

2022 Notice of Annual General Meeting and Explanatory Memorandum

The Annual General Meeting of Clara Resources Australia Limited (formerly Aus Tin Mining Limited) will be held at 2:00pm on 28 November 2022 at Level 7 Waterfront Place, 1 Eagle Street, Brisbane, QLD, Australia.

Clara Resources Australia Limited ACN 122 957 322

Registered office:

Level 27, 111 Eagle Street
Brisbane
Queensland 4000

Each Resolution to be put to the Meeting will be decided by poll vote, as a combination of proxy votes lodged, together with any votes cast in person at the Meeting. Accordingly, Shareholders are encouraged to lodge their votes online via the Company's Registry (www.linkmarketservices.com.au) or via the proxy form to be supplied.

Any questions that Shareholders would like to put to the Meeting can also be emailed to the Company Secretary (jhaley@austinmining.com.au) by 5:00pm on 26 November 2022. Responses to any questions will be given verbally at the Meeting, with a summary of material issues addressed in a subsequent ASX release.

Notice of Annual General Meeting

Notice is given that the Annual General Meeting of Shareholders of **Clara Resources Australia Limited** (formerly Aus Tin Mining Limited) ACN 122 957 322 (the **Company**) will be held at the offices of HopgoodGanim, Level 7, Waterfront Place, 1 Eagle Street, Brisbane, Qld, 4000, on 28 November 2022 at 2:00pm (Brisbane time).

Terms used in this Notice of Meeting are defined in the “**Definitions**” section of the accompanying Explanatory Memorandum.

ASX takes no responsibility for the content of this Notice or of the Explanatory Memorandum.

AGENDA

ORDINARY BUSINESS

Annual Financial Report

To receive and consider the Company’s Annual Report comprising the Directors’ Report and Auditors’ Report, Directors’ Declaration, Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows and Notes to and forming part of the financial statements for the Company for the financial year ended 30 June 2022.

See Explanatory Statement below for further information.

Resolution 1. Remuneration Report

To consider and if thought fit, pass the following Advisory Resolution:

“That the Remuneration Report for the year ended 30 June 2022 (as set out in the Directors’ Report) is adopted.”

The vote on **Resolution 1** is advisory only and does not bind the Directors of the Company. The Company’s 2022 Annual Report, which contains the Remuneration Report, is available on the Company’s website <https://clararesources.com.au/>.

See Explanatory Memorandum for further details.

VOTING RESTRICTION PURSUANT TO SECTION 250R(4) OF THE CORPORATIONS ACT

A vote on Resolution 1 must not be cast (in any capacity) by or on behalf of any of the following persons:

- a member of the Key Management Personnel (**KMP**) details of whose remuneration are included in the Remuneration Report; or
- a Closely Related Party of a KMP.

However, this does not apply to a vote cast in favour of this Resolution by:

- a person as proxy for a person who is entitled to vote on this Resolution, in accordance with directions given to the proxy to vote on this Resolution in that way; or
- the chair of the Meeting as proxy for a person who is entitled to vote on this Resolution, in accordance with a direction given to the chair to vote on this Resolution as the chair decides and which expressly authorises the chair to exercise the proxy even if the Resolution is connected with the remuneration of a member of the KMP.

*Shareholders should be aware that any undirected proxies given to the Chairman will be cast by the Chairman and counted in favour of the Resolutions the subject of this Meeting including **Resolution 1**, other than Resolutions where the Chairman is a related party and the subject of the Resolution, or is an associate of a related party the subject of a Resolution, in which case the Chairman cannot cast undirected proxies in respect to that Resolution.*

Resolution 2. Re-election of Mr Nicholas Mather as a Director

To consider and if thought fit, pass the following Resolution as an Ordinary Resolution of the Company:

“That in accordance with Rule 38.9 of the Company’s Constitution, Mr. Nicholas Mather, who retires in accordance with Rule 38.1(c) of the Company’s Constitution, and being eligible and offering himself for re-election, be re-elected as a Director of the Company.”

See Explanatory Memorandum for further information.

Resolution 3. Approval of issue of 20,000,000 Performance Rights to Mr Brian Moller

To consider and if thought fit, to pass, with or without amendment, the following resolution as an ordinary resolution:

“That, under and for the purposes of Listing Rule 10.14 and for all other purposes, the Company is authorised to issue 20,000,000 Performance Rights to Mr Brian Moller, who is a Director, and/or his nominee(s) under the Performance Rights Plan and otherwise on the terms and conditions and in the manner set out in the Explanatory Memorandum.”

Resolution 4. Approval of issue of 20,000,000 Performance Rights to Mr Richard Willson

To consider and if thought fit, to pass, with or without amendment, the following resolution as an ordinary resolution:

“That under and for the purposes of Listing Rule 10.14 and for all other purposes, the Company is authorised to issue 20,000,000 Performance Rights to Mr Richard Willson who is a Director, and/or his nominee(s) under the Performance Rights Plan and otherwise on the terms and conditions and in the manner set out in the Explanatory Memorandum.”

Resolution 5. Approval of issue of 20,000,000 Performance Rights to Mr Nicholas Mather

To consider and if thought fit, to pass, with or without amendment, the following resolution as an ordinary resolution:

“That under and for the purposes of Listing Rule 10.14 and for all other purposes, the Company is authorised to issue 20,000,000 Performance Rights to Mr Nicholas Mather, who is a Director, and/or his nominee(s) under the Performance Rights Plan and otherwise on the terms and conditions and in the manner set out in the Explanatory Memorandum.”

Resolution 6. Approval of issue of 20,000,000 Performance Rights to Mr Brad Gordon

To consider and if thought fit, to pass, with or without amendment, the following resolution as an ordinary resolution:

“That under and for the purposes of Listing Rule 10.14 and for all other purposes, the Company is authorised to issue 20,000,000 Performance Rights to Mr Brad Gordon, who is a Director, and/or his nominee(s) under the Performance Rights Plan and otherwise on the terms and conditions and in the manner set out in the Explanatory Memorandum.”

VOTING EXCLUSION STATEMENT for Resolution 3 to Resolution 6 (inclusive) pursuant to Listing Rule 10.15

The Company will disregard any votes cast on Resolution 3 to Resolution 6 by or on behalf of:

- a person referred to in Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the Performance Rights Plan; or
- any associate of that person or persons.

However, this does not apply to a vote cast in favour of this Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on Resolution 3 to Resolution 6 (inclusive), in accordance with directions given to the proxy or attorney to vote on Resolution 3 to Resolution 6 (inclusive) in that way; or
- (b) the chair of the meeting as proxy or attorney for a person who is entitled to vote on Resolution 3 to Resolution 6 (inclusive), in accordance with a direction given to the chair to vote on the Resolution as the chair decides; or

- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
- the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on Resolution 3 to Resolution 6 (inclusive); and
 - the holder votes on Resolution 3 to Resolution 6 (inclusive) in accordance with directions given by the beneficiary to the holder to vote in that way.

