Re-election of Mr. Brian Moller as a Director**

Retirement by Rotation

Under Rule 38.1(c) of the Company's Constitution, one-third of the Directors (other than the Managing Director or a director retiring under Rule 36.2 or Rule 38.6) must retire from office at each annual general meeting and the Company may, under rule 38.9 of the Constitution, may elect a person to fill that vacancy.

Mr Brian Moller retires by rotation in accordance with the Company's Constitution and, being eligible, offers himself for re-election as a Non-Executive Director. There is no voting exclusion statement for this Resolution.

Qualifications and Experience

The Board does not consider Mr Moller to be an independent director due to his position on the board of DGR Global Ltd, which is substantial shareholder of the Company. Nevertheless, the Board supports the re-election of Mr Moller for the reasons described below.

Mr Brian Moller Brian is a corporate partner in Brisbane based law firm Hopgood Ganim Lawyers practicing almost exclusively in the corporate area with an emphasis on capital raising, mergers and acquisitions. He holds an LLB Hons from University of Queensland, a solicitor of the Supreme Court of Queensland, a Solicitor & Barrister of the Supreme Court of Western Australia and is a member of the Australian Mining and Petroleum Law Association.

Mr Moller was appointed as a Director of the Company on 1 December 2006 and is also Chair of ASX listed Tempest Minerals Ltd and Platina Resources Ltd and NED of ASX listed DGR Global Ltd and NewPeak Metals Ltd. Mr Moller acts for many publicly listed resource and industrial companies and brings immense experience and expertise to the Board, particularly in the area of corporate regulatory and governance.

Directors' recommendation

The Directors (with Mr Moller abstaining) recommend that you vote in favour of this Ordinary Resolution.

5. **Resolution 4: Approval of Employee Share Option Plan**

Background

The Company has established an employee incentive plan, known as the Employee Share Option Plan (**Plan**), under which certain employees will be provided with securities in the Company.

Remuneration of the Company's employees is determined by the Board based on the recommendations of its non-executive Directors, taking into consideration relevant market practices and the circumstances of the Company, on an annual basis. It is the view of the Board that allowing employees to take part in the Plan by receiving part of their remuneration in the form of equity securities (such as Options) is in the best interests of Shareholders.

Accordingly, the Board of the Company wish to utilise the Plan, as a means of attracting, motivating, retaining and rewarding its key employees, by providing them with the opportunity to participate in future growth of the Company. The purpose of the Plan is to:

- reward employees for their contributions to the Company's success;
- align the interests of employees with the long-term interests of the Company and its shareholders; and
- help employees build an ownership stake in the Company.

The Plan was originally adopted by the Company prior to its admission to ASX, and issues pursuant to it were last approved by Shareholders at the Company's 2020 AGM. By this Resolution 4, the Company is seeking Shareholder approval for the issue of Equity Securities under the Plan in accordance with Listing Rule 7.2 (Exception 13(b)).

The terms of the Employee Share Option Plan being presented to shareholders at this Meeting have been amended slightly from those approved at the 2020 AGM in the following manner:

Commented [JN5]: Refer to above query regarding independence.



- the substitution of references to Division 1A of Part 7.12 of the Corporations Act in place of ASIC Class Order 14/1000;
- updates to definitions relating to “Eligible Persons” to increase the range of persons who qualify for participation in the ESOP to align the ESOP with the operation of Division 1A of Part 7.12 of the Corporations Act; and
- other administrative updates to align the operation of the ESOP to the operation of Division 1A of Part 7.12 of the Corporations Act.

These amendments have arisen as a result of amendments made to the Corporations Act, which took effect from 1 October 2022, to improve and simplify the conduct of employee share option schemes by companies. The amendments to the ESOP enable the ESOP to be consistent with the operation of the new laws under the new Division 1A of Part 7.12 of the Corporations Act.

Why is shareholder approval being sought?

Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more Equity Securities during any 12-month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12-month period.

Listing Rule 7.2 (Exception 13(b)) provides that Listing Rule 7.1 does not apply to an issue of securities under an employee incentive scheme if, within three years before the date of issue of the securities, the holders of the entity’s ordinary securities have approved the issue of Equity Securities under the employee incentive scheme as exception to the relevant Listing Rules.

