

Clara Resources Australia Limited
ACN 122 957 322

PROSPECTUS

For the offer of up to 250,000 Shares at an Issue Price of \$0.003 per Share to raise approximately \$750 (before expenses).

This Prospectus has been prepared primarily for the purpose of Section 708A(11) of the Corporations Act to remove any restrictions on the on-sale of previously issued Shares by the Company.

Important Information

This Prospectus is an important document and requires your attention. You should read the contents and instructions in this Prospectus and on the Application Form in their entirety. If you do not understand their contents or are in any doubt about the course you should follow, please consult your stockbroker, accountant, financial planner or other professional adviser without delay and before making an investment decision. The Shares offered under this document should be considered speculative.

CORPORATE DIRECTORY

Clara Resources Australia Limited
ACN 122 957 322

Directors

Ricard Willson	(Non-Executive Chairman)
Peter Westerhuis	(Managing Director)
Alex Fitzgerald	(Non-Executive Director)

Company Secretary

Peter Harding-Smith

Registered Office

Suite 5, Level 12,
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Share Registry*

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ASX Code

Ordinary shares: ASX C7A

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KEY DATES

Proposed Timetable

Lodgement of Prospectus with ASIC and ASX	8 July 2025
Opening Date	8 July 2025
Closing Date (5:00pm Brisbane time)	9 July 2025
Expected date of allotment of New Shares	14 July 2025
Expected date of quotation of the New Shares	15 July 2025

This timetable is indicative only. The Company reserves the right to vary the dates and times of the Offer without prior notice, subject to compliance with the Corporations Act and Listing Rules.

IMPORTANT NOTE

This Prospectus has been prepared by the Company and is dated **8 July 2025** and was lodged with ASIC on **8 July 2025**. No Shares will be allotted or issued on the basis of this Prospectus later than 13 months after the date of this Prospectus. The Company will apply to ASX within seven days after the date of this Prospectus for permission for the Shares offered by this Prospectus to be officially quoted. The fact that ASX may grant quotation of the Shares offered pursuant to this Prospectus is not to be taken in any way as an indication of the merits of the Company or the Shares offered for subscription.

You should carefully consider whether the Shares are an appropriate investment for you. There are significant risks associated with an investment in the Company. The Shares to be issued under this Prospectus should be regarded as a speculative investment. The Shares carry no guarantee whatsoever with respect to return on capital investment, payment of dividends or the future value of the Shares. Share prices can fall as well as rise.

This Prospectus may not be released or distributed in the United States, or outside Australia generally. This Prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. Any securities described in this Prospectus have not been, and will not be, registered under the US Securities Act of 1933 and may not be offered or sold in the United States except in transactions exempt from, or not subject to, registration under that act or any applicable US state securities laws.

The distribution of this Prospectus outside of Australia may be restricted by law. The Offer does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus.

Electronic Prospectus

The Prospectus is available in electronic form via the Company's website www.clararesources.com.au. The electronic version of this Prospectus on the Company's website will not include an Application Form. The Corporations Act prohibits any person passing on to another person an Application Form unless it is attached to a hard copy of the Prospectus or accompanied by the complete and unaltered version of this Prospectus. Prospective applicants should read this Prospectus in its entirety before completing an Application Form. Any person may obtain a copy of this Prospectus free of charge by contacting the Company.

Special Prospectus Content Rules

The Company is a "disclosing entity" for the purposes of the Corporations Act. As such, it is subject to regular reporting and disclosure obligations. Specifically, as a listed company, the Company is subject to the Listing Rules which, subject to certain exceptions, require immediate disclosure to the market of any information the Company has, and which a reasonable person would expect to have, a material effect on the price or value of its securities.

This Prospectus is issued by the Company in accordance with the provisions of the Corporations Act which are applicable to a "transaction specific prospectus". In general terms, a "transaction specific prospectus" is only required to contain information in relation to the effect of the issue of the offered securities on the Company and the rights and liabilities attaching to the offered securities to the extent it is reasonable for investors and their professional advisors to expect to

find it in this Prospectus. It is not necessary to include general information in relation to all the assets and liabilities, financial position, profits and losses or prospects of the Company unless it has not previously been disclosed but is relevant to these matters.

This Prospectus is intended to be read in conjunction with publicly available information on the Company which has been notified to ASX.

Copies of documents lodged with ASIC in relation to the body may be obtained from, or inspected at, an ASIC office.

The Company will provide a copy of each of the following documents, free of charge, to any person who requests it during the application period for this Prospectus:

- the annual financial report for the Company for the financial year ended 30 June 2024 (being the annual financial report most recently lodged with ASIC by the Company); and
- continuous disclosure notices given by the Company after the lodgement of the annual financial report for the financial year ended 30 June 2024, and before the lodgement of a copy of this Prospectus with ASIC. A list of the disclosure notices is set out in section 4.