VOTING EXCLUSION STATEMENT – Part 2E of the Corporations Act – Resolution 3 to Resolution 6

For the purposes of section 244 and Part 2E of the Corporations Act, a vote on Resolution 3 to Resolution 6 (inclusive) must not be cast by or on behalf of a related party of the Company to whom the resolution would permit a financial benefit to be given, or an associate of such a related party. Accordingly, the Company will disregard any votes cast on:

- Resolution 3 by or on behalf of Mr Brian Moller (and his nominees) and any associate of them.
- Resolution 4 by or on behalf of Mr Richard Willson (and his nominees) and any associate of them.
- Resolution 5 by or on behalf of Mr Nicholas Mather (and his nominees) and any associate of them.
- Resolution 6 by or on behalf of Mr Brad Gordon (and his nominees) and any associate of them.

However, the Company need not disregard a vote if:

- it is cast by a person as a proxy in writing that specifies how the proxy is to vote on the proposed Resolutions; and
- it is not cast on behalf of a person referred to directly above.

For clarity, it is noted that where the Chairman is the related party the subject of the Resolutions, or is an associate of the related party, the Chairman cannot cast undirected proxies in respect to that Resolution.

Proxy Appointment Restriction – Resolution 3 to Resolution 6

In accordance with section 250BD of the Corporations Act, the Company will disregard any votes cast on Resolution 3 to Resolution 6 (inclusive) by a member of the Key Management Personnel of the Company or their Closely Related Parties who has been appointed as a proxy unless:

- (a) the appointed proxy votes for a person who is permitted to vote and in accordance with a direction on the proxy form (directed proxy); or
- (b) the appointed proxy is the chair of the meeting and the appointment of the chair as proxy:
- does not specify the way the proxy is to vote on Resolution 3 to Resolution 6 (inclusive); and
 - expressly authorises the chair of the meeting to exercise the proxy even if the Resolution 3 to Resolution 6 (inclusive) are connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

SPECIAL BUSINESS

Resolution 7. Approval to issue an additional 10% of the fully paid ordinary issued capital of the Company over a 12-month period pursuant to Listing Rule 7.1A

To consider and, if thought fit, pass the following Resolution as a Special Resolution of the Company:

“That pursuant to and in accordance with Listing Rule 7.1A, and for all other purposes, Shareholders approve the issue of Equity Securities of up to 10% of the fully paid ordinary issued capital of the Company (at the time of issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2, over a 12 month period from the date of the Meeting, at a price not less than that determined pursuant to Listing Rule 7.1A.3 and otherwise on the terms and conditions described in the Explanatory Memorandum (Placement Securities).”

See Explanatory Memorandum for further details.

Voting Exclusion Statement

As at the date of this Notice, the Company is not proposing to make an issue of Equity Securities under Listing Rule 7.1A. Accordingly, a voting exclusion statement is not included in this Notice.

Notes

The proposed allottees of any Placement Securities are not as yet known or identified. In these circumstances (and in accordance with the note set out in Listing Rule 14.11.1 relating to Listing Rules 7.1 and 7.1A), for a person’s vote to be excluded, it must be known that person will participate in the proposed issue. Where it is not known who will participate in the proposed issue (as is the case in respect of the Placement Securities), Shareholders must consider

the proposal on the basis that they may or may not get a benefit and that it is possible that their holding will be diluted and there is no reason to exclude their votes.

Resolution 8. Re-insertion of the proportional takeover provisions in Constitution

To consider and, if thought fit, pass the following Resolution as a Special Resolution:

“That, for the purposes of sections 136(2) and 648G of the Corporations Act, and for all other purposes, the Constitution of the Company be amended by re-inserting the proportional takeover provisions contained in the attached Explanatory Memorandum into the Constitution as Rule 75, with effect from the date of the Meeting for a period of three years. “

GENERAL BUSINESS

To consider any other business as may be lawfully put forward in accordance with the Constitution of the Company.

By order of the Board



John Haley
Company Secretary
31 October 2022

EXPLANATORY MEMORANDUM

This Explanatory Memorandum is provided to Shareholders of Clara Resources Australia Limited (formerly Aus Tin Mining Limited) ACN 122 957 322 (the **Company**) to explain the Resolutions to be put to Shareholders at the Annual General Meeting to be held at HopgoodGanim, Level 7, Waterfront Place, 1 Eagle Street on 28 November 2022 at 2.00pm (Brisbane time).

This Explanatory Memorandum is intended to provide Shareholders with sufficient information to assess the merits of Resolution 1 to Resolution 8 contained in the Notice of Meeting. The Directors recommend that Shareholders read the accompanying Notice of Meeting (including this Explanatory Memorandum) in full before making any decision in relation to the Resolutions.

Terms used in this Explanatory Memorandum are defined in section 7.

1. Consider the Company's 2022 Annual Report

The Corporations Act requires the Company's Annual Report comprising the Directors' Report, the Auditor's Report, Directors' Declaration, Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows and Notes to and forming part of the financial statements to be laid before the Annual General Meeting for discussion.

There is no requirement either in the Corporations Act or in the Constitution of the Company for Shareholders to approve the Company's Annual Report. The Company's 2022 Annual Report is placed before the Shareholders for discussion. No voting is required for this item.

The Company will not provide a hard copy of the Company's Annual Financial Report to Shareholders unless specifically requested to do so. Shareholders can obtain a copy of the Company's 2022 Annual Report by sending a request to info@austinmining.com.au or by downloading a copy from the Company's website: <https://clararesources.com.au/>.

2. Resolution 1: Adoption of Remuneration Report

Remuneration Report

In accordance with section 250R of the Corporations Act, the Board has submitted its Remuneration Report (included in the 2022 Annual Report) to Shareholders for consideration and adoption by way of a non-binding advisory Resolution.

The Remuneration Report is set out in the Directors' Report section of the 2022 Annual Report. The Report, amongst other things:

- explains the Board's policy for determining the nature and amount of remuneration of Key Management Personnel of the Company;
- explains the relationship between the Board's remuneration policy and the Company's performance;
- sets out remuneration details for each Director and the most highly remunerated senior executives of the Company; and
- details and explains any performance conditions applicable to the remuneration of Key Management Personnel of the Company.

A reasonable opportunity will be provided for discussion of the Remuneration Report at the meeting.

Directors' recommendation

The Directors unanimously recommend that Shareholders vote in favour of adopting the Remuneration Report. A vote on this resolution is advisory only and does not bind the Directors or the Company.

Voting restrictions on Key Management Personnel and their Closely Related Parties and their proxies

A Voting Exclusion Statement is set out in the Notice of Meeting for this Resolution. Shareholders should be aware that any undirected proxies given to the Chairman will be cast by the Chairman and counted in favour of the Resolutions the subject of this Meeting, including this Resolution 1, subject to compliance with the Corporations Act.

As set out in the notes to Resolution 1, a voting restriction applies with respect to the voting on this Resolution by members of the Key Management Personnel and their Closely Related Parties and their proxies voting (in any capacity) (Voting Restriction). Key Management Personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity.

