

# Prospectus

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Clara Resources Australia Limited ACN 122 957 322 (**Company**)

A non-renounceable rights issue to Eligible Shareholders of 2 New Shares for every 3 Shares held at an issue price of \$0.01 per New Shares to raise approximately \$1,667,594 before costs of the Offer.

**The lead manager of the Offer is Cerberus Investments Pty Ltd.  
The Offer is not underwritten.**

**This document is important and it should be read in its entirety.**

If you are in any doubt as to the contents of this document, you should consult your stockbroker, solicitor, banker, financial advisor or accountant as soon as possible. The securities offered by this Prospectus are considered to be speculative.

Your Entitlement and Acceptance Form must be received by the Share Registry with your payment no later than 5.00pm (Brisbane time) on the Closing Date. Please refer to the timetable set out in this Prospectus for the Important Dates.

This is a transaction-specific prospectus issued in accordance with section 713 of the *Corporations Act 2001* (Cth).

**Not for distribution in the United States of America or to U.S. persons except by the Company to shareholders who are “institutional accredited investors” (within the meaning of Rule 501(a)(1), (2), (3), (7), (8), (9) or (12) under the US Securities Act of 1933).**

**Important information**

**Offer statistics**

Number of New Shares to be issued: ..... up to 166,759,359\*

Offer Price: ..... \$0.01

\*Excludes any New Shares which may be issued in the event that any Existing Options are exercised prior to the Record Date.

**Key dates for investors**

Record Date for determining entitlements under the Issue: ..... Wednesday, 25 September 2024

Offer opens: ..... Monday, 30 September 2024

Offer expected to close: ..... Friday, 18 October 2024

Commencement of trading of New Shares on ASX: ..... Monday, 28 October 2024

Expected date for despatch of New Shareholding statements: ..... Tuesday, 29 October 2024

Further details regarding the timetable for the Offer are set out in section 2.2. All dates are subject to change and accordingly are indicative only. In particular, the Company has the right to vary the dates of the Offer, without prior notice. Investors are encouraged to submit their Entitlement and Acceptance Forms as soon as possible after the Offer opens.

**Important notice**

This Prospectus is dated Friday, 20 September 2024 and was lodged with the ASIC on the same date. Neither the ASIC nor the ASX takes any responsibility as to the contents of this Prospectus. No securities will be issued on the basis of this Prospectus any later than 13 months after the date of issue of this Prospectus.

This Prospectus contains an offer to Eligible Shareholders of continuously quoted securities (as defined in the *Corporations Act*) and has been prepared in accordance with section 713 of the *Corporations Act*.

No person is authorised to give any information or to make any representation in connection with the Issue described in this document which is not contained in this document. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with the Issue.

The information provided in this Prospectus is not financial product advice and has been prepared without taking into account your investment objectives, financial circumstances or particular needs. If you have any questions you should seek professional advice before deciding to invest. An investment in New Shares that are offered under this Prospectus should be considered speculative.

For personal use only

## Foreign shareholders

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

The Company has determined to make the Offer available in Australia and New Zealand and all other countries where there is a registered address shown on the Share Register at 7.00pm (Brisbane time) on the Record Date outside of Australia and New Zealand, being Brunei Darussalam, Hong Kong, Malaysia, Taiwan, United Kingdom and the United States. The Company has also determined to make the Offer available in Germany, Luxembourg and Singapore in relation to beneficial Shareholders who have a holding via a custodian or nominee. All of these countries comprise the Eligible Countries.

The Company has shareholder(s) in the People's Republic of China, however, is not able to make the Offer (as a traditional entitlement offer) to that Shareholder (having regard to the investor-status of such shareholders). As at the date of this Prospectus, the Shareholder(s) in the People's Republic of China constitute 0.08% of the Share Register. Given that only one shareholder (Savannah Goldfields Limited, (SVG)) has the potential to exceed a 19.99% interest in the Company and only in the event that Savannah takes up its full entitlement and less than 30% of the balance of New Shares are subscribed for (refer to sections 5.3 and 7.7 for further details), the Company has determined as at the date of this Prospectus not to appoint a nominee for Ineligible Shareholders under section 615 of the Corporations Act, and as such, Eligible Shareholders will not currently be able to rely on the exception for rights issues in item 10 of section 611 of the Corporations Act (**Rights Issue Exception**). The Company intends to seek to discuss with SVG its intentions and, having regard to those discussions and the cadence of acceptances received during the Offer Period, the Company may if it determines it is necessary or desirable to elect to appoint a nominee under section 615 of the Corporations Act (which will require the consent of ASIC) or seek ASIC relief so as to relieve the Company from the requirement to appoint a nominee with respect to the rights of Ineligible Shareholders (having regard to the limited number of Ineligible Shareholders) but to nevertheless permit reliance on the Rights Issue Exception by a relevant Shareholder.

The Company has not made any investigation as to the regulatory requirements that may prevail in the countries outside of Australia, New Zealand and the other Eligible Countries. It is the responsibility of overseas Applicants to ensure compliance with all laws of any country relevant to their Acceptance. The Offer may only be accepted by Eligible 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 Prospectus in jurisdictions outside of Australia, New Zealand and the other Eligible Countries may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe those restrictions. Any failure to comply with restrictions might constitute a violation of applicable securities laws.

See section 2.10 for further information on Offer restrictions with respect to shareholders who do not have registered addresses in Australia.

## New Zealand

The New Shares 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 a product disclosure statement under New Zealand law is required to contain.

## **Brunei Darussalam**

This Prospectus is only intended to be distributed and made available, and the New Shares to be offered only, to existing shareholders of the Company. This Prospectus may not be distributed, published or advertised, directly or indirectly, to the public in Brunei Darussalam. No recipient of this Prospectus may distribute it or make copies of it available to any other person. This Prospectus has not been registered with the Brunei Registrar of Companies.

## **Hong Kong**

WARNING: This Prospectus may be distributed in Hong Kong only to existing shareholders of the Company. This Prospectus may not be distributed, published, reproduced or disclosed (in whole or in part) to any other person in Hong Kong or used for any purpose in Hong Kong other than in connection with the recipient's consideration of the Offer.

You are advised to exercise caution in relation to the Offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

This Prospectus has not been reviewed by any Hong Kong regulatory authority. In particular, this Prospectus has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of the Laws of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong under Securities and Futures Ordinance (Cap. 57) of the Laws of Hong Kong.

## **Malaysia**

No approval from, or recognition by, the Securities Commission of Malaysia has been or will be obtained in relation to the offer of New Shares. The New Shares may not be offered, sold or issued in Malaysia except to existing shareholders of the Company. Any New Shares not taken up under the Offer may not be offered, sold or issued in Malaysia except pursuant to, and to persons prescribed under, Part 1 of Schedule 6 and Schedule 7 of the Malaysian Capital Markets and Services Act 2007.

## **Taiwan**

The New Shares have not been registered in Taiwan nor approved by the Financial Supervisory Commission of the Republic of China (Taiwan). Holders of New Shares may not resell them in Taiwan nor solicit any other purchasers in Taiwan for this Offer.

## **United Kingdom**

Neither this Prospectus nor any other document relating to the offer of New Shares has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended (FSMA)) has been published or is intended to be published in respect of the New Shares.

The New Shares may not be offered or sold in the United Kingdom by means of this Prospectus or any other document, except in circumstances that do not require the publication of a prospectus under section 86(1) of the FSMA. This Prospectus is issued on a confidential basis in the United Kingdom to fewer than 150 persons who are existing shareholders of the Company. This Prospectus may not be disclosed by recipients, to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the New Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to the Company.

In the United Kingdom, this Prospectus is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment

professionals) of the Financial services and Markets Act 2000 (Financial Promotions) Order 2005 (FPO), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc) of the FPO or (iii) to whom it may otherwise be lawfully communicated (together “relevant persons”). The investment to which this Prospectus relates is available only to relevant persons. Any person who is not a relevant person should not act or rely on this Prospectus.

## United States

The New Shares have not been, and will not be, registered under the US Securities Act of 1933 or the securities laws of any state or other jurisdiction of the United States. Accordingly, the New Shares may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act of 1933 and applicable US state securities laws.

The Offer is being made in the United States only to a limited number of shareholders of the Company who are “institutional accredited investors” (within the meaning of Rule 501(a)(1), (2), (3), (7), (8), (9) or (12) under the Securities Act). In order to participate in the Offer, a US shareholder must sign and return a US investor certificate, together with an application form, that is available from the Company to confirm, amongst other things, that the US shareholder is an “institutional accredited investor”.

## European Union (Germany and Luxembourg)

This document has not been, and will not be, registered with or approved by any securities regulator in the European Union. Accordingly, this document may not be made available, nor may the New Shares be offered for sale, in any member state of the European Union except in circumstances that do not require a prospectus under Article 1(4) of Regulation (EU) 2017/1129 of the European Parliament and the Council of the European Union (the **Prospectus Regulation**).

In accordance with Article 1(4)(a) of the Prospectus Regulation, an offer of New Shares in each member state of the European Union is limited:

- to persons who are “qualified investors” (as defined in Article 21 of the Prospectus Regulation);
- to fewer than 150 natural or legal persons (other than qualified investors); or
- in any other circumstance falling within Article 1(4) of the Prospectus Regulation.

## Singapore

This document and any other materials relating to the New Securities have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of New Securities, may not be issued, circulated or distributed, nor may the New Securities be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (the “SFA”), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This document has been given to you on the basis that you are (i) an existing holder of the Company’s shares, (ii) an “institutional investor” (as defined in the SFA), or (iii) a “relevant person” (as defined in section 275(2) of the SFA). In the event that you are not an investor falling within any of the categories set out above, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the New Securities being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who

acquire New Securities. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

### **Foreign Nominee**

If a foreign nominee is appointed under section 615 of the Corporations Act (**Foreign Nominee**), then subject to the approval by ASIC of such appointment, the Company will issue to the Foreign Nominee those New Shares that would otherwise have been issued to Ineligible Shareholders as at the Record Date and the Foreign Nominee will attend to the sale of those New Shares on behalf of the Ineligible Shareholders. The Foreign Nominee will direct the net proceeds (if any, after deduction of the Offer Price, the costs of sale and any applicable withholding tax) to the Company to facilitate pro rata payments of any net proceeds to the Ineligible Shareholders.

The Foreign Nominee will have the absolute and sole discretion to determine the timing and the price at which the New Shares issued to it may be sold and the manner in which any sale is made. Any interest earned on the proceeds of the sale of these New Shares will be applied firstly against expenses of such sale, including brokerage, and any balance will accrue to the Company. The proceeds of the sale (if any) will be paid to those Ineligible Shareholders for whose benefit the New Shares are sold in proportion to their shareholdings as at the Record Date (after deducting the Offer Price, brokerage, commission and other expenses). If the proceeds of sale are less than the reasonable costs that would be incurred by the Company for distributing those proceeds, such proceeds may be retained by the Company. Notwithstanding that the Foreign Nominee may sell the New Shares, Ineligible Shareholders may nevertheless receive no net proceeds if the Offer Price plus the costs of the sale are greater than the sale proceeds. Neither the Company nor the Foreign Nominee will be liable for a failure to obtain any net proceeds, or to sell the New Shares at any particular price or at any particular time.

### **How to accept Entitlement to New Shares**

Entitlements to New Shares can be accepted in full or in part by completing and returning the Entitlement and Acceptance Form with payment of the Acceptance Money by EFT (for overseas residents) or by making payment of Acceptance Money by BPAY® (for Australian residents) in accordance with the instructions set out in this Prospectus and on the Entitlement and Acceptance Form. Refer to Section 3 for full details of how to obtain and accept the Offer.

This Prospectus is available in electronic form on the internet at [www.clararesources.com.au](http://www.clararesources.com.au). If you wish to obtain a free copy of this Prospectus, please contact the Company by email at [jhaley@clararesources.com.au](mailto:jhaley@clararesources.com.au).