Accordingly, the Company is seeking to have the Plan approved by Shareholders such that any Equity Securities issued under the Plan over the next 3 years will be disregarded when determining the Company’s capacity to issue Equity Securities under Listing Rule 7.1 and 7.1A (as applicable).

Whilst under the provisions of the Plan Directors are eligible to participate in the Plan, no options will be issued to the Directors (or their nominees) unless further specific approval for the issue of those options is obtained pursuant to the provisions of Listing Rule 10.14.

Commented [JN6]: 10.11 or 10.14?

Information required for Listing Rule 7.2 (Exception 13)

Pursuant to and in accordance with Listing Rule 7.2 (Exception 13), the following information is provided in relation to Resolution 4:

Exception 13(b)	Information
A summary of the terms of the Plan:	A summary of the terms and conditions of the Plan is set out in this Notice of Meeting and Explanatory Memorandum at Resolution 4. Shareholders are invited to contact the Company if they have any queries or concerns.
The number and class of Securities issued under the Plan since the entity was listed or the date of the last approval under Listing Rule 7.2 (Exception 13(b))	Since the Plan was last approved by Shareholders at the 2020 AGM, the Company has issued 40,000,000 (now consolidated to 400,000 options) employee options and 20,000,000 (now consolidated to 200,000 rights) employee performance rights under the Plan.
The maximum number of Equity Securities proposed to be issued under the Plan following the approval	It is proposed that the maximum number of 750,000 Equity Securities will be issued under the Plan within the 3-year period following Shareholder approval. The maximum number is not intended to be a prediction of the actual number of Equity Securities to be issued under



	<p>the Plan, simply a ceiling for the purposes of Exception 13(b) of Listing Rule 7.2.</p> <p>It is not envisaged that the maximum number of Equity Securities for which approval is sought will be issued immediately.</p>
A voting exclusion statement	<p>The Notice of Meeting contains a:</p> <ul style="list-style-type: none"> • Voting Exclusion Statement pursuant to Listing Rule 14.11; and • Voting Restriction pursuant to section 250BD of the Corporations Act.

Exception 13(b) is only available if and to the extent that the number of Equity Securities issued under the Plan does not exceed the maximum number set out above.

Exception 13(b) also ceases to be available if there is a material change to the terms of the Plan from those set out in Resolution 4.

Effect of Resolution 4

If Resolution 4 is passed, the issue of any securities to eligible participants under the Plan (up to the maximum number of securities stated above) will be excluded from the calculation of the number of Equity Securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

For the avoidance of doubt, the Company must seek Shareholder approval under Listing Rule 10.14 in respect of any future issues of securities under the Plan to a related party or a person whose relationship with the Company or the related party is, in ASX’s opinion, such that approval should be obtained.

If Resolution 4 is not passed, the Company will be able to proceed with the issue of securities under the Plan to eligible participants, but any issues of securities will reduce, to that extent, the Company’s capacity to issue Equity Securities without Shareholder approval under Listing Rule 7.1 for the 12-month period following the issue of the securities.

The Company considers that it will derive a significant benefit by incentivising its senior management and key employees through the issue of Options under the Plan. Additionally, the Company believes it to be in the best interests of the Company to preserve the maximum commercial flexibility to issue Equity Securities that is afforded to it by Listing Rule 7.1.

Directors’ recommendation

The Directors abstain, in the interests of corporate governance, from making a recommendation in relation to Resolution 4.

SPECIAL BUSINESS

6. Resolution 5 – Approval to issue an additional 10% of the fully paid ordinary issued capital of the Company over a 12-month period pursuant to Listing Rule 7.1A

Introduction

Pursuant to Resolution 5, the Company is seeking Shareholder approval to issue an additional 10% of its fully paid ordinary issued capital over a 12-month period pursuant to Listing Rule 7.1A. If passed, this Resolution will allow the Company to allot and issue up to the number of new equity securities calculated in accordance with Listing Rule 7.1A.2 (the **Placement Securities**) each at an issue price of at least 75% of the VWAP for the Company’s equity securities in

Commented [JN7]: Fully paid ordinary issued capital

Commented [JN8]: Fully paid ordinary issued capital



that class (calculated over the last 15 days on which trades in the equity securities in that class are recorded, immediately before the date on which the price at which the Placement Securities are to be issued is agreed, or if the Placement Securities are not issued within five trading days of that date, the date on which the Placement Securities are issued) (the **Issue Price**).