The Voting Restriction does not apply where:

- (a) the Chairman or any other member of the Key Management Personnel is appointed in writing (by a Shareholder who is not a member of the Key Management Personnel or a Closely Related Party of the Key Management Personnel) as a proxy (Management Proxy) with specific instructions on how to vote on a resolution to adopt the remuneration report of the Company; or
- (b) the Chairman is appointed in writing (by a Shareholder who is not a member of the Key Management Personnel or a Closely Related Party of the Key Management Personnel) as a proxy with no specific instructions on how to vote on a non-binding Shareholder vote on remuneration, where the Shareholder provides express authorisation for the Chairman to do so.

Shareholders should be aware that any undirected proxies given to the Chairman will be cast by the Chairman and counted in favour of the Resolutions the subject of this Meeting, including this Resolution 1, subject to compliance with the Corporations Act. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

3. 0: Re-election of Mr. Nicholas Mather as a Director

Retirement by Rotation

Under Rule 38.1(c) of the Company's Constitution, one-third of the Directors (other than the Managing Director) must retire from office at each annual general meeting and the Company may, under rule 38.9 of the Constitution, elect a person to fill that vacancy.

Mr Nicolas Mather retires by rotation in accordance with the Company's Constitution as well as Listing Rule 14.4 and, being eligible, offers himself for re-election as a Non-Executive Director. There is no voting exclusion statement for this Resolution.

Qualifications and Experience

Mr Mather was appointed as a Director of the Company on 22 December 2006 and brings a wealth of valuable experience to the Board.

Mr Nicholas Mather B.Sc (Hons) Geol., who is a Member of The Australian Institute of Mining and Metallurgy. Mr Mather is employed by Samuel Capital Pty Ltd, which provides certain consultancy services including the provision of Mr Mather as a Director of Aus Tin Mining.

Mr Mather's special area of experience and expertise is the generation of and entry into undervalued or unrecognized resource exploration opportunities. Nick has been involved in the junior resource sector at all levels for more than 25 years. In that time, he has been instrumental in the delivery of major resource projects that have delivered significant gains to shareholders.

Considering his relationship with the Company, the Board do not consider that Mr Mather, if re-elected, will be an independent director.

Other directorships in the previous 3 years

Mr Mather currently acts as a director for the following companies:

- DGR Global Limited (since 26 October 2001)
- NewPeak Metals Limited (formerly Dark Horse Resources Limited) (since 22 January 2003)
- Armour Energy Limited (since 18 December 2009)

- Lakes Oil NL (since 7 February 2012)
- SolGold plc, which is dual-listed on the London Stock Exchange and the Toronto Stock Exchange (since 11 May 2005),

and formerly acted as a directorship for Atlantic Lithium Limited (formerly IronRidge Resources Limited), which is listed on the London Stock Exchange (AIM), from 5 September 2007 to 28 June 2021.

Mr Mather has acknowledged to the Company that he will have sufficient time and capacity to fulfil his responsibilities as Non-Executive Director.

There is no voting exclusion statement for this Resolution.

Directors' recommendation

The Directors (with Mr Mather abstaining) recommend that you vote in favour of this Ordinary Resolution.

4. Resolution 3 to Resolution 6: Issue of Performance Rights under Performance Rights Plan

Background

The Company, pursuant to Resolution 3 to Resolution 6, is seeking Shareholder approval to issue 80,000,000 Performance Rights under the Performance Rights Plan to certain Directors of the Company (**Director Performance Rights**), being Brian Moller, Richard Willson, Nicholas Mather and Brad Gordon (or their respective nominees) (each, a **Recipient**) as set out in the table below:

Director	Number of Performance Rights
Brian Moller	20,000,000
Richard Willson	20,000,000
Nicholas Mather	20,000,000
Brad Gordon	20,000,000
Total	80,000,000

The Directors are 'related parties' within the meaning of Listing Rule 19 and the Corporations Act.

Listing Rule 10.14 provides that a listed company must not permit a director (or certain other persons) to acquire Equity Securities under an employee incentive scheme unless it obtains the approval of its shareholders.

Listing Rule 10.11 also provides that the Company must not issue Equity Securities to a Related Party or an associate of a Related Party without Shareholder approval. However, Listing Rule 10.12 (Exception 8) provides that approval under Listing Rule 10.11 is not required for an issue of Equity Securities under an employee incentive scheme made, or taken to have been made, with the approval of the issuing entity's shareholders under Listing Rule 10.14.

Further, Listing Rule 7.2 (Exception 14) provides that where an issue of securities is approved by Shareholders for the purposes of Listing Rule 10.11 or Listing Rule 10.14, then it will be excluded from the calculation of the Company's placement capacity under Listing Rule 7.1.

Since the Director Performance Rights are proposed to be issued to Directors pursuant to the Performance Rights Plan (the terms of which are summarised in Schedule 3), Resolution 3 to Resolution 6 seek Shareholder approval under Listing Rule 10.14. Accordingly, the Board is not seeking Shareholder approval to the issue of the Director Performance Rights under Listing Rule 10.11 (pursuant to Exception 8 in Listing Rule 10.12) or under Listing Rule 7.1 (pursuant to Exception 14 under Listing Rule 7.2).

In addition to the Listing Rules, the requirements of Chapter 2E of the Corporations Act must also be observed.

Chapter 2E of the Corporations Act

Chapter 2E of the Corporations Act prohibits the Company from giving a financial benefit (which includes the issue of Performance Rights) to a related party of the Company unless either:

1. the giving of the financial benefit falls within one of the nominated exceptions of Chapter 2E of the Corporations Act; or
2. prior Shareholder approval is obtained for the giving of the financial benefit.

A “Related Party” is defined widely in section 228 of the Corporations Act and includes, relevantly, a director (or proposed director) of a public company, any entity that controls (or is reasonably likely to control) a public company, and any entity that is controlled by a person or entity which is otherwise a Related Party, or there are reasonable grounds to believe that a person/entity is likely to become a Related Party of the public company.

A “Financial Benefit” for the purposes of the Corporations Act has a very wide meaning. It includes the public company paying money or issuing securities to the Related Party. In determining whether or not a financial benefit is being given, it is necessary to look to the economic and commercial substance and effect of what the public company is doing (rather than just the legal form). Any consideration which is given for the financial benefit is to be disregarded, even if it is full or adequate.

For the purposes of Chapter 2E, each Director is considered to be a related party of the Company. Each of Resolution 3 to Resolution 6, if passed, will confer financial benefits to the Directors (who are related parties of the Company).

Section 211 of the Corporations Act provides an exception to the provisions of Chapter 2E where the financial benefit given to a related party is remuneration that would be reasonable given the circumstances of the Company and the related party receiving the financial benefit.

The Board has examined the individual remuneration packages of Directors to determine the fairness and reasonableness of the remuneration package. As part of the examination, the Board has reviewed the remuneration packages of industry executives and non-executives in similar roles.

