

Retail Offer Document

Clara Resources Australia Limited (ACN 122 957 322)

Retail Entitlement Offer to Eligible Retail Shareholders

An accelerated non-renounceable entitlement offer to Eligible Retail Shareholders of Clara Resources Australia Limited (**Clara Resources** or the **Company**) of 1 fully paid ordinary share (**New Share**) for every Existing Share held at an issue price of \$0.006 per New Share to raise up to approximately \$0.8 million before costs of the Capital Raise (subject to the Debt Conversion Facility).

The lead manager of the Entitlement Offer (and the Placement) is Foster Stockbroking. The Entitlement Offer is not underwritten.

Your Entitlement and Acceptance Form must be received by the Share Registry with your payment by no later than 5.00pm (Sydney time) on 17 January 2025.

Important notice

This document is not a prospectus. This document does not contain all of the information that an investor may require in order to make an informed investment decision regarding the New Shares offered by this document. The New Shares offered by this document should be considered speculative.

This document should be read in its entirety. If after reading this document you have any questions about the Capital Raise or the New Shares then you should consult your stockbroker, accountant or other professional advisor.

Important information

Key Offer Statistics

Issue Price	\$0.006 per New Share
Ratio	1 New Share for every 1 Existing Share
Total New Shares to be issued under the Capital Raise*	351,497,885
<i>Institutional Entitlement Offer and Placement</i>	216,988,295
<i>Retail Entitlement Offer</i>	134,509,590
Number of Shares on issue following the Capital Raise	632,995,770

*Excludes any New Shares which may be issued in the event that any Existing Options are exercised prior to the Record Date. See section 3.1 of this Offer Document for further information.

Key dates for investors

Record Date for determining entitlements under the Retail Entitlement Offer	7.00pm (Sydney time) on 20 December 2024
Retail Entitlement Offer Document and Entitlement and Acceptance Form despatched	27 December 2024
Retail Entitlement Offer opens	27 December 2024
New Shares issued under the Institutional Entitlement Offer*	30 December 2024
Retail Entitlement Offer expected to close (Closing Date)	5.00pm (Sydney time) on 17 January 2025
Announcement of results of Retail Entitlement Offer	21 January 2025
Retail Entitlement Offer issue date	Before noon (Sydney time) on 24 January 2025
Commencement of trading of New Shares issued under the Retail Entitlement Offer on ASX	28 January 2025
Expected date for despatch of New Shareholding statements for New Shares issued under the Retail Entitlement Offer	28 January 2025

All dates are subject to change and accordingly are indicative only. In particular, the Company has the right to vary the dates of the Entitlement Offer, without prior notice. Investors are encouraged to submit their Entitlement and Acceptance Forms as soon as possible after the Retail Entitlement Offer opens.

*Excludes New Shares to be issued to certain participants in the Institutional Shortfall Bookbuild (with binding commitments for 40,000,000 New Shares), which the Company has agreed to settle and allocate on or around the Closing Date of the Retail Entitlement Offer.

Important notice

This Offer Document is dated 27 December 2024 and was lodged with the ASX on that date. The ASX does not take any responsibility for the contents of this Offer Document.

The Entitlement Offer made pursuant to this Offer Document is for a rights issue of continuously quoted securities (as defined in the *Corporations Act 2001* (Cth) (**Corporations Act**)) of the Company.

This Offer Document is not a disclosure document for the purposes of Chapter 6D of the Corporations Act. The Company is offering the securities under this Offer Document without disclosure to investors under Chapter 6D of the Corporations Act pursuant to section 708AA of the Corporations Act. Accordingly, the level of disclosure contained in this Offer Document is significantly less than that required under a prospectus and Eligible Retail Shareholders should consider all relevant facts and circumstances, including their knowledge of the Company and disclosures made to the ASX and should consult their professional advisors before deciding whether to accept the Entitlement Offer.

Securities will only be issued on the basis of this Offer Document in accordance with the terms set out in this Offer Document.

As at the date of this Offer Document, the Company has complied with:

- the provisions of Chapter 2M of the Corporations Act, as they apply to the Company; and
- section 674 and section 674A of the Corporations Act.

The Retail Entitlement Offer is only made to those Retail Shareholders who have a registered address in the Eligible Jurisdictions on the Record Date (**Eligible Retail Shareholders**). See below for further information.

No excluded information

As at the date of this Offer Document the Company is not aware of any excluded

information of the kind which would require disclosure in this Offer Document pursuant to section 708AA(8) and section 708AA(9) of the Corporations Act.

Foreign shareholders

This document does not constitute an offer of New Shares and Entitlements in any jurisdiction in which it would be unlawful. In particular, this document may not be distributed to any person, and the New Shares and Entitlements may not be offered or sold, in any country outside Australia except to the extent permitted below.

The Company has decided that it is unreasonable to make offers under the Retail Entitlement Offer to Retail Shareholders with registered addresses outside of the Eligible Jurisdictions (being Australia and New Zealand) having regard to the number of Retail Shareholders in those places, the number and value of the New Shares they would be offered and the cost of complying with the legal and regulatory requirements in those places. Accordingly, the Retail Entitlement Offer is not being extended to, and does not qualify for distribution or sale by, and no New Shares will be issued to Retail Shareholders having registered addresses outside of the Eligible Jurisdictions (**Ineligible Retail Shareholders**).

The Company has not made any investigation as to the regulatory requirements that may prevail in the countries, outside of the Eligible Jurisdictions, in which the Company's Shareholders may reside. It is the responsibility of overseas Applicants to ensure compliance with all laws of any country relevant to their Acceptance. The Retail Entitlement Offer may only be accepted by Eligible Retail Shareholders and does not constitute an offer in any place in which or to any person to whom, it would be unlawful to make such an offer.

The distribution of this Offer Document in jurisdictions outside the Eligible Jurisdictions may be restricted by law and persons who come into possession of this Offer Document should seek advice on and observe those restrictions. Any failure to comply with restrictions might constitute a violation of applicable securities laws.

See section 1.20 for further information on offer restrictions with respect to Retail Shareholders who do not have registered addresses in Australia.

New Zealand

The New Securities are not being offered to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the *Financial Markets Conduct (Incidental Offers) Exemption Notice 2021 (New Zealand)*.

This document has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority under the *Financial Markets Conduct Act 2013 (New Zealand)*. This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that an investment statement, product disclosure statement or prospectus under New Zealand law is required to contain

United States

This document may not be released or distributed in the United States. This document does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. Any securities described in this document have not been, and will not be, registered under the US Securities Act and may not be offered or sold in the United States except in transactions exempt from, or not subject to, registration under the US Securities Act and other applicable securities laws of the United States.

How to accept Entitlement to New Shares

Entitlements to New Shares can be accepted in full or in part by making payment of the Application Money by BPAY® (for Australian residents) or by completing and returning the Entitlement and Acceptance Form along with payment of the Application Money by EFT (for New Zealand residents) in accordance with the instructions set out in this Offer Document and on the Entitlement and Acceptance Form.

Refer to section 2 for full details of how to obtain and accept the Retail Entitlement Offer.

If, in addition to being an Eligible Retail Shareholder, you are also a lender under the Bridging Loans or otherwise a creditor of the Company, you may elect to take up your Entitlement by means of the conversion of some or all of the existing debt owed to you by the Company. See sections 2.7 and 3.3 for further information on the Debt Conversion Facility.

This Offer Document is available in electronic form at: www.clararesources.com.au/ or via the offer website: events.miracle.com/c7a-offer. If you wish to obtain a free copy of this Offer Document, please contact the Company by email at PHarding-Smith@clararesources.com.au.

Enquiries

If you are an Eligible Retail Shareholder and have any questions in relation to the Retail Entitlement Offer, please contact your stockbroker or professional adviser. If you have questions in relation to the Shares upon which your Entitlement has been calculated, or how to complete the Entitlement and Acceptance Form, take up your Entitlement, please contact Cerberus Advisory by email at duncan@cerberusadvisory.com.au or by phone on 0404 006 444 (+61 404 006 444 from overseas).

Deciding to accept the Retail Entitlement Offer

No person named in this Offer Document, nor any other person, guarantees the performance of Clara Resources, the repayment of capital or the payment of a return on the New Shares.

Please read this document carefully before you make a decision to invest. An investment in the Company has a number of specific risks which you should consider before making a decision to invest. Some of these risks are summarised in section 4. This Offer Document is an important document and you should read it in full before deciding whether to invest pursuant to the Entitlement Offer. You should also have regard to other publicly available information about the Company, including ASX announcements, which can be found at the

Company's website:
<https://www.clararesources.com.au/>.

Terms used

A number of terms and abbreviations used in this Offer Document have defined meanings, which are explained in the definitions and glossary in section 7.

Money as expressed in this Offer Document is in Australian dollars unless otherwise indicated.

Forward looking statements

Some of the information contained in this Offer Document constitutes forward-looking statements that are subject to various risks and uncertainties. Forward-looking statements include those containing such words as 'anticipate', 'estimate', 'should', 'will', 'expects', 'plans' or similar expressions. These statements discuss future objectives or expectations concerning results of operations or financial conditions or provide other forward-looking information. The Company's actual results, performance or achievements could be significantly different from the results or objectives expressed in, or implied by, those forward-looking statements. This Offer Document details some important factors that could cause the Company's actual results to differ from the forward-looking statements made in this Offer Document.

No representations

No person is authorised to give any information or to make any representation in

connection with the Entitlement Offer which is not contained in this Offer Document. Any information or representation in connection with the Entitlement Offer not contained in this Offer Document may not be relied on as having been authorised by the Company or its officers. This Offer Document does not provide investment advice or advice on the taxation consequences of accepting the Entitlement Offer. The Entitlement Offer and the information in this Offer Document, do not take into account your investment objectives, financial situation and particular needs (including financial and tax issues) as an investor.

Taxation consequences for Applicants

There will be tax implications associated with participating in the Retail Entitlement Offer and receiving New Shares. Section 5 of this Offer Document provides a general guide to the Australian income tax, goods and services tax and stamp duty implications of the Retail Entitlement Offer for certain Eligible Retail Shareholders who are Australian tax residents holding Shares on capital account. The guide does not take into account the individual circumstances of particular Eligible Retail Shareholders and does not constitute tax advice. The Company recommends that you consult your professional tax adviser in connection with the Retail Entitlement Offer.

Past performance

The past Share price or performance of the Company provides no guarantee or guidance as to future Share price performance.

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Chair's letter

24 December 2024

Dear Shareholders,

On behalf of the Directors, I am pleased to invite you to take up your entitlement to new ordinary fully paid shares (**New Shares**) in Clara Resources Australia Limited.

On 19 December 2024 the Company announced its intention to undertake an accelerated non-renounceable entitlement offer (**Entitlement Offer**) of 1 New Share for every Existing Share held on the Record Date at an issue price of \$0.006 per New Share (**Issue Price**), to raise up to approximately \$1.7 million (before the costs of the offer and subject to the application of the Debt Conversion Facility).

This Issue Price represents a 11.2% discount to the 10-day volume-weighted average price of Shares prior to announcement of the Capital Raise (being \$0.0068 as at 16 December 2024).

The Capital Raise (Placement and Entitlement Offer)

This Entitlement Offer is to be undertaken in conjunction with a placement to institutional investors for New Shares at the Issue Price, raising approximately \$420,000 (**Placement**). A total of approximately \$2.1 million will be raised between the Placement and the Entitlement Offer (together, the **Capital Raise**).

It is proposed that the funds raised from the Capital Raise will be applied for the purposes of retirement of the Bridging Loans, exploration expenditure, to cover the costs of the Capital Raise and to provide additional working capital for the Company.

Foster Stockbroking is the lead manager of the Capital Raise (**Lead Manager**).

Details of the Entitlement Offer

The Entitlement Offer comprises an accelerated institutional component which, as announced on 19 December 2024, raised approximately \$0.9 million (**Institutional Entitlement Offer**), and a retail component to raise approximately \$0.8 million (**Retail Entitlement Offer**) (subject to the application of the Debt Conversion Facility).

Pursuant to the Corporations Act, the Company is not required to prepare a prospectus for the Entitlement Offer.¹ This offer document (**Offer Document**) relates to the Retail Entitlement Offer only and provides a summary of the key information which you should consider before deciding whether to take up your Entitlement under the Retail Entitlement Offer.

Please read the Offer Document carefully before deciding whether or not to invest. In particular, you should read the "Risk Factors" section of the Investor Presentation (set out in section 4 of this Offer Document) which contains a summary of the key risks associated with investment in the Company.

If there is any matter on which you require further information, you should consult your stockbroker, accountant or other professional advisor.

¹ No offer document is required for the Placement, as the Shares will be issued to sophisticated and professional investors within the meaning of the Corporations Act.

Details of the Retail Entitlement Offer

The Retail Entitlement Offer is non-renounceable and therefore any Retail Offer Entitlement will not be tradeable on the ASX or otherwise transferable.

Under the Retail Entitlement Offer, Eligible Retail Shareholders are entitled to subscribe for 1 New Share for every Existing Share held on the Record Date at an Issue Price of \$0.006 per New Share. This is the same price which was offered to institutional investors who participated in the Institutional Entitlement Offer and Placement.

The Directors intend to take up their Entitlements to New Shares in full.

A personalised Entitlement and Acceptance Form is available at events.miracle.com/c7a-offer and sets out the number of New Shares you are entitled to subscribe for as an Eligible Retail Shareholder (**Entitlement**). Entitlements to New Shares can be accepted in full or in part by making payment of Application Money by BPAY® (for Australian residents) or by completing and returning the Entitlement and Acceptance Form and making payment by EFT (for New Zealand residents) in accordance with the instructions set out in section 2 of this Offer Document and on the Entitlement and Acceptance Form. Subscription money for the New Shares must be received by the Company at its Share Registry by the Closing Date. Please refer to the timetable for the important dates of the Retail Entitlement Offer.

Eligible Retail Shareholders may apply to take up additional shares (**Additional New Shares**) in excess to their individual Entitlement (**Shortfall Election**). Details of the Shortfall Election process are set out in section 1.4 of this Offer Document.

If, in addition to being an Eligible Retail Shareholder, you are also a lender under the Bridging Loans or otherwise a creditor of the Company, you may, at your election, apply all or part of any amount owing to you to subscribe for New Shares under the Debt Conversion Facility (refer to sections 2.7 and 3.3 for more information).

The Company will work with the Lead Manager to place any Retail Entitlement Shortfall not subscribed for by Eligible Retail Shareholders under the Retail Entitlement Offer.

On behalf of the Directors, I thank you for your continued support and I invite you to consider this investment opportunity.

Yours sincerely,



Richard Willson
Non-executive Chair
Clara Resources Australia Limited

1. Offer details

1.1 The Entitlement Offer

The Entitlement Offer is an accelerated non-renounceable entitlement offer of 281,497,485 New Shares at an issue price of \$0.006 per New Share (**Issue Price**), on the basis of 1 New Share for every Existing Share.

The Entitlement Offer has the following components:

- (a) **Institutional Entitlement Offer** – an initial offer to Eligible Institutional Shareholders, with Entitlements allotted under the Institutional Entitlement Offer (**Institutional Entitlements**);
- (b) **Institutional Shortfall Bookbuild** – Institutional Entitlements not taken up in the Institutional Entitlement Offer were sold through a bookbuild process² at the Issue Price on 18 December 2024 (**Institutional Shortfall Bookbuild**);³ and
- (c) **Retail Entitlement Offer** – a subsequent offer to Eligible Retail Shareholders, with Entitlements allotted under the Retail Entitlement Offer being non-renounceable and able to be taken up in whole or in part.

The Entitlement Offer is not underwritten.

This Issue Price represents a 11.2% discount to the 10-day volume-weighted average price of Shares prior to announcement of the Capital Raise (being \$0.0068) as at 16 December 2024.

Determination of eligibility of investors for the purposes of the Entitlement Offer is determined by reference to a number of factors, including legal requirements, logistical and registry constraints, and the discretion of the Company. The Company and the Lead Manager disclaim any liability in respect of the exercise or otherwise of that determination and discretion to the maximum extent permitted by law.

1.2 Institutional Entitlement Offer

The Company raised approximately \$0.9 million under the Institutional Entitlement Offer from Eligible Institutional Shareholders⁴ (and an additional \$420,000 under the Placement).

New Shares issued under the Institutional Entitlement Offer were issued at the same price and at the same ratio as those being offered under the Retail Entitlement Offer.

The announcement of the results of the Institutional Entitlement Offer was made on 19 December 2024 and New Shares are expected to be issued under the Institutional Entitlement Offer and Placement on 30 December 2024.⁵

1.3 The Retail Entitlement Offer

The Retail Entitlement Offer is being made pursuant to section 708AA of the Corporations Act (as modified by *ASIC Corporations (Non-Traditional Rights Issue) Instrument 2016/84*) which allows rights issues without a prospectus provided certain conditions are satisfied.

² As to volume only.

³ The clearing price for the Institutional Shortfall Bookbuild was at the Issue Price.

⁴ Current as at today's date and subject to reconciliation of the application of the Debt Conversion Facility.

⁵ Excludes New Shares to be issued to certain participants in the Institutional Shortfall Bookbuild (with binding commitments for 40,000,000 New Shares), which the Company has agreed to settle and allocate on or around the Closing Date of the Retail Entitlement Offer.

The Retail Entitlement Offer constitutes an offer to Eligible Retail Shareholders only. The Retail Entitlement Offer will raise approximately \$0.8 million (subject to the application of the Debt Conversion Facility).

Eligible Retail Shareholders will be entitled to acquire 1 New Share for every Existing Share held as at the Record Date.

Fractional Entitlements will be rounded up to the nearest whole number of New Shares.

Official Quotation of the New Shares to be issued under the Retail Entitlement Offer is expected to occur on or about 24 January 2025.

An Entitlement and Acceptance Form setting out your Entitlement is available at events.miracle.com/c7a-offer. Eligible Retail Shareholders may subscribe for all or part of their Entitlement.

Eligible Retail Shareholders should be aware that an investment in the Company involves risks including those set out in the “Risk Factors” section of the Investor Presentation (set out in section 4 of this Offer Document).

The Directors may (in consultation with the Lead Manager) at any time decide to withdraw this Offer Document and the offer of New Shares made under this Offer Document, in which case the Company will return all applications moneys (without interest) as soon as practicable after giving notice of such withdrawal.

The Entitlement Offer may be increased by a total of 34,585,418 New Shares if all holders of Existing Options exercise their Existing Options prior to the Record Date.

1.4 **Additional New Shares**

Eligible Retail Shareholders who take up their Entitlements in full may subscribe for Additional New Shares in excess of their Entitlements (**Shortfall Election**). This can be done by lodging a Shortfall Election for a dollar amount of Additional New Shares on the personalised Entitlement and Acceptance Form.

Subject to sections 1.15 and 2.9 of this Offer Document and applicable legal and regulatory requirements, there is no cap on the amount of Additional New Shares that Eligible Retail Shareholders can apply to take up through their Shortfall Elections.

Additional New Shares will only be available to the extent that there are entitlements under the Retail Entitlement Offer that are not taken up by Eligible Retail Shareholders, or entitlements that would have been offered to Ineligible Retail Shareholders had they been invited to participate. If you apply for Additional New Shares there is no guarantee you will be allocated any.

The Company will only issue Additional New Shares under the Retail Entitlement Shortfall Facility where the directors are satisfied, in their discretion, that the issue of such Additional New Shares will not increase a Shareholder’s voting power in contravention of the takeovers prohibitions in the Corporations Act.

