

27 December 2024

Dear Shareholder

Clara Resources Australia Limited ACN 122 957 322 - Accelerated non-renounceable entitlement offer - Notice to Ineligible Retail Shareholders

On Thursday, 19 December 2024, Clara Resources Australia Limited (**Clara** or the **Company**) announced an accelerated non-renounceable entitlement offer to eligible shareholders, on the basis of 1 new fully paid ordinary share (**New Share**) for every 1 existing share held (**Existing Share**) at an issue price of \$0.006 per share to raise up to approximately \$1.7 million (before costs) (**Entitlement Offer**).

The Entitlement Offer is being made without a prospectus or disclosure document in accordance with section 708AA of the *Corporations Act 2001* (Cth) (**Corporations Act**) as modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84 (**ASIC Instrument**).

The Entitlement Offer consists of an entitlement offer to eligible institutional shareholders (**Institutional Entitlement Offer**), and an entitlement offer to eligible retail shareholders (**Retail Entitlement Offer**). The Institutional Entitlement Offer was conducted between 17 December 2024 to 18 December 2024, with the results announced on the ASX on 19 December 2024. The Institutional Offer has raised approximately \$0.9 million already, with a further \$0.42 million raised under a separate placement at the same issue price of \$0.006 per new share (**Placement**). New shares issued under the Institutional Entitlement Offer and the Placement are anticipated to be issued on 30 December 2024 and quoted on the ASX on 31 December 2024.

It is proposed that the funds raised from the Placement and Entitlement Offer will be applied for the purposes of retirement of debt, exploration expenditure and to provide additional working capital for the Company.

Foster Stockbroking have been appointed as the lead manager of the Placement and Entitlement Offer. The Placement and Entitlement Offer are not underwritten.

The new shares issued under the Placement and Entitlement Offer will rank equally in all respects with Clara's existing shares. If an eligible shareholder's entitlement results in a fraction of a New Share, the shareholder's entitlement will be rounded up to the nearest whole number.

Entitlements to New Shares pursuant to the Entitlement Offer will not be traded on the ASX.

The offer booklet in relation to the Retail Offer (**Retail Offer Booklet**) was lodged with the Australian Securities Exchange (**ASX**) on 27 December 2024 and is available on the ASX website and also on the Company website at www.clararesources.com.au.

Eligibility Criteria

Eligible Retail Shareholders are shareholders who:

1. are a registered as a holder of existing shares in the Company as at 7.00pm (Sydney time) on Friday, 20 December 2024 (**Record Date**);
2. have a registered address on the Company's share register in Australia or Zealand (**Eligible Retail Shareholders**);

3. are not in the United States and are not acting for the account or benefit of a person in the United States;
4. are eligible under all applicable securities laws to receive an offer under the Retail Offer.

Shareholders who are not Eligible Retail Shareholders are Ineligible Retail Shareholders.

The restrictions upon eligibility under the Entitlement Offer arise because of legal and regulatory requirements in countries other than those listed above and the potential costs to the company and complexity of complying with these legal and regulatory requirements compared to the relatively small number of shareholders in those countries, the relatively small number of Existing Shares they hold and the relatively low value of the New Shares to which those shareholders would otherwise be entitled.

The Company has determined, pursuant to Listing Rule 7.7.1(a) of the ASX Listing Rules and section 9A of the Corporation Act as modified by the ASIC Instrument, that it would be unreasonable to make or extend offer to shareholders in certain countries under the Entitlement Offer.

According to our records, you do not satisfy the eligibility criteria above for an Eligible Retail Shareholder and accordingly you are an Ineligible Retail Shareholder and the Company wishes to advise that the Entitlement Offer will not be extended to you and you will not be able to subscribe for new Shares under the Entitlement Offer. You will not be sent the offer document relating to the Entitlement Offer.

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

Yours sincerely



Peter Harding-Smith
Company Secretary – Clara Resources Australia Limited