Pursuant to Listing Rule 7.1A, small and mid-cap listed entities that meet the eligibility threshold and have obtained the approval of their ordinary shareholders by Special Resolution at their annual general meeting, are permitted to issue an additional 10% of fully paid ordinary issued capital over a 12-month period from the date of the annual general meeting (the **Additional 10% Placement**).

The Additional 10% Placement under Listing Rule 7.1A is in addition to the ability of the Company to issue 15% of its fully paid ordinary issued capital without shareholder approval over a 12-month period pursuant to Listing Rule 7.1. The Company may issue the Placement Securities to raise funds for the Company (further details of which are set out below).

Funds raised from the issue of the Placement Securities, if undertaken, would be applied towards the acquisition of new assets or investments (including expenses associated with such acquisitions), continued exploration and feasibility study expenditure on the Company's current assets and general working capital.

The Directors unanimously recommend that Shareholders vote in favour of this Special Resolution.

Listing Rule 7.1A

Eligibility

An entity is eligible to undertake an Additional 10% Placement if at the time of its annual general meeting it has a market capitalisation of \$300 million or less and it is not included in the S&P/ASX300 Index (**Eligible Entity**).

For illustrative purposes only, on 12 October 2023, the Company's market capitalisation was approximately \$4.35 million based on the closing market price on that date. The calculation of market capitalisation will be based on the closing market price of the Shares, on the last trading day on which trades in the Shares were recorded before the date of the Annual General Meeting, multiplied by the number of Shares on issue (excluding restricted securities and securities quoted on a deferred settlement basis).

The Company is also not included in the S&P/ASX300 Index as at the time of this Annual General Meeting. However, it should be noted that the S&P/ASX300 Index is rebalanced twice a year (in March and September). The Company is therefore an Eligible Entity and able to undertake an Additional 10% Placement under Listing Rule 7.1A. In the event that the Company for any reason ceases to be an Eligible Entity after the Company has already obtained Shareholder approval pursuant to this Resolution, the approval obtained will not lapse and the Company will still be entitled to issue the Placement Securities during the 12-month period following this Annual General Meeting.

Special Resolution

Listing Rule 7.1A requires this Resolution to be passed as a Special Resolution, which means that it must be passed by at least 75% of the votes cast by members entitled to vote on the Resolution. Pursuant to Listing Rule 7.1A, no Placement Securities will be issued until and unless this Special Resolution is passed at the Meeting.

Shareholder Approval

The ability to issue the Placement Securities is conditional upon the Company obtaining Shareholder approval by way of a Special Resolution at the Meeting.

Listing Rules 7.1 and 7.1A

At the date of this Notice of Meeting, the Company has on issue 189,039,038 Shares. If this Resolution is passed the Company will have the capacity to issue the following equity securities immediately following the Meeting:

- (1) 28,355,855 Equity Securities under Listing Rule 7.1; and
- (2) subject to Shareholder approval being obtained under this Resolution, a further 18,903,903 Placement Securities under Listing Rule 7.1A.

The actual number of Placement Securities that the Company will have the capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Placement Securities in accordance with the formula prescribed in Listing Rule 7.1A.2 (as described following).

Formula for calculating 10% Placement Facility

Listing Rule 7.1A.2 provides that Eligible Entities which have obtained shareholder approval at an annual general meeting may issue, or agree to issue, during the relevant period a number of equity securities calculated in accordance with the following formula:

Commented [JN9]: Fully paid ordinary issued capital

Commented [JN10]: Fully paid ordinary issued capital



(A x D) – E

A is the number of shares on issue at the commencement of the relevant period:
plus the number of fully paid shares issued in the relevant period under an exception in Listing Rule 7.2 other than exception 9, 16 or 17;
plus the number of fully paid shares issued in the relevant period on the conversion of convertible securities within Listing Rule 7.2 exception 9 where:

- the convertible securities were issued or agreed to be issued before the commencement of the relevant period; or
- the issue of, or agreement to issue, the convertible securities was approved or taken under the Listing Rules to have been approved under Listing Rule 7.1 or Listing Rule 7.4;

plus the number of fully paid shares issued in the relevant period under an agreement to issue securities within Listing Rule 7.2 exception 16 where:

- the agreement was entered into before the commencement of the relevant period; or
- the agreement or issue was approved or taken under the Listing Rules to have been approved under Listing Rule 7.1 or Listing Rule 7.4;

plus the number of partly paid shares that became fully paid in the relevant period;
plus the number of fully paid shares issued in the relevant period with approval of holders of shares under Listing Rule 7.1 and 7.4. This does not include an issue of fully paid shares under the entity's 15% placement capacity without shareholder approval;
less the number of fully paid shares cancelled in the relevant period.