### **Enquiries**

If you are an Eligible Shareholder and have any questions in relation to the 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 call the Lead Manager by email at [duncan@cerberusadvisory.com.au](mailto:duncan@cerberusadvisory.com.au) or by phone on 0404 006 444 (or +61 404 006 444 from overseas).

### **Deciding to accept the Offer**

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

Please read this Prospectus 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 1.5 of this Prospectus and set out in more

detail in section 6 of this Prospectus. This Prospectus is an important document and you should read it in full before deciding whether to invest pursuant to the 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: [www.clararesources.com.au](http://www.clararesources.com.au).

### **Terms used**

A number of terms and abbreviations used in this Prospectus have defined meanings, which are explained in the definitions and glossary in section 8.

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

### **Forward looking statements**

Some of the information contained in this Prospectus 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 Prospectus details some important factors that could cause the Company's actual results to differ from the forward-looking statements made in this Prospectus.

### **No representations**

No person is authorised to give any information or to make any representation in connection with the Offer which is not contained in this Prospectus. Any information or representation in connection with the Offer not contained in this Prospectus may not be relied on as having been authorised by the Company or its officers. This Prospectus does not provide investment advice or advice on the taxation consequences of accepting the Offer. The Offer and the information in this Prospectus, do not take into account your investment objectives, financial situation and particular needs (including financial and tax issues) as an investor.

**Table of Contents**

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- 1. Investment summary .....9
- 2. Details of the Offer .....16
- 3. How to apply.....21
- 4. Company Information .....25
- 5. Effect of the Offer on the Company.....33
- 6. Risk factors.....38
- 7. Additional information.....46
- 8. Definitions and glossary .....56

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## Chair's letter

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Friday, 20 September 2024

Dear Shareholders,

It is my pleasure to introduce this Prospectus and invite you to take up your Entitlement of New Shares in Clara Resources Australia Limited (**Offer**).

As announced on Friday, 20 September 2024 the Directors wish to provide the opportunity for Eligible Shareholders to invest in New Shares under the Offer. The Offer is a non-renounceable rights issue of 2 New Shares for every 3 Shares held at an issue price of \$0.01 per New Share, to raise approximately \$1,667,594 (before Offer costs).

The issue price represents a 17% discount to the 30 day volume-weighted average Share price (being \$0.012) as at 19 September 2024.

It is proposed that the funds raised from the Offer will be applied for the purposes of repayment of the principal amount and unpaid interest under the Bridging Loans, the costs of the Offer and to provide working capital.

The Directors intend to take up their entitlement to New Shares.

A personalised Entitlement and Acceptance Form is available at <https://events.miracle.com/c7a-offer> and sets out the number of New Shares you are entitled to subscribe for as an Eligible Shareholder (**Entitlement**). Entitlements to New Shares can be accepted in full or in part or in excess of your Entitlement by completing and returning the Entitlement and Acceptance Form with payment of the Acceptance Money by EFT (for overseas residents) or by making payment of Acceptance Money by BPAY® (for Australian residents) in accordance with the instructions set out in this Prospectus 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.

Eligible Shareholders can also apply for additional New Shares in excess of their Entitlement, subject to the discretion of the Board with regards to the scale back and allocation of Additional New Shares applied for in excess of Entitlements. The issue of any Additional New Shares will be filled at the Company's discretion from any Shortfall.

Please refer to the timetable for the important dates of the Offer.

The Offer is non-renounceable and therefore your Entitlements will not be tradeable on the ASX or otherwise transferable.

Cerberus Investments Pty Ltd is the Lead Manager of the Offer. The Company will work with the Lead Manager to place any Shortfall to new investors of New Shares not subscribed to by Eligible Shareholders.

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

Yours sincerely,



Brian Moller  
Chair - Clara Resources Australia Limited

## 1. Investment summary

The information set out in this section is not intended to be comprehensive and should be read in conjunction with the full text of this Prospectus.

### 1.1 The Offer

This Prospectus is for the non-renounceable rights issue of approximately 166,759,359 New Shares at an issue price of \$0.01 per New Share, on the basis of 2 New Shares for every 3 Shares held by Eligible Shareholders as at the Record Date.

The Offer is an offer to Eligible Shareholders only.

The Offer Price of \$0.01 per New Share represents a 17% discount to the 30 day volume-weighted average price for Shares (being \$0.012) as at 19 September 2024.

On the same date as announcing the Offer, the Company applied to the ASX for the New Shares to be granted Official Quotation on the ASX. Official Quotation of the New Shares is expected to occur on or about Monday, 28 October 2024.

The Directors may at any time decide to withdraw this Prospectus and the offer of New Shares made under this Prospectus, in which case the Company will return all applications moneys (without interest) within 28 days of giving notice of such withdrawal.

### 1.2 Minimum subscription

There is no minimum subscription to the Issue.

### 1.3 Purpose of the Offer

The Directors intend to apply the proceeds from the Offer for the purposes of:

- (a) repayment of the Bridging Loans;
- (b) the costs of the Offer; and
- (c) working capital.

The proceeds from the Offer (assuming it is fully subscribed) is proposed to be allocated in the following manner:

<b>Proposed use of funds</b>	
Repayment of the Bridging Loans	\$1.270M
Other Creditors	\$0.050M
Estimated costs of the Issue (including legal fees, Lead Manager's fees, Share Registry fees, ASX fees and other miscellaneous costs associated with the Offer)*	\$0.110M
Working capital	\$0.237M
<b>Total (maximum raising)</b>	<b>\$1.667M</b>

\* Assumes that the Offer is fully subscribed, and does not take account of brokerage (if any) discussed at section 3.1.

The above statement is a statement of current intentions as at the date of this Prospectus. 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.

Upon completion of the Offer, the Company will have total working capital (including current cash reserves) of approximately \$461,000 to progress its development of the Ashford Coking Coal Project and other projects.

The Company notes that if the 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 all of the Bridging Loans may be reduced. If such a circumstance arises, the Company will consider all options available to it. On and from 29 October 2024, the lenders under the Bridging Loans may also elect to convert their debt into Shares under the terms of the Bridging Loans (refer to section 4.2(d) for further details in respect of the Bridging Loans). The Company notes that the conversion price under the Bridging Loans is the same as the Offer Price.

#### 1.4 Investment highlights

The repayment of the Bridging Loans and the repayment of other creditors will clear all current debts of the Company and provide a platform, with receipt of some additional working capital, for the Company to progress its recently acquired full ownership of the Ashford Coking Coal Project in the Northern Tablelands of NSW.

Development of the Ashford Coking Coal Project is the Company's current priority. The Project Scoping Study completed and disclosed in March 2024 demonstrates the potential to build and operate an economic coking coal mine with a life of at least 12 years and a strongly saleable product for supply into Asian coal markets.<sup>1</sup>

#### 1.5 Risk factors

Investing in the Company involves risk. There are factors, both specific to the Company and of a general nature, which may affect the future operating and financial performance of the Company. Some of these factors can be mitigated by appropriate commercial action. However, many are outside the control of the Company, dependent on the policies adopted and approaches taken by regulatory authorities, or cannot otherwise be mitigated. If you are unsure about subscribing for New Shares, you should first seek advice from your stockbroker, accountant, financial or other professional adviser.

The following sets out a summary of some of the key risks relevant to the Company and its operations:

Risk	Details
<b>Current and future sources of funding</b>	<p>The Company's ability to effectively implement its business strategy over time will 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.</p> <p>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</p>

<sup>1</sup> Refer to ASX announcements dated 4 March 2024 and 2 April 2024. The Company confirms that it is not aware of any new information or data that materially affects the information included in the relevant announcement and that all material assumptions and technical parameters underpinning the forecast financial information and production target in the relevant announcement(s) continue to apply and have not materially changed.

Risk	Details
	<p>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.</p> <p>The Company's ability to raise further funding to meet both its operating 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.</p> <p>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.</p> <p>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. In the interim, default interest is payable at the rate of 5% per annum and, if payment is not received by 29 October 2024, a Lender may elect to convert the loan, plus default interest (subject to any necessary shareholder approvals), into ordinary shares in the Company at a conversion price of \$0.01 per share.</p> <p>If the Bridging Loans are not able to be satisfied out of the proceeds of the Offer (including the Shortfall) and Lenders do not elect to convert their Bridging Loans to equity (when entitled to do so, and subject to shareholder approval), then the Company will need to explore other alternatives in respect of repayment. Such alternatives may be dilutionary to Shareholders or be on less than favourable terms to the Company.</p>
<p><b>Exploration and evaluation risks</b></p>	<p>Potential investors should understand that mineral exploration and development are high risk undertakings. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited.</p> <p>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 gathering, processing and transportation facilities.</p> <p>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 materially impact the business, financial position and performance of the Company.</p>
<p><b>Mine development risk</b></p>	<p>Future development of a mining operation 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</p>

Risk	Details
	<p>equipment, cost overruns, access to the required level of funding and contracting risk from third parties providing essential services.</p> <p>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.</p> <p>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.</p> <p>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.</p>
<b>Geology and coal quality</b>	<p>There is risk associated with potential variation in the Ashford Coking Coal Project run-of mine (<b>ROM</b>) 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.</p> <p>The Ashford Coking Coal Project raw coal quality 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.</p> <p>There is no certainty further exploration and analysis will confirm the assumptions in the scoping study.</p>
<b>Operational risks and costs</b>	<p>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, its subsidiaries or companies it has an interest in.</p> <p>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 grade 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.</p>

<b>Risk</b>	<b>Details</b>
<b>Contractual and joint venture risk</b>	<p>The Company may wish to develop 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.</p> <p>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.</p>
<b>Commodity prices</b>	<p>The Company's prospects will be influenced by the prevailing prices of the commodities targeted in its exploration programs. Commodity prices, including coking coal prices, fluctuate and are affected by factors including supply and demand for mineral products, 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 Company's ability to finance its future exploration and/or bring the Company's projects to market.</p> <p>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.</p>
<b>Regulatory Risk and government policy</b>	<p>Changes in relevant taxation, interest rates, other legal, legislative and administrative regimes, and Government policies in Australia 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.</p> <p>Changing attitudes to environmental, land care, cultural heritage or traditional religious artefacts 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 exploration plans or, indeed its rights and/or obligations with respect to the tenements.</p>

Further details regarding risks which may affect the Company in the future are set out in section 6.

The New Shares offered under this Prospectus carry no guarantee of profitability, dividends, return of capital or the price at which they may trade on ASX. The past performance of the Company should not necessarily be considered a guide to their future performance.

#### 1.6 **New Share terms**

Upon issue, each New Share will rank equally with all existing Shares then on issue. A summary of the rights attaching to the New Shares is set out in section 7.3.

#### 1.7 **Acceptance of Entitlement to New Shares**

The number of New Shares to which an Eligible Shareholder is entitled and the total amount an Eligible 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 <https://events.miraqle.com/c7a-offer>. This Prospectus is for the information of Eligible 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 or in excess of your Entitlement by, for Australian residents, making payment of Acceptance Money by BPAY® in accordance with the instructions set out below and on the Entitlement and Acceptance Form or, for overseas residents, by making payment by EFT and completing and returning the Entitlement and Acceptance Form . Acceptance Money should be rounded up to the nearest cent. See Section 3 for further details about how to accept the Offer.

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 Offer.

#### 1.8 Applying for Additional New Shares

Entitlements not taken up may become available as Additional New Shares. Eligible Shareholders may, in addition to their Entitlements, apply for New Shares, including the corresponding number of New Options, over and above their Entitlement at the Offer Price (**Additional New Shares**) regardless of the size of their present holding.