1.5 **Eligibility of Retail Shareholders**

The Retail Entitlement Offer is being offered to all Eligible Retail Shareholders only, being those Retail Shareholders who, as at 7:00pm (Sydney time) on the Record Date:

- (a) have a registered address in the Eligible Jurisdictions or who is otherwise a Retail Shareholder that the Company has determined is eligible to participate in the Retail Entitlement Offer;

- (b) are not in the United States and are not a person (including a nominee or custodian) acting for the account or benefit of a person in the United States; and
- (c) are eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer without any requirement for a prospectus or other disclosure document to be lodged or registered.

See sections 1.20 to 1.21 for further information regarding Retail Shareholders who are not Eligible Retail Shareholders.

1.6 Minimum subscription

There is no minimum subscription to the Retail Entitlement Offer.

1.7 Acceptance of Entitlement to New Shares

The number of New Shares to which an Eligible Retail Shareholder is entitled and the total amount an Eligible Retail Shareholder would have to pay if they choose to take up all of their rights to subscribe for New Shares is shown on the Entitlement and Acceptance Form available at events.miracle.com/c7a-offer. This Offer Document is for the information of Eligible Retail Shareholders who are entitled and may wish to apply for the New Shares. Fractional Entitlements will be rounded up to the nearest whole number.

Entitlements to New Shares can be accepted in full or in part by making payment of the Application Money by BPAY® (for Australian residents) or by completing and returning the Entitlement and Acceptance Form along with payment of the Application Money by EFT (for New Zealand residents) in accordance with the instructions set out below and on the Entitlement and Acceptance Form. Application Money should be rounded up to the nearest cent.

Subscription moneys for the New Shares must be received by the Company at its Share Registry by the Closing Date. Please refer to the timetable for the important dates of the Entitlement Offer.

1.8 Purpose of the Entitlement Offer

The Directors intend to apply the proceeds from the Capital Raise to provide funds for the purposes of:

- (a) retirement of Bridging Loans;
- (b) the Company's exploration program;
- (c) the costs of the Capital Raise; and
- (d) working capital.

The estimated sources and intended use of funds raised under the Capital Raise (assuming it is fully subscribed) are summarised as follows:

Source of Funds ¹	\$m	Use of Funds	\$m
Placement	0.42	Retirement of Bridging Loans ²	1.1
Institutional Entitlement Offer	0.9	Exploration program	0.45
Retail Entitlement Offer	0.8	Capital Raising costs	0.2
		Working Capital	0.37
TOTAL	2.12	TOTAL	2.12

Notes:

1. The figures used in the above tables (and elsewhere throughout this document) are subject to rounding. The Company expects to raise \$2.12 million from the Placement and Entitlement Offer, subject to the application of the Debt Conversion Facility.
2. To the extent that Entitlements are taken up by use of the Debt Conversion Facility, the amounts payable to lenders under the Bridging Loans or other creditors will reduce by the same amount as the proceeds of the Entitlement Offer.

The above statement is a statement of current intentions as at the date of this Offer Document. As with any budget, intervening events and new circumstances have the potential to affect the ultimate way funds will be applied. However, in the event that circumstances change or other better opportunities arise the Directors reserve the right to vary the proposed uses to maximise the benefit to Shareholders.

As set out in the Company's prospectus lodged with ASX on 20 September 2024, the Company entered into a \$1.1 million debt facility to facilitate a payment to Savannah Goldfields Limited as a part payment towards completion of the acquisition of 100% of the Ashford Coking Coal Project and to provide for working capital (**Bridging Loans**). The Company has facilitated repayment of certain of the Bridging Loans, however the Company remains in default under certain of the Bridging Loans and is liable for default interest at a rate of 5% per month. The Company has determined to implement the Debt Conversion Facility to enable each Lender who is also an Eligible Retail Shareholder to convert some or all of their debt under the Bridging Loans by the acceptance of their Entitlements under the Retail Entitlement Offer.

The Company notes that if the Capital Raise is not fully subscribed (and the Shortfall is not able to be placed shortly thereafter) and the lenders under the Bridging Loans do not elect to participate in the Debt Conversion Facility, then the ability of the Company to meet repayment of the remaining Bridging Loans may be reduced. If such a circumstance arises, the Company will consider all options available to it.

1.9 Directors intentions in respect of Entitlements

As at the date of this Offer Document, some of the Directors of Clara Resources have either a direct or indirect interest in Shares. Set out below is a table summarising the Entitlement of each Director (based on their current holding) and how they intend to treat their Entitlement.

Director	Shares ¹	New Share Entitlement	Intentions
Brian Moller	1,690,797	1,690,797	Intends to take up Entitlements

Nicholas Mather	1,346,964	1,346,964	Intends to take up Entitlements
Richard Willson	536,883	536,883	Intends to take up Entitlements
Peter Westerhuis	8,786,506	8,786,506	Intends to take up Entitlements
Alex Fitzgerald ²	21,364,895	21,364,895	Intends to take up Entitlements

Notes:

1. *Details of the Existing Options held by the Directors are set out in section 3.1.*
2. *Mr Fitzgerald was appointed a Director of the Company effective 19 December 2024. Refer to the Company's ASX Announcement dated 17 December 2024.*

1.10 **New Share terms**

Each New Share will rank equally with all existing Shares then on issue. Full details of the rights and liabilities attaching to the Shares are set out in the Company's constitution, a copy of which is available on the Company's website: www.clararesources.com.au.

1.11 **No rights trading**

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

1.12 **Acceptance of Entitlement to New Shares**

The number of New Shares to which each Eligible Retail Shareholder is entitled is calculated as at the Record Date and is shown on the personalised Entitlement and Acceptance Form available at events.miracle.com/c7a-offer. This Offer Document is for the information of Eligible Retail Shareholders who are entitled and may wish to apply for the New Shares. Fractional Entitlements will be rounded up to the nearest whole number.

Entitlements to New Shares can be accepted in full or in part by completing and returning the Entitlement and Acceptance Form which is attached to this Offer Document in accordance with the instructions set out below and on the Entitlement and Acceptance Form.

1.13 **Lead Manager**

The Company has entered a mandate dated 2 December 2024 with Foster Stockbroking (**Mandate**), pursuant to which Foster Stockbroking has been appointed as lead manager to the Capital Raise (**Lead Manager**). Further details of the terms of appointment and fees of the Lead Manager are set out in section 6.

1.14 **Underwriting**

The Capital Raise is not underwritten.

1.15 **Placement of Retail Entitlement Shortfall**

The Entitlement Offer is not underwritten. Eligible Retail Shareholders can apply for Additional New Shares in addition to their Entitlement.

If required, the Company intends to actively work with the Lead Manager during, and after, the Retail Entitlement Offer in order to secure commitments to place, and subsequently to place, any Retail Entitlement Shortfall of New Shares not subscribed for by Eligible Retail Shareholders.

In the event that there is a Retail Entitlement Shortfall in subscriptions under the Entitlement Offer, the Directors reserve the right, as contemplated within the Listing Rules, to allocate any Retail Entitlement Shortfall of New Shares in their discretion and to conduct a placement of the remaining Retail Entitlement Shortfall in conjunction with the Lead Manager so as to ensure a maximum amount of funds are raised. They will do so in a manner which will ensure that no Shareholder or other investor will, as a consequence of taking up their Entitlement and being issued any Retail Entitlement Shortfall, hold a relevant interest of more than 19.99% of all of the Shares in the Company after this Entitlement Offer.

Any Retail Entitlement Shortfall will be issued within three months after the Closing Date at an issue price being not less than the Issue Price.

1.16 Allotment and allocation policy

The Company will proceed to allocate New Shares as soon as possible after the Closing Date and receiving ASX permission for Official Quotation of the New Shares.

In the case that there is less than full subscription by Eligible Retail Shareholders to their Entitlements under this Offer Document, the Directors in consultation with the Lead Manager reserve the right, as contemplated within the Listing Rules, to issue any Retail Entitlement Shortfall at their discretion.

Successful Applicants will be notified in writing of the number of New Shares allocated to them as soon as possible following the allocation being made.

It is the responsibility of Applicants to confirm the number of New Shares allocated to them prior to trading in New Shares. Applicants who sell New Shares before they receive notice of the number of New Shares allocated to them do so at their own risk.

1.17 ASX listing

Subject to approval being granted, quotation of the New Shares issued under the Retail Entitlement Offer is expected to commence on 28 January 2025. It is the responsibility of Applicants to confirm the number of New Shares allocated to them prior to trading in New Shares.

Should the New Shares not be granted Official Quotation on the ASX within three months after the date of this Offer Document, none of the New Shares offered under this Offer Document will be issued and all Application Money will be refunded without interest to Applicants within the time prescribed by the Corporations Act.

1.18 CHESS

The Company will apply for the New Shares to participate in CHESS, in accordance with the Listing Rules and ASX Settlement Operating Rules.

The Company will not issue certificates to Shareholders with respect to the New Shares. After allotment of the New Shares, Shareholders who are issuer sponsored will be provided with an issuer sponsored statement and those who are CHESS Holders will receive an allotment advice.

The CHESS statements, which are similar in style to bank account statements, will set out the number of New Shares allotted to each successful applicant pursuant to this Offer Document.

The statement will also advise holders of their holder identification number. Further statements will be provided to holders which reflect any changes in their holding in the Company during a particular month.

1.19 **Option Holders**

Option Holders will not be entitled to participate in the Retail Entitlement Offer unless they:

- (a) have become entitled to exercise their Existing Options under the terms of their issue and do so prior to the Record Date; and
- (b) participate in the Retail Entitlement Offer as a result of being an Eligible Retail Shareholder at 7.00pm (Sydney time) on the Record Date.

There are currently 34,585,418 Existing Options on issue. Details of these options is set out in section 3.1. If all Option Holders elect to exercise their Existing Options prior to the Record Date to participate in the Retail Entitlement Offer, a further 34,585,418 New Shares may be issued under this Offer Document.

1.20 **Overseas Shareholders**

The Company has not made investigations as to the regulatory requirements that may prevail in the countries outside of the Eligible Jurisdictions in which the Company's Shareholders reside.

This Offer Document and accompanying forms do not, and are not intended to, constitute an offer of New Shares in any place outside of the Eligible Jurisdictions in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Offer or that Form.

The distribution of this Offer Document and the accompanying form in jurisdictions outside of the Eligible Jurisdictions may be restricted by law and persons who come into possession of this Offer Document and the accompanying form should seek advice on and observe those restrictions. Any failure to comply with those restrictions may constitute a violation of applicable securities laws.

The Company has decided that it is unreasonable to make the Retail Entitlement Offer available to Retail Shareholders with registered addresses outside of the Eligible Jurisdictions (**Ineligible Retail Shareholders**) having regard to the number of Shareholders in those places, the number and value of the New Shares they would be offered and the cost of complying with the legal and regulatory requirements in those places. Accordingly, the Entitlement Offer is not being extended to, and does not qualify for distribution or sale by, Ineligible Retail Shareholders and no New Shares will be issued to Ineligible Retail Shareholders.

In particular the Entitlement Offer is not made in the United States or to persons (including nominees or custodians) acting for the account or benefit of a person in the United States, or to any person who is ineligible under applicable securities laws in any country to receive an offer under the Offer Document without any requirement for a prospectus to be lodged or registered.

1.21 **Notice to nominees and custodians**

Nominees and custodians must not purchase Entitlements or New Shares on behalf of, or distribute any part of any document related to the Retail Entitlement Offer, except to beneficial Shareholders in another country (other than the United States) where the Company may determine it is lawful and practical to make the Entitlement Offer. Any person in the United States with a holding through a nominee may not participate in the Entitlement Offer.

1.22 **Electronic Offer Document**

An electronic version of this Offer Document is available online at www.clararesources.com.au.

The Entitlement and Acceptance Form may only be distributed together with a complete and unaltered copy of the Offer Document. The Company will not accept a completed Entitlement and Acceptance Form if it has reason to believe that the investor has not received a complete paper copy or electronic copy of the Offer Document or if it has reason to believe that the Entitlement and Acceptance Form or electronic copy of the Offer Document has been altered or tampered with in any way.

While the Company believes that it is extremely unlikely that in the Entitlement Offer period the electronic version of the Offer Document will be tampered with or altered in any way, the Company cannot give any absolute assurance that it will not be the case. Any investor in doubt concerning the validity or integrity of an electronic copy of the Offer Document should immediately request a paper copy of the Offer Document directly from the Company or the Share Registry.

2. How to apply

2.1 Your choices as an Eligible Retail Shareholder

The number of New Shares to which each Eligible Retail Shareholder is entitled (**Entitlement**) is calculated as at the Record Date of **7.00pm (Sydney time) on 20 December 2024** and is shown on the personalised Entitlement and Acceptance Form available at events.miracle.com/c7a-offer. If you have more than one registered holding of Shares, you will be sent more than one Entitlement and Acceptance Form and you will have separate Entitlements for each separate holding.

Eligible Retail Shareholders may:

- (a) take up their Entitlement in full, refer to section 2.2;
- (b) take up their Entitlement in full, and apply for Additional New Shares in excess of your Entitlement from the Retail Entitlement Shortfall (refer to section 2.3);
- (c) take up part of their Entitlement, in which case the balance of their Entitlement would lapse (refer to section 2.4); or
- (d) allow their Retail Entitlement to lapse (refer to section 2.6).

Ineligible Retail Shareholders may not take up any part of their Entitlement.

Please note that the Entitlement stated on your Entitlement and Acceptance Form may be in excess of the actual Entitlement you may be permitted to take up where, for example, you are holding Shares on behalf of a person in the United States (refer to the definition of Eligible Retail Shareholders in section 1.5).

Eligible Retail Shareholders should be aware that an investment in the Company involves risks. The key risks identified by the Company are set out in the “Key Risks” section of the Investor Presentation contained in section 4 of this Offer Document.

The Company reserves the right to reject any application that is not correctly completed or received after the Closing Date. Unless extended in the discretion of the Company in consultation with the Lead Manager, the Closing Date for acceptance of the Retail Entitlement Offer is **5:00pm (Sydney time) on 17 January 2025** (however, the date may be varied by the Company in accordance with the ASX Listing Rules).

2.2 How to accept your Entitlement in full

If you wish to accept the whole of your Entitlement:

- (a) Australian residents must pay by BPAY®, in which case there is no need to return the Entitlement and Acceptance Form but you must ensure that your payment is received by no later than **5.00pm (Sydney time) on the Closing Date** or such later date as the Directors determine, keeping in mind that payments made by BPAY® may take one or more Business Days to clear. Please refer to the information below regarding payment by BPAY®; or
- (b) New Zealand residents must pay by electronic funds transfer (EFT), in accordance with the instructions on the Entitlement and Acceptance Form, and then complete the Entitlement and Acceptance Form, by inserting the number of New Shares for which you wish to accept the Offer in accordance with the instructions set out on the form and email the completed Entitlement and Acceptance Form to the Share Registry at capitalmarkets@linkmarketservices.com.au so that the payment and form is received

by no later than **5.00pm (Sydney time) on the Closing Date** or such later date as the Directors determine.

The Issue Price of \$0.006 per New Share is payable in full on acceptance of part or all of your Entitlement. You can access your Entitlement and Acceptance Form at:
events.miracle.com/c7a-offer.

2.3 How to accept your Entitlement in full and apply for Additional New Shares

If you wish to accept all of your Entitlement and also apply for Additional New Shares:

- (a) Australian residents must pay by BPAY®, in which case there is no need to return the Entitlement and Acceptance Form but you must ensure that your payment is received by no later than **5.00pm (Sydney time) on the Closing Date** or such later date as the Directors determine, keeping in mind that payments made by BPAY® may take one or more Business Days to clear. Please refer to the information below regarding payment by BPAY®; or
- (b) New Zealand residents must pay by electronic funds transfer (EFT), in accordance with the instructions on the Entitlement and Acceptance Form, and then complete the Entitlement and Acceptance Form, by inserting the number of New Shares for which you wish to accept the Offer plus the number of Additional New Shares (being more than your Entitlement as specified on the Entitlement and Acceptance Form) in accordance with the instructions set out on the form and email the completed Entitlement and Acceptance Form to the Share Registry at capitalmarkets@linkmarketservices.com.au so that the payment and form is received by no later than **5.00pm (Sydney time) on the Closing Date** or such later date as the Directors determine.

The Issue Price of \$0.006 per New Share is payable in full on acceptance of part or all of your Entitlement. You can access your Entitlement and Acceptance Form at:
events.miracle.com/c7a-offer.

In order to apply for Additional New Shares under the Retail Entitlement Shortfall Facility you must be an Eligible Retail Shareholder and must have first taken up your Entitlement in full.

If you apply for Additional New Shares under the Retail Entitlement Shortfall Facility and your application is successful (in whole or in part), your Additional New Shares will be issued at the same time that the New Shares comprising your Entitlement are issued under the Retail Entitlement Offer.

2.4 How to accept your Entitlement in part

Eligible Retail Shareholders may accept their Entitlement in part and allow the balance to lapse.

If you wish to take up only a part of your Entitlement, complete payment by BPAY® in accordance with section 2.2(a) or complete the Entitlement and Acceptance Form for the number of New Shares that you wish to apply for and follow the other steps in accordance with section 2.2(b).

If the Company receives an amount that is less than the Issue Price multiplied by your Entitlement (**Reduced Amount**), your payment will be treated as an application for as many New Shares as your Reduced Amount will pay for in full.

If you do not take up all of your Entitlement in accordance with the instructions set out above, any offer of New Shares that you would have otherwise been entitled to under the Retail Entitlement Offer will lapse and be offered under the Shortfall Election.

2.5 Payment

Eligible Retail Shareholders must pay their Application Monies as follows:

- (a) Australian residents must pay by BPAY®, in which case there is no need to return the Entitlement and Acceptance Form but you must ensure that your payment is received by no later than 5.00pm (Sydney time) on the Closing Date or such later date as the Directors determine, keeping in mind that payments made by BPAY® may take one or more Business Days to clear. Please refer to the information below regarding payment by BPAY®; or
- (b) New Zealand residents must pay by electronic funds transfer (EFT), in accordance with the instructions on the Entitlement and Acceptance Form, and then complete the Entitlement and Acceptance Form, by inserting the number of New Shares for which you wish to accept the Offer plus the number of Additional New Shares (being more than your Entitlement as specified on the Entitlement and Acceptance Form) (if any) in accordance with the instructions set out on the form and email the completed Entitlement and Acceptance Form to the Share Registry at capitalmarkets@linkmarketservices.com.au so that the payment and form is received by no later than 5.00pm (Sydney time) on the Closing Date or such later date as the Directors determine.

Cash and cheque payments will not be accepted. Receipts for payment will not be issued.

The Company will treat you as applying for as many New Shares as your payment will pay for in full up to your Entitlement.

No brokerage, handling fees or stamp duty is payable by Applicants in respect of their applications for New Shares under this Offer Document. The amount payable on acceptance will not vary during the period of the Retail Entitlement Offer and no further amount is payable on allotment.

Application Money will be held in trust in a subscription account until allotment of the New Shares. Any interest earned on the Application Money will be retained by the Company irrespective of whether allotment takes place. The subscription account will be established and kept by the Company on behalf of the Applicants.

Refund amounts, if any, will be paid in Australian dollars. You will be paid either by cheque sent by ordinary post to your address as recorded on the share register (the registered address of the first-named in the case of joint holders), or by direct credit to the nominated bank account (if any) as noted on the share register as at the Closing Date of the Retail Entitlement Offer.