Note that A has the same meaning in Listing Rule 7.1 when calculating an entity's 15% placement capacity.

D is 10%

E is the number of equity securities issued or agreed to be issued under Listing Rule 7.1A.2 in the relevant period where the issue or agreement has not been subsequently approved by the holders of its ordinary securities under Listing Rule 7.4.

Specific Information Required by Listing Rule 7.3A

Listing Rule 7.3A sets out the requirements for notices of meeting at which shareholder approval is sought for the additional capacity to issue equity securities under Listing Rule 7.1A. For the purposes of Listing Rule 7.1A the Company advises as follows:

1. Final Date for Issue - Listing Rule 7.3A.1

As required by Listing Rule 7.3A.1, the Company will only issue and allot the Placement Securities during the 12 months after the date of this Meeting which the Company anticipates will end on [27 November 2024]. The approval under this Resolution for the issue of the Placement Securities will cease to be valid in the event that Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities of the Company) or Listing Rule 11.2 (the disposal of the main undertaking of the Company) before the anniversary of the Annual General Meeting.

Assuming Resolution 5 is passed, Shareholder approval of the Additional 10% Capacity under Listing Rule 7.1A is valid from the date of the annual general meeting and expires on the earlier to occur of:

- (a) the date that is 12 months after the date of the annual general meeting;
- (b) the time and date of the Company's next annual general meeting; or
- (c) the time and date of the approval by Shareholders of a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking),

or such longer period if allowed by ASX (Approval Period).

If Resolution 5 is passed by Shareholders, then the approval will expire, on 27 November 2024 unless the Company holds its next annual general meeting or Shareholder approval is granted pursuant to Listing Rules 11.1.2 or 11.2 prior to that date.

2. Minimum price of securities issued under Listing Rule 7.1A - Listing Rule 7.3A.2

Commented [JN11]: This is not the correct formula for "A". Please refer to LR 7.1.

Commented [JN12]: This is not consistent with "E" of the formula. Please refer to LR 7.1A.2.

Commented [JN13]: Please amend this statement so that it complies with LR 7.1A.1.



Pursuant to and in accordance with Listing Rule 7.1A.3, the Placement Securities issued pursuant to approval under Listing Rule 7.1A must have an Issue Price of not less than 75% of the VWAP for the equity securities in that class calculated over the 15 trading days on which trades in that class were recorded immediately before:

- (1) the date on which the price at which the Placement Securities are to be issued is agreed by the entity and the recipient of the Placement Securities; or
- (2) if the Placement Securities are not issued within ten trading days of the date in paragraph (1) above, the date on which the Placement Securities are issued.

The Company will disclose to the ASX the Issue Price on the date of issue of the Placement Securities.

3. Purpose - Listing Rule 7.3A.3

As noted above, the purpose for which the Placement Securities may be issued include to raise funds for the Company (further details of which are set out below). Funds raised from the issue of the Placement Securities, if undertaken, would be applied towards the acquisition of new assets or investments (including expenses associated with such acquisitions), continued exploration and feasibility study expenditure and development of the Company's current assets and general working capital.

4. Risk of economic and voting dilution - Listing Rule 7.3A.4

As provided by Listing Rule 7.3A.4, if this Resolution is passed and the Company issues the Placement Securities, there is a risk of economic and voting dilution to the existing Shareholders. The Company currently has on issue 189,039,038 Shares. The Company could issue 47,259,758 securities immediately following the Meeting (being 28,355,855 equity securities pursuant to Listing Rule 7.1 and 18,903,903 Placement Securities pursuant to Listing Rule 7.1A). However, it is important to note that the exact number of securities which may be issued will be calculated in accordance with the formula contained in Listing Rule 7.1A.2, details of which are set out above. Any issue of Placement Securities will have a dilutive effect on existing Shareholders.