Risks

The Shares offered under this Prospectus are considered highly speculative and an investment in the Company is not risk free. A non-exhaustive list of some of the key risk factors to an investment in the New Shares and the Company are described in section 3 under the heading “Investment Risks”, which the Directors strongly recommend investors read in full.

The key risks are in relation to:

- Current and future sources of funding
- Exploration and evaluation
- Mine development
- Geology and coal quality
- Operational risks and costs
- Contractual and joint venture
- Commodity prices
- Rehabilitation
- Environment
- Tenement
- Land access
- Title risk
- Native title
- Contractual and joint venture
- Operational risks and costs
- Climate change
- Government and regulatory
- Impairment of non-financial assets
- Market demand and pricing
- Personnel
- Contractual disputes
- Investment
- Epidemic or other global pandemics or emergencies

- **Competition**

In addition to the above specific risks that relate directly to the Company, there are also other general risks, many of which are largely beyond the control of the Company and its Directors, that investors should consider and which may also have a material impact on the financial position and prospects of the Company, and the market price of the Shares.

Disclaimers

No representation or warranty, express or implied, is made by any person in relation to the fairness, accuracy, completeness or reliability of all or part of this Prospectus, or any constituent or associated presentation, information or material, or the accuracy, likelihood of achievement or reasonableness of any forecasts, prospects or returns contained in, or implied by, the information or any part of it. The information in this Prospectus may include information derived from third party sources that has not been independently verified.

Without limiting anything else in this Prospectus, to the maximum extent permitted by law, the Company, its subsidiaries, and their respective partners, directors, officers, employees, agents and advisers disclaim all liability and responsibility for any direct or indirect loss or damage which may be suffered by any recipient through the use or reliance on anything contained in or omitted from this Prospectus, including without limitation, any liability arising from fault or negligence on the part of the Company or its subsidiaries, directors, partners, officers, employees and advisers.

The information in this Prospectus remains subject to change without notice. No person is under any obligation to provide any recipient of this Prospectus with any access to any additional information, or to notify any recipient or any other person of any other matter arising or coming to its notice after the date of the Prospectus.

Privacy

The Company (and the Share Registry on its behalf) collects, holds and uses personal information of security holders in order to service their needs as security holders, provide facilities and services that they request or that are connected with their interests in Shares and carry out appropriate administration.

The information may also be used from time to time and disclosed to persons inspecting the securities register, bidders for the securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers and mail houses.

A security holder may request access, correct and update his or her personal information held by the Company or the Share Registry, by contacting the Company Secretary.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the *Privacy Act 1988* (Commonwealth) (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules of ASX.

1. THE OFFER

Purpose

The Company proposes to raise \$750 by the issue of 250,000 New Shares pursuant to this Prospectus.

The primary purpose of this Prospectus is to raise a nominal amount of capital and to remove any restrictions that would apply to the on-sale of Shares issued by the Company before the date of this Prospectus or whilst the Offer remains open for acceptance, without disclosure under Chapter 6D of the Corporations Act and in the absence of the issue of a cleansing notice under section 708A(5).

Relevantly, Section 708A(11) of the Corporations Act provides that a sale offer does not need disclosure to investors if:

- the relevant securities are in a class of securities that are quoted securities of the body; and
- either:
 - a prospectus is lodged with ASIC on or after the day on which the relevant securities were issued but before the day on which the sale offer is made; or
 - a prospectus is lodged with ASIC before the day on which the relevant securities are issued and offers of securities that have been made under the prospectus are still open for acceptance on the day on which the relevant securities were issued; and
- the prospectus is for an offer of securities issued by the body that are in the same class of securities as the relevant securities.

Use of funds

Net proceeds (if any) will be used for working capital purposes.

Offer recipients

The Offer will only be extended to specific parties at the invitation of the Directors (**Invitees**). Application Forms will only be provided by the Company to these parties, together with a copy of this Prospectus.

Opening and Closing Dates of the Offer

The Opening Date of the Offer is **8 July 2025**, and the Closing Date of the Offer is 5pm (Sydney time) on **9 July 2025**.

The Directors reserve the right to close the Offer early, or to extend the Closing Date, subject to the application of the Corporations Act and Listing Rules.

Application for Shares

The Offer is being made to the Invitees only and is not open to the general public.

Applications for New Shares must be made using the Application Form accompanying this Prospectus. To the maximum extent permitted by law, the Directors will have discretion over whether to accept any or all Applications. There is no guarantee that any applications will be accepted.