If you make payment by BPAY® or EFT, you do not need to return your Entitlement and Acceptance Form, however, your payment must be received by no later than **5.00pm (Sydney time) on 17 January 2025**. **It is your responsibility to ensure that your BPAY® or EFT payment is received by the Company's share registry by no later than 5.00pm on the Closing Date.** You should be aware that your financial institution may implement earlier cut-off times with regards to electronic payment and you should take this into consideration when making payment.

You can only make payment via BPAY if you are the holder of an account with an Australian financial institution that supports BPAY transactions.

If you are paying by BPAY or EFT, your unique Customer Reference Number (**CRN**) is on your personalised Entitlement and Acceptance Form. If you are paying by BPAY, please also make sure you use the specific Biller Code on your personalised Entitlement and Acceptance Form. If you have multiple holdings and consequently receive more than one personalised

Entitlement and Acceptance Form, when taking up your Entitlement in respect of one of those holdings only use the CRN specific to that holding. If you do not use the correct CRN specific to that holding your Application will not be recognised as valid.

Please note that by paying by BPAY®:

- (1) you do not need to return your Entitlement and Acceptance Form, however you are taken to make the declarations, representations and warranties on that Entitlement and Acceptance Form; and
- (2) if you do not pay for your full Entitlement, you are deemed to have taken up your Entitlement in respect of such whole number of New Shares which is covered in full by your Application Monies.

2.6 If you do not wish to accept any of your Entitlement

Eligible Retail Shareholders do not have to accept any of their Entitlement.

If you do not wish to accept any of your Entitlement, do not take any further action and your Entitlement will lapse. New Shares that you would have otherwise been entitled to under the Retail Entitlement Offer will be offered under the Retail Entitlement Shortfall Facility.

2.7 Debt Conversion Facility

If, in addition to being an Eligible Retail Shareholder under the Retail Entitlement Offer you are also a Lender under the Bridging Loans or otherwise a creditor of the Company, you may elect to take up your Entitlement by means of the conversion of some or all of the existing debt owed to you by the Company (**Debt Conversion Facility**). The conversion will be undertaken on a dollar-for-dollar basis at the Issue Price, and in the case of any fractional entitlements, the number of New Shares arising from the conversion of the debt shall be rounded up to the nearest whole number. The election to settle the subscription amounts owing in respect of your Entitlement by conversion of the amount owed under a Bridging Loan or an existing debt, is provided for on the Entitlement and Acceptance Form.

For clarity, the Debt Conversion Facility does not enable any creditor Shareholders to take up more New Shares under the Retail Entitlement Offer than if the facility was not available.

As an Eligible Retail Shareholder who is a Lender under a Bridging Loan, if you utilise the Debt Conversion Facility for the acceptance of your Entitlements under the Retail Entitlement Offer, you will be deemed to have agreed, as a variation of the terms of your Bridging Loan, to the issue of the New Shares under this Retail Entitlement Offer as being in satisfaction of the repayment of the corresponding value of the amount outstanding under your Bridging Loan.

2.8 Binding effect of Entitlement and Acceptance Form

A completed and lodged Entitlement and Acceptance Form, or a payment made through BPAY®, constitutes a binding offer to acquire New Shares on the terms and conditions set out in this Offer Document and, once lodged or paid, cannot be withdrawn. If the Entitlement and Acceptance Form is not completed correctly it may still be treated as a valid application for New Shares. The Directors' decision whether to treat an acceptance as valid and how to construe, amend or complete the Entitlement and Acceptance Form is final.

By completing and returning your personalised Entitlement and Acceptance Form with the requisite Application Money or making a payment by BPAY®, you will also be deemed to have acknowledged, represented and warranted on behalf of each person on whose account you are acting that:

- (a) you are an Eligible Retail Shareholder and are not in the United States and are not a person (including nominees or custodians) acting for the account or benefit of a person in the United States and are not otherwise a person to whom it would be illegal to make an offer or issue New Shares under the Retail Entitlement Offer;
- (b) you authorise the Company, the Share Registry and their respective officers or agents to do anything on your behalf reasonably necessary for New Shares to be issued to you, including to act on instructions of the Share Registry upon using the contact details set out in your personalised Entitlement and Acceptance Form;
- (c) you represent and warrant (for the benefit of the Company and its related bodies corporate and affiliates) that you did not participate in the Institutional Entitlement Offer either directly or through a nominee, are not an Ineligible Retail Shareholder and are otherwise eligible to participate in the Retail Entitlement Offer;
- (d) you acknowledge and agree that:
 - (1) determination of eligibility of investors for the purposes of the institutional or retail components of the Entitlement Offer is determined by reference to a number of matters, including legal and regulatory requirements, logistical and registry constraints and the discretion of the Company; and
 - (2) the Company and each of its affiliates, disclaim any duty or liability in respect of that determination and the exercise or otherwise of that discretion, to the maximum extent permitted by law;
- (e) you acknowledge that the New Shares have not been, and will not be, registered under the US Securities Act. You further acknowledge that the New Shares may not be offered or sold, directly or indirectly, in the United States, except in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act and any other applicable securities laws;
- (f) you are subscribing for or purchasing the New Shares outside the United States in an “offshore transaction” (as defined in Rule 902(h) under the US Securities Act) in reliance on Regulation S under the US Securities Act;
- (g) you will not send any materials relating to the Retail Entitlement Offer to any person in the United States, or elsewhere outside of the Eligible Jurisdictions;
- (h) if in the future you decide to sell or otherwise transfer the New Shares acquired under the Retail Entitlement Offer you will only do so in “regular way” transactions on ASX where neither you nor any person acting on your behalf knows, or has reason to know, that the sale has been pre-arranged with, or that the purchaser is, in the United States; and
- (i) if you are acting as a nominee or custodian, each beneficial holder on whose behalf you are submitting the Entitlement and Acceptance Form is (i) resident in an Eligible Jurisdiction, and (ii) is not in the United States.

2.9 Allotment and allocation policy

A Retail Entitlement Shortfall will exist if any Eligible Retail Shareholder does not take up their full Entitlement. Additional New Shares applied for will only be allocated and issued if a Shortfall exists resulting in the Retail Entitlement Offer being undersubscribed.

Allocation and allotment of any Additional New Shares applied for will be made in accordance with the following policy:

- (a) The Directors will allocate the New Shares under the Retail Entitlement Shortfall to Eligible Retail Shareholders that have applied to take up their full Entitlements and in addition have indicated that they wish to take up Additional New Shares as provided for in section 2.3.
- (b) The Company reserves the right to allocate Additional New Shares to Eligible Retail Shareholders who wish to take up Additional New Shares at its discretion. In exercising its discretion and determining which applications to accept or reject, the Company will have regard to facilitating the increase in the number of Retail Shareholders with marketable parcels of Shares.
- (c) No related party of the Company or Eligible Retail Shareholder associated with the Directors will participate in the Retail Entitlement Shortfall.
- (d) The Company will not allocate or issue Additional New Shares under the Retail Entitlement Shortfall Facility, where it is aware that to do so would result in a breach of the Corporations Act, the ASX Listing Rules or any other relevant legislation or law. Eligible Retail Shareholders wishing to apply for Additional New Shares must consider whether or not the issue of the Additional New Shares applied for would breach the Corporations Act or the Listing Rules having regard to their own circumstances. For the avoidance of doubt, the Company will not allocate or issue Additional New Shares where to do so would result in a Shareholder obtaining voting power in excess of 20% in breach of the Corporations Act.
- (e) There is no guarantee that Eligible Retail Shareholders will be successful in being allocated any of the Additional New Shares that they apply for. The Company may reject any application for Additional New Shares or allocate fewer Additional New Shares than applied for by Applicants for Additional New Shares in accordance with the policy set out above. The Directors reserve the right at their discretion to place a maximum on the number of Additional New Shares that will be issued to Eligible Retail Shareholders who apply for Additional New Shares. In determining whether to accept or reject any applications for Additional New Shares, the Company in consultation with the Lead Manager will act fairly and reasonably in determining which applications to accept or reject.

3. Control issues arising from the Entitlement Offer on the Company

3.1 Capital structure

The share capital structure of the Company immediately following the Entitlement Offer (assuming the Entitlement Offer is fully subscribed) will be as follows:

	Shares	%
Ordinary Shares on issue prior to the Capital Raise ¹	281,497,485	44.47%
Ordinary Shares issued under the Placement and the Institutional Entitlement Offer ²	216,988,295	34.28%
Maximum number of New Shares under the Retail Entitlement Offer ³	134,509,590	21.25%
Total	632,995,770	100%

Notes:

1. For the avoidance of doubt, this includes all New Shares and Shortfall issued pursuant to the entitlement offer under the Company's prospectus lodged with ASX on 20 September 2024, which offer has now closed.
2. As noted in the note to section 1.2, the Company has agreed to settle and allocate 40,000,000 New Shares subscribed for by certain participants in the Institutional Shortfall Bookbuild on or around the Closing Date of the Retail Entitlement Offer. For the avoidance of doubt, those New Shares are included in this line of the share capital structure.
3. If any of the Existing Options are exercised prior to the Record Date, additional New Shares will be available to be issued under the Entitlement Offer. If all Existing Options on issue as at the date of this Offer Document were exercised prior to the Record Date, the Company's issued Shares would increase by 34,585,418 resulting in a further 34,585,418 New Shares being issued pursuant to this Offer Document. This would increase the Company's total Shares on issue after completion of the Entitlement Offer to 667,581,188 Shares.

As at the date of this Offer Document, the Company has a total of 34,585,418 Existing Options on issue as follows:

No of Options	No of options vested	Holder	Exercise price	Expiry date
400,000	Nil	Peter Westerhuis	\$0.2	29 June 2025
750,000	750,000	Brian Moller	\$0.12	29 June 2026
750,000	750,000	Nicholas Mather	\$0.12	29 June 2026
750,000	750,000	Richard Willson	\$0.12	29 June 2026
750,000	750,000	Brad Gordon	\$0.12	29 June 2026
3,000,000	3,000,000	Peter Westerhuis	\$0.12	29 June 2026
750,000	750,000	John Haley	\$0.12	29 June 2026
500,000	500,000	Peter Westerhuis	\$0.12	29 June 2026
50,000	50,000	John Haley	\$0.12	29 June 2026

No of Options	No of options vested	Holder	Exercise price	Expiry date
22,885,418	22,885,418	Participants in April 2023 Placement	\$0.12	29 June 2026
4,000,000	4,000,000	Brokers to the April 2023 Placement	\$0.12	29 June 2026
Total: 34,585,418				

The Company will also issue to the Lead Manager, on completion of the Offer, such number of options as determined under the Mandate, such options having an exercise price of \$0.012 and expiry date of 31 December 2027.

Peter Westerhuis also holds 200,000 performance rights to acquire shares in the Company at nil consideration which will vest upon the granting of a mining lease for the Company's Ashford Coking Coal Project by May 2025. Mr Westerhuis must continue to be employed by the Company in order to exercise the performance rights.

3.2 Substantial Holders

The following are details of those Shareholders who hold more than 5% of the Shares prior to the date of this Offer Document:

Substantial Holder	Number of Shares	%
Savannah Goldfields Limited	39,033,574	13.87%
DGR Global Limited	23,851,041	8.47%
Mr Alex Fitzgerald	21,364,895	7.59%
Mr Frederick Bart	19,285,768	6.85%

3.3 Debt Conversion Facility

Under the Debt Conversion Facility, an Eligible Shareholder may elect to take up some or all of their Entitlement by means of the conversion of some or all of the existing debt owed to them by the Company. The conversion will be undertaken on a dollar-for-dollar basis at the Issue Price, and in the case of any Fractional Entitlements, the number of New Shares arising from the conversion of the debt shall be rounded up to the nearest whole number.

As the Debt Conversion Facility does not enable any creditor Eligible Shareholders to take up more New Shares under the Entitlement Offer than if the facility was not available, the Debt Conversion Facility will have no additional effect on the capital structure of the Company.

3.4 Potential effect of the Entitlement Offer

Whilst the Retail Entitlement Offer is a pro-rata offer, the conduct of the Placement in conjunction with the Entitlement Offer means that all Eligible Retail Shareholders will have their percentage interest in the Company diluted if they only accept their Entitlement and do not apply for (and receive) a sufficient number of Additional New Shares from the Retail Entitlement Shortfall Facility.

If Eligible Retail Shareholders take up their Entitlements in full without receiving Additional New Shares, the voting power of Eligible Retail Shareholders will be reduced by a maximum of approximately 11%. Accordingly, if you wish to maintain your existing percentage interest in the Company you will need to apply for approximately 25% more New Shares than your

Entitlement under the Retail Entitlement Shortfall Facility. Allocation of Additional New Shares applied for under the Retail Entitlement Shortfall Facility are not guaranteed and will be allocated and allotted in accordance with the allocation policy set out in Section 2.9.

If an Eligible Shareholder does not take up their Entitlement in full it will result in their percentage holding in the Company being diluted by the Offer. Given the terms of the Entitlement Offer and the impact of the Placement, the maximum possible dilution to an Eligible Shareholder's interest in the Company would be approximately 55%.

An example of how dilution may impact the holdings of Shareholders is as follow:

Shareholder	Holdings at Record Date	% holding at Record Date	Entitlement under Offer (based on a 1:1 Ratio)	Holdings if do not accept Entitlements	% upon completion of Offer
Shareholder A	10,000,000	3.552%	10,000,000	10,000,000	1.580%
Shareholder B	2,000,000	0.710%	2,000,000	2,000,000	0.316%
Shareholder C	500,000	0.178%	500,000	500,000	0.079%
Shareholder D	100,000	0.036%	100,000	100,000	0.016%
Shareholder E	10,000	0.004%	10,000	10,000	0.002%

The final percentage interests held by Shareholders of the Company is entirely dependent on the extent to which they are Eligible Shareholders and the extent to which the other Eligible Shareholders take up their Entitlements.

In the event of a Retail Entitlement Shortfall, the Directors reserve the right to place the Retail Entitlement Shortfall at their sole discretion subject to the provisions of the Corporations Act and the Listing Rules.

Section 606 of the Corporations Act prohibits the acquisition of a Relevant Interest in the issued voting shares of a listed company if, because of that acquisition, a person's voting power in the company:

- (a) increases from 20% or below to more than 20%; or
- (b) increases from a starting point that is above 20%, and below 90%.

As identified above in section 3.2, Savannah Goldfields Limited (**SVG**) currently holds a 13.87% holding in the Company, meaning that SVG has the potential to exceed a 19.99% interest in the Company in the event that SVG takes up its full entitlement under the Institutional Entitlement Offer and less than 38.7% of the New Shares under the Retail Entitlement Offer are subscribed for. The Company confirms that SVG did not take part in the Institutional Entitlement Offer, such that none of the Company's substantial shareholders have the potential to exceed a 19.99% interest in the Company.

There are a number of exceptions to the prohibition in s606 which are set out in section 611. The most relevant of these for the purpose of the Entitlement Offer is an acquisition that results from a rights issue (see item 10 of section 611) and where a foreign nominee has been appointed under section 615 of the Corporations Act to sell the Entitlements of Shareholders who are not eligible to participate in the Entitlement Offer, and remit the proceeds of sale to those Shareholders (**Rights Issue Exception**).

The Company has not sought to appoint a nominee under section 615 of the Corporations Act for the purposes of the Entitlement Offer, on the basis that SVG did not participate in the Institutional Entitlement Offer.

4. ASX Announcement and Investor Presentation



ASX: C7A
ABN 84 122 957 322
Level 19/10 Eagle Street
Brisbane Qld 4000

www.clararesources.com.au
E: info@clararesources.com.au

ASX Announcement

19 December 2024

Clara raising up to \$2.1m via Placement and ANREO

Highlights

- Clara raising up to \$2.1 million via a \$0.42 million Placement and a 1 for 1 Accelerated Non-Renounceable Entitlement Offer to raise up to \$1.7 million
- Placement and Institutional Component of the ANREO completed successfully with subscriptions for approximately \$1.3 million
- Commitments to date allow Clara the ability to accelerate progress at Ashford Coking Coal Project via delivery of a Preliminary Feasibility Study with additional potential for resource extensions

Clara Resources Australia Limited ("**Clara**" or "**the Company**") is pleased to announce a capital raising of up to \$2.1 million ("**Capital Raising**") via a \$0.42 million institutional placement ("**Placement**") and a 1 for 1 pro-rata Accelerated Non-Renounceable Entitlement Offer ("**ANREO**") of new shares ("**New Shares**") at an offer price of \$0.006 per New Share ("**Offer Price**").

The \$0.42 million Placement was completed successfully and in addition, firm commitments for a further approximately \$0.9 million were received from institutional and sophisticated investors under the accelerated institutional component of the ANREO ("**Institutional Component**").

Funds secured via commitments from the Placement and Institutional Component will give Clara the working capital flexibility to commence planning around drilling programs and other project development initiatives to deliver a Preliminary Feasibility Study ("**PFS**") at the Company's NSW based Ashford Coking Coal project.

The Offer Price for the Capital Raising represents a 7.7% discount to Clara's last closing price (\$0.0065 per share on 16 December 2024) and a 11.5% discount to the 10-day VWAP (\$0.0068).

Eligible retail shareholders will be able to participate via the retail component of the ANREO ("**Retail Component**") at the same Offer Price as under the Placement and Institutional Component and on the same ratio as the Institutional Component, to raise up to an additional \$0.77 million on a fully subscribed basis. The Retail Component is expected to open on Friday, 27 December 2024 and close at 5:00pm (Sydney time) on Friday, 17 January 2025 ("**Retail Offer Period**").

Further details about the Retail Component will be set out in an information booklet ("**Retail Offer Booklet**"), which Clara will announce on the ASX on 27 December 2024.

Use of Funds

Proceeds from the Capital Raising will be used to:

- Conduct resource delineation drilling to upgrade the Ashford resource to measured and indicated status;
- Conduct further project development activities to progress the Ashford project to PFS;
- Allow for additional working capital requirements and pay down existing debt.

Clara Managing Director, Peter Westerhuis, said:

“With 2024 being a year of consolidation in delivering not only a Scoping Study that demonstrated exceptional project economics at Ashford but also one in which we were able to secure 100% of the Ashford asset. The proceeds from this raise will allow us to progress Ashford to PFS”

Details of the Capital Raising

The Capital Raising, which is not underwritten, comprises:

- A \$0.42 million Placement of approximately 70 million shares at \$0.006 per New Share to new and existing institutional and sophisticated shareholders;
- A 1 for 1 ANREO to raise up to \$1.7 million at an offer price of \$0.006 per New Share, conducted through two phases:
 - Institutional Component to institutional and sophisticated shareholders of approximately 150 million shares at the Offer Price to raise approximately \$0.9 million; and
 - Retail Component for eligible retail shareholders through the issue of up to approximately 131 million shares at the Offer Price to raise up to approximately \$0.8 million.

Completion of the Placement and Institutional Component of the ANREO

The Placement raised approximately \$0.42 million at the Offer Price with significant demand received from both existing and new shareholders.

Under the Institutional Component of the ANREO, Clara has agreed to issue approximately 150 million New Shares to raise approximately \$0.9 million at the Offer Price. Existing and new shareholders subscribed for New Shares that eligible institutional shareholders did not take up by the close of the Institutional Component through an institutional shortfall bookbuild conducted at the Offer Price concurrently with the Institutional Component. Clara has secured binding commitments to place all of the institutional shortfall.

Settlement of the New Shares to be issued as part of the Institutional Component and the Placement is expected to occur on Monday, 30 December 2024, with the issue of those New Shares and ordinary trading to commence on Tuesday, 31 December 2024. However, the Company has agreed with certain institutional shortfall participants (with binding commitments of approximately \$0.24 million) that settlement and issue of

their allocation of New Shares (“Remaining Institutional Shares”) will occur on the close of the Retail Component.

