

21 October 2025

The Manager
Market Announcements Office
ASX Limited
525 Collins Street, Melbourne VIC 3000

CLEANSING NOTICE

Dear Sir / Madam

Clara Resources Australia Limited (ASX Code: C7A)

On 21 October 2025 Clara Resources Australia Limited ACN 122 957 322 (**Clara**) (ASX:C7A) announced that it will undertake a non-renounceable entitlement issue of up to 424,147,527 new fully paid ordinary shares to eligible shareholders (**Entitlement Issue**) on the basis that eligible shareholders will be entitled to subscribe for one (1) ordinary share (**New Share**) for every two (2) ordinary shares held by them at the record date, being 7.00pm on Friday, 24 October 2025, at an issue price of \$0.003 per New Share, raising up to \$1.272 million.

This notice is given by Clara under section 708AA(2)(f) of the *Corporations Act 2001* (Cth) (**Corporations Act**) as modified by *ASIC Corporations (Non-Traditional Rights Issue) Instrument 2016/84* (**ASIC Instrument 2016/84**).

Further details regarding the Entitlement Issue will be set out in the Offer Booklet to be lodged with ASX no later than Wednesday, 29 October 2025.

For the purposes of section 708AA(7) of the Corporations Act, the Company advises:

- (a) the New Shares will be offered for issue without disclosure under Part 6D.2 of the Corporations Act;
- (b) this notice is being given under section 708AA(2)(f) of the Corporations Act as modified by ASIC Instrument 2016/84;
- (c) as at the date of this notice, the Company has complied with:
 - (i) the provisions of Chapter 2M of the Corporations Act as they apply to the Company; and
 - (ii) sections 674 and 674A of the Corporations Act;
- (d) as at the date of this notice, there is no information that is 'excluded information' (within the meaning of sections 708AA(8) and 708AA(9) of the Corporations Act); and
- (e) the potential effect the Entitlement Issue will have on the control of the Company, and the consequences of that effect, will depend on a number of factors, including the eligible shareholders' interest in taking up their entitlements, the level of participation of eligible shareholders in taking up additional shares under the shortfall facility, and also, the amount of the shortfall of the Entitlement Offer that will be taken up by the underwriter to the extent eligible shareholders do not take up the shortfall facility. While the outcomes of these factors are not able to be ascertained by the Company as at the date of this notice, the likely effect of the Entitlement Issue would include, but not be limited to:
 - (i) if all eligible shareholders take up their entitlement under the Entitlement Issue, the issue of New Shares under the Entitlement Issue will have no effect on the control of the Company, and all shareholders will hold the same percentage interest in the Company, subject only to changes resulting from ineligible shareholders being unable to participate in the Entitlement Issue;

- (ii) in the event that there is a shortfall, eligible shareholders who do not subscribe for their full entitlement of New Shares under the Entitlement Issue and ineligible shareholders unable to participate in the Entitlement Issue will be diluted relative to those shareholders who subscribe for some or all of their entitlements; and
- (iii) in the event that the shortfall is not taken up by eligible shareholders, both eligible and ineligible shareholders unable to participate in the Entitlement Issue will be diluted relative to the underwriter who will subscribe for the balance of the shortfall and entitlements; and
- (iv) except for the underwriter and subject always to eligible shareholders' participation in the shortfall facility, no person will be issued New Shares if such issue would result in their voting power in the Company, in aggregate with the voting power of their associates, increasing from 20% or below to more than 20%, or from a starting point that is above 20% and below 90%.

Yours sincerely,



Peter Harding-Smith
Company Secretary
Clara Resources Australia Limited

This announcement has been authorised by the board of directors of Clara Resources Australia Limited.