The Board considers that issue of the Director Performance Rights to each of Brian Moller, Richard Willson, Nicholas Mather and Brad Gordon is fair and reasonable remuneration in the circumstances of the Company, including:

- the Company’s size and stage of development;
- the market practice of other companies in the industries in which Clara Resources operates;
- the current remuneration packages of each of the Recipients in light of their management experience and knowledge of the industries in which the Company operates; and
- the necessity to attract and retain the highest calibre of skilled professionals to the Company whilst maintaining the Company’s cash reserves.

For these reasons, the Board has determined that the issue of the Director Performance Rights to the Recipients is reasonable remuneration and therefore falls within the exemption contained in section 211 of the Corporations Act.

Listing Rule 10.14

As discussed above, since each of the Recipients is a related party of the Company, the Director Performance Rights cannot be issued without Shareholder approval under Listing Rule 10.11 unless an exception applies in Listing Rule 10.12.

Listing Rule 10.12 (Exception 8) provides that approval under Listing Rule 10.11 is not required for an issue of Equity Securities under an employee incentive scheme made, or taken to have been made, with the approval of the issuing entity’s shareholders under Listing Rule 10.14.

Listing Rule 10.14 provides that a listed company must not permit a director (or certain other persons) to acquire Equity Securities under an employee incentive scheme (such as the Performance Rights Plan) unless it obtains the approval of its shareholders.

Further, Listing Rule 7.2 (Exception 14) provides that if the issue of the Director Performance Rights is approved by Shareholders for the purposes of Listing Rule 10.14 then the issue will be excluded from the calculation of the

Company's placement capacity under Listing Rule 7.1. Broadly speaking, and subject to a number of exceptions, ASX Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that period.

Accordingly, the Company is seeking Shareholder approval under Listing Rule 10.14 to issue the Director Performance Rights without taking up its existing 15% capacity, which will assist the Company in meeting its existing obligations to Directors and to provide the Company with the flexibility to continue to remunerate Directors fairly and responsibly.

If Resolution 3 to Resolution 6 (inclusive) are each passed, the Company will be able to proceed to issue the Director Performance Rights to each of the relevant Recipients (being Brian Moller, Richard Willson, Nicholas Mather and Brad Gordon).

If Resolution 3 to Resolution 6 (inclusive) are not passed, the Company will **not** be able to proceed to issue the Director Performance Rights to each of the relevant Recipients, and would then need to consider alternative remuneration arrangements for each of Brian Moller, Richard Willson, Nicholas Mather and Brad Gordon (including providing an equivalent cash incentive subject to the same Performance Condition and Performance Period (as defined in Schedule 1) as are proposed to apply to the Performance Rights).

Information required under Listing Rule 10.15

Pursuant to and in accordance with Listing Rule 10.15 the following information is provided in relation to Resolution 3 to Resolution 6 (inclusive):

The name of the person receiving the securities	The Director Performance Rights will be issued to Brian Moller, Richard Willson, Nicholas Mather and Brad Gordon (or their respective nominees).																				
Which category in rules 10.14.1 – 10.14.5 the person falls within and why	Brian Moller, Richard Willson, Nicholas Mather and Brad Gordon are Directors of the Company and therefore fall within the category under Listing Rule 10.14.1.																				
The number and class of securities to be issued to the person	<p>The total number of Director Performance Rights to be issued pursuant to Resolution 3 to Resolution 6 is 80,000,000 comprising of:</p> <table border="1" data-bbox="549 1339 1369 1576"> <thead> <tr> <th data-bbox="549 1339 911 1406">Director</th> <th colspan="2" data-bbox="911 1339 1369 1406">Number of Performance Rights</th> </tr> </thead> <tbody> <tr> <td data-bbox="549 1406 911 1442">Brian Moller</td> <td colspan="2" data-bbox="911 1406 1369 1442">20,000,000</td> </tr> <tr> <td data-bbox="549 1442 911 1478">Richard Willson</td> <td colspan="2" data-bbox="911 1442 1369 1478">20,000,000</td> </tr> <tr> <td data-bbox="549 1478 911 1514">Nicholas Mather</td> <td colspan="2" data-bbox="911 1478 1369 1514">20,000,000</td> </tr> <tr> <td data-bbox="549 1514 911 1550">Brad Gordon</td> <td colspan="2" data-bbox="911 1514 1369 1550">20,000,000</td> </tr> <tr> <td data-bbox="549 1550 911 1576">Total</td> <td colspan="2" data-bbox="911 1550 1369 1576">80,000,000</td> </tr> </tbody> </table>			Director	Number of Performance Rights		Brian Moller	20,000,000		Richard Willson	20,000,000		Nicholas Mather	20,000,000		Brad Gordon	20,000,000		Total	80,000,000	
Director	Number of Performance Rights																				
Brian Moller	20,000,000																				
Richard Willson	20,000,000																				
Nicholas Mather	20,000,000																				
Brad Gordon	20,000,000																				
Total	80,000,000																				
Remuneration packages	<p>The Directors are on the following remuneration packages for the current financial year:</p> <table border="1" data-bbox="523 1675 1369 1912"> <thead> <tr> <th data-bbox="523 1675 778 1774">Director</th> <th data-bbox="778 1675 1082 1774">Position</th> <th data-bbox="1082 1675 1369 1774">Annual remuneration (incl. super and non-cash benefits)</th> </tr> </thead> <tbody> <tr> <td data-bbox="523 1774 778 1809">Brian Moller</td> <td data-bbox="778 1774 1082 1809">Chairman</td> <td data-bbox="1082 1774 1369 1809">\$50,000</td> </tr> <tr> <td data-bbox="523 1809 778 1845">Richard Willson</td> <td data-bbox="778 1809 1082 1845">Non Executive Director</td> <td data-bbox="1082 1809 1369 1845">\$40,000</td> </tr> <tr> <td data-bbox="523 1845 778 1881">Nicholas Mather</td> <td data-bbox="778 1845 1082 1881">Non Executive Director</td> <td data-bbox="1082 1845 1369 1881">\$40,000</td> </tr> <tr> <td data-bbox="523 1881 778 1912">Brad Gordon</td> <td data-bbox="778 1881 1082 1912">Non Executive Director</td> <td data-bbox="1082 1881 1369 1912">\$40,000</td> </tr> </tbody> </table>			Director	Position	Annual remuneration (incl. super and non-cash benefits)	Brian Moller	Chairman	\$50,000	Richard Willson	Non Executive Director	\$40,000	Nicholas Mather	Non Executive Director	\$40,000	Brad Gordon	Non Executive Director	\$40,000			
Director	Position	Annual remuneration (incl. super and non-cash benefits)																			
Brian Moller	Chairman	\$50,000																			
Richard Willson	Non Executive Director	\$40,000																			
Nicholas Mather	Non Executive Director	\$40,000																			
Brad Gordon	Non Executive Director	\$40,000																			
Securities previously issued under the Performance Rights Plan	<p>The number of securities previously issued to the Recipients under the Performance Rights Plan are as follows:</p> <table border="1" data-bbox="523 2011 1412 2101"> <thead> <tr> <th data-bbox="523 2011 815 2101">Director</th> <th data-bbox="815 2011 1082 2101">Number of Performance Rights</th> <th data-bbox="1082 2011 1412 2101">Acquisition price paid (if any)</th> </tr> </thead> <tbody> <tr> <td> </td> <td> </td> <td> </td> </tr> </tbody> </table>			Director	Number of Performance Rights	Acquisition price paid (if any)															
Director	Number of Performance Rights	Acquisition price paid (if any)																			