Details of the Retail Component of the ANREO

The Retail Component will open on Friday, 27 December 2024 and is expected to close at 5.00pm (Sydney time) on Friday, 17 January 2025. The terms of the Retail Component are the same as the terms of the Institutional Component, with eligible retail shareholders having the opportunity to subscribe for 1 New Share for every 1 Existing Share held on the record date of Friday, 20 December 2024 (“Record Date”), at the Offer Price.

Clara is offering the securities under the Retail Component without disclosure to investors under Chapter 6D of the *Corporations Act 2001* (Cth) (“Corporations Act”), pursuant to section 708AA of the Corporations Act as modified by the *ASIC Corporations (Non-Traditional Rights Issue) Instrument 2016/84*. Clara will prepare and dispatch the Retail Offer Booklet to all eligible retail shareholders on Friday 27 December, as set out in the timetable below.

The Retail Component will be open to eligible retail shareholders who, as at the Record Date:

- are registered as a holder of Existing Shares;
- have an address on Clara’s share register in Australia or New Zealand;
- are not in the United States and are not acting for the account or benefit of a person in the United States;
- were not treated as an eligible institutional shareholder or as an ineligible institutional shareholder under the Institutional Component; and
- are eligible under all applicable securities laws to receive an offer under the Retail Component, (“Eligible Retail Shareholders”).

Under the Retail Component, Eligible Retail Shareholders that take up their full entitlement may also apply for additional New Shares in excess of their entitlement (“Oversubscription Facility”).

Additional New Shares will only be available under the Oversubscription Facility if available and subject to the Corporations Act, ASX Listing Rules and other applicable laws and regulations. Applications under the Oversubscription Facility will be subject to scale-back if Eligible Retail Shareholders apply for more additional New Shares than are available under the Oversubscription Facility. There is no guarantee that Eligible Retail Shareholders will receive the number of additional New Shares applied for under the Oversubscription Facility, which will be allocated in accordance with the allocation policy outlined in the Retail Offer Booklet.

Application forms and payments are due by no later than 5.00pm (Sydney time) on Friday, 17 January 2025. Full details of the Retail Component will be set out in the Retail Offer Booklet and the accompanying Entitlement and Acceptance Form. Eligible Retail Shareholders wishing to participate in the Retail Component should carefully read the Retail Offer Booklet and their Entitlement and Acceptance Form.

Copies of the Retail Offer Booklet will also be available on Friday, 27 December 2024 on the ASX website at www.asx.com.au and the offer website at <https://events.miraql.com/c7a-offer>.

ANREO Timetable

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

Key dates for investors	
Record Date for determining entitlements under the Retail Component	7.00pm (Sydney time) on 20 December 2024
Retail Offer Booklet and Entitlement and Acceptance Form despatched	27 December 2024
Retail Component opens	27 December 2024
New Shares issued under the Institutional Component	30 December 2024 ¹
Retail Component expected to close (Closing Date)	5.00pm (Sydney time) on 17 January 2025
Announcement of results of Retail Component	21 January 2025
Retail Component issue date (and expected issue date of Remaining Institutional Shares)	Before noon (Sydney time) on 24 January 2025
Commencement of trading of New Shares issued under the Retail Component on ASX	28 January 2025
Expected date for despatch of New Shareholding statements for New Shares issued under the Retail Component	28 January 2025

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

Advisers

Foster Stockbroking Pty Ltd acted as Lead Manager to the Capital Raising. HopgoodGanim Lawyers acted as legal adviser and Cerberus Advisory acted as corporate adviser to Clara.

Additional Information

Further information relating to the Capital Raising is contained in the Clara investor presentation released to the ASX on 17 December 2024. The presentation can also be viewed on the Company's website. Nothing contained in this announcement constitutes investment, legal, tax or other advice.

Further information

Clara encourages all Eligible Shareholders to participate in the Capital Raising.

¹ Excluding the Remaining Institutional Shares as set out above.

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

Peter Westerhuis Chief Executive Officer Clara Resources Australia Ltd T: +61 7 3303 0192 E: info@clararesources.com.au	Duncan Gordon Cerberus Advisory T: +61 404 006 444 E: duncan@cerberusadvisory.com.au
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INVESTOR PRESENTATION ASHFORD COKING COAL PROJECT

DECEMBER 2024

ASX | C7A

DISCLAIMER

IMPORTANT INFORMATION AND DISCLAIMER

This Investor Presentation is dated 16 December 2024 and has been prepared, approved and authorised for despatch by Clara Resources Australia Limited ("Clara" or the "Company"). By attending an investor presentation or briefing, or accepting, accessing or reviewing this presentation, you acknowledge and agree to the terms set out below.

This presentation has been prepared in relation to an equity capital raising by Clara consisting of an accelerated non-renounceable entitlement offer of new fully paid ordinary shares in Clara to be made to eligible institutional and retail shareholders of Clara ("New Shares") under section 708AA of the Corporations Act 2001 (Cth) ("Corporations Act") as modified by Australian Securities and Investments Commission ("ASIC") Corporations (Non-Trading Rights Issues) Instrument 2016/84 and ASIC Corporations (Disregarding Technical Relief) Instrument 2016/73 ("Entitlement Offer") and placement of New Shares to certain 'sophisticated' and 'professional' investors (as defined by the Corporations Act) under section 708A of the Corporations Act ("Placement", and together with the Entitlement Offer, the "Offer")

SUMMARY INFORMATION

This presentation is for information purposes only and should be read in conjunction with the most recent financial reports and other documents lodged by Clara with the Australian Securities Exchange ("ASX") in connection with its continuous disclosure obligations. This presentation does not purport to contain all of the information that an investor should consider when making an investment decision nor does it contain all of the information which would be required in a product disclosure statement or prospectus prepared in accordance with the requirements of the Corporations Act. Other market and industry data used in this presentation may have been obtained from research, surveys or studies conducted by third parties, including industry or general publications. Neither Clara nor its advisers or representatives have independently verified any such market or industry data provided by third parties or industry or general publications. No reliance should be placed on the information or opinions contained in this presentation, which are provided as at the date of this presentation (unless otherwise stated) and to the maximum extent permitted by law, Clara has no obligation to update the information contained in this presentation.

NOT FINANCIAL PRODUCT ADVICE OR OFFER

This presentation is not intended as, investment or financial advice (nor as tax, accounting or legal advice) and should not be treated as such. It is not a recommendation to acquire New Shares and has been prepared without taking into account the objectives, financial situation and particular needs of individuals. Nor is the presentation a prospectus, product disclosure statement or other offering document under Australian law (or any other law) but is simply to provide an overview to allow prospective investors to decide whether to carry out their own independent investigations and seek their own advice before making a decision whether to invest in Clara.

The retail offer booklet for the offer of new shares to retail shareholders under the Entitlement Offer will be available following its lodgement with ASX. Any eligible retail shareholder in Australia or New Zealand who wishes to participate in the Entitlement Offer should consider the retail offer booklet before deciding whether to apply under that offer. To the maximum extent permitted by law, Clara and its officers, employees and agents disclaim all liability and responsibility (including without limitation any liability arising from fault or negligence on the part of Clara, its officers, employees and agents) for any direct or indirect loss or damage which may be suffered by any recipient through use of or reliance on anything contained in or omitted from this presentation. In making an investment decision, investors must rely on their own examination of Clara including the merits and risks involved. An investment in securities is subject to known and unknown risks, some of which are beyond the control of Clara. Prospective investors should have regard to Appendix 1 (Risk Factors) of this presentation when making their investment decision. Investors should consult with their own legal, tax, business and/or financial advisors in connection with any acquisition of securities.

The distribution of this presentation in jurisdictions outside Australia may be restricted by law and any such restrictions should be observed. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. Particularly, this presentation does not constitute an invitation or offer of securities for subscription, purchase or sale in the United States of America or any other jurisdiction in which such an offer would be illegal. The securities referred to in this presentation have not been, and will not be, registered under the U.S. Securities Act of 1933 as amended (Securities Act) or the securities laws of any state or other jurisdiction of the United States of America and may not be offered or sold, directly or indirectly in the United States of America or to any person acting for the account or benefit of a person in the United States of America unless the securities have been registered under the Securities Act (which Clara has no obligation to do or procure) or are offered and sold in a transaction exempt from, or not subject to, the registration requirements of the Securities Act and any other applicable securities laws.

DISCLAIMER

INVESTMENT RISK

All investments in securities are subject to known and unknown risks, including an investment in Clara shares. Some of these risks are beyond the control of Clara and its directors and officers, and Clara does not guarantee any particular rate of return or level of performance. You should consider the risk factors outlined in Appendix 1 of this presentation when deciding whether or not to invest in Clara. Cooling off rights do not apply to the acquisition of New Shares.

FINANCIAL INFORMATION

All financial information set out in this presentation is expressed in Australian Dollars unless stated otherwise. Investors should be aware that certain financial measures included in this presentation are “non-IFRS financial information” under ASIC Regulatory Guide 230: “Disclosing non-IFRS financial information” published by ASIC and also “Non-GAAP financial measures” within the meaning of Regulation G under the US Securities Exchange Act of 1934 and are not recognised under the AAS or IFRS. Further, certain figures, amounts, percentages, estimates and calculations provided in this presentation are subject to the effect of rounding. Accordingly, the actual calculation of these figures may differ from the figures set out in this presentation.

PAST PERFORMANCE

Investors should be aware that past performance, including past share price performance of Clara and pro-forma financial information given in this presentation, provides no guidance as to (and should not be relied upon as an indicator of) the future financial performance of Clara. None of the information made available to you under this presentation is, or shall be relied upon as, a promise, representation, warranty or guarantee, whether as to the past, present or future.

FUTURE PERFORMANCE AND FORWARD-LOOKING STATEMENTS

This presentation contains certain ‘forward-looking’ statements, opinions and estimates, which are based on assumptions and contingencies that are subject to change without notice and involve known and unknown risks and uncertainties beyond the control of Clara and its officers. This includes statements about market and industry trends, which are based on interpretations of current market conditions. Indications of, and guidance on, future earnings and financial position are forward-looking statements. As are statements containing the words “expect”, “anticipate”, “estimate”, “intend”, “believe”, “guidance”, “should”, “could”, “may”, “will”, “predict”, “plan” and other similar expressions. Forward-looking statements are based on information available to Clara as at the date of this presentation and should not be relied upon as an indication or guarantee of future performance. Except as required by law or regulation (including the ASX Listing Rules), none of Clara, its representatives or advisers undertakes any obligation to provide any additional or updated information whether as a result of a change in expectations or assumptions, new information, future events or results or otherwise.

MINERAL RESOURCE ESTIMATES AND PRODUCTION TARGETS

The information in this presentation relating to production targets and the mineral resource estimates that underpin the production targets at the Ashford Coking Coal Project is extracted from the report titled “Ashford Project Scoping Study” disclosed to the market in an ASX release on 4 March 2024, and further information in the market release titled “Response to ASX Scoping Study Queries” disclosed to the market on 2 April 2024.

Clara confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and that all material assumptions and technical parameters underpinning the mineral resource estimates and production targets in the relevant market announcement continue to apply and have not materially changed. Clara Resources Australia confirms that the form and context in which the Competent Person’s findings are presented have not been materially modified from the original market announcement.

INVESTMENT HIGHLIGHTS

01

**100%
ownership of
coking coal
resource with
extension
potential**

02

**Scoping study
outlines
potential for
strong
economic
returns***

03

**Low risk small
open cut mine
with modest
capex
requirement**

04

**Viable
infrastructure
path via
trucking and
existing rail
networks**

*Investors should reference the full details of the Scoping Study as contained in the Company's ASX announcements of 4 March 2024 and 2 April 2024.

ASHFORD COKING COAL PROJECT

POTENTIAL TO PRODUCE SEMI-
HARD COKING COAL SOUGHT
BY GLOBAL STEELMAKERS



100%-OWNED ASHFORD LOCATION & TENEMENTS

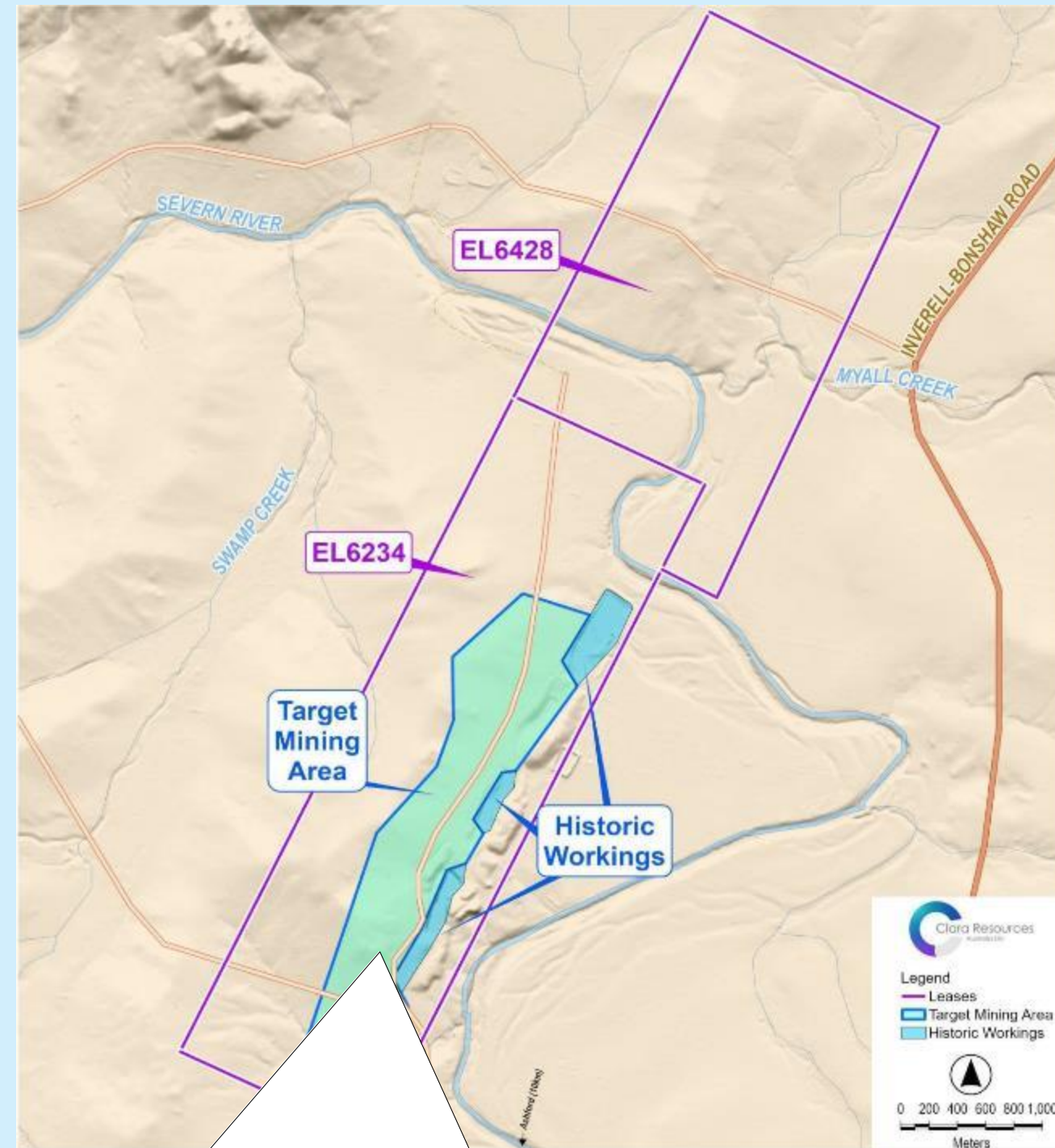
- Comprises **2 x exploration leases** EL6234 & EL6428
- **Open cut mined** from 1954 to 1989 supplying coal to the Ashford power station
- No legacy environmental permit issues
- Stable NSW royalty regime

*Includes 6.4Mt Indicated Mineral Resource and 8.3Mt Inferred Mineral Resource.

Assessment of confidence classification involved adoption of the following criteria:

- A quality point of observation for each seam is defined as a cored hole with coal recovery of >90% and having raw ash data.
- A quantity (structure) point of observation for each seam is defined as a seam drill hole intercept with downhole geophysics or fully cored section. The majority of structural holes have geophysics.

Refer to Section 7.2 of the Scoping Study contained in the Company's ASX announcement of 4 March 2024.