There is a specific risk that:

- (1) the market price for the Company's equity securities may be significantly lower on the date of the issue of any Placement Securities than it is on the date of the meeting; and
- (2) the Placement Securities may be issued at a price that is at a discount to the market price for the Company's equity securities on the issue date,

which may have an effect on the amount of funds raised by the issue or the value of the Placement Securities.

As required by Listing Rule 7.3A.4, the table below shows the potential economic and voting dilution effect, in circumstances where the issued share capital has doubled and the closing market price of the shares has halved. Table 1 also shows the additional scenarios in which the issued share capital has increased (by both 50% and 100%) and the closing market price of the shares has:

- (1) decreased by 50%; and
- (2) increased by 100%.

Table 1 – economic and voting dilutionary effect

Issued Share Capital	10% Voting Dilution	New issued share capital	50% decrease in Market Price	Current Market Price	100% increase in Market Price
			\$0.0115	\$0.023	\$0.046
Capital Raised					
Present Issued Share Capital 189,039,038	18,903,903	207,942,941	\$217,395	\$434,790	\$869,580
50% Increase in Share Capital 283,558,548	28,355,854	311,914,402	\$326,092	\$652,184	\$1,304,355

Commented [JN14]: It's 15 trading days on which trades in that class were recorded. Please refer to LR 7.1A.3.

Commented [JN15]: Table 1?

Commented [JN16]: The increased # of securities is usually displayed in this part of the table also.



100% Increase in Share Capital 378,078,064	37,807,806	415,885,870	\$434,790	\$869,580	\$1,739,159
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Assumptions and Explanations relating to Table 1:

- (a) \$0.023 was the closing market price of the Shares on ASX on 12 October 2023.
- (b) The above table only shows the dilutionary effect based on the issue of the Placement Securities (assuming only Shares are issued), and not any Shares issued under Listing Rule 7.1.
- (c) The 10% voting dilution reflects the aggregate percentage dilution against the issued Share capital at the time of the issue.
- (d) The Company issues the maximum number of Placement Securities.
- (e) The issued Share capital has been calculated as the prescribed variable "A" (as set out in the formula in Listing Rule 7.1A.2) as at 12 October 2023.
- (f) The Issue Price of the Placement Securities used in the Table 1 is the same as the closing market price and does not take into account the discount to the closing market price (if any).

5. *Company's Allocation Policy – Listing Rule 7.3A.5*

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue of the Placement Securities. The identity of the allottees of the Placement Securities will be determined on a case-by-case basis having regard to a number of factors including but not limited to the following:

- (1) the methods of raising funds that are available to the Company including, but not limited to, rights issue or other issue in which existing shareholders can participate;
- (2) the effect of the issue of the Placement Securities on the control of the Company;
- (3) the financial situation and solvency of the Company; and
- (4) advice from corporate, financial and broking advisers (if applicable).

The allottees of the Placement Securities have not been determined as at the date of this Notice but may include existing substantial Shareholders and new Shareholders who are not related parties or associates of a related party of the Company.

6. *Equity Issues Under Listing Rule 7.1A.2 Over Last 12 Months – Listing Rule 7.3A.6*

The Company previously sought approval for the additional placement capacity under Listing Rule 7.1A at its annual general meeting held on 28 November 2022 (**Previous Approval**).

During the 12-month period from the Previous Approval until the date of the Meeting, the Company has not issued any Shares under Listing Rule 7.1A.2 pursuant to the Previous Approval. All Equity Securities issued during this period were issued under the Company's 15% capacity under Listing Rule 7.1.

Table 2 – Equity Shares issued under Listing Rule 7.1A.2 over last 12 months

<i>Number of equity securities on issue at commencement of 12-month period</i>	14,215,559,150
<i>Equity securities issued in prior 12-month period* pursuant to Listing Rule 7.1A.2</i>	0
<i>Percentage equity issues pursuant to Listing Rule 7.1A.2 represent of total number of equity securities on issue at commencement of 12-month period</i>	0.00%

7. *Voting Exclusion Statement*

A Voting Exclusion Statement is included for this Resolution in the Notice of Meeting accompanying the Explanatory Memorandum.

Directors' Recommendation

The Directors recommend that you vote in favour of this Special Resolution.