Payment for the New Shares must be made in full at the Issue Price of \$0.003 per New Share.

Completed Application Forms and accompanying cheques must be delivered to the Company at its registered office by hand or by post, and by no later than the Closing Date.

Cheques should be made payable to "C7A – Share Offer" and crossed "Non-Negotiable".

Minimum Subscription

There is no minimum subscription for the Offer.

Allotment of Shares

It is expected that New Shares will be allotted and issued no later than **14 July 2025** with dispatch of holding statements expected to occur on **18 July 2025**.

Expenses of the Offer

The estimated expenses payable by the Company for legal fees, registry, printing fees and other costs incurred in preparing and distributing this Prospectus in respect of the Offer are estimated to be approximately **\$2,000**.

Application Monies

All Application Monies received for the New Shares under the Offer will be held on trust in a bank account maintained solely for the purpose of depositing Application monies received pursuant to this Prospectus until the New Shares are issued. All Application monies will be returned (without interest) if the New Shares are not issued.

Quotation of New Shares

The Company will make application to ASX for quotation of the New Shares within 7 days of the date of this Prospectus.

If ASX does not grant quotation of the New Shares offered pursuant to this Prospectus before the expiration of three months after the date of this Prospectus (or such period as varied by ASIC), the Company will not issue any New Shares and will repay all Application monies within the time prescribed under the Corporations Act, without interest.

The fact that ASX may grant quotation of the New Shares offered pursuant to this Prospectus is not to be taken in any way as an indication of the merits of the Company or the New Shares.

Enquiries

Any enquiries regarding the Offer or this Prospectus should be directed to the Company Secretary at accounts@clararesources.com.au.

2. EFFECT OF THE OFFER

Capital Structure

Immediately prior to this Offer, the Company undertook a placement (**Placement**) of 200,000,000 Shares to sophisticated and professional investors. That placement takes place in two tranches, with the first tranche of 76,666,667 (**Tranche 1A Placement Shares**) Shares being issued immediately before the date of this Prospectus, and 123,333,333 Shares (**Tranche 1B Placement Shares**) to be issued during the Offer Period.

The following tables set out the expected securities of the Company on issue, based on:

- the capital structure of the Company as at the date of this Prospectus (including the 76,666,667 Tranche 1A Placement Shares) ;
- the issue of 123,333,333 Tranche 1B Placement Shares (to be issued during the Offer Period);
- the completion of the Offer, assuming it is fully subscribed.

Quoted Shares	Number
Shares on issue at the date of this Prospectus ¹	588,270,944
Tranche 1B Placement Shares to be issued ²	123,333,333
Maximum New Shares to be issued under this Prospectus	250,000
Total Shares on issue at close of the Offer ³	711,854,277

Notes:

(1) Includes the Tranche 1A Placement Shares already issued (refer to Company Appendix 2A Announcements dated 23 June 2025 for further details).

(2) To avoid doubt, the Tranche 1B Placement Share are not offered pursuant to this Prospectus.

(3) Assuming all of the Tranche 1B Placement Shares are issued and the Offer is fully subscribed.

Effect on Voting Power

None of the Tranche 1B Placement Shares will be issued to Substantial shareholders of the Company, and as a result the issue of the Tranche 1B Placement Shares will not have a material effect on control of the Company (refer to section 4 for further details on the Company's substantial shareholders).

Given the nominal number of Shares being issued pursuant to the Offer, the Offer will not have any material effect on the holdings of the Company's substantial holders, or any shareholder.

Financial effect of the Offer on the Company

There will be no net proceeds from the Offer, after the costs of the Offer have been met. The Company will meet the expenses of the Offer (exceeding \$750) from its existing cash reserves, which will be reduced by the costs of the Offer.

3. INVESTMENT RISKS

This section identifies some of the major risks associated with an investment in the Company. Investors should read the whole of this Prospectus in order to fully appreciate such matters and the manner in which the Company intends to operate before any decision is made to subscribe for New Shares.

Prospective investors should be aware that subscribing for New Shares involves various risks. The New Shares to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those New Shares. An investment in New Shares should be considered very speculative.

The principal risk factors applicable to the business of the Company include but are not limited to the following.

Current and future sources of funding

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.

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 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.

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.

Exploration and evaluation risks

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.

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.

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.

Mine development risk

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 equipment, cost overruns, access to the required level of funding and contracting risk from third parties providing essential services.

If the Company discovers an economically viable mineral deposit that it intends to develop, it will, among other things, require various approvals, licences and tenements before it will be able to mine the deposit. There is no guarantee that the Company will be able to obtain all required approvals, licences and tenements.