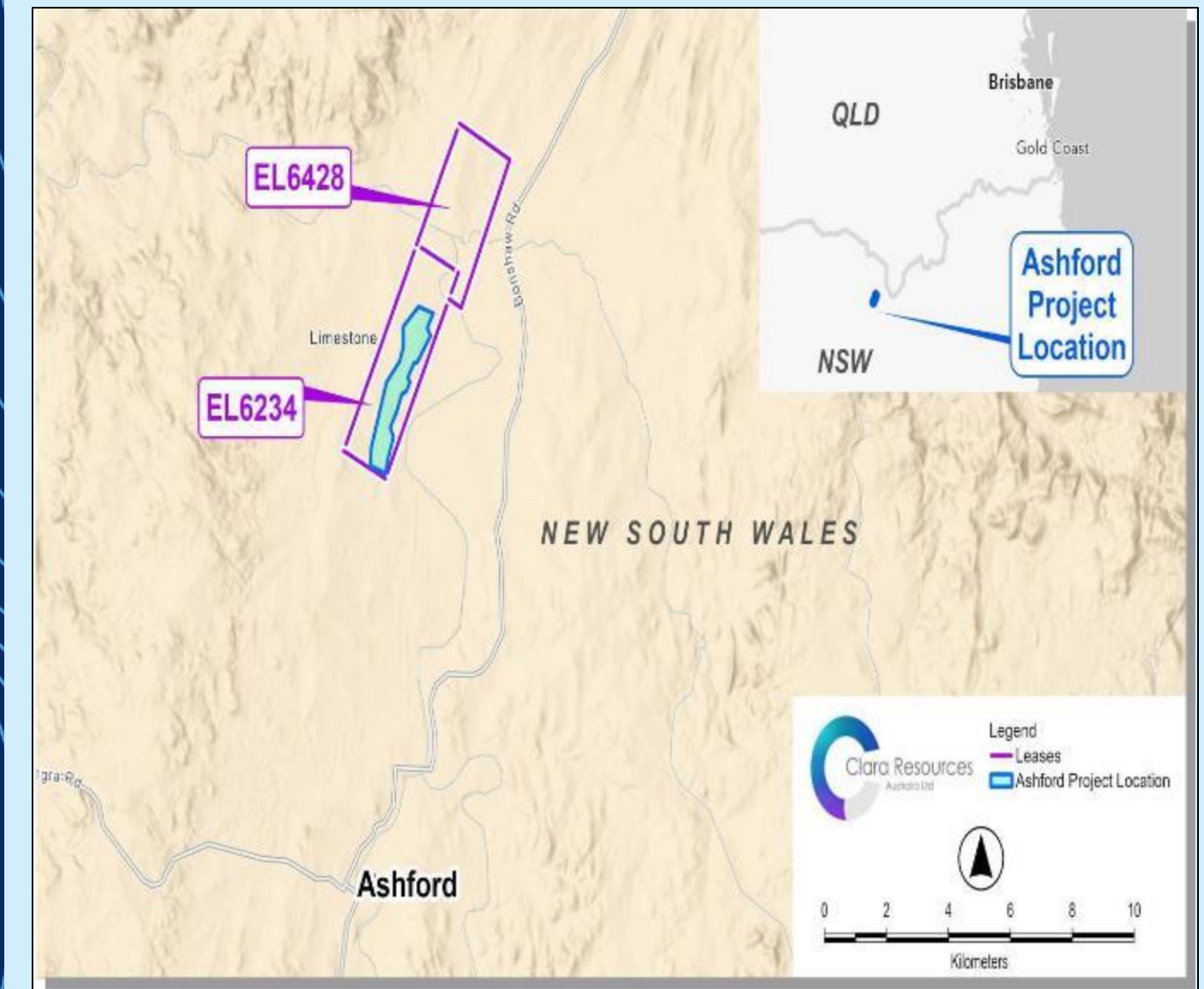


JORC Resource

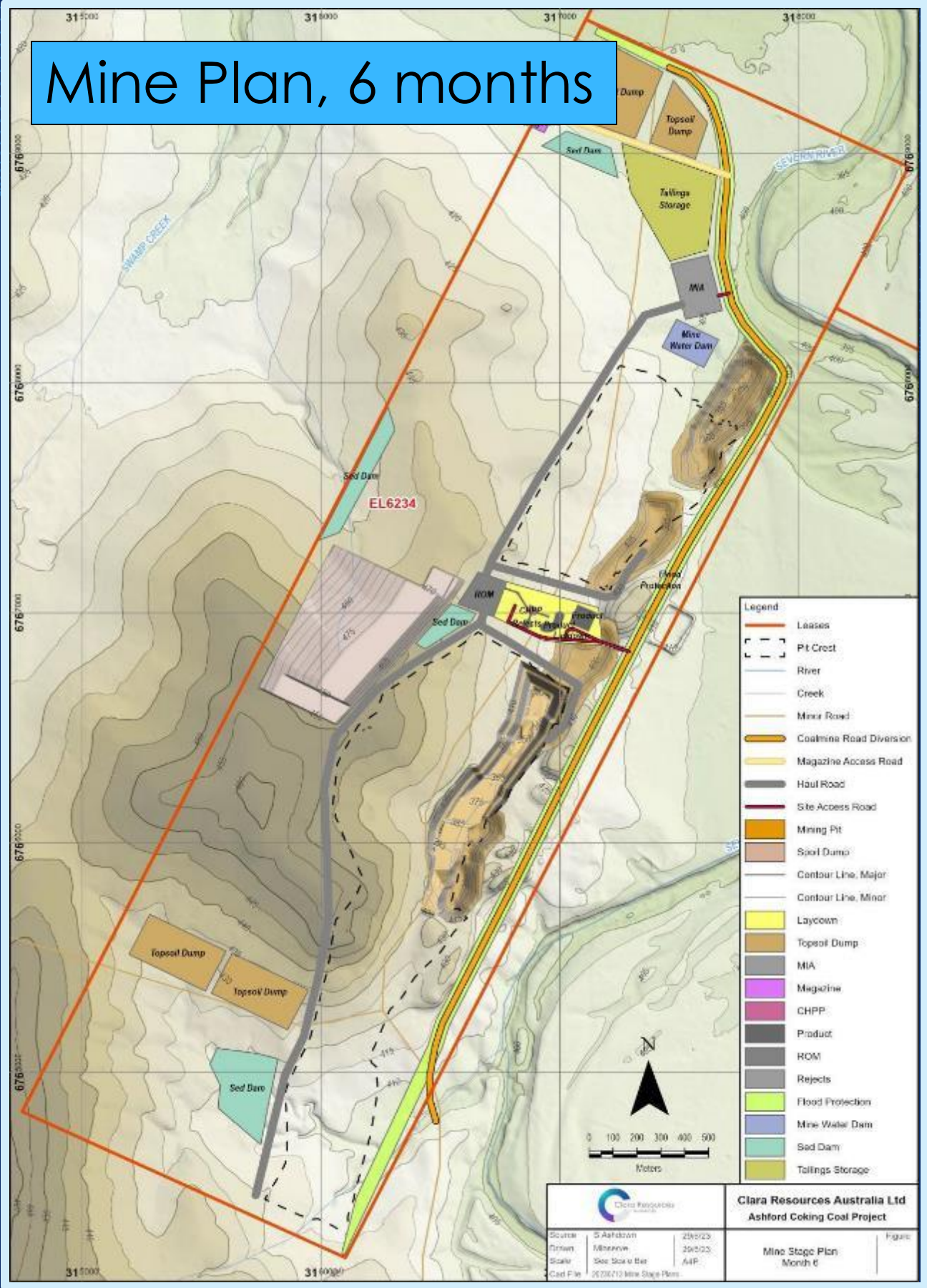
- 14.7Mt, limited to EL6234*
- Further resource upside on EL6428

100% Ownership

Completed acquisition of Renison Coal Pty Ltd (owner of Ashford) from Savannah Goldfields in May 2024



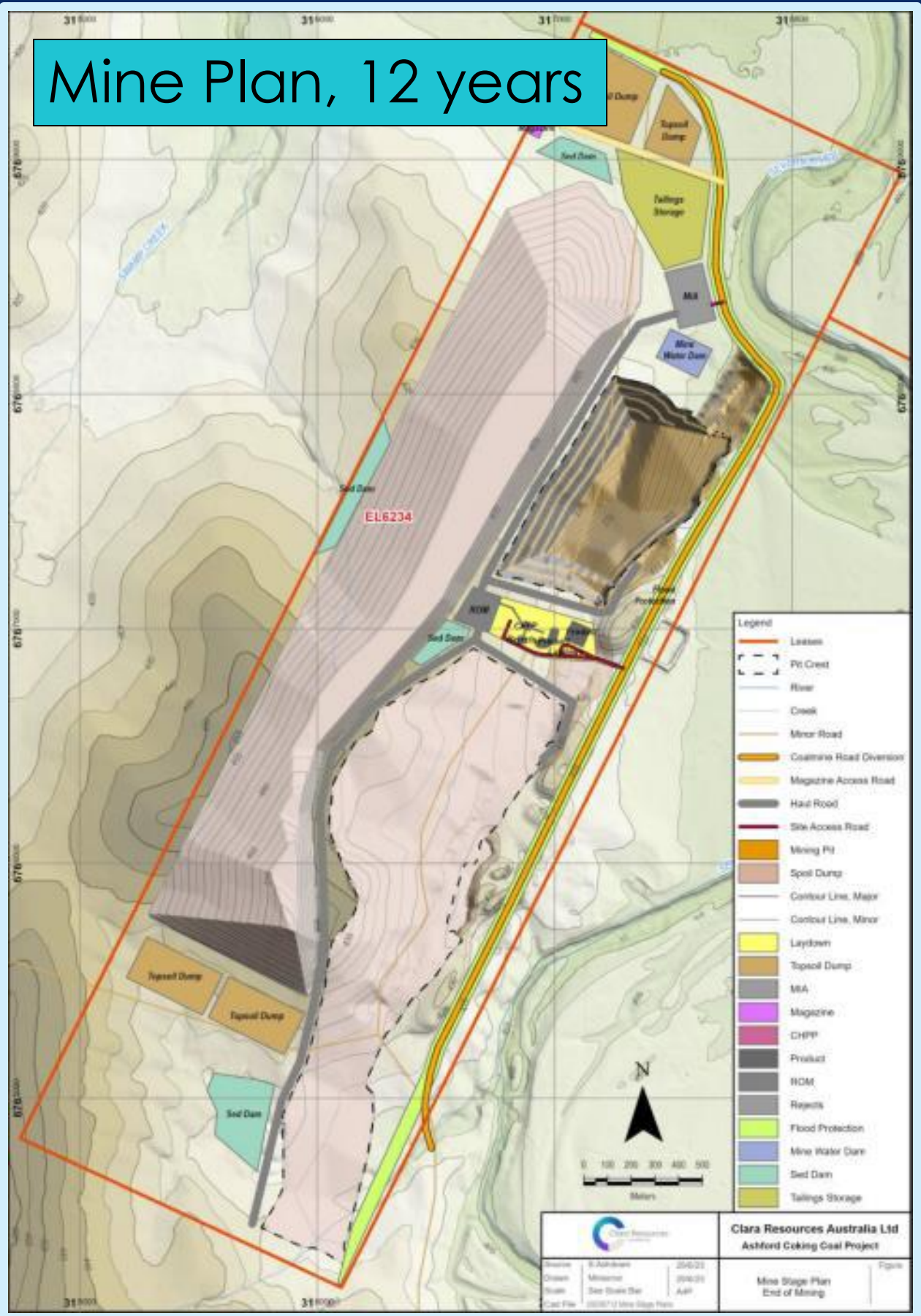
Ashford will be a Conventional Open Cut Mine Utilizing Proven Technology & Mining Methods



CLEAN COAL COMPOSITE ANALYSIS

CSR Index	45 - 55
Vol Mat	22% - 25%
Ash	9% - 10.5%
Sulphur	0.4% - 0.5%
Phos	0.03% - 0.04%
CSN	5.5 - 6.5
FC	66% - 68%

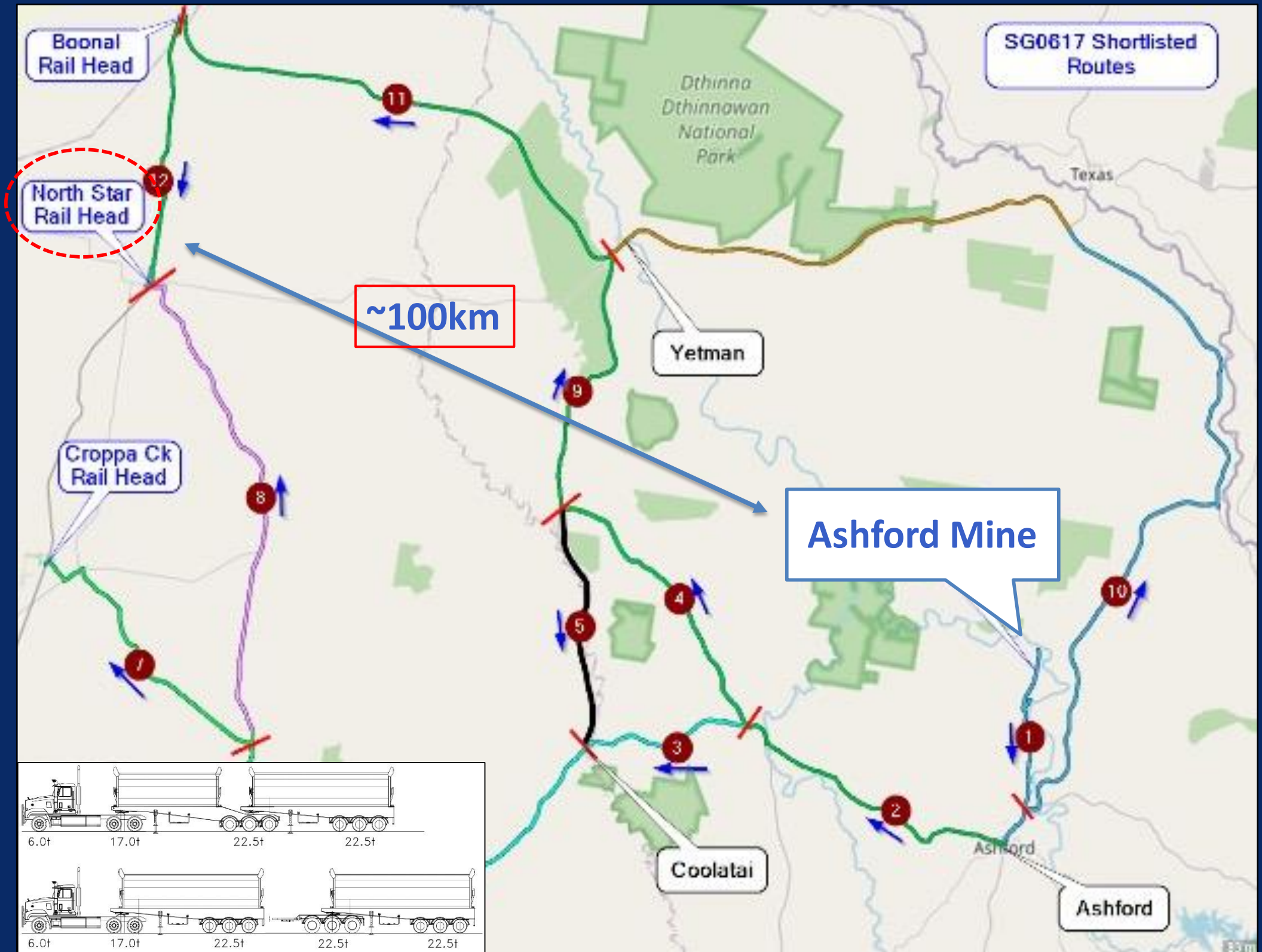
Testwork shows clean coal has rank, vitrinite and ash chemistry similar to Qld coking coals. Would produce a semi-hard and possibly a hard coking product. Further test-work will confirm



Connects Ashford to
Hunter Valley rail
network and Newcastle
port



The ARTC Inland Rail Project changes operability and economics of Project. It is complete to **North Star** – near perfect for Ashford



PATH TO MONETISATION

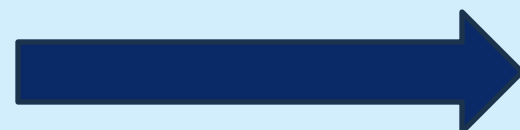
FOOTPRINT



14km²

Over two exploration licences in New South Wales

RESOURCE



14.7Mt

Indicated and Inferred Mineral Resource with scope for increase

PRODUCTION¹



11.9Mt

Run of mine coal production

REVENUE¹

\$2.5bn

Gross Life of Mine revenue

\$210M

Pre Tax NPV

SCOPING STUDY MARCH 2024 –HIGHLIGHTS

- Study demonstrates strong economic, technically robust Coking Coal operation
- Modest capex estimate of Au\$133.6m, of which Au\$100.3m is pre-production
- Estimated mine life of 12 years, averaging 1Mtpa ROM
- Project NPV10 of Au\$156m (post-tax) and initial payback period < 12 months
- Strongly saleable product for supply into Asian coal markets

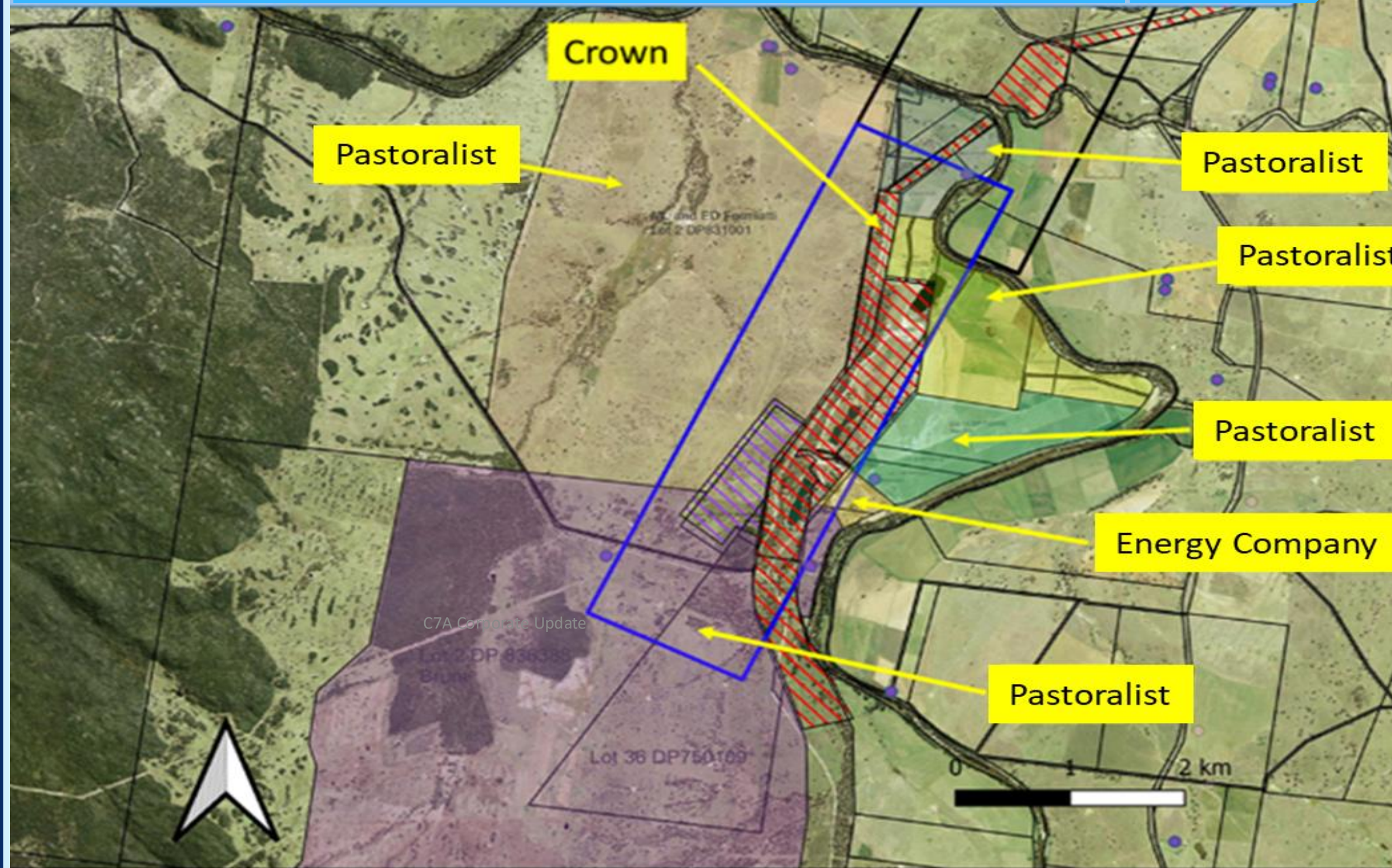
* Scoping Study is a high level, incomplete assessment. Contains risks associated with resource category, product quality, pricing, offtake, fundability and permitting. Risk factors will be quantified in completing the PFS. Investors should reference the full details of the Scoping Study as contained in the Company's ASX announcements of 4 March 2024 and 2 April 2024.