It is an express term of the Offer that applicants for Additional New Shares will be bound to accept a lesser number of Additional New Shares allocated to them than applied for. If a lesser number is allocated to them, excess Application Money will be refunded without interest. The Company reserves the right to scale back any applications for Additional New Shares in their absolute discretion.

The Directors also reserve the right to issue any New Shares not allocated under the Offer within three months following the Closing Date at a price not less than the Offer Price.

#### 1.9 Directors intentions in respect of Entitlements

As at the date of this Prospectus, some of the Directors of Clara 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	New Share Entitlement	Intentions
Brian Moller	1,044,505	696,337	Intends to take up Entitlements
Nicholas Mather	2,121,789	1,414,526	Intends to take up Entitlements
Richard Willson	536,883	357,922	Intends to take up Entitlements

*Note:*

*Details of Options held by the Directors are set out in section 7.5.*

#### 1.10 Lead Manager

Cerberus Investments Pty Ltd has been appointed as the lead manager to the Offer. Further details of the terms of appointment of the lead manager are set out in section 7.10.

#### 1.11 Underwriting

The Offer is not underwritten. The Company reserves the right to appoint an underwriter during the Offer.

## 1.12 Shortfall and dilution of Shareholder's interests

Any Entitlement not taken up pursuant to the Offer will form part of the Shortfall.

Eligible Shareholders who apply for their full Entitlement may also apply for Additional New Shares in excess of their Entitlement at the Offer Price, to be issued from any Shortfall (at the Company's discretion). Directors of the Company (and any other related parties of the Company) are not permitted to apply for Additional New Shares but may take up their Entitlement, if any.

In the event that there remains a Shortfall following the issuance of the Additional New Shares, the Company and the Directors reserve the right (as contemplated within the ASX Listing Rules), to allocate any of that Shortfall in their absolute discretion in consultation with the Lead Manager during, and after, the Offer in order to secure commitments to place, and subsequently to place, any Shortfall - so as to ensure a maximum amount of funds is raised (or debt is retired).

Shareholders should be aware that to the extent that they do not accept their Entitlements in full, a Shortfall will arise and all or part of any Shortfall may be placed by the Company, in consultation with the Lead Manager, to other parties in which case their interest in the Company may be significantly diluted (see section 5.2 for further details). Further, the Offer is unable to be made to Ineligible Shareholders. Given the terms of the Offer, the interests of a Shareholder in the Company may be diluted by up to 40% in the event that they are not eligible to participate or elect not to accept their Entitlement in full if the Offer is fully subscribed or alternatively, any Shortfall is fully placed.

Acceptance of Entitlements or the placement of any Shortfall may also result in existing Shareholders or new investors significantly increasing their interest in the Company or obtaining a substantial interest in the Company. However, the Shortfall will only be placed to the extent that such placement is in compliance with the takeover provisions of the *Corporations Act*, which restrict a person and their associates from having a relevant interest in the Company of not more than 20.0%, subject to a number of exemptions.



## 2. Details of the Offer

### 2.1 Offer to Eligible Shareholders

The Directors of Clara have approved a non-renounceable rights issue of approximately 166,759,359 New Shares at \$0.01 per New Share to raise approximately \$1,667,594 (before Offer costs). Eligible Shareholders of Clara are entitled to subscribe for 2 New Shares for every 3 Shares held. Only those Shareholders shown on the Share Register at 7.00pm (Brisbane time) on the Record Date (except for Ineligible Shareholders) will be entitled to participate in the Offer.

There are currently 34,585,418 Existing Options on issue in the Company. If any of the Existing Options are exercised prior to the Record Date, additional New Shares will be offered under this Prospectus. If all Existing Options on issue at the date of this Prospectus were exercised prior to the Record Date, the Company's issued shares would increase by 34,585,418 Shares, resulting in a further 23,056,945 New Shares being offered pursuant to this Prospectus. This would increase the Company's total Shares on issue after completion of the Offer to 439,955,342 Shares.

Clara has applied to the ASX for the New Shares to be granted Official Quotation on the ASX. Official quotation of the New Shares is expected to occur on or about Monday, 28 October 2024. ASX Participating Organisations (as defined in the ASX Business Rules) cannot deal in the New Shares either as principal or agent until official quotation is granted.

Eligible Shareholders who apply for 100% of their Entitlement are able to apply for Additional New Shares to be issued from any Shortfall at the Offer Price, subject to compliance with Chapter 6 of the Corporations Act and Listing Rules. Any Additional New Shares may be allocated to Eligible Shareholders who apply for Additional New Shares in addition to their Entitlements at the absolute discretion of the Directors. The Directors may then place any Shares not subscribed for under the Shortfall to persons who may or may not be Shareholders. The issue of any Additional New Shares under the Shortfall will be at the absolute discretion of the Company and its Directors (in consultation with the Lead Manager), and as such there is no guarantee that any Additional New Shares applied for will be issued to Eligible Retail Shareholders. The allocation process is described in more detail in sections 2.3 and 3.2.

### 2.2 Important dates

<b>Announcement of Issue</b>	Friday, 20 September 2024
<b>Lodgement of Prospectus with ASIC</b>	Friday, 20 September 2024
<b>Shares commence trading on an ex rights basis</b>	Tuesday, 24 September 2024
<b>Record Date for the Offer</b>	Wednesday, 25 September 2024
<b>Prospectus and Entitlement and Acceptance Form despatched to Shareholders</b>	Monday, 30 September 2024
<b>Opening Date of Offer (9am Brisbane time)</b>	Monday, 30 September 2024
<b>Closing Date of Offer (5pm Brisbane time)</b>	Friday, 18 October 2024
<b>Announcement of results of Offer</b>	Wednesday, 23 October 2024

<b>Expected date of issue of New Shares</b>	Friday, 25 October 2024
<b>Commencement of trading of New Shares on ASX</b>	Monday, 28 October 2024
<b>Expected date of despatch of holding statements for New Shares</b>	Tuesday, 29 October 2024

*The dates set out in this table are subject to change and are indicative only. The Company, in consultation with the Lead Manager, reserves the right to alter this timetable at any time.*

The Directors, subject to the requirements of the Listing Rules and the *Corporations Act*, reserve the right to:

- (a) withdraw the Offer without prior notice; or
- (b) vary any of the important dates set out in this Offer, including extending the Offer.

### 2.3 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 Shareholders of their Entitlements under this Prospectus, the Directors in consultation with the Lead Manager, reserve the right, as contemplated within the ASX Listing Rules to issue any Shortfall at their discretion (see section 5.2). Any Shortfall will be issued within three months after the Closing Date at an issue price being not less than the Offer Price.

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. No New Shares will be allotted or issued on the basis of this Prospectus later than 13 months after the date of issue of this Prospectus.

Where a Shortfall exists, the allocation and allotment of Additional New Shares applied for will be made in accordance with the following policy:

- (a) The Directors may allocate any Shortfall to Eligible Shareholders that have applied to take up their full Entitlement and, in addition, have indicated that they wish to take up Additional New Shares.
- (b) The Directors reserve the right, as contemplated within the Listing Rules to allocate any Shortfall of New Shares in their discretion in consultation with the Lead Manager so as to ensure a maximum amount of funds is raised. They will do so in a manner which will ensure that no Shareholder or other investor will, as a consequence of being placed with any Shortfall, hold a Relevant Interest in more than 19.99% of all of the Shares in the Company after the allocation of any (and all) Shortfall.
- (c) Directors of the Company (and any other related parties of the Company) are not permitted to apply for Additional New Shares but may take up their Entitlement, if any, as disclosed in this Prospectus. Additional New Shares will be issued at the same time as all other New Shares are issued under the Offer.

- (d) Eligible 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, the Listing Rules or FATA, having regard to their own circumstances.
- (e) Any Shortfall not subscribed for by Eligible Shareholders may be placed by the Company at the Company's sole discretion subject to the provisions of the Corporations Act and the Listing Rules. Any remaining Shortfall after the allocation of any Additional New Shares will be issued within three months after the Closing Date at an Issue Price being not less than the Issue Price.

There is no guarantee that Eligible 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 Eligible Shareholders for Additional New Shares in accordance with the policy set out above.

#### 2.4 **ASX listing**

On the same date as announcing the Offer, the Company applied to the ASX for the New Shares to be issued pursuant to this Prospectus to be listed for official quotation by the ASX. If granted, quotation of the New Shares will commence as soon as practicable after allotment of the New Shares to Applicants. It is the responsibility of the Applicants to determine their allocation of New Shares prior to trading.

Should the New Shares not be granted official quotation on the ASX within three months after the date of this Prospectus, none of the New Shares offered under this Prospectus will be issued and all Acceptance Money will be refunded without interest to Applicants within the time prescribed by the *Corporations Act*.

#### 2.5 **CHESS**

The Company will apply to ASX Settlement for the New Shares to participate in the Securities Clearing House Electronic Subregister System known as CHESS.

The Company will not issue certificates to Shareholders with respect to the New Shares. After allotment of the New Shares, those who are issuer sponsored holders will receive 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 Prospectus. 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.

#### 2.6 **No rights trading**

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

#### 2.7 **Minimum subscription**

There is no minimum subscription to the Offer.

#### 2.8 **Lead Manager**

Cerberus Investments Pty Ltd has been appointed the lead manager to the Offer. Further details of the appointment of the lead manager are set out in section 7.10.

Whilst no underwriter has been appointed to the Offer, the Company reserves the right to appoint an underwriter during the Offer.

## 2.9 Option Holders

Option Holders will not be entitled to participate in the 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 Offer as a result of being an Eligible Shareholder at 7.00pm (Brisbane time) on the Record Date.

If all holders of Existing Options elect to exercise their Options prior to the Record Date, and are eligible to participate in the Offer, a further 16,668,063 (approximately) New Shares may be issued under this Prospectus. Details of the Existing Options are set out in section 5.2. However, having regard to the exercise price of the Existing Options and the Offer Price, the Directors believe that it is unlikely that any Existing Options will be exercised prior to the Record Date.

## 2.10 Overseas shareholders

The Company has determined to make the Offer available in all countries where there is a registered address shown on the Share Register at 7.00pm (Brisbane time) on the Record Date outside of Australia and New Zealand, being Brunei Darussalam, Hong Kong, Malaysia, Taiwan, United Kingdom and the United States. The Company has also determined to make the Offer available in Germany, Luxembourg and Singapore in relation to beneficial Shareholders who may have a holding via a custodian or nominee. All of these countries comprise the Eligible Countries.

Details regarding the making of the Offer in each of the Eligible Countries are set out in the Important Information at the start of this Prospectus.

The Company has shareholder(s) in the People's Republic of China, however, is not able to make the Offer (as a traditional entitlement offer) to that Shareholder (having regard to the investor-status of such shareholders). As at the date of this Prospectus, the Shareholder(s) in the People's Republic of China constitutes 0.08% of the Share Register. Given that only one shareholder (Savannah Goldfields Limited, (**SVG**)) has the potential to exceed a 19.99% interest in the Company and only in the event that Savannah takes up its full entitlement and less than 30% of the balance of New Shares are subscribed for (refer to sections 5.3 and 7.7 for further details), the Company has determined as at the date of this Prospectus not to appoint a nominee for Ineligible Shareholders under section 615 of the Corporations Act, and as such, Eligible Shareholders will not currently be able to rely on the exception for rights issues in item 10 of section 611 of the Corporations Act (**Rights Issue Exception**). The Company intends to seek to discuss with SVG its intentions and, having regard to those discussions and the cadence of acceptances received during the Offer Period, the Company may if it determines it is necessary or desirable to elect to appoint a nominee under section 615 of the Corporations Act (which will require the consent of ASIC) or seek ASIC relief so as to relieve the Company from the requirement to appoint a nominee with respect to the rights of Ineligible Shareholders (having regard to the limited number of Ineligible Shareholders) but to nevertheless permit reliance on the Rights Issue Exception by a relevant Shareholder.