To the extent that required authorisations are not obtained or are delayed, the Company's operational and financial performance may be materially adversely affected. If Clara commences production, its operations may be disrupted by a variety of risks and hazards which are beyond its control, including environmental hazards, industrial accidents, technical failures, labour disputes, unusual or unexpected rock formations, flooding and extended interruptions due to inclement or hazardous weather conditions and fires, explosions, pandemics or accidents. The risks outlined above mean that there can be no assurances as to the future development of a mining operation in relation to the Ashford Coking Coal Project (or other future projects) or that Clara will achieve commercial viability through the development or mining of any its projects.

Geology and coal quality

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

The Ashford Coking Coal Project raw coal quality 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.

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, its subsidiaries or companies it has an

interest in. 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.

Contractual and joint venture risk

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. 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.

Commodity prices

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.

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.

Rehabilitation Risk

The Company may be liable for rehabilitation costs. Whilst an estimate for these costs will be provided for in the financial statements, rehabilitation costs can be difficult to estimate and there may be a risk that the realised costs are higher than provided, which would result in an adverse effect on the Company's profitability. Rehabilitation works will not be undertaken in the near term, and the proceeds of the Offer will not be applied toward meeting the cost of these works.

Environment Risk

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.

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.

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.

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.

Native Title Risk

Native title rights could adversely impact on some of the Company's other operations. If the Company's ability to conduct future exploration and/or development and production activities is adversely affected, this may have a material adverse effect on the Company's performance and the price at which its shares are traded.

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.

Operational Risks and Costs

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

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

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

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

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

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

Climate Change Risk

The Company recognises that climate change is a shared global challenge and that global and local policies in response to climate change may affect the Company. The Company identifies climate change and climate change regulation as strategic risks that ultimately may affect the Company's future operating and financial performance. These risks include, but are not limited to, unpredictable weather conditions which may have direct or indirect adverse impacts on the Company's operations or customer markets, including capital markets. The Company remains alert to scenarios around global megatrends impacted by climate change, such as globalisation, digitalisation and automation, and how these will impact the Company's future activities.

Government and Regulatory Risk

The impact of actions by governments, the ASX, ASIC or other regulatory bodies may affect the Company's operations including matters such as necessary approvals, land access, sovereign risk, additional or increased taxation or regulation, or royalties which are payable on the proceeds of the sale of any successful exploration. Further, the approval of contractual arrangements in relation to exploration permits as well as the renewal of exploration permits is each a matter of governmental discretion and no guarantee can be given in this regard. A failure to obtain any approval would mean that the ability of the Company to participate in or develop any project may be limited or restricted either in part or absolutely. Such initiatives will involve the need to obtain the necessary licences or clearances from the relevant authorities, which may require conditions to be satisfied and/or the exercise of discretions by such authorities. It may or may not be possible for such conditions to be satisfied. Further, the decision to proceed to further exploitation may require the participation of other companies whose interests and objectives may not be the same as the Company. Such further work may require the Company to meet or commit to financing obligations for which it may not have planned. Industry profitability can be affected by changes in tax policies and the interpretation and application thereof.

Impairment of Non-Financial Assets Risk

The Company's assets are tested semi-annually for impairment in accordance with accounting standards to assess whether the carrying values may exceed recoverable amounts. An impairment loss may be triggered if capitalised exploration expenditure, evaluation and development costs do not meet the requirements under the accounting standards (AASB 6 - Exploration for and Evaluation of Mineral Resources).

Market Demand and Pricing Risk

Investors should consider the impacts of supply and demand for commodities (especially oil and gas), fluctuations in the prices of those commodities, exchange rates, Australia's inflation rates, taxation laws and interest rates. All of these factors have a bearing on operating costs, potential revenue and share prices. Energy prices are volatile and cannot be controlled. Energy prices have fluctuated widely in recent years, and if the price of hydrocarbons falls significantly and remains depressed, this could affect the financial viability of any reserves discovered. There is no assurance that, even if significant quantities of hydrocarbon products are discovered, a profitable market may exist for their sale. The marketability of hydrocarbons is also affected by numerous other factors beyond the control of the Company, including government regulations relating to royalties, allowable production and importing and exporting of oil and gas and petroleum products, the effect of which cannot be accurately predicted.

Personnel Risk

The Company's success depends in part on the core competencies of the Directors and management and the ability of the Company to retain key personnel. Loss of key personnel could have an adverse impact on the Company's performance.