PROJECT DEVELOPMENT ACTIVITIES

PATH TO FINALISING PFS

Ashford Stakeholder Engagement



Drawn By:	Rick Walker
Date:	13/9/22

Ashford
Landholders
Affected Neighbours

ACCESS AGREEMENTS

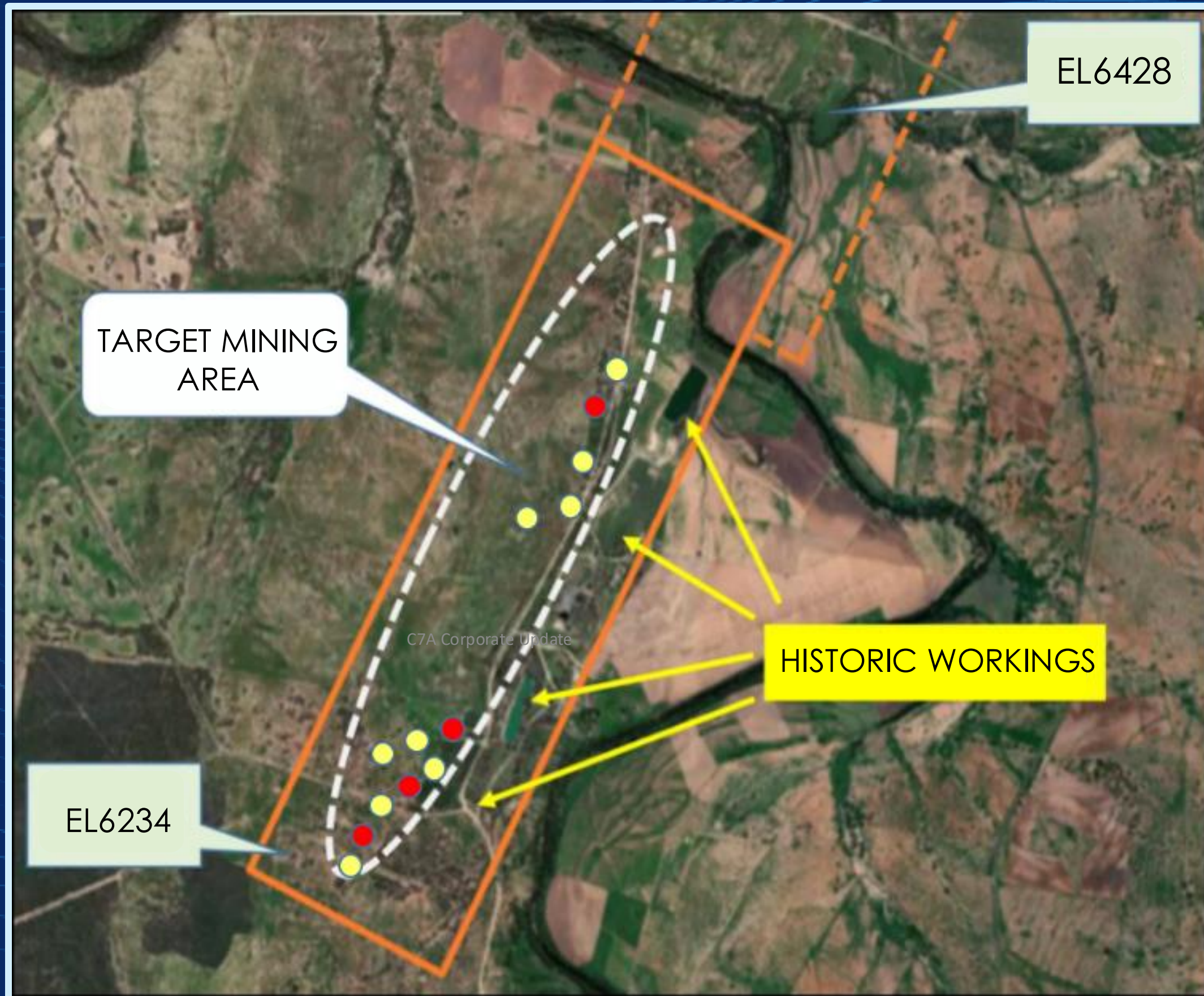
Made with:

- Pastoralists
- Gomeroi NTAs

Regular Consultation with:

- IRC & GSC
- Chambers of Commerce
- Landcare Groups
- State member

DRILLING – RESOURCE DELINEATION



- 4 x cored holes
- 9 x chip holes

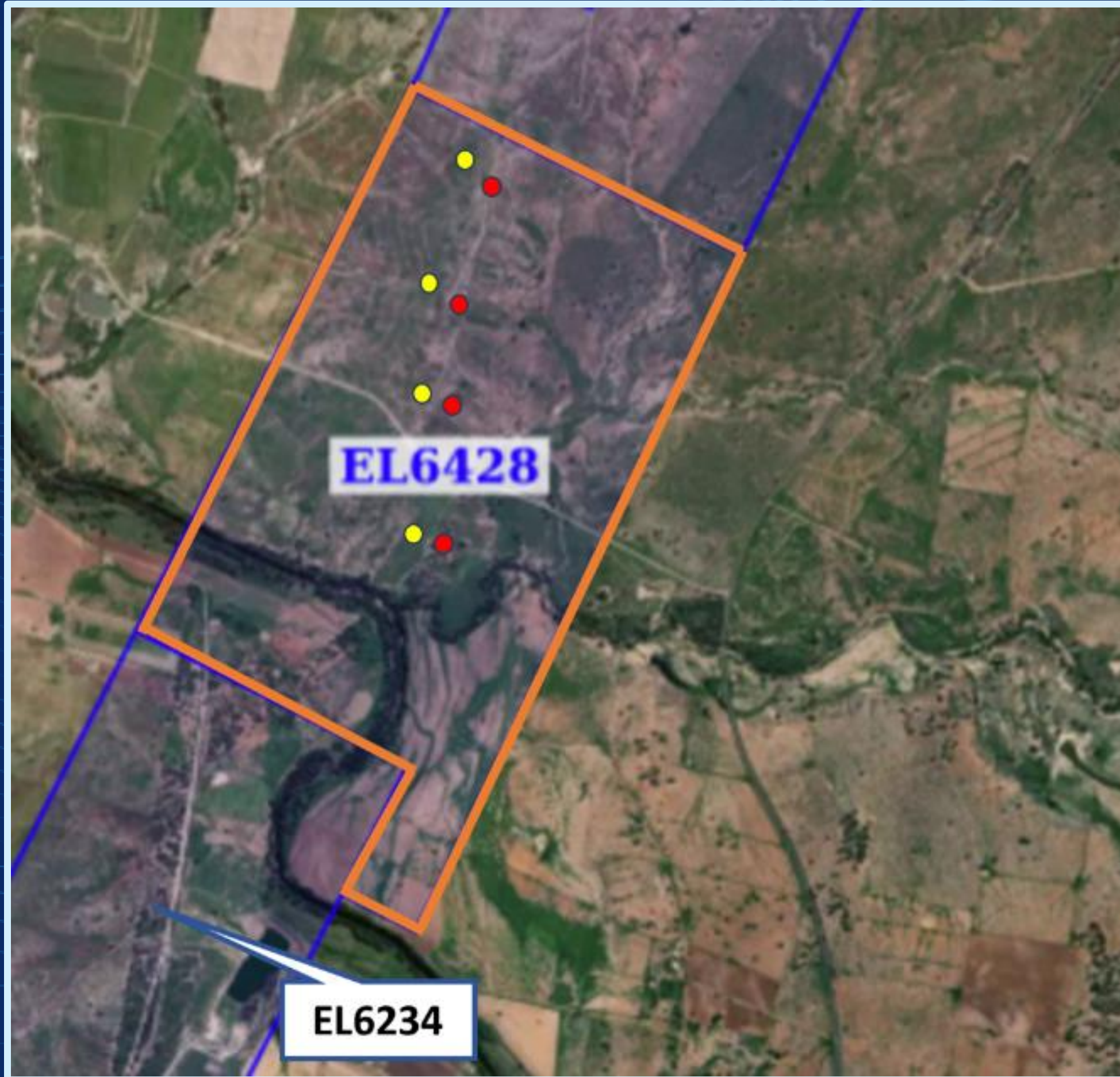
Purpose

- Upgrade resource to measured & indicated
- Verify depth, thickness & structure
- Coal quality data, including coking properties
- Washability

Essential for PFS, specifically...

- Next stage Mining plan/sequence
- Coal preparation study
- Costings

MAIDEN DRILLING – RESOURCE EXTENSION INTO EL6428



EL6428 Exploration Drilling Program

- 4 x chip holes
- 4 x cored holes

Purpose

- Declare maiden JORC resource
- Verify seam depth, thickness & structure
- Provide coal quality data, incl coking properties
- Generate preliminary washability data

DRILLING – ENVIRONMENTAL / PERMITTING

- ~30 holes

Important component of Baseline Environmental Study Program

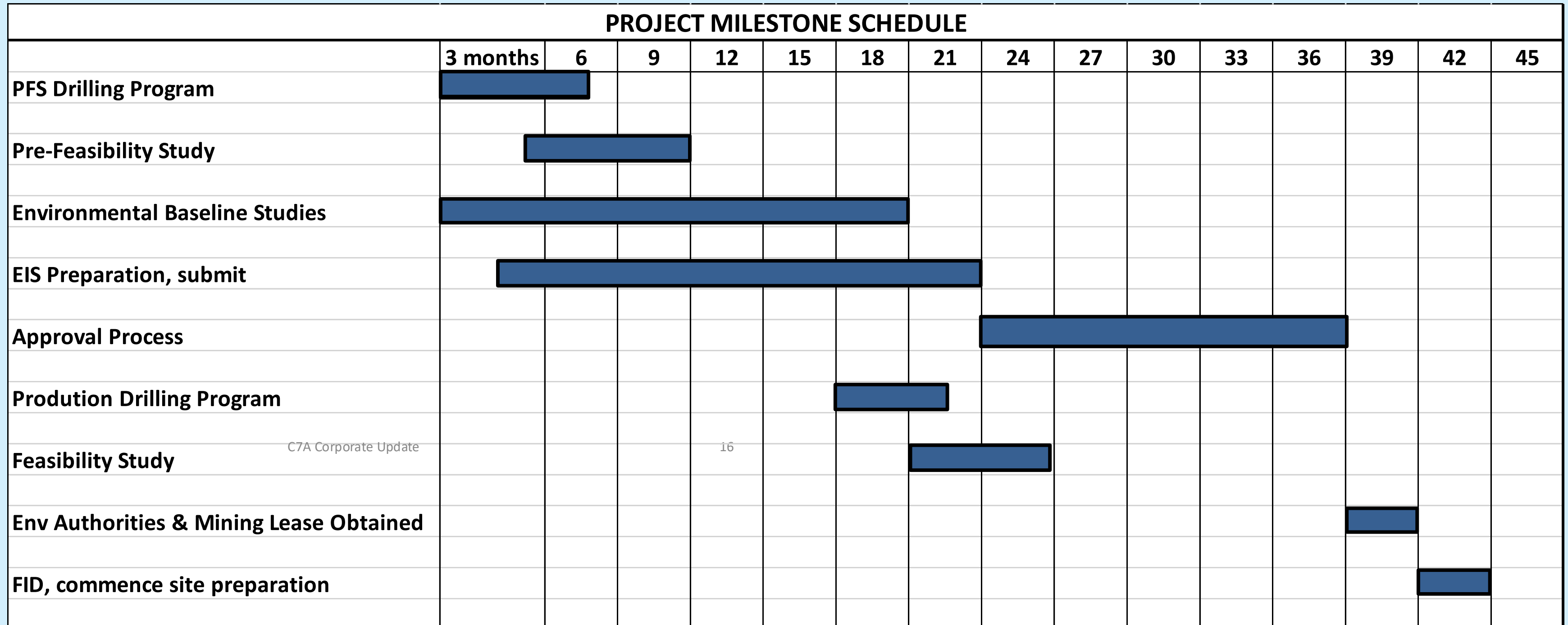
Purpose

- Installation of monitoring bores & piezometers
- Identification of groundwater resources
- Potential impact of mining on water users
- Design of groundwater monitoring network
- Determine hydrological properties of aquifer systems
- Collection of core samples (overburden)
- Collection of representative water quality samples

15



ASHFORD COKING COAL PROJECT – PROJECT MILESTONES



C7A Corporate Update

16

NEAR TERM DELIVERABLES / OPPORTUNITIES

DRILLING

Resource extension
drilling with potential
significant uplift

PFS

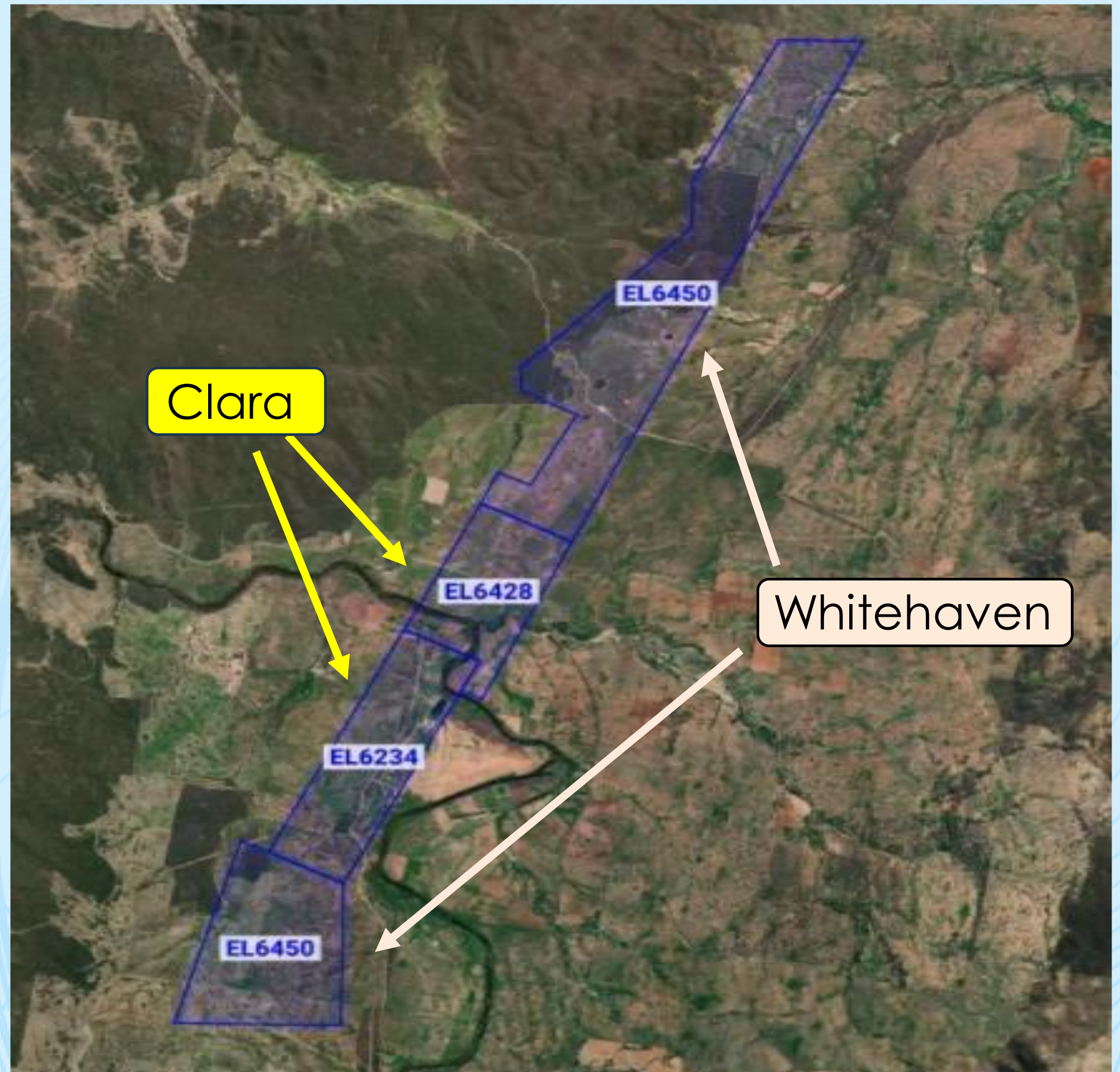
LOM Resource
delineation

Environmental work
program

CORPORATE

Aim to secure
adjacent resource
positions

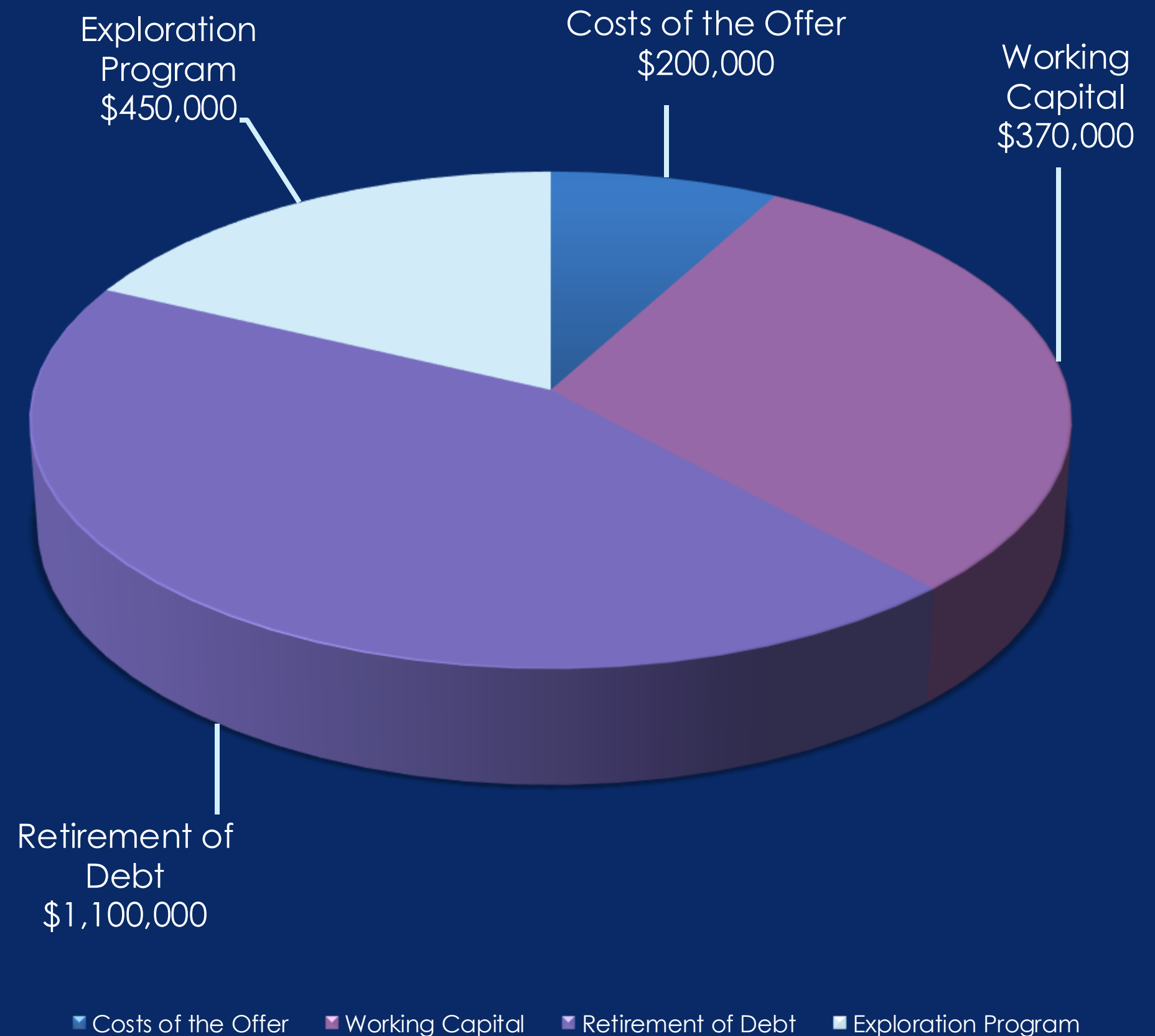
Potential to secure adjacent resource positions



PROPOSED CAPITAL RAISING

Clara is seeking to raise \$2.12m (before costs) under a 1:1 Accelerated Rights Issue to raise \$1.7m and Placement to raise \$0.42m at \$0.006 per share.

These funds will be used predominantly to further project development initiatives at the Company's Ashford Coking Coal Project.





