

30 September 2024

[Name of security holder]
[Security holder's address]

Dear Shareholder

Clara Resources Australia Limited ACN 122 957 322 - non-renounceable rights issue

On Friday, 20 September 2024, Clara Resources Australia Limited (**Clara** or the **Company**) announced a non-renounceable rights issue to eligible shareholders, on the basis of 2 new fully paid ordinary shares for every 3 shares held at an issue price of \$0.01 per share (**New Share**), to raise approximately \$1,667,594 (before costs) (**Rights Issue**).

The purpose of the Rights Issue is to raise approximately \$1,667,594 for the Company to:

- repay bridging loans obtained by the Company on 29 May 2024 in relation to the completion of the Ashford Coking Coal Project acquisition and other creditors;
- pay for the costs of the Rights Issue; and
- fund additional working capital.

Cerberus Investments Pty Ltd have been appointed the lead managers of the Rights Issue. The Rights Issue is not underwritten.

The Prospectus in relation to the Rights Issue was lodged with the Australian Securities Exchange (**ASX**) on Friday, 20 September 2024 and is available on the ASX website and also on the Company website at www.clararesources.com.au.

A proposed timetable for the Rights Issue is set out in the table below:

Event	Date
Announcement of Rights Issue. Prospectus and Appendix 3B lodged with ASX	Friday, 20 September 2024 (pre-market open)
Shares commence trading on an ex basis	Tuesday, 24 September 2024
Record Date for the Rights Issue (7:00pm Brisbane time)	Wednesday, 25 September 2024
Despatch Prospectus to shareholders	Monday, 30 September 2024
Opening date of Rights Issue (9:00am Brisbane time)	Monday, 30 September 2024
Closing date of Rights Issue (5:00pm Brisbane time)	Friday, 18 October 2024

Event	Date
Shares commence trading on deferred settlement basis	Monday, 21 October 2024
Announce results of Rights Issue	Wednesday, 23 October 2024
Allotment of New Shares under Rights Issue	Friday, 25 October 2024
Normal trading of New Shares on ASX begins	Monday, 28 October 2024
Despatch of holding statements for New Shares and deferred settlement trading ends	Tuesday, 29 October 2024

This timetable is indicative only and may be subject to change subject to the requirements of the Corporations Act and the ASX Listing Rules.

In accordance with the ASX Listing Rules, Clara has considered the number of shareholders with registered addresses outside of Australia and New Zealand. The Company has determined that it will make the Rights Issue available to all Shareholders as at the Record Date with a registered address in Australia, New Zealand, Brunei Darussalam, Hong Kong, Malaysia, Taiwan, the United Kingdom and the United States and also including beneficial shareholders (via a custodian or nominee) with an address in Germany, Luxembourg, or Singapore (**Eligible Shareholders**). The Offer cannot be made to Shareholders who are resident in the People's Republic of China due to the laws in that jurisdiction (**Ineligible Shareholders**).

Entitlements to New Shares pursuant to the Rights Issue are non-renounceable and accordingly will not be traded on the ASX.

As you are an Ineligible Shareholder, the offer pursuant to the Rights Issue will not be extended to you.

Clara reserves the right to appoint a party to act as a nominee for the purposes of section 615 of the *Corporations Act 2001* (Cth) (**Foreign Nominee**). Further information in relation to that discretion is provided under the "Important Information" section at the start of the Prospectus. If the Company determines to appoint a Foreign Nominee (and obtains the consent of ASIC to such appointment), then the Company must issue to that Foreign Nominee the New Shares that are not able to be issued to Ineligible Shareholders.

That Foreign Nominee will pay to Clara the issue price of \$0.01 per New Share issued to it and must then sell such New Shares at a price and otherwise in a manner determined by the Foreign Nominee in its sole discretion. The proceeds of sale of such New Shares will be distributed to those shareholders for whose benefit the shares are sold in proportion to their shareholding as at the record date (after deducting the issue price and the costs of sale). If the proceeds of sale are less than the reasonable costs that would be incurred by the Company for distributing those proceeds, such proceeds may be retained by the Company. Notwithstanding that the Foreign Nominee may sell the New Shares, Ineligible Shareholders may nevertheless receive no net proceeds if the Offer Price plus the costs of the sale are greater than the sale proceeds. Neither the Company nor the Foreign Nominee will be liable for a failure to obtain any net proceeds, or to sell the New Shares at any particular price or at any particular time.



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Please contact the Lead Manager by email at duncan@cerberusadvisory.com.au or by phone on 0404 006 444 (or +61 404 006 444 from overseas) if you have any queries regarding the Rights Issue or your eligibility to participate in the Rights Issue.

Yours sincerely

A handwritten signature in black ink, appearing to read 'J Haley', is positioned above the printed name.

John Haley
Company Secretary – Clara Resources Australia Limited