The Company has not made investigations as to the regulatory requirements that may prevail in the countries outside of Australia, New Zealand and the other Eligible Countries. Parties who hold a beneficial interest in shares in the Company via a custodian or nominee who do not have a registered address in Australia, New Zealand or the other Eligible Countries are not eligible to participate in this Offer. It is the responsibility of overseas Applicants to ensure compliance with all laws of any country relevant to their Acceptance. The Offer may only be

accepted by Eligible 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 Company may, at its discretion, identify other countries where the Company may determine it is lawful and practical to make the Offer or otherwise determine to appoint a foreign nominee for the purposes of section 615 of the Corporations Act where necessary.

This Prospectus and Entitlement and Acceptance Form do not, and are not intended to, constitute an offer of New Shares in any place outside of Australia, New Zealand or other Eligible Countries 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 Prospectus in places outside of Australia, New Zealand or other Eligible Countries may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe those restrictions. Any failure to comply with those restrictions may violate applicable securities laws.

In particular this 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 (except in transactions exempt from, or not subject to, registration under the US Securities Act and applicable US state securities laws), or to any person who is ineligible under applicable securities laws in any country to receive an offer under the Prospectus without any requirement for a prospectus to be lodged or registered.

#### 2.11 **Notice to nominees and custodians**

Nominees and custodians may not distribute any part of this document in the United States or in any other country outside of Australia except, with the consent of the Company, to beneficial Shareholders in certain other countries where the Company may determine it is lawful and practical to make the Offer.

#### 2.12 **Electronic prospectus**

An electronic version of this Prospectus is available on the Internet at [www.clararesources.com.au](http://www.clararesources.com.au).

The Entitlement and Acceptance Form may only be distributed together with a complete and unaltered copy of the Prospectus. 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 Prospectus or if it has reason to believe that the Entitlement and Acceptance Form or electronic copy of the Prospectus has been altered or tampered with in any way.

While the Company believes that it is extremely unlikely that in the Offer period the electronic version of the Prospectus 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 Prospectus should immediately request a paper copy of the Prospectus directly from the Company, the Share Registry or a financial adviser.

### 3. How to apply

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#### 3.1 How to accept your entitlement

Eligible Shareholders may accept their Entitlement either in whole or in part. The number of New Shares which Eligible Shareholders are entitled to is shown on the Entitlement and Acceptance Form which is available at <https://events.miraqle.com/c7a-offer>.

Eligible Shareholders may participate in the Offer as follows:

#### **Take up your Entitlement in full and apply for Additional New Shares**

If you are an Eligible Shareholder and wish to take up all of your Entitlement and 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 (Brisbane 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 and other overseas 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 under this Prospectus 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](mailto:capitalmarkets@linkmarketservices.com.au) so that the payment and form is received by no later than 5.00pm (Brisbane time) on the Closing Date or such later date as the Directors determine.

You can access your Entitlement and Acceptance Form at <https://events.miraqle.com/c7a-offer>. If you cannot make payment in the manner required by your Entitlement and Acceptance Form, please contact Lead Manager by email at [duncan@cerberusadvisory.com.au](mailto:duncan@cerberusadvisory.com.au) or by phone on 0404 006 444 (or +61 404 006 444 from overseas) for further instructions.

#### **Take up your Entitlement in full**

If you are an Eligible Shareholder and wish to take up all 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 (Brisbane 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 and other overseas 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 under this Prospectus 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](mailto:capitalmarkets@linkmarketservices.com.au) so that the payment and form is received by no later than 5.00pm (Brisbane time) on the Closing Date or such later date as the Directors determine.

You can access your Entitlement and Acceptance Form at <https://events.miragle.com/c7a-offer>. If you cannot make payment in the manner required by your Entitlement and Acceptance Form, please contact the Lead Manager by email at [duncan@cerberusadvisory.com.au](mailto:duncan@cerberusadvisory.com.au) or by phone on 0404 006 444 (or +61 404 006 444 from overseas) for further instructions.

### **Take up some of your Entitlement**

If you are an Eligible Shareholder and wish to take up only some 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 (Brisbane 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 and other overseas 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 under this Prospectus 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](mailto:capitalmarkets@linkmarketservices.com.au) so that the payment and form is received by no later than 5.00pm (Brisbane time) on the Closing Date or such later date as the Directors determine.

You can access your Entitlement and Acceptance Form at <https://events.miragle.com/c7a-offer>. If you cannot make payment in the manner required by your Entitlement and Acceptance Form, please contact the Lead Manager by email at [duncan@cerberusadvisory.com.au](mailto:duncan@cerberusadvisory.com.au) or by phone on 0404 006 444 (or +61 404 006 444 from overseas) for further instructions.

### **Do nothing**

You may do nothing, in which case you will have no right to subscribe for New Shares and no New Shares will be issued to you. However, if you are an Eligible Shareholder and you do nothing, then New Shares representing your Entitlement may be sold to an Eligible Shareholder who applies for Additional New Shares or other third parties procured by the Directors in exercising their discretion in placing any Shortfall.

You should also note that, if you do not take up your Entitlement, then although you will continue to own the same number of Shares, your percentage shareholding in the Company will decrease.

### **General**

If you have any queries concerning your Entitlement, please contact the Lead Manager by email at [duncan@cerberusadvisory.com.au](mailto:duncan@cerberusadvisory.com.au) or by phone on 0404 006 444 (or +61 404 006 444 from overseas) or contact your stockbroker or professional adviser.

Entitlement and Acceptance Forms may be lodged (if required) and payment of the Acceptance Money made at any time before the Closing Date. Applications and payment received after the Closing Date may not be accepted. The Company will not be responsible for postal or delivery delays.

The Offer Price of \$0.01 for each New Share is payable in full on acceptance of part or all of your Entitlement.

Where payment is to be made using BPAY®, the Eligible Shareholder must contact their bank, credit union or building society to make payment of the Acceptance Money from their cheque or savings account. Refer to the Entitlement and Acceptance Form for the biller code and customer reference number. Eligible Shareholders who have multiple holdings will have multiple customer reference numbers.

Payment will only be accepted in Australian currency and BPAY® payments must be drawn on an Australian bank. Payment by cheque will not be accepted.

No stamp duty, brokerage or handling fees are payable by the Applicant for the New Shares offered by this Prospectus. Completed Entitlement and Acceptance Forms can be emailed in accordance with the instructions on the Entitlement and Acceptance Form or forwarded to the following address:

Entitlement and Acceptance Forms will not be accepted at the Company's registered office.

The amount payable on acceptance will not vary during the period of the Offer and no further amount is payable on allotment. Acceptance Money will be held in trust in a subscription account until allotment of the New Shares. The subscription account will be established and kept by the Company on behalf of the Applicants. Any interest earned on the Acceptance Money will be retained by the Company irrespective of whether allotment takes place.

### 3.2 **Applying for Additional New Shares from any Shortfall**

A Shortfall will exist if any Eligible 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 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 may allocate the Shortfall to Eligible Shareholders that have applied to take up their full Entitlements and in addition have indicated that they wish to take up Additional New Shares; and
- (b) the Company reserves the right to allocate Additional New Shares to Eligible Shareholders who wish to take up Additional New Shares at its discretion. In exercising its discretion the Company will have regard to facilitating the increase in the number of Shareholders with marketable parcels of Shares.

Once Directors have exhausted the allotment and allocation of Additional New Shares from the Shortfall to Eligible Shareholders, the Company will consult with the Lead Manager with regards to the placement of the remaining Shortfall by the Company at the Company's sole discretion subject to the provisions of the Corporations Act and the Listing Rules.

No Related Party or Eligible Shareholder associated with the Directors will participate in the Entitlement Shortfall Facility.

The Company will not allocate or issue Additional New Shares from the Shortfall, where it is aware that to do so would result in a breach of the Corporations Act, the Listing Rules or any other relevant legislation or law including FATA. Eligible 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.

There is no guarantee that Eligible 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 Shareholders who apply for Additional New Shares.

### 3.3 **Binding effect of Entitlement and Acceptance Form**

A payment made through BPAY® or by EFT in response to your personalised Entitlement and Acceptance Form constitutes a binding offer to acquire New Shares on the terms and conditions set out in this Prospectus and once paid, cannot be withdrawn. If an Entitlement and Acceptance Form is not completed correctly or if a payment is not completed correctly or received by 5.00pm (Brisbane time) on the Closing Date (or such later date as the Directors determine) it may still be treated as a valid application for New Shares. The Directors' decision whether to treat an acceptance as valid is final.

By making a payment by BPAY® or EFT in response to your personalised Entitlement and Acceptance Form, 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 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 except in transactions exempt from, or not subject to, registration under the US Securities Act and applicable US state securities laws and are not otherwise a person to whom it would be illegal to make an offer or issue New Shares under the Offer;
- (b) you acknowledge that the New Shares have not been, and will not be, registered under the US Securities Act or under the laws of any other jurisdiction outside of Australia, New Zealand and the other Eligible Countries; and
- (c) you have not and will not send any materials relating to the Offer to any person in the United States or to any person (including nominees or custodians) acting for the account or benefit of a person in the United States.

## 4. Company Information

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### 4.1 Introduction

Clara is an exploration company with a strategic focus on coking coal via its Ashford Coking Coal Project in NSW, together with a nickel and cobalt exploration project in Queensland.

The Company was incorporated in December 2006 and was listed on the ASX (as AusNiCo Limited) on 19 October 2010. The Company changed its name to Clara Resources Australia Limited after the 2022 annual general meeting.

### 4.2 Company activity

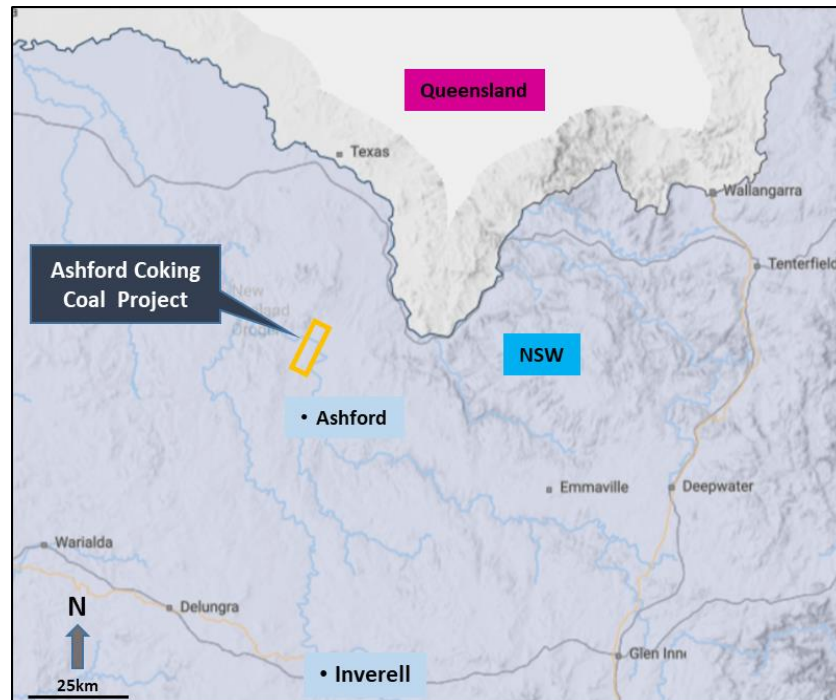
#### (a) Financial Result

The Annual Report was released to the ASX on 19 September 2024 and contains details of the financial information in respect of the Group.

#### (b) Ashford Coking Coal Project

On 17 July 2024, the Company announced that it had completed the acquisition from Savannah Goldfields Limited of the balance 60% interest in Renison Coal Pty Ltd, the owner of the Ashford Coking Coal Project – giving the Company 100% ownership of that Project. The Company had previously acquired an initial 40% interest in April 2021.