CONTACT US

PETER WESTERHUIS – MD & CEO

PHONE NUMBER

0427 123 171

EMAIL ADDRESS

pwesterhuis@clararesources.com.au

ADDRESS

19/10 Eagle Street, Brisbane QLD Aus 4000

APPENDIX 1 – RISK FACTORS

INTRODUCTION

- There are risks involved with participating in the Offer and holding Shares in Clara Resources Australia Limited (the “Company”, “Clara”, “we” or “us”). Certain risks are specific to an investment in the Company and others are specific to investing in and holding securities. The occurrence of these risks may have an adverse impact on the Group's business, results of operations, financial condition and the price of Clara's securities.
- The risks detailed below may change after the date of this document and other risks relevant to the Company and its subsidiaries (the “Group”) and the Shares may emerge which may have an adverse impact on the Group and the price of the Shares.
- The risks set out in this section are not exhaustive. Other risks may materially affect the future performance of the Group and the price of the Shares. Additional risks and uncertainties not presently known to management or that management currently believe not to be material may also affect the Company's business. Accordingly, no assurances or guarantees of future performance, profitability, distributions, or returns of capital are given by Clara or any other person.
- Risks relating to Clara may impact Clara, its business, financial position and performance as well as the businesses, financial position and performance of its subsidiaries which, in turn impacts Clara. Accordingly, a reference to a risk impacting Clara, should be taken to be a reference to a risk which may also impact its subsidiaries.

SHARE MARKET RISK

The market price of listed securities can be expected to rise and fall in accordance with general market conditions and factors specifically affecting the Australian resources sector and exploration companies in particular. The New Shares carry no guarantee in respect of profitability, dividends, return on capital, or the price at which they may trade on the ASX.

There are a number of factors (both national and international) that may affect the share market price and neither the Company nor its Directors have control of those factors.

GENERAL ECONOMIC CONDITIONS

Changes in the general economic climate in which the Company operates may adversely affect the financial performance of the Company. Factors that may contribute to that economic climate include the general level of economic activity, interest rates, inflation, supply and demand, industrial disruption and other economic factors. The price of commodities will also be of particular relevance to the Company. These factors are beyond the control of the Company and the Company cannot, with any degree of certainty, predict how they will impact on the Company.

SHARE PRICE FLUCTUATIONS

The market price of the Company's securities will be subject to varied and often unpredictable influences in the share market. Both domestic and world economic conditions may affect the performance of the Company. Factors such as the level of industrial production, inflation and interest rates impact all commodity prices.

LEGISLATIVE CHANGE

Changes in government regulations and policies may adversely affect the financial performance or the current and proposed operations generally of the Company.

UNFORESEEN EXPENSES

While the Company is not aware of any expenses that may need to be incurred that have not been taken into account, if such expenses were subsequently incurred, the expenditure proposals of the Company may be adversely affected.

RISK OF NOT TAKING UP ENTITLEMENT OFFER

Entitlements cannot be traded on ASX or privately transferred. If eligible retail shareholders do not take up all or part of their available entitlements, individuals' percentage shareholding in Clara will be diluted (in addition to the dilution which will take place as a result of the Placement). In addition, investors may have their investment diluted by future capital raisings by Clara.

APPENDIX 1 – RISK FACTORS

CURRENT AND FUTURE SOURCES OF FUNDING

The Company's ability to effectively implement its business strategy over time may depend in part on its ability to raise additional funds. There can be no assurance that any such equity or debt funding will be available to the Company on favourable terms or at all. If adequate funds are not available on acceptable terms, the Company may not be able to take advantage of opportunities or otherwise respond to competitive pressures.

Although the Directors believe that on completion of the Offer the Company will have sufficient working capital to carry out its short-term business objectives, there can be no assurance that such objectives can be met without further financing or, if additional financing is necessary, that financing can be obtained on favourable terms or at all. Further, if additional funds are raised by issuing equity securities, this may result in dilution for some or all of the Shareholders.

The Company's ability to raise further funding to meet both its development and capital expenditure requirements, depends upon a number of different factors. The Company's ability to raise further equity financing is very sensitive to negative market sentiment. Accordingly, there is no guarantee that the Company will be able to secure additional funding on terms favourable to the Company. If the Company is unable to obtain additional financing as required, it will be unable to continue to fund its existing projects, or take advantage of opportunities as they arise. Further, without additional funding the Company may not have sufficient working capital to be able to meet day to day expenses as and when needed.

The due date for repayment of the Bridging Loans was 29 July 2024. As repayment did not occur on 29 July, a Lender has the right to call for immediate repayment of its Bridging Loan at any time in accordance with the relevant documentation. The Company has facilitated repayment of certain of the Bridging Loans, however some remain outstanding. The Company notes that if the Entitlement Offer is not fully subscribed (and the Shortfall is not able to be placed shortly thereafter), then the ability of the Company to meet repayment of the remaining Bridging Loans may be reduced. If such a circumstance arises, the Company will consider all options available to it. Such alternatives may be dilutionary to Shareholders or be on less than favourable terms to the Company.

ENVIRONMENTAL REGULATIONS AND RISKS

National and local environmental laws and regulations affect nearly all of the operations of the Company. These laws and regulations set various standards regulating certain aspects of health and environmental quality, provide for penalties and other liabilities for the violation of such standards and establish, in certain circumstances, obligations to remediate current and former facilities and locations where operations are or were conducted. The Company will minimise the potential impact of these laws and regulations by taking steps to ensure compliance occurs and, where possible, by carrying appropriate insurance.

Significant liability could be imposed on the Company for damages, clean-up costs or penalties in the event of certain discharges into the environment, environmental damage caused by previous owners of properties acquired by the Company or non-compliance with environmental laws or regulations.

INSURANCE ARRANGEMENTS

The Company intends to maintain insurance within ranges of coverage the Company believes to be consistent with industry practice and having regard to the nature of activities being conducted. No assurance however, can be given that the Company will be able to obtain such insurance coverage at reasonable rates or that any coverage it arranges will be adequate and available to cover any such claims.

Exploration and evaluation risks

Investors should understand that mineral exploration and development can potentially be high risk undertakings. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited.

The circumstances in which a mineral deposit becomes or remains commercially viable depend on a number of factors. These include the particular attributes of the deposit, such as size, grade and proximity to infrastructure, as well as Clara successfully obtaining all necessary consents and approvals and the successful design, construction and operation of extracting, processing and transportation facilities.

A combination of these factors may result in projects not being developed, or operations becoming unprofitable. Delays or difficulties in obtaining relevant approvals, or obtaining conditional or limited approvals, may interfere with the Company's operations which could materially impact the business, financial position and performance of the Company.

APPENDIX 1 – RISK FACTORS

MINE DEVELOPMENT RISK

Future development of a mining operation at the Ashford Coking Coal Project or any of Clara's other current or future projects is dependent on a number of factors including, but not limited to, the acquisition and/or delineation of economically recoverable mineralisation, favourable geological conditions, receiving the necessary approvals from all relevant authorities and parties, seasonal weather patterns, unanticipated technical and operational difficulties encountered in extraction and production activities, mechanical failure of operating plant and equipment, shortages or increases in the price of consumables, spare parts and plant and equipment, cost overruns, access to the required level of funding and contracting risk from third parties providing essential services.

If the Company discovers an economically viable mineral deposit that it intends to develop, it will, among other things, require various approvals, licences and tenements before it will be able to mine the deposit. There is no guarantee that the Company will be able to obtain all required approvals, licences and tenements. To the extent that required authorisations are not obtained or are delayed, the Company's operational and financial performance may be materially adversely affected.

If Clara commences production, its operations may be disrupted by a variety of risks and hazards which are beyond its control, including environmental hazards, industrial accidents, technical failures, labour disputes, unusual or unexpected rock formations, flooding and extended interruptions due to inclement or hazardous weather conditions and fires, explosions, pandemics or accidents.

The risks outlined above mean that there can be no assurances as to the future development of a mining operation in relation to the Ashford Coking Coal Project (or other future projects) or that Clara will achieve commercial viability through the development or mining of any its projects.

GEOLOGY AND COAL QUALITY

There is risk associated with potential variation in the Ashford Coking Coal Project run-of mine (ROM) tonnes, coal quality and strip ratio based on the limitations of the scoping study stage geological model. Further exploration work is required to increase geological confidence, upgrading of resource classification and detailed mine design during the next phase of study.

The Ashford Coking Coal Project raw coal quality in may be different to the forecast expectations, impacting design of the plant, yield, ash and the coking/thermal ratio. Further analysis of raw coal data from additional boreholes in specifically selected locations is required, including comprehensive testing to further confirm coal quality.

There is no certainty further exploration and analysis will confirm the assumptions in the scoping study.

COMMODITY PRICES

The Company's prospects will be influenced from time to time by the prevailing short-term prices of the commodities targeted in its exploration programs, in this case, the price of hard coking coal (HCC). HCC prices fluctuate and are affected by factors including supply and demand, hedge activities associated with commodity markets, the costs of production and general global economic and financial market conditions.

These factors may cause volatility which in turn, may affect the viability of the Company's projects, including the Ashford Coking Coal Project.

The events relating to the Russia/Ukraine war have had an impact on global demand for the Company's target commodities. It is difficult if not impossible to accurately predict the direction of those markets in the short or medium terms.

TENEMENT RISKS

The rights to resource tenements carry with them various obligations which the holder is required to comply with in order to ensure the continued good standing of the tenement and, specifically, obligations in regard to minimum expenditure levels and responsibilities in respect of the environment and safety. Failure to observe these requirements could prejudice the right to maintain title to a given area and result in government action to forfeit a permit or permits.

There is no guarantee that current or future exploration permit applications or existing permit renewals will be granted, that they will be granted without undue delay, or that the holder of the mineral tenements can economically comply with any conditions imposed on any granted exploration permits.

APPENDIX 1 – RISK FACTORS

LAND ACCESS RISK

Land access is critical for exploration and evaluation to succeed. In all cases the acquisition of prospective tenements is a competitive business, in which propriety knowledge or information is critical and the ability to negotiate satisfactory commercial arrangements with other parties is often essential.

Access to land for exploration purposes can be affected by land ownership, including private (freehold) land, pastoral lease and regulatory requirements within the jurisdictions where the Company, its subsidiaries or companies it holds interests in operate.

NATIVE TITLE AND HERITAGE RISK

The Native Title Act 1993 (Cth) recognises certain rights of indigenous Australians over land where those rights have not been extinguished. These rights, where they exist, may impact on the ability of the Company to carry out exploration and in future, mining activities, or obtain exploration or mining licences in Australia. In applying for licences over crown land, the Company must observe the provisions of Native Title legislation.

There are also laws of the States and Territories which impose duties of care which require persons, including the Company, to take all reasonable and practical measures to avoid damaging or destroying Aboriginal cultural heritage.

In carrying out exploration and/or mining operations, the Company must observe Native Title legislation (where applicable), Aboriginal heritage legislation and heritage legislation which protects sites and objects of significance and these may delay or impact adversely on the Company's operations in Australia.

TITLE RISK

The exploration and prospecting permits and claims in which either the Company, its subsidiaries or companies it holds interests in has now, or may, in the future, acquire an interest, are subject to applicable local laws and regulations. There is no guarantee that any such claims, applications or conversions in which the Company, its subsidiaries or companies it holds interests in has a current or potential interest will be granted.

All of the projects in which the Company, its subsidiaries or companies it holds interests in has an interest will be subject to application for claim renewal from time to time. Renewal of the term of each claim is subject to applicable legislation. If the claim is not renewed for any reason, the Company may suffer significant damage through loss of the opportunity to develop and discover any mineral resources on that claim.

CONTRACTUAL AND JOINT VENTURE RISK

The Company's ability to efficiently conduct its operations in a number of respects depends upon a third party product and service providers and contracts have, in some circumstances, been entered into by the Company and its subsidiaries in this regard. As in any contractual relationship the ability for the Company to ultimately receive benefits from these contracts are dependent upon the relevant third party complying with its contractual obligations.

To the extent that such third parties default in their obligations, it may be necessary for the Company to enforce its rights under any of the contracts and pursue legal action. Such legal action may be costly and no guarantee can be given by the Company that a legal remedy will ultimately be granted on appropriate terms.

The Company may wish to develop its projects or future projects through joint venture arrangements. Any joint ventures entered into by, or interests in joint ventures assigned to the Company, could be affected by the failure or default of any of the joint venture participants.

Additionally, failure by contractors to perform in accordance with required timelines, may expose any project in which the Company its subsidiaries or companies it has an interest, to risk of forfeiture under applicable laws.

APPENDIX 1 – RISK FACTORS

OPERATIONAL RISKS AND COSTS

Prosperity for the Company will depend largely upon an efficient and successful implementation of all the aspects of exploration, developments, business activities and management of commercial factors.

Exploration has been and will continue to be hampered on occasions by unforeseen weather events, accidents, unforeseen cost changes, environmental considerations, natural events and other incidents beyond the control of the Company.

By its nature, the business of exploration is a highly speculative endeavour and involves significant risks. The Company's performance depends on the successful exploration and/or acquisition of resources or reserves, competent operational management and efficient financial management. Further, the nature of exploration can sometimes result in industrial accidents and other incidents beyond the control of the Company.

There can be no assurances that the Company's exploration programs, will result in the discovery of a satisfactory resource. Even if a resource is identified, there is no guarantee that it will be viable for economic exploitation. Ultimate success depends on the discovery and delineation of economically recoverable mineral resources, establishment of efficient exploration operations, obtaining necessary titles and access to projects, as well as government and other regulatory approvals.

The exploration and mining activities of the Company may be affected by a number of factors, including but not limited to geological conditions, seasonal weather patterns, technical difficulties and failures, continued availability of the necessary technical equipment, plant and appropriately skilled and experienced technicians, adverse changes in government policy or legislation and access to the required level of funding.

If the Company decides to develop and commission a mine, the operations of the Company including mining and processing may be affected by a range of factors. These include failure to achieve the predicted grades and quality in exploration, mining and processing, technical difficulties encountered in commissioning and operating plant and equipment, mechanical failure, metallurgical problems which affect extraction rates and costs, adverse weather conditions, industrial and environmental accidents, industrial disputes, unexpected shortages or increase in the costs of consumables, spare parts, plant and equipment.

CLIMATE CHANGE RISK

The operations and activities of Clara are subject to changes to local or international compliance regulations related to climate change mitigation efforts, specific taxation or penalties for carbon emissions or environmental damage and other possible restraints on industry that may further impact the Company. While the Company will endeavour to manage these risks and limit any consequential impacts, there can be no guarantee that the Company will not be impacted by these occurrences.

Climate change may also cause certain physical and environmental risks that cannot be predicted by the Company, including events such as increased severity of weather patterns, incidence of extreme weather events and longer-term physical risks such as shifting climate patterns. All these risks associated with climate change may significantly change the industry in which the Company operates.

MANAGEMENT ACTIONS

The Directors of the Company will, to the best of their knowledge, experience and ability (in conjunction with their management) endeavour to anticipate, identify and manage the risks inherent in the activities of the Company, but without assuming any personal liability for same, with the aim of eliminating, avoiding and mitigating the impact of risks on the performance of the Company and its Securities.

However, there is no assurance that the Directors will be able to successfully avoid circumstances giving rise to an adverse effect on the assets, operations and ultimately the financial performance of the Company and the market price of its securities.

APPENDIX 1 – RISK FACTORS

INTERNATIONAL CONFLICTS RISK

The ongoing military conflict between Russia and Ukraine, and recent conflict in Israel and Gaza, are having a material effect on the global economy. These hostilities have created uncertainty for capital markets around the world, and this uncertainty may lead to adverse consequences for the Company's business operations. Measures taken by governments around the world to end these conflicts (such as imposing tariffs on Russian exports and other economic sanctions) may cause disruptions to the Company's supply chains and adversely impact commodity prices.

GOVERNMENT POLICY

Changes in relevant taxation, interest rates, other legal, legislative and administrative regimes, and Government policies in Australia or any other jurisdiction in which the Company, its subsidiaries or companies it holds interests in undertakes or may undertake operations, may have an adverse effect on the assets, operations and ultimately the financial performance of the Company. These factors may ultimately affect the financial performance of the Company and the market price of its securities.

In addition to the normal level of income tax imposed on all industries, the Company its subsidiaries or companies it holds interests in may be required to pay government royalties, indirect taxes, GST and other imposts which generally relate to revenue or cash flows. Industry profitability can be affected by changes in government taxation policies.

Changing attitudes to environmental, land care, cultural heritage and indigenous land rights' issues, together with the nature of the political process, provide the possibility for future policy changes. There is a risk that such changes may affect the Company's, its subsidiaries or companies it holds interests in exploration plans or, indeed, its rights and/or obligations with respect to the tenements.

RELIANCE ON KEY PERSONNEL

The Company's progress in pursuing its exploration and evaluation programmes within the time frames and within the costs structure as currently envisaged could be dramatically influenced by the loss of existing key personnel or a failure to secure and retain additional key personnel as the Company's exploration programme develops. The resulting impact from such loss would be dependent upon the quality and timing of the employee's replacement.

Although the key personnel of the Company have a considerable amount of experience and have previously been successful in their pursuits of acquiring, exploring, evaluating and operating resource projects, there is no guarantee or assurance that they will be successful in their objectives. Shareholders should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for the New Shares.

5. Australian Tax Considerations

5.1 Introduction

This is a summary of the Australian tax consequences of the Retail Entitlement Offer for Shareholders that hold their shares on capital account for Australian income tax purposes. The categories of Shareholders considered in this summary are limited to individuals, companies (other than life insurance companies), trusts and complying superannuation funds.

This summary does not consider the consequences for Shareholders who:

- (a) hold Existing Shares, New Shares or Entitlements in a business of share trading, dealing in securities or otherwise hold their Existing Shares, New Shares or Entitlements on revenue account or as trading stock;
- (b) acquired Existing Shares in respect of which the Entitlements are issued under an employee share scheme;
- (c) are subject to the 'taxation of financial arrangements' provisions in Division 230 of the *Income Tax Assessment Act 1997* (Cth) in relation to their holding of Existing Shares, New Shares or Entitlements; or
- (d) in relation to a foreign tax resident, hold their Existing Shares, New Shares or Entitlements through a permanent establishment in Australia.

This summary is necessarily general in nature and is based on Australian income tax legislation and administrative practice in force as at the date of this Offer Document. It does not take into account any financial objectives, tax positions or investment needs of any particular shareholders and should not be construed as being investment, legal or tax advice to any particular shareholder.

As the taxation implications of the Retail Entitlement Offer will depend upon a Shareholder's particular circumstances, Shareholders should seek and rely upon their own professional taxation advice before concluding on the particular taxation treatment that will apply to them.

Shareholders that are subject to tax in a jurisdiction outside Australia may be subject to tax consequences in that jurisdiction in respect of the Retail Entitlement Offer that are not covered by this summary. This summary also does not consider the application of any of Australia's double tax treaties. Such Shareholders should seek and rely upon their own professional taxation advice in relation to the taxation implications of the Retail Entitlement Offer in any jurisdictions that are relevant to them.

Neither the Company nor any of its officers or employees, nor its taxation or other advisers accepts any liability or responsibility in respect of any statement concerning the taxation consequences of the Retail Entitlement Offer.

5.2 Income Tax Consequences of Entitlements

Australian tax resident shareholders

Issue of Entitlements

The issue of Entitlements to Australian tax resident Shareholders should not, of itself, give rise to any amount of assessable income or capital gain for Shareholders.

Exercise of Entitlements

The exercise of Entitlements should not, of itself, result in any amount being included in a Shareholder's assessable income and should not give rise to any capital gain under the capital gains tax (**CGT**) provisions.

Eligible Retail Shareholders that exercise their Entitlements will receive New Shares. The amount paid to exercise Entitlements (i.e. the Issue Price) and certain incidental acquisition costs should form the cost base of the New Shares acquired through exercise for CGT purposes.

Foreign tax resident shareholders

Issue of Entitlements

No Australian income tax or CGT liability should arise to foreign tax resident shareholders as a result of being issued Entitlements.