	Brian Moller	Nil	N/A
	Richard Willson	Nil	N/A
	Nicholas Mather	Nil	N/A
	Brad Gordon	Nil	N/A
<p>Details of the Director Performance Rights</p>	<p>Summary of material terms: A summary of the material terms pursuant to which the Director Performance Rights will be issued is set out in Schedule 1 to this Explanatory Memorandum.</p> <p>Explanation as to why Performance Rights are being used: The Director Performance Rights are being issued to incentivise the Recipients, who are all Directors of the Company, and provide them with a mechanism to participate in the future development of the Company and an incentive for their future involvement with and commitment to the Company.</p> <p>The Directors believe that the success of the Company in the future will depend in part, largely, upon the skills of the people engaged to manage the Company's operations. Accordingly, it is important that the Company is able to attract and retain people of the highest calibre.</p> <p>The Directors consider that the most appropriate means of achieving this is to provide the Recipients and other key senior personnel with an opportunity to participate in the Company's future growth and an incentive to contribute to that growth.</p> <p>The Board believes the grant of Director Performance Rights to each of the Directors is reasonable in the circumstances for the reasons set out below:</p> <ol style="list-style-type: none"> 1. the grant of Director Performance Rights to the Directors will align the interests of the Directors with those of Shareholders; 2. the grant of the Director Performance Rights is a reasonable and appropriate method to provide cost effective remuneration as the non-cash form of this benefit will allow the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given to the Directors; and 3. it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the Director Performance Rights upon the terms proposed. <p>Value attributed to the Director Performance Rights and basis for valuation:</p> <p>The Company engaged an accredited external valuer to value the Director Performance Rights (see valuation at Schedule 2). Under AASB 2 Share Based Payments, the fair value of the Director Performance Rights is calculated using an appropriate valuation model and expensed to profit or loss over the term of the Performance Rights. The expense is taken against a share-based payment reserve in equity.</p> <p>Market conditions, such as the 20 Day VWAP, are considered in measuring the fair value of the Director Performance Right at the proposed issued date. The Directors do not consider that there are any other opportunity costs to the Company or benefits foregone by the Company in respect of the proposed issue of Director Performance Rights pursuant to Resolution 3 to Resolution 6 (inclusive).</p> <p>The last available price of Shares quoted on ASX prior to the date of this Notice of Meeting on 14 October 2022 was \$0.001. The lowest price for Shares trading on ASX in the past 12 months was \$0.001.</p> <p>The Director Performance Rights are valued at \$0.0006507178 per Performance Right, which is equivalent to a total value of \$52,057.44.</p> <p>The Directors consider that the incentive represented by the issue of the Director Performance Rights is a cost effective and efficient incentive when compared to other forms of incentive such as cash, bonuses or increased remuneration.</p>		

The date or dates on or by which the entity will issue the securities	The Director Performance Rights will be issued as soon as possible following the passing of Resolution 3 to Resolution 6, but no later than 1 month after the date of the Meeting (or such later date to the extent permitted by an ASX waiver or modification of the Listing Rules).
The price or other consideration the entity will receive for the issue	The Director Performance Rights will be granted for nil cash consideration and therefore no funds will be raised from their issue or upon their conversion into Shares.
Summary of material terms of the Performance Rights Plan	A summary of the material terms of the Performance Rights Plan is set out in Schedule 3 to this Explanatory Memorandum.
Summary of material terms of any loan made to the Recipients in relation to the acquisition of the Director Performance Rights	The Company will not provide a loan to any of the Recipients in relation to the acquisition of the Director Performance Rights or any Shares issued pursuant to the exercise of the Director Performance Rights.
Voting exclusion statement	A voting exclusion statement is included in the Notice.

Details of any securities issued under the Performance Rights Plan will be published in the Company's annual report relating to the period in which they were issued, along with a statement that approval for the issue was obtained under Listing Rule 10.14.

Any additional persons covered by Listing Rule 10.14 who become entitled to participate in an issue of securities under the Performance Rights Plan after Resolution 3 to Resolution 6 (inclusive) are approved, and who were not named in this Notice of Meeting, will not participate until approval is obtained under Listing Rule 10.14.

Section 200B of the Corporations Act

The Corporations Act restricts the Company from giving certain "benefits" to certain persons (those who hold a managerial or executive office, as defined in the Corporations Act) on ceasing their employment with the Company (**Termination Benefits**), in the absence of prior shareholder approval unless an exemption applies.

The term "benefit" is defined broadly in the Corporations Act and includes benefits arising from the Board exercising its discretion under the rules of the Performance Rights Plan.

Accordingly, Resolution 3 to Resolution 6 (inclusive) also seek Shareholder approval for the purpose of the Company providing these Termination Benefits to the Recipients in accordance with the terms of the Performance Rights Plan.

Specifically, Shareholder approval is being sought to enable the Board to exercise certain discretions under the Performance Rights Plan, including the discretion to determine to waive some or all of the performance conditions attaching to Director Performance Rights or accelerate their vesting, where a participant ceases to be employed or engaged by the Company, including as a result of death, permanent incapacity, mental incapacity, redundancy, resignation, retirement and other circumstances determined by the Board (including change of control events).

This approval is being sought in respect of the current participation in the Performance Rights Plan, and the Termination Benefits that may arise if and when any of the Recipients cease to be engaged by the Company.

If the relevant Shareholder approvals are obtained under of Resolution 3 to Resolution 6 (inclusive), and the Board exercises its discretion to waive the performance condition for some or all of the Director Performance Rights the subject of those Resolutions, the value of these benefits will be disregarded when calculating the relevant Recipient's statutory cap for the purposes of section 200F(2)(b) or section 200G(1)(c) of the Corporations Act.

The Company will comply with the requirements of Listing Rule 10.19 in the event that an officer of the Company or any of its subsidiaries is entitled to termination benefits exceeding 5% of the Company's equity interests.

Section 200E of the Corporations Act

For the purposes of section 200E of the Corporations Act, the Company advises that various matters will or are likely to affect that value of the Termination Benefits that the Board may give under the Performance Rights Plan and, therefore the value of the Termination Benefits cannot be determined in advance.

The value of a particular benefit resulting from the exercise of the Board's discretion under the Performance Rights Plan will depend on factors such as the Company's share price at the time of the exercise of this discretion and the number of Director Performance Rights that the Board decides to waive the performance conditions in respect of or for which the vesting date is accelerated. Some of the factors that may affect the value of the Termination Benefits are as follows:

- (a) the Recipient's length of service and the proportion of any relevant performance periods that have expired at the time their office is terminated;
- (b) the Recipient's total fixed remuneration at the time the Director Performance Rights are issued and at the time they leave employment/office;
- (c) the nature and extent of any performance conditions waived by the Board;
- (d) the number of performance conditions that have been satisfied at the time that the Board exercises this discretion;
- (e) the number of unexercised Director Performance Rights that relevant Recipient holds at the time that this discretion is exercised; and
- (f) the reasons for termination of the relevant Recipient's office.