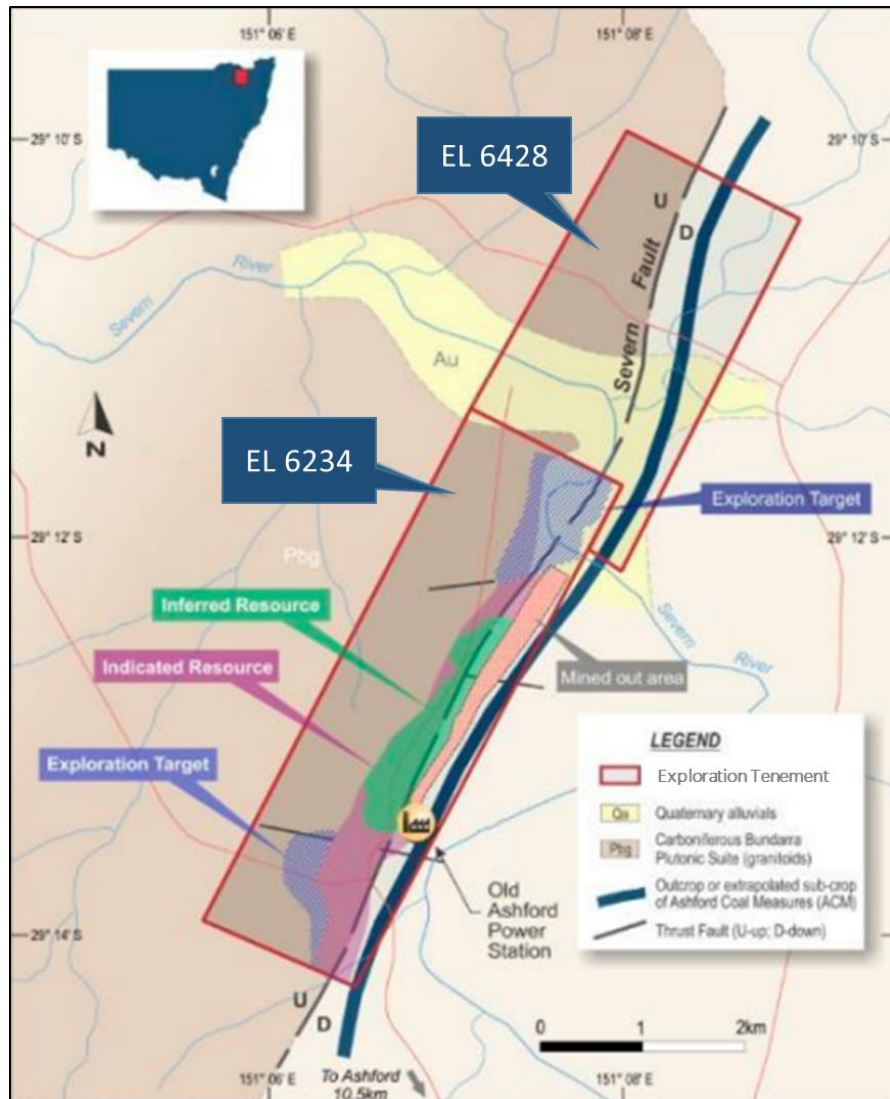
The Ashford Coking Coal Project is located within exploration licence tenements EL6234 and EL6428, in the Northern Tablelands of NSW, approximately 10km north of the Ashford township and 65km north of Inverell, a large regional centre.



Map - Project Location

The Ashford Deposit was mined by opencut methods between 1958 and 1985, providing raw coal to the adjacent Ashford Power Station. Mining ceased in the period coinciding with the permanent closure of the power station. Whilst Ashford run-of-mine raw coal was supplied to the power station its characteristics are those of coking coal. Distance from export facilities and lack of transport infrastructure limited development of the deposit for the export market.

The exploration license tenement areas cover approximately 8 square kilometres of the Ashford Coal Measures.



Map - Regional Tenement Location Plan

The Company considers that two (2) external and significant developments give confidence to progress further studies into the economic viability of the Project:

- (a) The Australian Rail Track Corporation (**ARTC**) proceeding with the *Inland Rail Project* connecting Brisbane and Melbourne, providing an efficient rail connection north to Brisbane Port and south to Newcastle Port via the Hunter Valley Coal Rail System. The upgraded rail line will be within 120km of the Ashford Coking Coal Project, a potentially viable trucking distance; and
- (b) Recent significant uplift in the global traded coking coal price. A coking coal price consistent with the trading range of the past 24 months could make the sale of coking coal from Ashford economically viable.



Map - Inland Rail Project

The Ashford Coking Coal Project comprises two (2) exploration tenements, EL6234 and EL6428. Both areas comprise geological features that provide potential opportunities for relatively shallow open cut coal mining.

The majority of historical exploration has occurred on EL6234. It contains all the JORC inferred & indicated resource. All high level geological and mine conceptual work has to date been confined to this area indicating the existence of a potentially economically recoverable and marketable resource. EL6234 is therefore the Project target area, and the central point of the scoping study. EL6234 will also define and underpin any future mining lease application.

EL6428, to the north, will be retained as an exploration tenement. Subject to the results of future exploration programs and the usual project approval processes, this area could in future be developed as an Ashford expansion or continuation Project.



Map – Target Mining Area

#### Scoping Study

On 4 March 2024 the Company released its scoping study for the Ashford Coking Coal Project (**Project Scoping Study**), The Company engaged independent specialists to conduct the concept level technical and commercial work for the specific project segments.

Shareholders should reference the full details of the Scoping Study as contained in its announcements of 4 March 2024 and 2 April 2024.

#### Current activity

The Ashford Coking Coal Project is now transitioning into the Pre-Feasibility Study (**PFS**) phase. Major work streams include:

- (a) further exploration program to increase resource confidence of Ashford and Bonshaw seams;
- (b) refining mine design and layout;
- (c) increase schedule granularity to quarterly mining sequence, equipment paths, waste movement, coal uncovered and inclusion of auger mining;
- (d) improve veracity of raw coal quality model, particularly raw coal ply working sections and variation across the site;
- (e) conduct further washability simulations to confirm product yields;
- (f) improve product characterization, particularly coking coal properties;

- (g) continue stakeholder engagement and preparation of the Environmental Impact Statement and Mining Lease Application; and
- (h) advance project funding options.

#### *Access Agreements*

In conjunction with the PFS the Company will continue to progress the work for preparation of the Environmental Impact Study (**EIS**). A critical piece of the EIS is to undertake the range of non-invasive baseline environmental studies and doing these things requires access to the lease areas. Access requires negotiating agreements with affected stakeholders, including pastoralists and representatives of the Gomeroi indigenous group. The Company has undertaken a consultative process with all land holders and made access agreements, enabling the field work for these studies to take place.

The access agreements will also enable the Company to undertake an additional drilling program at Ashford. This drilling program will have several objectives:

- (a) contribute to calculation of a JORC Measured Resource;
  - (b) provide information to sharpen the specification range of the Ashford coal seam coking coal properties;
  - (c) provide additional information to support coal washability assumptions; and
  - (d) provide geo-chemical and ground water data for the EIS process.
- (c) Kildanga Project
- This nickel / cobalt exploration project consists of four distinct areas within EPM 19366, near Kilkivan, Queensland.

The Company continues to review the historical database extending to all exploration permit areas to create a regional reconciliation. This will be used to determine the work needed, including costed additional exploration, to identify a mineralized resource of sufficient size from which a conceptual economic mine plan may be developed.

- (d) Bridging Loans

On 29 May 2024, the Company entered into a \$1.1M debt facility to facilitate a payment of \$750,000 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** and each individually a **Bridging Loan**). These loans were advanced by sophisticated and professional investors, including Mr Peter Westerhuis (the Company CEO) and Mr John Haley (the Company CFO and Company Secretary)(**Lenders** and each individually a **Lender**).

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. In the interim, default interest is payable at the rate of 5% per annum and, if payment is not received by 29 October 2024, a Lender may elect to convert the loan, plus default interest (subject to any necessary shareholder approvals), into ordinary shares in the Company at a conversion price of \$0.01 per share (i.e. the same price as the Offer Price).

The Company notes that capitalised interest determined for the original loan term was paid to the lenders under the Bridging Loans from the proceeds of the placement completed by the Company on 27 August 2024.

#### 4.3 The Directors

The Directors of Clara bring to the Board relevant expertise and skills, including industry and business knowledge, financial management and corporate governance experience.

Each Director has confirmed with Clara that they anticipate being available to perform their duties as a Non-Executive Director of Clara, without undue constraints from other commitments.

The following persons are directors of the Company as at the date of this Prospectus:

##### **Brian Moller- Non-Executive Chair**

Mr Brian Moller was appointed to the Board on 1 December 2006.

Mr Moller recently retired as a corporate partner in the Brisbane based law firm HopgoodGanim Lawyers, having been a partner since 1983, practicing almost exclusively in the corporate area with an emphasis on capital raising, mergers and acquisitions.

Mr Moller holds an LLB Hons from the University of Queensland and is a member of the Australian Mining and Petroleum Law Association.

Mr Moller acts for many public listed resource and industrial companies and brings a wealth of experience and expertise to the board particularly in the corporate regulatory and governance areas. He is also Chair of ASX listed Tempest Minerals Ltd, Mineral Commodities Ltd, NewPeak Metals Ltd and Platina Resources Ltd and non-executive director of ASX listed DGR Global Ltd.

##### **Nicholas Mather- Non-Executive Director**

Mr Nicholas Mather was appointed to the Board on 22 December 2006.

Mr Mather's special area of experience and expertise is the generation of and entry into undervalued or unrecognised resource exploration opportunities, corporate development and marketing. Mr Mather has been involved in the junior resource sector at all levels for more than 35 years. In that time, he has been instrumental in the delivery of major resource projects that have delivered significant gains to shareholders. As an investor, securing projects and financiers, leading exploration campaigns and managing emerging resource companies, Mr Mather brings a wealth of valuable experience.

With particular reference to Clara, Mr Mather was instrumental in the formation of the company and the generation of its investment in the Taronga Tin project which was recently sold via Claras holding in First Tin plc. He was also instrumental as a founding shareholder in successful coal exploration companies Northern Energy Ltd and Waratah Coal Inc and brings considerable coal exploration to experience to Clara.

Mr Mather currently serves as non-executive director of LSE and TSX listed SolGold plc and managing director of DGR Global Limited.

##### **Richard Willson- Non-Executive Director**

Mr Richard Willson was appointed to the Board on 18 January 2013.

Mr Willson is an experienced, Non-Executive Director, Company Secretary and CFO with more than 20 years' experience predominantly within the mining, technology and agricultural sectors for both publicly listed and private companies. He is a Non-Executive Director of Titomic Limited (ASX:TTT), Clara Resources Limited (ASX:C7A), Orpheus Uranium Limited (ASX:ORP), MedTEC Holdings Limited, and Unity Housing Company Ltd; and Company Secretary of a number of ASX Listed Companies. He is the Chairman of the Audit Committee of Titomic Limited, Clara Resources Limited, and Unity Housing Company, and is the Chairman of the Remuneration & Nomination Committee of Titomic Limited. Mr Willson has previously been Chairman, Non-Executive Director, and Company Secretary of numerous ASX listed companies.

Mr Willson has a Bachelor of Accounting from the University of South Australia, is a Fellow of CPA Australia, and a Fellow of the Australian Institute of Company Directors.

(a) Constraints on availability

Save as noted in this Prospectus, each Director has confirmed to the Company that they anticipate being available to perform their duties as Director of the Company without constraint from other commitments.

(b) Independence of Directors

Richard Willson is the only Director who is not a nominee or representative of a substantial shareholder. Brian Moller and Nicholas Mather are nominees of DGR Global Limited.