Contractual Dispute Risk

Contractual disputes with joint venture partners, operators and contractors can arise from time to time. Some of the Company's projects are conducted as joint ventures. Where a venture partner does not satisfy its financial or other commitments or act in the best commercial interest of the project, it could have a material adverse effect on the interests of the Company. The Company is unable to predict the risk of financial failure, non-compliance with obligations or default by a participant in any venture to which it is, or may become, a party, or insolvency or managerial failure by any of contractors used by the Company in its exploration activities. Given that the Company has entered into joint venture, farmout agreements and royalty arrangements, the inability of those joint venturers, farminees and royalty payers to meet contracted obligations could adversely affect the Company's capacity to carry out its own activities.

Investment Risk

Holders of shares have no right to a repayment of their investment. Investors should appreciate that an investment in shares carries risks. The shares may not be tradeable at, or above, their offer price, and liquidity may be thin. The Company's shares are not redeemable in any circumstance and, in the event of external administration or liquidation (i.e., insolvency), are likely to be of minimal value.

Epidemic or Other Global Risk

The Company's operations are dependent upon the availability of suitable qualified and experienced personnel and equipment, such as drilling rigs. Local or widespread epidemics (pandemics) or conflict can adversely impact the availability of, or ability to mobilise, personnel and equipment.

Competition Risks

The industry in which the Company operates is subject to domestic and global competition. Although the Company will undertake all reasonable due diligence in its business decisions and operations, it will have no influence or control over the activities or actions of its competitors, which activities or actions may, positively or negatively, affect the operating and financial performance of the projects and business of the Company. The Company's competitiveness on the domestic and global scale may be further impacted by government policy (both foreign and domestic) on matters such as energy, climate change, environment. Any tariffs imposed on the import and export of oil and gas may also impact the Company's overall competitiveness.

Further Risks

The current and future operations of the Company, including exploration, appraisal and production activities, may be affected by a range of factors, including:

- unanticipated operational and technical difficulties;
- mechanical failure of operating plant and equipment, adverse weather conditions, industrial and environmental accidents, industrial disputes and other force majeure events;

- unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment; and
- uninsured losses or liabilities.

4. ADDITIONAL INFORMATION

Rights and liabilities attaching to Shares

A summary of the rights attaching to Shares in the Company is set out below. This summary is qualified by the full terms of the Constitution (a full copy of the Constitution is available from the Company on request free of charge) and does not purport to be exhaustive or to constitute a definitive statement of the rights and liabilities of Shareholders. These rights and liabilities can involve complex questions of law arising from an interaction of the Constitution with statutory and common law requirements. For a Shareholder to obtain a definitive assessment of the rights and liabilities which attach to Shares in any specific circumstances, the Shareholder should seek legal advice.

At the date of this Prospectus, all shares on issue in the Company are of the same class and rank equally in all respects. The New Shares issued pursuant to this Prospectus will rank equally with existing shares on issue.

General meetings	Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company. Shareholders may requisition meetings in accordance with section 249D of the Corporations Act and the Constitution.
Voting rights	<p>Subject to any rights or restrictions for the time being attached to any class or classes of shares, at general meetings of shareholders or classes of shareholders:</p> <ul style="list-style-type: none">• each shareholder entitled to vote may vote in person or by proxy, attorney or representative;• on a show of hands, every person present who is a shareholder or a proxy, attorney or representative of a shareholder has one vote; and• on a poll, every person present who is a shareholder or a proxy, attorney or representative of a shareholder shall, in respect of each fully paid share held, or in respect of which a proxy, attorney or representative is appointed, have one vote for each share held, but in respect of partly paid shares shall have such number of votes as bears the same proportion to the total of such shares registered in the shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).
Dividend rights	<p>Subject to the rights of any preference shareholders and to the rights of the holders of any shares created or raised under any special arrangement as to dividend, the Directors may from time to time declare a dividend to be paid to the shareholders entitled to the dividend which shall be payable on all shares according to the proportion that the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) in respect of such shares.</p> <p>The Directors may from time to time pay to the Shareholders any interim dividends as they may determine. No dividend shall carry interest as against the Company. The Directors may set aside out of the profits of the Company any amounts that they may determine as reserves, to be applied at the discretion of the Directors, for any purpose for which the profits of the Company may be properly applied.</p>