SPECIAL BUSINESS

5. Resolution 7: Approval to issue an additional 10% of the fully paid ordinary issued capital of the Company over a 12-month period pursuant to Listing Rule 7.1A

Introduction

Pursuant to **Resolution 7**, the Company is seeking Shareholder approval to issue an additional 10% of its fully paid ordinary issued capital over a 12-month period pursuant to Listing Rule 7.1A. If passed, this Resolution will allow the Company to allot and issue up to the number of new equity securities calculated in accordance with Listing Rule 7.1A.2 (the **Placement Securities**) each at an issue price of at least 75% of the VWAP for the Company's equity securities in that class (calculated over the last 15 days on which trades in the equity securities in that class are recorded, immediately before the date on which the price at which the Placement Securities are to be issued is agreed, or if the Placement Securities are not issued within ten trading days of that date, the date on which the Placement Securities are issued) (the **Issue Price**).

Pursuant to Listing Rule 7.1A, small and mid-cap listed entities that meet the eligibility threshold and have obtained the approval of their ordinary shareholders by Special Resolution at their annual general meeting, are permitted to issue an additional 10% of fully paid ordinary issued capital over a 12-month period from the date of the annual general meeting (the **Additional 10% Placement**).

The Additional 10% Placement under Listing Rule 7.1A is in addition to the ability of the Company to issue 15% of its fully paid ordinary issued capital without shareholder approval over a 12-month period pursuant to Listing Rule 7.1. The Company may issue the Placement Securities to raise funds for the Company (further details of which are set out below).

Funds raised from the issue of the Placement Securities, if undertaken, would be applied towards the acquisition of new assets or investments (including expenses associated with such acquisitions), continued exploration and feasibility study expenditure on the Company's current assets and general working capital.

The Directors unanimously recommend that Shareholders vote in favour of this Special Resolution.

Listing Rule 7.1A

Eligibility

An entity is eligible to undertake an Additional 10% Placement if at the time of its annual general meeting it has a market capitalisation of \$300 million or less and it is not included in the S&P/ASX300 Index (**Eligible Entity**).

For illustrative purposes only, on 14 October 2022, the Company's market capitalisation was approximately \$14 million based on the closing market price on that date. The calculation of market capitalisation will be based on the closing market price of the Shares, on the last trading day on which trades in the Shares were recorded before the date of the Annual General Meeting, multiplied by the number of Shares on issue (excluding restricted securities and securities quoted on a deferred settlement basis).

The Company is also not included in the S&P/ASX300 Index as at the time of this Annual General Meeting. However, it should be noted that the S&P/ASX300 Index is rebalanced twice a year (in March and September). The Company is therefore an Eligible Entity and able to undertake an Additional 10% Placement under Listing Rule 7.1A. In the event that the Company for any reason ceases to be an Eligible Entity after the Company has already obtained Shareholder approval pursuant to this Resolution, the approval obtained will not lapse and the Company will still be entitled to issue the Placement Securities during the 12-month period following this Annual General Meeting.

Special Resolution

Listing Rule 7.1A requires this Resolution to be passed as a Special Resolution, which means that it must be passed by at least 75% of the votes cast by members entitled to vote on the Resolution. Pursuant to Listing Rule 7.1A, no Placement Securities will be issued until and unless this Special Resolution is passed at the Meeting.

Shareholder Approval

The ability to issue the Placement Securities is conditional upon the Company obtaining Shareholder approval by way of a Special Resolution at the Meeting.

Listing Rules 7.1 and 7.1A

At the date of this Notice of Meeting, the Company has on issue 14,216,786,867 Shares. If this Resolution is passed the Company will have the capacity to issue the following equity securities immediately following the Meeting:

- (1) 2,132,518,018 Equity Securities under Listing Rule 7.1; and
- (2) subject to Shareholder approval being obtained under this Resolution, a further 1,421,678,678 Placement Securities under Listing Rule 7.1A.

The actual number of Placement Securities that the Company will have the capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Placement Securities in accordance with the formula prescribed in Listing Rule 7.1A.2 (as described following).

Formula for calculating 10% Placement Facility

Listing Rule 7.1A.2 provides that Eligible Entities which have obtained shareholder approval at an annual general meeting may issue or agree to issue, during the 12-month period after the date of the annual general meeting, a number of equity securities calculated in accordance with the following formula:

(A x D) – E

A is the number of Shares on issue at the commencement of the relevant period:

plus the number of fully paid ordinary securities issued in the relevant period under an exception in Listing Rule 7.2 (other than exception 9, 16 or 17);

plus the number of fully paid ordinary securities issued in the relevant period on the conversion of convertible securities within Listing Rule 7.2 exception 9 where:

- the convertible securities were issued or agreed to be issued before the commencement of the relevant period;
- the issue of, or agreement to issue, the convertible securities was approved or taken under the Listing Rules to have been approved under Listing Rule 7.1 or Listing Rule 7.4

plus the number of fully paid ordinary securities issued in the relevant period under an agreement to issue securities within Listing Rule 7.2 exception 16 where:

- the agreement was entered into before the commencement of the relevant period;
- the agreement or issue was approved or taken under the Listing Rules to have been approved under Listing Rule 7.1 or Listing Rule 7.4

plus the number of partly paid ordinary securities that became fully paid in the relevant period; and

plus the number of fully paid ordinary securities issued in the relevant period with approval under Listing Rule 7.1 or Listing Rule 7.4.

less the number of fully paid ordinary securities cancelled in the relevant period.

Note that A has the same meaning in Listing Rule 7.1 when calculating an entity's 15% placement capacity.

D is 10%

E is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the relevant period where the issue or agreement has not been subsequently approved by the holders of ordinary securities under Listing Rule 7.4.

Specific Information Required by Listing Rule 7.3A

Listing Rule 7.3A sets out the requirements for notices of meeting at which shareholder approval is sought for the additional capacity to issue equity securities under Listing Rule 7.1 A. For the purposes of Listing Rule 7.1 A the Company advises as follows:

1. Final Date for Issue – Listing Rule 7.3A.1

If this Special Resolution is passed, Shareholder approval of the Additional 10% Placement under Listing Rule 7.1A is valid from the date of the Meeting until the earlier to occur of:

- 1) the date that is 12 months after the date of the Meeting; or
- 2) the time and date of the Company's next annual general meeting; or
- 3) the date of the approval by Shareholders of a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking).

Accordingly, if Shareholders give approval for the issue of the Placement Securities pursuant to this Resolution, then that approval will expire, on 28 November 2023 unless Shareholder approval is granted pursuant to Listing Rules 11.1.2 or 11.2 prior to that date.