7. DEFINITIONS

Term is used in this Explanatory Memorandum shall have the meanings ascribed to them in the Listing Rules or the Corporations Act as appropriate, unless otherwise defined below, or in the body of the Explanatory Memorandum. The following terms shall have the meanings ascribed to them below:

Additional 10% Placement means the additional 10% of fully paid ordinary issued capital over the relevant period under Listing Rule 7.1A.

Commented [JN17]: Fully paid ordinary issued capital

Advisory Resolution has the same meaning as when used in Section 250R of the Corporations Act.

Annual General Meeting or **Meeting** means this meeting.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited ABN 98 008 624 691.

Board means the board of Directors of the Company.

Closely Related Party (as defined in the Corporations Act) of a member of the Key Management Personnel for an entity means:

- a spouse or child of the member; or
- a child of the member's spouse; or
- a dependant of the member or the member's spouse; or
- anyone else who is one of the member's family and may be expected to influence the member, or to be influenced by the member, in the member's dealings with the entity; or
- a company the member controls; or
- a person prescribed by regulations issued pursuant to the Corporations Act.

Company means Clara Resources Australia Limited ACN 122 957 322 and **Clara Resources** has the same meaning.

Corporations Act means the *Corporations Act 2001* (Cth).

Director means a director of the Company.

Issue Price means the price per security at which the Placement Securities may be issued.

Key Management Personnel or **KMP** has the definition given in the accounting standards as those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly and indirectly, including any Director (whether executive or otherwise) of that entity.

Listing Rules means the listing rules of ASX as amended, varied or replaced from time to time.

Meeting or **Annual General Meeting** means the annual general meeting of the Company to be held on 27 November 2023.

Notice of Meeting or **Notice** means the Notice of Meeting and this Explanatory Memorandum.

Ordinary Resolution means a Resolution passed by a majority of the votes cast at a general meeting of Shareholders.

Placement Securities means the new equity securities for the purposes of Listing Rule 7.1A.

Plan means the Company's Employee Share Option Plan.

Related Entity has the meaning given to it in the Corporations Act.

Resolution means a resolution proposed at the Meeting.

Shareholder means a holder of ordinary Shares in the Company and **Clara Shareholder** has the same meaning.

Shares means ordinary fully paid shares in the issued capital of the Company.

Special Resolution means a resolution passed by more than 75% of the votes cast at a general meeting of Shareholders.

VWAP means volume weighted average price.

Schedule 1 – Terms of the Employee Share Option Plan (Plan)

1. Equity securities may be issued pursuant to the Plan, will be made without disclosure, in reliance on Division 1A of Part 7.12 of the Corporations Act (**Division**). Equity security has the meaning given to it in the Listing Rules.
2. All offers made pursuant to the Plan will be accompanied by, an offer document that complies with the Division.
3. The Company will not issue any equity securities pursuant this Plan where trading in its Shares on ASX have been suspended for longer than five (5) days in the previous 12 months.
4. The Plan is to extend to Eligible Persons of Clara Resources Australia Limited (**Company**) or an associated body corporate of the Company as the Board may in its discretion determine PROVIDED THAT the Board may only determine that a person is an Eligible Person if they fit within the description of a “primary participant” as that term is used in the Division.
5. The Board is entitled to determine:
 - a. subject to paragraph 7, the total number of equity securities to be offered in any one (1) year to Eligible Persons;
 - b. the Eligible Persons to whom offers will be made; and
 - c. the terms and conditions of any equity securities (including any options granted (**Options**)), subject to the Plan.
6. The total number of equity securities to be issued by the Company to Eligible Persons under the Plan shall not at any time exceed five percent (5%) of the Company’s total issued ordinary Share capital in that class at that time when aggregated with:
 - a. the number of equity securities that may be issued under or as a result of equity securities issued under the Plan; and
 - b. the number of equity securities issued during the previous three (3) years pursuant to or as a result of equity securities issued pursuant to:
 - i. the Plan; or
 - ii. any employee share option plan of the Company or like scheme where the offers were covered by the Division or an ASIC exempt arrangement of a similar kind to an employee incentive scheme.
7. Any Options issued under the Plan are to be issued for no consideration.
8. The exercise price of an Option issued under the Plan is to be determined by the Board at its sole discretion.
9. The right of Eligible Persons to exercise any Option held by them will commence on the date (**Commencement Date**) which is later of:
 - a. the date on which those Options are issued (**Issue Date**); and
 - b. the date on which all conditions to their exercise had been satisfied (**Vesting Date**), which may be in respect of individual Options or tranches of Options, as may be determined by the Board from time to time.
10. The period during which any Options may be exercised commences on the Commencement Date and ends on the earlier of:
 - a. three (3) years from the date on which the Options are issued;
 - b. the Business Day after the expiration of three months , or any other period which the Board may determine, after the Eligible Employee ceases to be employed or ceases to be a Director (if the Eligible Employee is not also employed) by the Company or an associated body corporate of the Company; or
 - c. the Eligible Employee ceasing to be employed by the Company or an associated body corporate of the Company due to fraud or dishonesty.
11. Participants who have been issued Options under the plan do not participate in dividends or in bonus issues unless the Options are exercised.
12. In the event that a rights issue is undertaken by the Company during the term of any Options issued under the Plan at a discount to the independently ascertained value of the Shares, then the Company shall adjust