	Subject to the Listing Rules and the Corporations Act, the Company may, by resolution of the Directors, implement a dividend reinvestment plan on such terms and conditions as the Directors think fit and which provides for any dividend which the Directors may declare from time to time payable on shares which are participating shares in the dividend reinvestment plan, less any amount which the Company shall either pursuant to the Constitution or any law be entitled or obliged to retain, be applied by the Company to the payment of the subscription price of shares.
Winding up	If the Company is wound up, the liquidator may, with the authority of a special resolution, divide among the shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as the liquidator considered fair upon any property to be so divided, and may determine how the division is to be carried out as between the shareholders or different classes of shareholders. The liquidator may, with the authority of a special resolution, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no shareholder is compelled to accept any shares or other securities in respect of which there is any liability.
Shareholder liability	As the shares issued will be fully paid shares, they will not be subject to any calls for money by the Directors and will therefore not become liable for forfeiture.
Transfer of shares	Generally, shares in the Company are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act and the Listing Rules.
Further increase in capital	The issue of any new Shares is under the control of the Directors. Subject to the restrictions on the issue or grant of securities contained in the Listing Rules, the Constitution and the Corporations Act (and without affecting any special right previously conferred on the holder of an existing share or class of shares), the Directors may issue Shares as they shall, in their absolute discretion, determine.
Variation of rights	Under section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of shareholders, vary or abrogate the rights attaching to Shares. If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of the holders of three quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holdings of the shares of that class.

Unmarketable parcels	<p>Subject to the Corporations Act, the Company may sell or otherwise dispose of the shares of a shareholder who holds less than a marketable parcel of shares on any terms and in the manner and at the time which the Directors determine. For the purpose of selling or disposing of those shares, each shareholder who holds less than a marketable parcel of shares irrevocably:</p> <ol style="list-style-type: none"> 1. appoints the Company as its agent to sell all the shares it holds; 2. appoints the Company and each Director and Company Secretary from time to time jointly and severally as its attorney in its name and on its behalf to effect a transfer document for its shares and to otherwise act to effect a transfer of its shares; 3. appoints the Company as its agent to deal with the proceeds of sale of those shares in accordance with the Constitution; and 4. permits the Company if permitted by the Corporations Act to pool two or more unmarketable parcels for sale.
Share buy backs	<p>Subject to the Corporations Act and Listing Rules, the Company may buy back shares in itself on terms and conditions determined by the Directors. The consideration paid for a buy back of shares may include specific assets, including securities of the Company or any other corporation, trust or entity.</p>

Substantial Shareholders

As at the date of this Prospectus, those persons which (together with their associates) have a relevant interest in 5% or more of the Shares on issue are set out below:

Shareholder	Shares	%
Mr Peter Fitzgerald & Ms Helen Fitzgerald & Mr Albert Alloo Atf The Tawny Tussock Trust	51,531,561	8.76%
Foster Stockbroking Pty Ltd	47,679,169	8.10%
Pier Westerhuis	30,020,931	5.10%

Company's Share Price on ASX

The highest and lowest closing market sale prices of the Shares on ASX during the 3 months immediately preceding the date of lodgement of this Prospectus with ASIC and the respective dates of those sales were:

Highest: \$0.005 per Share on 14 May 2025.

Lowest: \$0.0025 per Share on 27 June 2025.

The latest available closing market sale price of the Shares on ASX prior to the date of lodgement of this Prospectus with ASIC was \$0.004 per Share on 4 July 2025.

Directors' and others' interests

Other than as set out in this section or elsewhere in this Prospectus, no Director; proposed Director; person 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; or promoter of the Company, holds, or has held within two years before the date of this Prospectus, any interest in the Offer, or promotion of, any interest in the Offer or promotion of, or in any property acquired or proposed to be acquired by, the Company in connection with its formation or promotion or the Offer.

Set out below are the amounts that anyone has paid or agreed to pay; and the nature and value of any benefit anyone has given or agreed to give, to a Director or proposed Director to induce him to become, or to qualify him as, a Director of the Company; or for services provided in connection with the formation or promotion of the Company or the Offer by any Director; proposed Director; person 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; or any promoter of the Company.

The aggregate number of securities of the Company held directly, indirectly or beneficially by the current Directors or their related entities at the date of this Prospectus are:

Director	Shares
Richard Willson	4,128,717
Peter Westerhuis	30,020,931
Alex Fitzgerald	51,531,561
Total	85,681,209

The Directors are participating in the placement and subscribing for Shares by applying their outstanding fees payable to them towards subscribing for Shares. The issue of those shares is subject to Shareholder approval at the upcoming extraordinary general meeting of the Company on **5 August 2025**. The following table sets out the Shareholdings of the Directors assuming that the issue of those Shares are approved by Shareholders.

Director	Shares
Richard Willson	9,579,824
Peter Westerhuis	48,423,101
Alex Fitzgerald	61,531,561
Total	119,534,486

Directors' Remuneration

The remuneration of the Directors as at the date of this Prospectus is as follows:

Director	FY25 Cash remuneration in Superannuation	FY25 Share based remuneration including Superannuation
Richard Willson	\$33,450	\$33,450
Peter Westerhuis	\$320,000	\$0
Alex Fitzgerald	\$22,300	\$22,300
Total	\$375,750	\$55,750

Litigation

The Company is not currently aware of any material litigation pertaining to the Company.