The Board considers that Richard Willson is free from any business or any other relationship that could materially interfere with, or reasonably be perceived to interfere with, the independent exercise of his judgment and is able to fulfil the role of an Independent Director for the purposes of the Corporate Governance Principles and Recommendations.

Details of the current interests of the Directors in the Company and their intentions in respect of the Offer are set out in section 1.9.

(c) Requisition Notices

As announced on 11 September 2024, the Company has received notices under sections 203D and 249D of the Corporations Act from Mr Frederick Bart, a substantial shareholder of the Company, requesting that the Company convene a general meeting to vote on the removal of Mr Brian Moller and Mr Nicholas Mathers as directors of the Company and the appointment of Mr Frederick Bart and Mr Glenn Whiddon as directors (**Requisition Notice**).

The Company will comply with its obligations under the Corporations Act and will update shareholders on any material developments.

The Company, senior management and the Lead Manager do not support the resolutions to be considered under the Requisition Notice.



#### 4.4 Senior Management

The following persons form the senior management of the Company as at the date of this Prospectus:

##### **Peter Westerhuis – Chief Executive Officer**

Mr Westerhuis commenced as Chief Executive Officer on 17 May 2022.

Mr Westerhuis is a highly-credentialed mining executive with strategic, operational, commercial and corporate experience in Australia and internationally. For the last 20 years he has held senior executive roles, principally focused on resource development, operations turnarounds and business growth.

Mr Westerhuis has previously been CEO of Batchfire Resources (who own and operate the Callide Mine in Central Queensland) and CEO of Ensham Resources (who own and operate the Ensham open-cut and underground coal mines in Central Queensland). Mr Westerhuis has also consulted extensively for mining companies in Australia, PNG, South Africa and Chile and he is currently Non-Executive Chair of ASX listed Bathurst Resources Ltd, New Zealand's largest coal producer and exporter.

##### **John Haley – Company Secretary and Chief Financial Officer**

Mr John Haley was appointed as Company Secretary and Chief Financial Officer on 31 January 2022.

Mr Haley is a Chartered Accountant and has 40 years of extensive Board, company secretarial and corporate finance experience, predominantly within the mining and resources industry. This experience includes tax accounting with Arthur Andersen and Co, and Coopers and Lybrand (now PriceWaterhouse Coopers) with a focus on taxation advice to clients in the Australian mining industry.

Mr Haley holds a Bachelor of Commerce and a Master of Business Administration from the University of Queensland, as well as a Marketing Diploma from the Queensland University of Technology.

Mr Haley also acts as the Company Secretary for ASX-listed Polymetals Resources Limited, and previously NewPeak Metals Limited (until 5 June 2024). He was a founding Director and Officer of three ASX listed companies, Metallica Minerals Limited, MetroCoal Limited and Cape Alumina Limited (the latter two subsequently merged to form MetroMining Limited). He has also held Director and/or Officer roles in several other ASX listed junior mining companies.

## 5. Effect of the Offer on the Company

### 5.1 Financial position

To illustrate the effect of the issue on the Company, the pro-forma consolidated balance sheet has been prepared based on the audited balance sheet as at 30 June 2024.

The pro-forma balance sheet shows the effect of the Offer and as if the Offer (under this Prospectus) had been made on 30 June 2024. The pro-forma balance sheet assumes that the Offer is fully subscribed. No adjustment has been made for transactions occurring between 30 June 2024 and the date of this Prospectus.

The accounting policies adopted in preparation of the pro-forma consolidated balance sheet are consistent with the policies adopted and as described in the Company's financial statements for the year ended 30 June 2024.

The significant effects of the Offer (assuming the Offer is fully subscribed and no Existing Options are exercised) will be to:

- (a) increase cash reserves by approximately \$174,000 (after cash expenses of the Offer which are estimated to be \$173,000) assuming a \$0.01 per share subscription price; and
- (b) increase the number of issued ordinary shares by 166,759,359 to 416,898,397.

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.

#### Consolidated Statement of Financial Position

	30 June 2024	Pro forma adjustments	Pro forma 30 June 2024
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	14,796	174,411	189,207
Trade and other receivables	59,536	0	59,536
Investments	121,875	0	121,875
Other assets	1,116,500	0	1,116,500
<b>Total current assets</b>	<b>1,312,707</b>	<b>174,411</b>	<b>1,487,118</b>
<b>Non-current assets</b>			
Investments	8,300,480	0	8,300,480

Property, plant and equipment	87,409	0	87,409
Exploration and evaluation	5,066	0	5,066
Other assets	96,106	0	96,106
<b>Total non-current assets</b>	<b>8,489,061</b>	<b>0</b>	<b>8,489,061</b>
<b>TOTAL ASSETS</b>	<b>9,801,768</b>	<b>174,411</b>	<b>9,976,179</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	692,191	(50,000)	642,191
Borrowings	1,443,108	(1,270,000)	173,108
<b>Total current liabilities</b>	<b>2,135,299</b>	<b>(1,320,000)</b>	<b>815,299</b>
<b>TOTAL LIABILITIES</b>	<b>2,135,299</b>	<b>(1,320,000)</b>	<b>815,299</b>
<b>NET ASSETS</b>	<b>7,666,469</b>	<b>1,494,411</b>	<b>9,160,880</b>
<b>EQUITY</b>			
Issued capital	37,343,590	1,667,593	39,011,183
Reserves	1,860,435	(100,020)	1,760,415
Accumulated losses	(31,537,556)	(73,162)	(31,610,718)
<b>TOTAL EQUITY</b>	<b>7,666,469</b>	<b>1,494,411</b>	<b>9,160,880</b>

## 5.2 Capital structure

The share capital structure of Clara immediately following the Offer, on the basis that the Offer is fully subscribed (excluding rounding of Entitlements), will be as follows:

Shares		
	Number	%
Ordinary Shares on issue at the date of this Prospectus	250,139,038	60%
Maximum number of New Shares under Prospectus <sup>1</sup>	166,759,359	40%
<b>Total:</b>	<b>416,898,397</b>	<b>100%</b>

Notes:

1. *If any of the Existing Options are exercised prior to the Record Date, additional New Shares will be issued under the Offer under this Prospectus. If all Existing Options on issue as at the date of this Prospectus were exercised prior to the Record Date, the Company's issued shares would increase by 34,585,418 resulting in a further 23,056,945 New Shares being issued pursuant to this Prospectus. This would increase the Company's total Shares on issue after completion of the Offer to 439,955,342 Shares.*

As at the date of this Prospectus, the Company has the following Existing Options on issue:

No of options issued	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
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
<b>Total: 34,585,418</b>				

The Company will also issue to the Lead Manager, on completion of the Offer, such number of options as determined on the basis of 2% of the New Shares issued under the Shortfall, such options having an exercise price of a 50% premium to the Offer Price and an expiry date of two years from the date of issue.

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.

### 5.3 Potential effect of the Offer

The Offer is a pro-rata offer so that if all Eligible Shareholders take up their Entitlements (and none of the Option Holders exercise their Existing Options and participate in the Offer), the voting power of all Eligible Shareholders will remain the same.

In that event, there will be no actual or potential effect or consequences arising from the Offer on the control of the Company.

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 Offer, the maximum possible dilution to an Eligible Shareholder's interest in the Company would be 40%.

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	Holdings if do not accept Entitlements	% upon completion of Offer
Shareholder A	10,000,000	3.998%	6,666,667	10,000,000	2.399%
Shareholder B	2,000,000	0.800%	1,333,333	2,000,000	0.480%
Shareholder C	500,000	0.200%	333,333	500,000	0.120%
Shareholder D	100,000	0.040%	66,667	100,000	0.024%
Shareholder E	10,000	0.010%	16,667	10,000	0.006%

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 Shareholders take up their Entitlements.

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

As identified in section 7.7, Savannah Goldfields Limited (**SVG**) currently holds a 15.60% holding in the Company. The Company does not know if SVG intends to participate in the Offer.

The table below sets out the voting power of SVG upon completion of the Offer based upon SVG taking up its full Entitlement under the Offer (being 26,022,383 New Shares) and different scenarios of percentage acceptance of Entitlements under the Offer (including acceptance by SVG and where no Shortfall has been issued).

	SVG holding upon acceptance of 100% of Entitlements	SVG voting power
If no other New Shares are subscribed for and no Shortfall issued	65,055,957	23.56%
If 25% of New Shares are subscribed for (including SVG) and no Shortfall issued	65,055,957	22.29%
If 46% of New Shares are subscribed for (including SVG) and no Shortfall issued	65,055,957	19.90%
If 50% of New Shares are subscribed for (including SVG) and no Shortfall issued	65,055,957	19.51%
If 75% of New Shares are subscribed for (including SVG) and no Shortfall issued	65,055,957	17.34%

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%.

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 Offer is an acquisition that results from a rights issue (see item 10 of section 611) and where a nominee has been appointed for ineligible Shareholders under section 615 of the Corporations Act to sell their Entitlements and remit the proceeds to those ineligible Shareholders (**Rights Issue Exception**).

The Company has not yet sought to appoint a nominee under section 615 of the Corporations Act for the purposes of this Offer. The Company intends to seek to discuss with Savannah its intentions and, having regard to those discussions and the cadence of acceptances received during the period that the Offer is open for acceptance, the Company may, if it determines it is necessary or desirable, elect to appoint a nominee under section 615 of the Corporations Act (which will require the consent of ASIC) or seek ASIC relief so as to relieve the Company from the requirement to appoint a nominee with respect to the rights of Ineligible Shareholders (having regard to the limited number of Ineligible Shareholders) but to nevertheless permit reliance on the Rights Issue Exception by a relevant Shareholder.

## 6. Risk factors

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### 6.1 Introduction

There are risks which may impact on the operating and financial performance of the Group and, therefore, on the value of the New Shares offered under this Prospectus. Some of these risks can be mitigated by the Group's systems and internal controls, but many are outside of the control of the Group and the Board. There can be no guarantee that the Company will achieve its stated objectives or that any forward-looking statements will eventuate. An investment in a business with limited operating history, such as Clara, is considered speculative and an investor could lose most or all of any investment. There are also general risks associated with any investment in shares.

More specifically, the risks are that:

- (a) the price at which the Applicant is able to sell the New Shares is less than the price paid due to changes in market circumstances;
- (b) the Applicant is unable to sell the New Shares;
- (c) the Company is placed in receivership or liquidation making it reasonably foreseeable that Shareholders could receive none, or only some of their initial investment; and
- (d) the Company fails to generate sufficient profit in order to pay dividends.

In the event of insolvency, the holders of fully paid ordinary shares would not normally be liable to pay money to any person. An exception could occur where a distribution, such as a dividend, has been made to Shareholders in circumstances where the Company was unable at that time to meet the solvency test set out in the *Corporations Act*. In that case, a liquidator may call for a return of such distributions.

Potential investors should therefore carefully consider all associated risks before applying for New Shares under this Prospectus and should consider their personal circumstances (including financial and taxation issues) and seek advice from their stockbroker, accountant, solicitor or other professional advisers before deciding whether to invest.

A number of material risk factors which may adversely affect the Group and the value of the New Shares offered under this Prospectus are set out in this section. This is not an exhaustive list and there may be other factors which have an adverse effect on the Group and the value of the New Shares offered under this Prospectus.

### 6.2 General Risks

The New Shares that are to be issued pursuant to this Prospectus are speculative because of the nature of the business of the Company. The Company has interests in the mineral exploration industry which is highly speculative and no assurances can be made that the Company's particular interests or projects will be successful.

A summary of the major general risks are described below:

- (a) Dilution

Shareholders should be aware that to the extent that they do not accept their Entitlements in full, a Shortfall will arise and all or part of any Shortfall may be placed by the Company, in consultation with the Lead Manager, to other parties in which case their interest in the Company may be significantly diluted (see section 5.2 for further details).