2. Minimum price of securities issued under Listing Rule 7.1A – Listing Rule 7.3A.2

Pursuant to and in accordance with Listing Rule 7.1A.3, the Placement Securities issued pursuant to approval under Listing Rule 7.1A must have an Issue Price of not less than 75% of the VWAP for the equity securities over the 15 trading days on which trades in that class were recorded immediately before:

- (1) the date on which the price at which the Placement Securities are to be issued is agreed; or
- (2) if the Placement Securities are not issued within ten trading days of the date in paragraph (1) above, the date on which the Placement Securities are issued.

The Company will disclose to the ASX the Issue Price on the date of issue of the Placement Securities.

3. Purpose – Listing Rule 7.3A.3

As noted above, the purpose for which the Placement Securities may be issued include to raise funds for the Company (further details of which are set out below). Funds raised from the issue of the Placement Securities, if undertaken, would be applied towards the acquisition of new assets or investments (including expenses associated with such acquisitions), continued exploration and feasibility study expenditure and development of the Company's current assets and general working capital.

4. Risk of economic and voting dilution – Listing Rule 7.3A.4

As provided by Listing Rule 7.3A.4, if this Resolution is passed and the Company issues the Placement Securities, there is a risk of economic and voting dilution to the existing Shareholders. The Company currently has on issue 14,216,786,867 Shares. The Company could issue 3,554,196,696 securities immediately following the Meeting (being 2,132,518,018 equity securities pursuant to Listing Rule 7.1 and 1,421,678,678 Placement Securities pursuant to Listing Rule 7.1A). However, it is important to note that the exact number of securities which may be issued will be calculated in accordance with the formula contained in Listing Rule 7.1A.2, details of which are set out above. Any issue of Placement Securities will have a dilutive effect on existing Shareholders.

There is a specific risk that:

- (1) the closing market price for the Company's equity securities may be significantly lower on the date of the issue of any Placement Securities than it is on the date of the meeting; and
- (2) the Placement Securities may be issued at a price that is at a discount to the closing market price for the Company's equity securities on the issue date,

which may have an effect on the amount of funds raised by the issue or the value of the Placement Securities.

As required by Listing Rule 7.3A.4, the table below shows the potential economic and voting dilution effect, in circumstances where the issued share capital has doubled and the closing market price of the shares has halved. Table 11 also shows the additional scenarios in which the issued share capital has increased (by both 50% and 100%) and the closing market price of the shares has:

- (1) decreased by 50%; and
- (2) increased by 100%.

Table 1 – economic and voting dilutionary effect

Issued Share Capital	10% Voting Dilution	50% decrease in Market Price \$0.0005	Current Market Price \$0.001	100% increase in Market Price \$0.002
		Capital Raised		
Present Issued Share Capital 14,216,786,867	1,421,678,686	Shares cannot be traded at this price. Accordingly, there would be no dilutionary effect and no capital raised if the Market Price decreased by 50% from the Current Market Price	\$1,421,678	\$2,843,356
50% Increase in Share Capital 21,325,180,300	2,132,518,030		\$2,132,518	\$4,265,036
100% Increase in Share Capital 29,487,770,450	2,843,357,372		\$2,948,777	\$5,897,154

Assumptions and Explanations relating to Table 1:

- (a) \$0.001 was the closing market price of the Shares on ASX on 14 October 2022.
- (b) The above table only shows the dilutionary effect based on the issue of the Placement Securities (assuming only Shares are issued), and not any Shares issued under Listing Rule 7.1.
- (c) The 10% voting dilution reflects the aggregate percentage dilution against the issued Share capital at the time of the issue.
- (d) The Company issues the maximum number of Placement Securities.
- (e) The issued Share capital has been calculated as the prescribed variable "A" (as set out in the formula in Listing Rule 7.1A.2) as at 14 October 2022.
- (f) The Issue Price of the Placement Securities used in the Table 1 is the same as the closing market price and does not take into account the discount to the closing market price (if any).

5. *Company's Allocation Policy – Listing Rule 7.3A.5*

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue of the Placement Securities. The identity of the allottees of the Placement Securities will be determined on a case-by-case basis having regard to a number of factors including but not limited to the following:

- (1) the methods of raising funds that are available to the Company including, but not limited to, rights issue or other issue in which existing shareholders can participate;
- (2) the effect of the issue of the Placement Securities on the control of the Company;
- (3) the financial situation and solvency of the Company; and
- (4) advice from corporate, financial and broking advisers (if applicable).

The allottees of the Placement Securities have not been determined as at the date of this Notice but may include existing substantial Shareholders and new Shareholders who are not related parties or associates of a related party of the Company.

6. Equity Issues Under Listing Rule 7.1A.2 Over Last 12 Months – Listing Rule 7.3A.6

The Company previously sought approval for the additional placement capacity under Listing Rule 7.1A at its annual general meeting held on 28 January 2022 (**Previous Approval**).

During the 12-month period from the Previous Approval until the date of the Meeting, the Company has not issued any Shares under Listing Rule 7.1A.2 pursuant to the Previous Approval. All Equity Securities issued during this period were issued under the Company's 15% capacity under Listing Rule 7.1.

Table 2 – Equity Shares issued under Listing Rule 7.1A.2 over last 12 months

<i>Number of equity securities on issue at commencement of 12-month period</i>	12,716,786,867
<i>Equity securities issued in prior 12-month period* pursuant to Listing Rule 7.1A.2</i>	0
<i>Percentage equity issues pursuant to Listing Rule 7.1A.2 represent of total number of equity securities on issue at commencement of 12-month period</i>	0.00%

7. Voting Exclusion Statement

A Voting Exclusion Statement is included for this Resolution in the Notice of Meeting accompanying the Explanatory Memorandum.

Directors' Recommendation

The Directors recommend that you vote in favour of this Special Resolution.

6. Resolution 8: Re-insertion of the proportional takeover provisions in Constitution

Background

The Corporations Act permits a company's constitution to include a provision that enables it to refuse to register Shares acquired under a proportional takeover bid, unless shareholders approve the bid. The proportional takeover provisions contained in Rule 75 of the Company's Constitution are designed to assist shareholders to receive proper value for their shares if a proportional takeover bid is made for the Company.

Under the Corporations Act, these provisions must be renewed every three years or they will cease to have effect. The provisions set out in Rule 75 of the Constitution have not been renewed in the three years preceding the date of the Meeting.

Accordingly, these provisions have ceased to apply by operation of section 648G(1)(a) of the Corporations Act and, further, Rule 75 has been deemed to be omitted from the Constitution under section 648G(3) of the Corporations Act.

It is proposed that the provisions are re-inserted into the Company's Constitution in their previous form at Rule 75. The takeover provisions which are proposed to be re-inserted under this Resolution are **attached** to this Explanatory Memorandum as Schedule 4.

A copy of the Company's Constitution is available on the Company's website at www.clararesources.com.au

Statement under the Corporations Act

The Corporations Act requires that the following information be provided to shareholders when they are considering the renewal of proportional takeover provisions in a constitution.