Commented [JN18]: Clara Resources Australia Limited?



the exercise price for the Options in accordance with the formula provided for in Chapter 6 of the Listing Rules.

13. While the Option holders do not have any participating rights in new issues of securities in the Company during the term of any Options held, the Option holders shall be afforded a period of at least five (5) Business Days before the record date for the relevant issue, to exercise the Options and it shall be a condition of the Options that any entitlements to bonus issues of securities are only available to Option holders in the event of a prior exercise of the Options.
14. The Board has the right to vary the entitlements of all Eligible Employees to take account of the effective capital reconstructions, bonus issues or rights issues.
15. The Board may vary the Plan.
16. At any time from the date of an Offer until the Acceptance Date of that Offer, the Board undertakes that it shall provide information as to:
 - a. the closing market price of the Shares; and
 - b. the Exercise Price of the Shares were this calculated as at the date of the Offer,to any Participant by mail (or such other form of notification as agreed by the Company and the Participant) within five (5) Business Days of a written request to the Company from that Participant to do so.
17. Any Offer made pursuant to this Plan will specify whether subdivision 83A-C of the applicable Tax Laws applies to that Offer such that any tax payable by a Participant under the Offer will be deferred to the applicable deferred taxing point described in that subdivision.



ENTITLEMENT TO VOTE

The Board has determined, in accordance with the Corporations Regulations 2001 that for the purposes of determining those Shareholders entitled to attend and vote at the Annual General Meeting of the Company, shall be those persons recorded in the register of Shareholders as at 11.00 a.m (Brisbane Time) on [25 November 2023]. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

How to Vote

You may vote by attending the Annual General Meeting in person, by proxy or authorised representative.

Voting in Person

To vote in person, attend the Annual General Meeting on the date and at the place set out above.

A member entitled to attend and vote at the meeting is entitled to appoint a proxy to vote on their behalf. Where a member is entitled to cast two or more votes, they may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. Where the appointment does not specify the proportion or number of votes each proxy may exercise, each proxy may exercise half of the votes. A proxy need not be a member of the Company.

Members who are a body corporate are able to appoint representatives to attend and vote at the meeting under Section 250D of the *Corporations Act 2001* (Cth).

If a representative of the Company is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission. A form of the certificate may be obtained from the Company's share registry.

Signing instructions

You must sign the proxy form as follows in the spaces provided:

- Individual: Where the holding is in one name, the holder must sign.
- Joint Holding: Where the holding is in more than one name, all of the security holders should sign.
- Power of Attorney: To sign under Power of Attorney, you must have already lodged this document with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.
- Companies: Where the company has a sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001* (Cth)) does not have a Company Secretary, a sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary.

Please indicate the office or capacity held by signing in the appropriate place.

To vote by proxy, the proxy form provided with this notice (and the original or a certified copy of any power of attorney under which it is signed) must be received by the Company not less than forty eight (48) hours before the scheduled time for the meeting. Any proxy form received after that time will not be valid for the scheduled meeting.

Completed proxies can be returned to the Company Secretary by either mail to GPO Box 5261, Brisbane, Queensland 4001; or facsimile to (07) 3303-0681, or scanned and emailed to jhaley@clararesources.com.au