Acceptance of Entitlements or the placement of any Shortfall may also result in existing Shareholders or new investors significantly increasing their interest in the Company or obtaining a substantial interest in the Company. However, the Shortfall will only be placed to the extent that such placement is in compliance with the takeover provisions of the *Corporations Act*, which restrict a person and their associates from having a relevant interest in the Company of not more than 20.0%, subject to a number of exemptions.

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

(b) 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.

(c) 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.

(d) 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.

(e) Legislative change

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

(f) 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.

### 6.3 Risks specific to an investment in the Company

In addition to the general market and economic risks noted in section 6.2, Applicants should be aware of risks specific to an investment in the Company, which may include, but are not limited to those risks described below.



(a) 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. In the interim, default interest is payable at the rate of 5% per annum and, if payment is not received by 29 October 2024, a Lender may elect to convert the loan, plus default interest (subject to any necessary shareholder approvals), into ordinary shares in the Company at a conversion price of \$0.01 per share.

If the Bridging Loans are not able to be satisfied out of the proceeds of the Offer (including the Shortfall) and Lenders do not elect to convert their Bridging Loans to equity (when entitled to do so, and subject to shareholder approval), then the Company will need to explore other alternatives in respect of repayment. Such alternatives may be dilutionary to Shareholders or be on less than favourable terms to the Company.

(b) 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.

(c) 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.

(d) 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.

(e) 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.

(f) 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.

(g) 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.

(h) 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.

(i) 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.

(j) 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 than 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.

(k) 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.

(l) 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.

(m) 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.

(n) 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.

(o) 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.

(p) 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 pursuant to this Prospectus.

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.

## 7. Additional information

### 7.1 Transaction specific prospectus

Clara 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 ASX Listing Rules.

This Prospectus is issued under section 713 of the *Corporations Act*. This section enables disclosing entities to issue a prospectus in relation to securities in a class of securities which has been quoted by ASX at all times during the three months before the date of the Prospectus or options to acquire such securities. Apart from formal matters this Prospectus need only contain information relating to the terms and conditions of the Offer, the effect of the Offer on the Company and the rights and liabilities attaching to the New Shares.

Copies of the documents lodged by the Company with ASIC may be obtained from, or inspected at an office of ASIC.

The Company will provide a copy of any of the following documents, free of charge, to any person who asks for a copy of the document before the Closing Date in relation to this Prospectus:

- (a) annual financial report for the period ending 30 June 2024; and
- (b) any other financial statements lodged in relation to the Company with ASIC and any continuous disclosure notices given by the Company to ASX, in the period starting immediately after lodgement of the annual financial report for the Company for the period ended 30 June 2024 and ending on the date of lodgement of this Prospectus with ASIC.

### 7.2 ASX Information and Share information

The ASX Announcements that the Company has made since 19 September 2024 are set out in Appendix A of this Prospectus. Copies of ASX announcements made by the Company may be obtained on the ASX website or the Company's website: [www.clararesources.com.au](http://www.clararesources.com.au).

The highest and lowest prices of shares in the Company on the ASX in the six month period before the date of this Prospectus and the respective dates of those sales are set out below.

	High (cents)	Low (cents)	Volume weighted average (cents)
One month	1.4 (13 September 2024)	1.1 (4 September 2024)	1.20
Three months	2.8 (15 July 2024)	1.1 (4 September 2024)	1.6
Six months	2.8 (15 July 2024)	1.1 (4 September 2024)	1.6

The last market sale price of Shares as at 19 September 2024 was \$0.013.

The Offer Price of \$0.01 represents a discount of 23% to the last market price of Shares on 19 September 2024, being the last trading day before lodgement of this Prospectus.

### 7.3 Rights and liabilities attaching to New Shares

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. The following is a summary of the principal rights of holders of the New Shares, subject to any special rights attaching to any class of share at a future time. This summary is not exhaustive nor does it constitute a definitive statement of the rights and liabilities of the Company's Shareholders.

(a) Voting

At a general meeting of the Company on a show of hands, every member present in person, or by proxy, attorney or representative has one vote and upon a poll, every member present in person, or by proxy, attorney or representative has one vote for every Share held by them.

(b) Dividends

The New Shares will rank equally with all other issued shares in the capital of the Company and will participate in dividend out of profits earned by the Company from time to time. Subject to the rights of holders of shares with any special preferential or qualified rights attaching to them, the profits of the Company are divisible amongst the holders of Shares paid proportionately to the amounts paid on the Shares. The Directors may from time to time pay to Shareholders such interim dividends as in their judgment the position of the Company justifies.

(c) Transfer of the Shares

(1) Uncertificated system

Transfer of Shares may be effected by an instrument of transfer in accordance with any system recognised by the ASX Listing Rules and effected in accordance with the ASX Settlement Operating Rules approved under the *Corporations Act* or by an instrument of transfer in any usual form or by another form approved by the Directors or recognised by the *Corporations Act* or the ASX Listing Rules.

(2) Certificated system

Subject to the Constitution and the *Corporations Act*, a Shareholder's share may be transferred by instrument in writing in any form authorised by the *Corporations Act* and the ASX Listing Rules or in any other form authorised by the *Corporations Act* and the ASX Listing Rules or in any other form that the Directors approve. No fee shall be charged by the Company on the transfer of any Shares.

(3) Refusal to register

The Directors, may, in their absolute discretion, refuse to register any transfer of Share or other securities where permitted to do so by the *Corporations Act*, the ASX Listing Rules or the ASX Settlement Operating Rules. The Directors must refuse to register any transfer of Shares or other securities when required to do so by the *Corporations Act* or the ASX Listing Rules. If the Directors decline to register a transfer, the Company must within five business days after the date of lodgement of such transfer give to the lodging party written notice of the refusal and the reasons for it.



(d) Winding up

Upon accepting the Entitlement to New Shares and paying the Acceptance Money, Shareholders will have no further liability to make payments to the Company in the event of the Company being wound up pursuant to the provisions of the *Corporations Act*.

(e) Future increases in capital

The allotment and issue of any New Shares is under the control of the Directors. Subject to the Listing Rules, the Company's Constitution and the *Corporations Act*, the Directors may allot or otherwise dispose of New Shares on such terms and conditions as they see fit.

(f) Variation of Rights

At present, the Company has only ordinary shares on issue. If the shares of another class were issued, the rights and privileges attaching to ordinary shares could only be altered with the approval of a resolution passed at a separate general meeting of the holders of ordinary shares by a three quarter majority of such holders or the written consent of the holders of at least three quarters of the ordinary shares.

(g) General Meeting

Each holder of Shares will be entitled to receive notice of and to attend and vote at general meetings of the Company and to receive notices, accounts and other documents required to be furnished to Shareholders under the Company's Constitution, the *Corporations Act* and the Listing Rules.

For more particular details of the rights attaching to ordinary shares in the Company, investors should refer to the Constitution of the Company.

#### 7.4 **Corporate Governance**

The Company has adopted a Corporate Governance Charter which can be obtained, at no cost, from the Company's registered office and is also available on the Company's website: [www.clararesources.com.au](http://www.clararesources.com.au). The Company has established an Audit and Risk Management Committee.

The Company reports on its compliance with the recommendations made by the Corporate Governance Principles and Recommendations in its annual report. Where the Company's corporate governance practices do not correlate with the practices recommended by the ASX Corporate Governance Council, the Company is working towards compliance however it does not consider that all practices are appropriate for the Company due to the size and scale of the Company operations.

#### 7.5 **Directors' interests**

The nature and extent of the interest (if any) that any of the Directors of the Company holds, or held at any time during the last two years in:

- (a) the formation or promotion of the Company;
- (b) property acquired or to be acquired by the company in connection with:
  - (1) its formation or promotion;
  - (2) the Offer; or

(c) the Offer,

is set out below or elsewhere in this Prospectus.

Other than as set out below or elsewhere in this Prospectus, no one has paid or agreed to pay any amount, and no one has given or agreed to give any benefit to any director or proposed director:

(a) to induce them to become, or to qualify as, a Director of the Company; or

(b) for services provided by a director in connection with:

(1) the formation or promotion of the Company; or

(2) the Offer.

Set out below are details of the interest of the Directors in the securities of the Company immediately prior to lodgement of the Prospectus with the ASIC. Interest includes those securities held directly and indirectly. The table does not take into account any New Shares the directors may acquire under the Offer.

Director	Number of Shares	Number of Options	Option Exercise Price	Option Expiry Date	Number of Options Vested
Brian Moller	1,044,505	750,000	\$0.12	29/06/2026	750,000
Nicholas Mather	2,121,789	750,000	\$0.12	29/06/2026	750,000
Richard Willson	536,883	750,000	\$0.12	29/06/2026	750,000

## 7.6 Directors Fees

Set out below is the remuneration paid to the current Directors of the Company and their associated entities for the past two years.

Director	Remuneration for FY23			Remuneration for FY24		
	Salary / Director fees	Options	Total	Salary / Director fees	Options	Total
Brian Moller	\$65,547 <sup>3</sup>	Nil	\$65,547	\$68,000	Nil	\$68,000
Nicholas Mather	\$115,547 <sup>3</sup>	Nil	\$115,547	\$118,754	Nil	\$118,754
Richard Willson	\$57,464 <sup>1,3</sup>	Nil	\$57,464	\$74,076 <sup>2</sup>	Nil	\$74,076

Notes:

1. Includes \$3,983 of superannuation contributions.
2. Includes \$2,921 of superannuation contributions

3. Includes \$15,547 equity settled remuneration.

The Board considers that these fees are reasonable remuneration pursuant to section 211 of the *Corporations Act* and accordingly, member approval is not required.

Details of the intention of Directors to participate in the Offer is set out in section 1.9.

## 7.7 Substantial Holders

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

Substantial Holder	Number of Shares	%
Savannah Goldfields Limited	39,033,574	15.60%
DGR Global Limited	23,851,041	9.54%
Frederick Bart	16,230,000	6.49%
BNP Paribas Nominees Pty Ltd – IB Au Noms Retail client	11,540,388	6.13%

## 7.8 Related party transactions

From time to time the Company may be party to transactions with related parties including:

- (a) employment and service arrangements; and
- (b) payment of Directors fees.

The Company believes that it has made appropriate disclosure of past related party transactions and other than any further disclosure specifically set out below or made elsewhere in this Prospectus does not intend to make any further disclosure of such transactions which transactions will have either proceeded on an "arms length" basis, reasonable remuneration basis or been approved by shareholders in general meeting.

The Company discloses the following transactions with related parties which have either proceeded on an "arms length" or reasonable remuneration basis or have been approved by Shareholders in general meeting. The transactions are:

- (a) Non-Executive Director agreements with Brian Moller, Nicholas Mather and Richard Willson and payment of directors fees to Non-Executive Directors;
- (b) issue of Options to Directors; and
- (c) issue of Shares and Options to Directors pursuant to offers made available to the public or existing shareholders.

The Board considers that the remuneration and benefits are reasonable remuneration pursuant to section 211 of the *Corporations Act* and accordingly, member approval is not required (where it has not been obtained).

## 7.9 Payment of Non-Executive Director fees

Each of the Non-Executive Directors of the Company (being Brian Moller, Nicholas Mather and Richard Willson) are entitled to be paid directors' fees in the amount as set out in the table at section 7.6.

The Board considers that these fees are reasonable remuneration pursuant to section 211 of the *Corporations Act* and accordingly, member approval is not required.

## 7.10 Mandate Agreement

The Company has entered a mandate with Cerberus Investments Pty Ltd (**Cerberus**) pursuant to which Cerberus has been appointed as lead manager to the Offer (**Mandate Agreement**). The Lead Manager will provide a number of services to the Company in respect of the Offer and has the right (but not the obligation) to allocate any Shortfall in consultation with and subject to the agreement of the Company.