Consent

The following have given their written consents to the issue of this Prospectus with references to them included in the form and context in which they are included and have not withdrawn those consents before the lodgement of this Prospectus with ASIC:

- MUFG Corporate Markets (AU) Limited ACN 083 214 537

Any third parties named in this Prospectus and not specifically named in this section have not consented to the inclusion of their names in this Prospectus. The Directors assume responsibility for the references to those third parties and the statements that include those references.

Clearing House Electronic Sub-Register System (CHES) And Issuer Sponsorship

The Company will not be issuing Share certificates. The Company is a participant in CHES, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHES will be issuer sponsored by the Company. Because the sub-registers are electronic, ownership of securities can be transferred without having to rely upon paper documentation.

Electronic registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with a statement (similar to a bank account statement) that sets out the number of Shares issued to them under this Prospectus. The notice will also advise holders of the Holder Identification Number or Security Reference Number and explain, for future reference, the sale and purchase procedures under CHES and issuer sponsorship.

Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

Material Contracts

In the opinion of the Directors, there are no material contracts in the context of the Offer.

Documentation

A copy of the Company's Constitution is available for inspection during normal business hours, free of charge, at the registered office of the Company for 12 months after the date of this Prospectus.

Governing Law

This Prospectus, the Offer, and the contracts formed on acceptance of the Application Forms are governed by the laws of the State of Queensland, Australia. Each person that applies for New Shares submits to the exclusive jurisdiction of the Courts of the State of Queensland, Australia and the Courts of appeal from them.

Disclosing entity

The Company is a disclosing entity under the Corporations Act and is subject to regular reporting and disclosing obligations under the Corporations Act and the Listing Rules. Copies of documents lodged with the ASX by the Company may be obtained from, or inspected at, an office of ASX, during normal business hours, and on the Company's website at www.clararesources.com.au

This Prospectus is a 'transaction specific prospectus' prepared in accordance with section 713 of the Corporations Act, and accordingly, is only required to contain information in relation to the effect of the issue of the New Shares on the Company, and the rights attaching to the Shares. It is not required to contain information regarding all of the assets, liabilities, financial position and prospects of the Company. Information that is already in the public domain has not been replicated here, other than to the extent the inclusion of such information is necessary to complete this Prospectus.

As required by section 713(4)(a)(iii) of the Corporations Act, the Company specifically refers Shareholders to its 2024 Annual Report and the following ASX disclosures (being all disclosures from the date of the lodgement of the 2024 Annual Report up to the date of this Prospectus) and will give copies of the 2024 Annual Report or these other disclosures to Shareholders on request:

Date	Description
07/07/2025	Notice of General Meeting/Proxy Form
02/07/2025	Cleansing Notice
23/06/2025	Application for quotation of securities - C7A
23/06/2025	Application for quotation of securities - C7A
17/06/2025	Notification of cessation of securities - C7A
16/06/2025	Reinstatement to Quotation
16/06/2025	Proposed issue of securities - C7A
16/06/2025	Proposed issue of securities - C7A
16/06/2025	Capital Raising and Corporate Update
16/06/2025	Suspension from Quotation
12/06/2025	Trading Halt
26/05/2025	Revised Change of Director's Interest Notice
20/05/2025	Kildanga Strategic Review
15/05/2025	Change of Address
30/04/2025	Quarterly Activities/Appendix 5B Cash Flow Report
10/04/2025	Becoming a substantial holder
10/04/2025	Cleansing Notice
10/04/2025	Change of Director's Interest Notice x 3
03/04/2025	Application for quotation of securities - C7A
03/04/2025	Application for quotation of securities - C7A
26/03/2025	Change of Director's Interest Notice
26/03/2025	Change of Director's Interest Notice
17/03/2025	Notification of cessation of securities - C7A
14/03/2025	Final Director's Interest Notice
14/03/2025	Board Composition
12/03/2025	Half Year Accounts
11/03/2025	Results of Meeting
11/03/2025	Director Resignation
10/03/2025	Final Director's Interest Notice
10/03/2025	Director Resignation
28/02/2025	Change of Director's Interest Notice
21/02/2025	Application for quotation of securities - C7A
21/02/2025	Close of Retail Entitlement Offer
05/02/2025	Notice of General Meeting/Proxy Form
03/02/2025	Change of Director's Interest Notice
30/01/2025	Top 20 Shareholders
30/01/2025	Quarterly Activities/Appendix 5B Cash Flow Report
30/01/2025	Ashford Drilling Program Update
28/01/2025	Update - Proposed issue of securities - C7A
28/01/2025	Rights issue - further extension
23/01/2025	Application for quotation of securities - C7A
21/01/2025	Notice Pursuant to Section 249D of the Corporations Act