Exercise of Entitlements

No Australian income tax or CGT liability should arise to foreign tax resident shareholders, who exercise their Entitlements by accepting the Retail Entitlement Offer.

5.3 Income Tax Consequences of New Shares

The New Shares are ordinary shares and the income tax consequences of holding New Shares (e.g. the receipt of dividends on New Shares and the consequences on disposal of New Shares) will reflect those which arise for holders of Existing Shares.

Australian tax resident shareholders

Dividends

Dividends paid on the New Shares should be frankable for imputation purposes provided that the Company has sufficient franking credits available. Generally, provided that a Shareholder is a 'qualified person' and the Commissioner does not make a determination under the dividend streaming rules to deny the benefit of the franking credits to the Shareholder, the Shareholder:

- (a) should include the amount of the dividend as well as an amount equal to the franking credits attached to the dividend in their assessable income in the income year in which they receive the dividend; and
- (b) should qualify for a tax offset equal to the franking credits attached to the dividend, which can be applied against their income tax liability for the relevant income year.

A Shareholder should be a 'qualified person' if either the 'holding period rule' or the 'related payments rule' are satisfied. Generally:

- (c) to satisfy the 'holding period rule', a shareholder must have held their New Shares 'at risk' for a continuous period of at least 45 days (excluding the day of disposal) within a period beginning on the day after the day on which they acquired and ending on the 45th day after they become ex-dividend. To be held 'at risk', a shareholder must retain 30% or more of the risks and benefits associated with holding their New Shares. Where a Shareholder undertakes risk management strategies in relation to their New Shares (e.g. by the use of limited recourse loans, options or other derivatives), the Shareholder's ability to satisfy the 'at risk' requirement of the 'holding period rule' may be affected; and

- (d) under the 'related payments rule', a shareholder who is obliged to make a 'related payment' (essentially a payment passing on the benefit of the dividend to another person), in respect of a dividend must hold the New Shares 'at risk' for at least 45 days (not including the days of acquisition and disposal) within each period beginning 45 days before and ending 45 days after they become ex-dividend.

A Shareholder, who is an individual, is automatically treated as a 'qualified person' for these purposes if the total amount of the tax offsets in respect of all franked amounts to which the shareholder is entitled in an income year does not exceed \$5,000. This is referred to as the 'small shareholder rule'. However, a Shareholder will not be a 'qualified person' under the small shareholder rule if 'related payments' have been made, or will be made, in respect of such amounts.

Disposal of New Shares

In relation to the tax consequences on disposal of New Shares, any gain or loss realised on disposal should be taxable under the CGT provisions. The cost base for New Shares should be the amount paid for them (i.e. the Issue Price) together with certain incidental costs of acquisition and disposal. The New Shares should be treated as having been acquired on the date the relevant shareholder exercised their Entitlements to buy the New Shares (i.e. the date the shareholder returned their completed Entitlement and Acceptance Form). This means that the New Shares need to be held for at least 12 months after this date in order for qualifying shareholders (such as individuals, trusts and complying superannuation funds) to be eligible for the CGT discount concession on disposal of the New Shares.

Foreign tax resident shareholders

Dividends paid on New Shares should not be subject to Australian non-resident withholding tax to the extent the dividends are franked.

To the extent an unfranked dividend is paid to foreign tax resident shareholders, withholding tax will be payable. The rate of withholding tax is 30%. However foreign tax resident shareholders may be entitled to a reduction in the rate of withholding tax if they are resident in a country which has a double taxation agreement with Australia.

Disposal of New Shares (less than 10% interest)

In relation to the tax consequences on the disposal of New Shares, a foreign tax resident shareholder who, together with their associates, does not have a non-portfolio interest (i.e. less than 10% interest) in the Company should generally not be taxable on any capital gain realised on the disposal of their New Shares. Any capital loss incurred should also not be deductible for tax purposes.

Disposal of New Shares (10% or greater interest)

Where, at the time of the disposal of the New Shares, more than 50% of the market value of the assets of the Company is represented (directly or indirectly) by real property interests in Australia or certain mining, quarrying and prospecting rights in Australia, a foreign tax resident shareholder who, together with their associates, has a non-portfolio interest in the Company (i.e. 10% or greater interest) should generally be subject to tax under the CGT provisions on any capital gain derived on the disposal of their New Shares. The cost base for New Shares should be the amount paid for them (i.e. the Issue Price) together with certain incidental costs of acquisition and disposal. The foreign tax resident shareholder should not be eligible for any CGT discount on their disposal of the New Shares.

Where the foreign tax resident has a non-portfolio interest in the Company, capital losses may be able to be offset against capital gains derived in the same or future income years subject to satisfaction of the tax loss utilisation rules.

Where the foreign tax resident has a non-portfolio interest in the Company, a purchaser may have foreign resident withholding obligations and be required to withhold tax at 12.5% of the gross proceeds on the disposal of the New Shares, except where the transaction is on an approved Stock Exchange such as the ASX.

5.4 Provision of TFN or ABN

Australian tax legislation imposes withholding tax (currently at a rate of 47%) on the payment of distributions on certain types of investments, such as the unfranked part of any dividend, where no TFN or ABN (if applicable) has been provided.

A Shareholder is not required to provide their TFN or ABN to the Company.

5.5 Other Australian Taxes

GST and stamp duty are not payable on the issue, receipt, exercise, sale, transfer or disposal of New Shares or Entitlements. GST is not payable in relation to the payment of dividends by the Company.

6. Additional information

6.1 Lead Manager Mandate

The Company has engaged the Lead Manager, Foster Stockbroking, as the lead manager for the Placement and Entitlement Offer under an engagement letter dated 2 December 2024 (**Mandate**).

The key terms are as follows:

- (a) the following fees are payable to the Lead Manager under the Mandate:
 - (1) a management fee equal to 3% of the gross proceeds of the Offer (which for the avoidance of doubt includes the Placement, the Institutional Entitlement Offer and the Retail Entitlement Offer;
 - (2) a distribution fee equal to 4% of the gross proceeds of the Offer, less proceeds received from existing Shareholders under the Entitlement Offer (but including any proceeds from existing Shareholders who bid in excess of their entitlements) (**Distribution Fee**); and
 - (3) 25 million Options with a strike price of \$0.012 and expiry date of 31 December 2027;
- (b) all selling fees to brokers are payable from the Distribution Fee, and the Lead Manager at its sole discretion may distribute some of the Options to third party brokers as an incentive;
- (c) in the event that \$2.4 million is not raised, the number of Options issued to the Lead Manager shall be prorated according to any decrease in gross proceeds;
- (d) Cerberus Advisory will be allocated 1.5% from the Lead Manager's fee and receive 20% of the Options;
- (e) the term is three months from the date of the Mandate, unless mutually extended in writing or terminated earlier;
- (f) either party may terminate the Mandate on 3 days' written notice, and the Lead Manager can terminate in a number of circumstances including if:
 - (1) ASX suspends quotation of the shares of the Company;
 - (2) the Company breaches any provision of the Mandate, commits an act of gross negligence, fraud or wilful misconduct or refuses to provide the Lead Manager with information reasonably requested in relation to duties for the Services;
 - (3) in the Lead Manager's opinion it is not appropriate to continue the engagement for legal or regulatory reasons;
 - (4) there is an investigation or inquiry or proceedings initiated by any governmental authority including ASIC or ACCC into the conduct of the Company or the Offer or any part of it;
 - (5) approval is refused or not granted to the quotation of the Shares issued under the Placement on the ASX;

- (6) the Company is prevented from allotting and issuing the new Shares under the Placement, by applicable laws, an order of a court of competent jurisdiction or a governmental authority, within the required timetable;
- (7) the Company notifies the Lead Manager that it has withdrawn the Offer or any part of the Offer;
- (8) the occurrence of any material adverse change in the condition, business, operations, assets, liabilities, financial position, performance, profits, losses or prospects of the Company;
- (9) the S&P/ASX 200 Index or the All Ordinaries Index is, for any two consecutive trading days, more than 10% below the level of that index on the day before the signing of the Mandate;
- (10) any material adverse change or disruption to the existing financial markets, political or economic conditions of Australia, Japan, the United Kingdom or the United States of America or in the international financial markets or any material adverse change occurs in national or international political, financial or economic conditions, in each case the effect of which is that, in the Lead Manager's reasonable opinion reached in good faith, it is impracticable to market the Placement (either in whole or in part) or to enforce contracts to issue and allot the Shares;
- (11) any representation or warranty in the Mandate on the part of the Company is not true or correct; or
- (12) the Placement is prevented from proceeding for any reason whatsoever;
- (g) the Company has agreed to reimburse the Lead Manager in respect of all reasonable expenses incurred incidental to the Placement and the Entitlement Offer, with expenses in excess of \$2,000 requiring approval by the Company;
- (h) the Company grants the Lead Manager a non-exclusive right of first refusal to act as the Company's Lead Managers in connection with any issue of securities by the Company until 31 December 2025;
- (i) the Company indemnifies the Lead Manager and related persons against losses, liabilities and claims in respect of the Offer; and
- (j) the Company gives various warranties, representations and covenants in favour of the Lead Manager that are considered standard for an agreement of this nature.

The Mandate is otherwise subject to standard terms and conditions for an agreement of this nature.

6.2 **Section 708AA of the Corporations Act**

Clara Resources is a disclosing entity and therefore subject to regular reporting and disclosure obligations under the Corporations Act. Under those obligations, the Company is obliged to comply with all applicable continuous disclosure and reporting requirements in the Listing Rules.

The Retail Entitlement Offer is being undertaken pursuant to section 708AA of the Corporations Act. This section enables disclosing entities to undertake a rights issue in relation to securities in a class of securities which has been quoted by ASX at all times during the 12 months before the date of the Entitlement Offer. Apart from formal matters a notice under section 708AA(2)(f) need only:

- (a) contain information that is excluded information as at the date of the Offer Document pursuant to section 708AA(8) and (9); and
- (b) state:
 - (1) the potential effect the issue of the New Shares will have on the control of the Company; and
 - (2) the consequences of that effect.

A notice under section 708AA(2)(f) was lodged with the ASX on 17 December 2024.

6.3 Rights and liabilities attaching to New Shares

The New Shares will have from issue the same rights attaching to all existing Shares on issue. The rights attaching to ownership of the New Shares are set out in the Company's Constitution, a copy of which is available for inspection at the registered office of the Company during business hours.

This Offer Document does not contain a summary of the principal rights and liabilities of holders of the New Shares.

6.4 Expenses of the Entitlement Offer

All expenses connected with the Capital Raise are being borne by the Company. Total expenses of the Entitlement Offer are estimated to be in the order of \$200,000 (assuming that the Entitlement Offer is fully subscribed).

In addition the Company may if it deems it necessary for the placement of any Retail Entitlement Shortfall, pay stockbrokers' fees which will be equal to a percentage of the Issue Price (including GST) of New Shares issued under the Retail Entitlement Shortfall.

6.5 Consents and disclaimers

Written consents to the issue of this Offer Document have been given and at the time of this Offer Document have not been withdrawn by the following parties:

Foster Stockbroking has given and has not withdrawn its consent to be named in this Offer Document as the lead manager in the form and context in which it is named. It takes no responsibility for any part of the Offer Document other than references to its name.

Link Market Services Limited has given and has not withdrawn its consent to be named in this Offer Document as the Share Registry of the Company in the form and context in which it is named. It has had no involvement in the preparation of any part of this Offer Document other than recording its name as share registry to the Company and it takes no responsibility for any part of the Offer Document other than the references to its name.

HopgoodGanim Lawyers has given and has not withdrawn its consent to be named in this Offer Document as solicitors to the Entitlement Offer in the form and context in which it is named. It takes no responsibility for any part of the Offer Document other than references to its name.

6.6 Privacy

By submitting an Entitlement and Acceptance Form for New Shares you are providing to the Company personal information about yourself. If you do not provide complete and accurate personal information, your application may not be able to be processed.

The Company maintains the register of members of the Company through its Share Registry which is an external service provider. The Company requires the Share Registry to comply with the National Privacy Principles with performing these services. The Company's register is required under the Corporations Act to contain certain personal information about you such as your name and address and number of Shares and options held. In addition, the Company collects personal information from members such as, but not limited to, contact details, bank accounts and membership details and tax file numbers.

This information is used to carry out registry functions such as payment of dividends, sending annual and half yearly reports, notices of meetings, newsletters and notifications to the Australian Taxation Office. In addition, contact information will be used from time to time to inform members of new initiatives concerning the Company.

The Company understands how important it is to keep your personal information private. The Company will only disclose personal information we have about you:

- (a) when you agree to the disclosure;
- (b) when used for the purposes for which it was collected;
- (c) when disclosure is required or authorised by law;
- (d) to other members in the Clara Resources group of companies;
- (e) to your broker;
- (f) to external service suppliers who supply services in connection with the administration of the Company's register such as mailing houses and printers, Australia Post and financial institutions.

You have the right to access, update and correct your personal information held by the Company and the Share Registry, except in limited circumstances. If you wish to access, update or correct your personal information held by the Share Registry or by the Company please contact our respective offices.

If you have any questions concerning how the Company handles your personal information please contact the Company.

6.7 **Directors' statement**

This Offer Document is issued by Clara Resources Australia Limited. Each director has consented to the lodgement of the Offer Document with ASX.

Signed on the date of this Offer Document on behalf of Clara Resources Australia Limited by:



.....
Richard Willson
Director

7. Definitions and glossary

Terms and abbreviations used in this Offer Document have the following meaning:

Acceptance	An acceptance of Entitlements
Additional New Shares	Any New Shares issued under the Retail Entitlement Shortfall Facility
Applicant	A person who submits an Entitlement and Acceptance Form
Application Money	The aggregate amount payable for the New Shares applied for by an Applicant, calculated as multiplying the Offer Price by the number of New Shares applied for
ASX	ASX Limited ACN 008 624 691 and the market operated by it, the Australian Securities Exchange (as applicable)
ASX Listing Rules or Listing Rules	The official listing rules of the ASX
ASX Settlement Operating Rules	The operating rules of ASX Settlement Pty Ltd
Board	The board of Directors of the Company
Capital Raise	The Placement and the Entitlement Offer
CHESS	The Clearing House Electronic Sub-register System, an automated transfer and settlement system for transactions in securities quoted on the ASX under which transfers are effected in paperless form.
Closing Date	The date by which valid acceptances must be received by the Share Registry being 5.00pm (Sydney time) 17 January 2025 or such other date determined by the Board
Company or Clara Resources	Clara Resources Australia Limited ACN 122 957 322
Constitution	The Constitution of the Company
Corporations Act	<i>Corporations Act 2001</i> (Cth)
Debt Conversion Facility	The facility described in section 2.7 under which Eligible Retail Shareholders who are also creditors of the Company may elect to subscribe for their Entitlement by means of conversion (on a dollar-for-dollar basis) of some or all of the existing debt owed to them by the Company
Directors	The Directors of the Company
Eligible Jurisdictions	Australia and New Zealand
Eligible Institutional Shareholder	An Institutional Shareholder who: (a) has a registered address in one of the Eligible Jurisdictions; and (b) has received an offer under the Institutional Entitlement Offer (either directly or through a nominee).
Eligible Retail Shareholder	A Retail Shareholder whose registered address is in any of the Eligible Jurisdictions on the Record Date
Eligible Shareholders	Means, collectively, Eligible Institutional Shareholders and Eligible Retail Shareholders

Entitlement and Acceptance Form or Form	An entitlement and acceptance form in relation to the Retail Entitlement Offer, the form attached to this Offer Document
Entitlement Offer	The accelerated non-renounceable entitlement offer of approximately 281,497,485 New Shares at the Issue Price as described in clause 1.1, comprising the Institutional Entitlement Offer and the Retail Entitlement Offer
Entitlements	The entitlement to accept New Shares under the Entitlement Offer
Existing Options	All existing options to subscribe for Shares currently on issue as at the date of this Offer Document
Existing Shares	The Shares already on issue on the Record Date
Fractional Entitlement	The extent that the Entitlement Offer results in an Entitlement to a fraction of a New Share
Ineligible Retail Shareholder	A Shareholder who is not an Eligible Retail Shareholder
Institutional Entitlement Offer	The offer of New Shares to Eligible Institutional Shareholders under the Entitlement Offer
Institutional Shareholder	A Shareholder who is a professional or sophisticated investor within the meaning of the Corporations Act as at the commencement of the Institutional Entitlement Offer
Issue Price	\$0.006 per New Share
Lead Manager	Foster Stockbroking Pty Ltd AFSL no. 223687
Mandate Agreement	The mandate agreement between the Company and Foster Stockbroking dated 2 December 2024 appointing Foster Stockbroking as the Lead Manager of the Capital Raise
New Shares	The Shares proposed to be issued under the Entitlement Offer
Offer Document	This Offer Document dated 27 December 2024 as modified or varied by the Company
Official Quotation	Means quotation on the official list of ASX
Opening Date	The date of commencement of the Retail Entitlement Offer, expected to be 27 December 2024
Option Holders	The holders of the Existing Options
Options	Options on issue in the Company from time to time
Placement	A placement by the Company of approximately 70,000,000 Shares to sophisticated and professional investors at the Issue Price, raising approximately \$420,000
Record Date	7:00pm (Sydney time) on 20 December 2024
Register	The register of members of the Company
Retail Entitlement Offer	The offer of New Shares to Eligible Retail Shareholders in accordance with this Offer Document as part of the Entitlement Offer
Retail Entitlement Shortfall	The shortfall between the number of New Shares (and Additional New Shares) applied for under the Retail Entitlement Offer and the number of New Shares offered to

	Eligible Retail Shareholders under the Retail Entitlement Offer
Retail Shareholders	A Shareholder on the Record Date who is not an Eligible Institutional Shareholder
Retail Entitlement Shortfall Facility	The facility described in section 1.4 under which Eligible Retail Shareholders may apply for Additional New Shares in excess of their Entitlement
Securities	Has the same meaning as in section 92 of the Corporations Act
Share Registry or Link	Link Market Services Limited
Shares	The ordinary shares on issue in the Company from time to time
Shareholder or Shareholders	The holders of Shares from time to time
Shortfall Election	An election by an Eligible Retail Shareholder (who has taken up their Entitlement in full) to subscribe for Additional New Shares in excess of their Entitlement, as described in clause 1.4 of this Offer Booklet
US Securities Act	The US Securities Act of 1933, as amended.

Corporate directory

Directors and Senior Management	Legal Advisers to the Capital Raise
<p>Richard Willson (<i>Non-Executive Chair</i>)</p> <p>Brian Moller (<i>Non-Executive Director</i>)</p> <p>Nicholas Mather (<i>Non-Executive Director</i>)</p> <p>Peter Westerhuis (<i>Managing Director & Chief Executive Officer</i>)</p> <p>Alex Fitzgerald (<i>Non-Executive Director</i>)</p>	<p>HopgoodGanim Lawyers</p> <p>Level 8 Waterfront Place</p> <p>1 Eagle Street</p> <p>Brisbane QLD 4000</p>
Administration and Registered Office	Share Registry
<p>Level 19, 10 Eagle Street</p> <p>Brisbane Qld 4000</p> <p>Tel: 07 3303 0192</p> <p>https://www.clararesources.com.au/</p>	<p>Link Market Services Limited</p> <p>Parramatta Square, Level 22, Tower 6, 10 Darcy Street, Parramatta NSW 2150</p> <p>Tel: +61 1300 554 474</p>
Lead Manager	
<p>Foster Stockbroking</p> <p>Level 9, 275 George Street, Sydney NSW 2000</p>	