The Company has agreed to pay the Lead Manager a management fee of 1% of the funds raised under the Offer (**Management Fee**) and a capital raising fee of 5% of the gross amount received by the Company from parties taking New Shares in the placement of any Shortfall (**Capital Raising Fee**). The Management Fee and Capital Raising Fee shall only be payable by the Company in the event that the Offer proceeds. Cerberus must charge the Capital Raising Fee directly on those applications from parties it introduces and also pass on the Capital Raising Fee to third party AFSL holders on valid applications accepted by the Board. Subject to shareholder approval the Company may satisfy the payment of the Management Fee by the issue of Shares to Cerberus (or its nominee) at the same price as the Offer Price.

The Company will also (subject to shareholder approval) issue to Cerberus such number of options as determined on the basis of 2% of the New Shares issued under the Shortfall, such options having an exercise price of a 50% premium to the Offer Price and an expiry date of two years from the date of issue.

The Company has agreed to reimburse Cerberus in respect of expenses incurred incidental to the Offer, and further indemnify Cerberus and related persons against losses, liabilities and claims in respect of the Offer.

The Mandate Agreement makes provisions (inter alia) for certain covenants to be observed by the Company.

Either the Lead Manager or the Company may terminate the Mandate Agreement at any time by notice to the other party.

## 7.11 Interests of experts and advisers

This section applies to persons named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus, promoters of the Company and stockbrokers or arrangers (but not sub-underwriters) to the Offer (collectively **Prescribed Persons**).

Other than as set out below or elsewhere in this Prospectus, no Prescribed Person has, or has had in the last two years, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired in connection with the formation or promotion of the Company or the Offer; or
- (c) the Offer of New Shares under this Prospectus.

Other than that as set out below or elsewhere in this Prospectus, no benefit has been given or agreed to be given to any Prescribed Person for services provided by a Prescribed Person in connection with the:

- (a) formation or promotion of the Company; or
- (b) offer of New Shares under this Prospectus.

Cerberus Investments Pty Ltd is the lead manager to the Offer, in respect of which it is entitled to receive fees and commission under the Mandate Agreement as set out in section 7.10 above.

HopgoodGanim Lawyers are acting as solicitors to the Offer and have performed work in relation to the Prospectus. In doing so, HopgoodGanim Lawyers have placed reasonable reliance upon information provided to them by the Company. HopgoodGanim Lawyers does not make any statement in this Prospectus. In respect of this work, the Company estimates that it will pay approximately \$40,000 (excluding disbursements and GST) to HopgoodGanim Lawyers. HopgoodGanim Lawyers are the Company's Australian lawyers and are engaged from time to time by the Company on a variety of matters. Further amounts may be paid to HopgoodGanim Lawyers in accordance with its normal time based charges.

#### 7.12 Limitation on foreign ownership

The Foreign Acquisitions and Takeovers Act (**FATA**) sets limitations on the ability of foreign persons to hold shares or other securities convertible into shares (such as options) in an Australian company. Foreign persons whom are controlled by a foreign government may also be subject to further requirements under Australia's Foreign Investment Policy as published by the Foreign Investment Review Board from time to time.

The FATA regulates acquisitions giving rise to ownership of substantial amounts of a company's shares.

The FATA prohibits:

- (a) any natural person not ordinarily resident in Australia; or
- (b) any corporation in which either a natural person not ordinarily resident in Australia or a foreign corporation (as defined in the FATA) holds a controlling interest; or
- (c) two or more such persons or corporations,

from acquiring or entering into an agreement to acquire an interests in an existing Australian corporation if after the acquisition such person or corporation would hold a substantial interest in a corporation, or where two or more persons or corporations would hold an aggregate substantial interest (defined below), without first applying in the prescribed form for approval by the Australian Treasurer and receiving such approval or receiving no response in the 40 days after such application was made.

A foreign shareholder will not be required to seek approval by the Australian Treasurer where they are acquiring their entitlement under a pro-rata entitlement offer.

Acquisitions of interests may include the acquisition of shares, options or any other instrument which may be converted to shares, as well as any other type of arrangement which results in control of the corporation.

A holder will be deemed to hold a substantial interest in a corporation if the holder alone or together with any associates (as defined in the FATA) is in a position to control not less than 20% of the voting power in the corporation or holds interests in not less than 20% of the issued

shares in that corporation. Two or more holders hold an aggregate substantial interest in a corporation if they, together with any associates (as so defined), are in a position to control not less than 40% of the voting power in that corporation or hold not less than 40% of the issued Shares in that corporation. The Constitution of the Company contains no limitations on a non resident's right to hold or vote the Company's Shares.

#### 7.13 **Subsequent events**

There has not arisen, at the date of this Prospectus any item, transaction or event of a material or unusual nature not already disclosed in this Prospectus which is likely, in the opinion of the Directors of the Company to affect substantially:

- (a) the operations of the Company,
- (b) the results of those operations; or
- (c) the state of affairs of the Company.

#### 7.14 **Litigation**

The Company is not engaged in any litigation which has or would be likely to have a material adverse effect on either the Company or its business.

#### 7.15 **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 Link Market Services Limited (**LMS**) an external service provider. The Company requires LMS 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 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 LMS, except in limited circumstances. If you wish to access, update or correct your personal information held by LMS 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.

#### 7.16 Expenses of the Offer

All expenses connected with the Offer are being borne by the Company. Total expenses of the Offer (excluding GST) are estimated to be in the order of (assuming that the Offer is fully subscribed):

ASIC Fees	\$3,206
ASX Fees	\$8,456
Lead Manager Fees	\$100,020
Legal Fees	\$40,000
Share Registry Fees	\$16,500
Miscellaneous	\$5,000
<b>TOTAL</b>	<b>\$173,182</b>

#### 7.17 Consents and disclaimers

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

Cerberus Investments Pty Ltd has given and has not withdrawn its consent to be named in this Prospectus as the lead manager in the form and context in which it is named. It takes no responsibility for any part of the Prospectus other than references to its name.

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

Link Market Services Limited has given and, at the date of this Prospectus, has not withdrawn, its written consent to be named as Share Registrar in the form and context in which it is named. It has had no involvement in the preparation of any part of the Prospectus other than being named as Share Registrar to the Company and has not authorised or caused the issue of, and expressly disclaims and takes no responsibility for, any part of the Prospectus.

7.18 **Directors' statement**

This Prospectus is issued by Clara Resources Australia Limited. Each director has consented to the lodgement of the Prospectus with ASIC.

Signed on the date of this Prospectus on behalf of Clara Resources Australia Limited by



.....  
Brian Moller  
Director

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## 8. Definitions and glossary

Terms and abbreviations used in this Prospectus have the following meaning:

<b>Acceptance</b>	An acceptance of Entitlements
<b>Acceptance Money</b>	The Offer Price multiplied by the number of New Shares accepted for
<b>Additional New Shares</b>	Has the meaning given in section 1.8
<b>Applicant</b>	A person who submits an Entitlement and Acceptance Form
<b>ASIC</b>	Australian Securities and Investments Commission
<b>ASX</b>	ASX Limited and the Australian Securities Exchange
<b>ASX Listing Rules</b>	The official listing rules of the ASX
<b>ASX Settlement</b>	ASX Settlement Pty Ltd
<b>ASX Settlement Operating Rules</b>	The operating rules of ASX Settlement
<b>Board</b>	The board of directors of Clara
<b>Bridging Loan or Bridging Loans</b>	Has the meaning given in section 4.2(d)
<b>Business Day</b>	A day, other than a Saturday, Sunday or public holiday, on which banks are open for general banking business in Brisbane
<b>Closing Date</b>	The date by which valid acceptances must be received by the Share Registry being Friday, 18 October 2024 or such other date determined by the Board and the Lead Manager
<b>Company or Clara</b>	Clara Resources Australia Limited ACN 122 957 322
<b>Constitution</b>	The Constitution of the Company
<b>Corporate Governance Principles and Recommendation</b>	Corporate Governance Principles and Recommendation 4th Edition initially released by the ASX Corporate Governance Council in February 2019
<b>Corporations Act</b>	<i>Corporations Act 2001</i> (Cth)
<b>Directors or Board</b>	The Board of directors of Clara from time to time
<b>Eligible Countries</b>	Brunei Darussalam, Hong Kong, Malaysia, Taiwan, United Kingdom, the United States, Germany, Luxembourg and Singapore
<b>Eligible Shareholder</b>	A shareholder of the Company that holds Shares in the Company on the Record Date with a registered address in Australia, New Zealand and one of the Eligible Countries
<b>Entitlement and Acceptance Form or Form</b>	An entitlement and acceptance form in relation to this Offer available at <a href="https://events.miraqle.com/c7a-offer">https://events.miraqle.com/c7a-offer</a>
<b>Entitlements</b>	The entitlement to accept New Shares under this Prospectus
<b>Existing Options</b>	All existing options to subscribe for Shares currently on issue as at the date of this Prospectus
<b>Group</b>	The Company and each of its wholly owned subsidiaries

<b>Ineligible Shareholders</b>	Shareholders of the Company that hold Shares in the Company on the Record Date with a registered address in the People's Republic of China or a jurisdiction other than an Eligible Country
<b>Law</b>	The <i>Corporations Act</i> or any relevant and applicable law in Australia
<b>Lead Manager</b>	Cerberus Investments Pty Ltd
<b>Lender or Lenders</b>	Has the meaning given in section 4.2(d)
<b>New Shares</b>	The Shares offered under this Prospectus
<b>Offer</b>	The offer and issue of New Shares in accordance with this Prospectus
<b>Offer Price</b>	\$0.01 for each New Share applied for
<b>Official List</b>	The official list of entities that ASX has admitted and not removed
<b>Official Quotation</b>	Quotation on the Official List
<b>Opening Date</b>	Monday, 30 September 2024
<b>Option Holders</b>	The holders of the Existing Options
<b>Options</b>	Options on issue in the Company from time to time
<b>Prospectus</b>	This Prospectus dated Friday, 20 September 2024 as modified or varied by any supplementary prospectus made by the Company and lodged with the ASIC from time to time and any electronic copy of this prospectus and supplementary prospectus
<b>Record Date</b>	Wednesday, 25 September 2024
<b>Register</b>	Company Register of Clara
<b>Relevant Interest</b>	Has the meaning given to that term in the <i>Corporations Act</i>
<b>Securities</b>	Has the same meaning as in section 92 of the <i>Corporations Act</i>
<b>Share Registry or LMS</b>	Link Market Services Limited
<b>Shares</b>	The ordinary shares on issue in Clara from time to time
<b>Shareholders</b>	The holders of Shares from time to time
<b>Shortfall</b>	The shortfall between the number of New Shares applied for under the Offer and the number of New Shares offered to Eligible Shareholders under the Offer
<b>US Securities Act</b>	The US Securities Act of 1933, as amended.

**Appendix A**

**(ASX Announcements)**

Date	Title of Announcement
	No announcements have been issued by the Company since the release of the 2024 Annual Report on 19 September 2024

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**Corporate Directory**

<b>Directors</b>		<b>Administration and Registered Office</b>
Brian Moller	(Non-Executive Chair)	Level 19 10 Eagle Street Brisbane QLD 4000 Tel: +61 7 3303 0681 www.clararesources.com.au
Nicholas Mather	(Non-Executive Director)	
Richard Willson	(Non-Executive Director)	
<b>Solicitors to the Offer</b>	<b>Lead Manager</b>	<b>Share Registry</b>
HopgoodGanim Lawyers Level 8 Waterfront Place 1 Eagle Street Brisbane QLD 4000 Tel: + 61 7 3024 0000 www.hopgoodganim.com.au	Cerberus Investments Pty Ltd 29 Young Street Adelaide SA 5000	Link Market Services Limited Parramatta Square, Level 22, Tower 6, 10 Darcy Street, Parramatta, NSW

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