17/01/2025	Notice pursuant to Section 203D of the Corporations Act
16/01/2025	Ceasing to be a substantial holder
13/01/2025	Update - Proposed issue of securities - C7A
13/01/2025	Rights Issue Update - Closing Date Extended
08/01/2025	Becoming a substantial holder
07/01/2025	Ceasing to be a substantial holder
06/01/2025	Change of Director's Interest Notice
30/12/2024	Becoming a substantial holder
30/12/2024	Application for quotation of securities - C7A
27/12/2024	Ineligible Shareholder Letter
27/12/2024	Eligible Shareholder Letter
27/12/2024	Retail Entitlement Offer Booklet
27/12/2024	Despatch of retail offer booklet
20/12/2024	Clara ANREO - Correction
20/12/2024	Initial Director's Interest Notice
19/12/2024	Cleansing Notice
19/12/2024	Clara raising up to \$2.1m via placement and ANREO
18/12/2024	Update - Proposed issue of securities - C7A
18/12/2024	Proposed issue of securities - C7A
17/12/2024	Clara Resources Investor Presentation
17/12/2024	Cleansing Statement - Placement and Entitlement Offer
17/12/2024	Trading Halt
17/12/2024	Pause in Trading
17/12/2024	Director Appointment
16/12/2024	Application for quotation of securities - C7A
29/11/2024	Company Secretary Appointment/Resignation
08/11/2024	AGM Presentation
08/11/2024	Results of Meeting
01/11/2024	Application for quotation of securities - C7A
30/10/2024	Results of Entitlement Offer
30/10/2024	Quarterly cashflow-amended to reclassify expenditure
29/10/2024	Quarterly cash flow report
29/10/2024	Quarterly Activities Report
25/10/2024	Underwriting Agreements
15/10/2024	Update - Proposed issue of securities - C7A
15/10/2024	Rights Issue update
11/10/2024	Supplementary Prospectus-signed lodgement copy
11/10/2024	Initial Director's Interest Notice
11/10/2024	Supplementary Prospectus
11/10/2024	Board of Director changes
30/09/2024	Letter to eligible shareholders
30/09/2024	Letter to ineligible shareholders
30/09/2024	Despatch of Right Issue documents
26/09/2024	Proxy Form-2024 AGM
26/09/2024	Notice of Annual General Meeting-2024
26/09/2024	Corporate Governance Statement
26/09/2024	Appendix 4G
20/09/2024	Update - Proposed issue of securities - C7A
20/09/2024	Update - Proposed issue of securities - C7A
20/09/2024	Proposed issue of securities - C7A
20/09/2024	Disclosure Document
20/09/2024	Non-Renounceable Issue

5. GLOSSARY OF TERMS

“Application” means an application for New Shares pursuant to the Offer made on an Application Form.

“Application Form” means an application form accompanying a paper copy of this Prospectus, pursuant to which the recipient of the Offer may apply for New Shares.

“ASIC” means the Australian Securities and Investments Commission.

“ASX” means ASX Limited ABN 98 008 624 691 (also known as Australian Securities Exchange).

“Board” means the board of Directors of the Company.

“Closing Date” means the last date by which Applications will be accepted, which is 5:00pm (Sydney time) on **9 July 2025** or such other date as the Directors determine.

“Company” means Clara Resources Australia Limited ACN 122 957 322 and, where the context requires, includes the Company's subsidiaries.

“Company Secretary” means the company secretary of the Company.

“Constitution” means the constitution of the Company.

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

“Directors” means the directors of the Company.

“Dollars” or **“\$”** means dollars in Australian currency.

“Issue Price” means the price payable on subscription for each New Share, being \$0.003.

“Listing Rules” means the Listing Rules of ASX.

“New Shares” means Shares offered under the Offer.

“Offer” means the offer of 250,000 New Shares to invitees of the Company under this Prospectus.

“Prospectus” means this Prospectus dated 7 July 2025.

“Share” means a fully paid ordinary share in the Company.

“Share Registry” means MUFG Corporate Markets (AU) Limited ACN 083 214 537.

“Shareholder” means a holder of Shares registered on the share register of the Company.

“Voting Power” has the meaning given to that term in the Corporations Act.

DIRECTORS' STATEMENT AND CONSENT

The Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with ASIC and has not withdrawn that consent.

Signed for and on behalf of Clara Resources Australia Limited

A handwritten signature in black ink, appearing to read 'Peter Westerhuis', with a stylized flourish at the end.

Peter Westerhuis
Managing Director