What is a proportional takeover bid?

A proportional takeover bid is where an offer is made to each shareholder to buy a proportion of that shareholder's shares, and not the shareholder's entire shareholding.

Effect of the proportional takeover provisions

The effect of these provisions in the Company's Constitution is that, if a proportional takeover bid is made for the Company, the Company must refuse to register a transfer of the Company's shares giving effect to any acceptance of the bid unless the bid is approved by shareholders in general meeting.

In the event a proportional takeover bid is made, the Directors must hold a meeting of shareholders at least 14 days before the last day of the proportional takeover bid period (**Resolution Deadline**) to vote on a resolution to approve the bid. For the resolution to be approved, it must be passed by a simple majority of votes, excluding the votes of the bidders and their associates. If the resolution is not voted on before the Resolution Deadline, the resolution will be taken to have been passed on the Resolution Deadline.

If the resolution is approved or taken to have been approved, a transfer of the Company's shares under the proportional takeover bid may be registered if it complies with the other provisions of the Corporations Act and the Constitution. If the resolution is rejected, the registration of any transfer of shares resulting from the proportional takeover bid is prohibited and the proportional takeover bid is deemed by the Corporations Act to have been withdrawn.

The Directors will breach the Corporations Act if they fail to ensure the approving resolution is voted on. The proportional takeover approval provisions do not apply to full takeover bids and only apply for three years from approval, unless renewed for a further period by shareholders passing a special resolution.

Reasons for renewing the provisions

If the provisions do not apply under the Constitution, a proportional takeover bid may enable control of the Company to pass without shareholders having the opportunity to sell all of their shares to the bidder. Shareholders may therefore be exposed to the risk of being left as a minority in the Company and the risk of the bidder being able to acquire control of the Company without payment of an adequate control premium for their shares. The proposed proportional takeover provisions decrease this risk because they allow shareholders to decide whether a proportional takeover bid is acceptable and should be permitted to proceed.

No knowledge of any acquisition proposals

At the date of this Notice of Meeting, no Director is aware of a proposal by a person to acquire, or to increase the extent of, a substantial interest in the Company.

Review of proportional takeover provisions

While proportional takeover approval provisions have been in force under the Company's Constitution, there have been no full or proportional takeover bids for the Company. Therefore, there is no example against which to review the advantages or disadvantages of the provisions for the Directors and the shareholders.

The Directors are not aware of any potential takeover that has been discouraged by Rule 75 of the Company's Constitution.

Potential advantages and disadvantages

The Directors consider that the renewal of the proportional takeover approval provisions has no potential advantages or disadvantages for Directors. They remain free to make a recommendation as to whether an offer under a proportional takeover bid should be accepted.

The potential advantages of the proportional takeover approval provisions for shareholders are:

- shareholders will have an opportunity to consider a proportional takeover bid and the right to decide by majority vote whether the bid should proceed;
- the provisions may help shareholders avoid being locked in as a minority;
- the bargaining power of shareholders is increased (this may help ensure that any proportional takeover offer is adequately priced); and

- knowing the view of other shareholders may help each individual shareholder assess the likely outcome of the proportional takeover bid and whether to accept or reject that offer.

Some potential disadvantages for shareholders of the Company include:

- the provisions may impose restrictions on the ability of shareholders to deal freely with their shares;
- proportional takeover bids for shares in the Company may be discouraged;
- shareholders may lose an opportunity of selling some of their shares at a premium; and
- the chance of a proportional takeover bid being successful may be reduced.

On balance, the Board considers that the potential advantages for shareholders of the proportional takeover approval provisions outweigh the potential disadvantages.

Directors' Recommendation

The Board recommends that Shareholders vote in favour of the re-insertion of the proportional takeover provisions in the Company's Constitution.

7. DEFINITIONS

Terms used in this Explanatory Memorandum shall have the meanings ascribed to them in the Listing Rules or the Corporations Act as appropriate, unless otherwise defined below, or in the body of the Explanatory Memorandum. The following terms shall have the meanings ascribed to them below:

20 Day VWAP means, in the case of the Director Performance Rights, the VWAP for the Shares over a period of 20 consecutive trading days (being days on which the Company's shares have traded), with such period excluding any days on which the Company's shares do not trade such that the number of days by which the 20 Day VWAP is calculated may be more than 20 days in total.

Additional 10% Placement means the additional 10% of fully paid ordinary issued capital over a 12-month period from the date of the Annual General Meeting under Listing Rule 7.1A.

Advisory Resolution has the same meaning as when used in Section 250R of the Corporations Act.

Annual General Meeting or Meeting means this meeting.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited ABN 98 008 624 691.

Board means the board of Directors of the Company.

Closely Related Party (as defined in the Corporations Act) of a member of the Key Management Personnel for an entity means:

- a spouse or child of the member; or
- a child of the member's spouse; or
- a dependant of the member or the member's spouse; or
- anyone else who is one of the member's family and may be expected to influence the member, or to be influenced by the member, in the member's dealings with the entity; or
- a company the member controls; or
- a person prescribed by regulations issued pursuant to the Corporations Act.

Company means Clara Resources Australia Limited ACN 122 957 322.

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

Director means a director of the Company.

Director Performance Rights means those 80 million Performance Rights proposed to be issued under the Performance Rights Plan, pursuant to Resolution 3 to Resolution 6 (inclusive).

Issue Price means the price per security at which the Placement Securities may be issued.

Key Management Personnel or KMP has the definition given in the accounting standards as those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly and indirectly, including any Director (whether executive or otherwise) of that entity.

Listing Rules means the listing rules of ASX as amended, varied or replaced from time to time.

Meeting or Annual General Meeting means the annual general meeting of the Company to be held on 28 November 2022.

Notice of Meeting or Notice means the Notice of Meeting and this Explanatory Memorandum.

Ordinary Resolution means a Resolution passed by a majority of the votes cast at a general meeting of Shareholders.

Performance Rights means the Equity Securities issued under the Performance Rights Plan.

Performance Rights Plan means the equity incentive scheme approved by the Company at a general meeting held on Thursday 29 September 2022, the key terms of which are summarised in Schedule 3.

Placement Securities means the new equity securities for the purposes of Listing Rule 7.1A.

Related Entity has the meaning given to it in the Corporations Act.

Resolution means a resolution proposed at the Meeting.

Shareholder means a holder of ordinary Shares in the Company.

Shares means ordinary fully paid shares in the issued capital of the Company.

Special Resolution means a resolution passed by more than 75% of the votes cast at a general meeting of Shareholders.

VWAP means volume weighted average price.

Schedule 1: Terms of Director Performance Rights

1. Terms of Performance Rights

A Performance Right is a right to acquire one Share for each Performance Right subject to the satisfaction of the performance conditions within a period of 36 months from the date of grant of the Performance Right (**Performance Period**).

2. Performance Condition of Performance Rights

All of the Performance Rights proposed to be issued to Directors Brian Moller, Richard Willson, Nicholas Mather and Brad Gordon under Resolution 3 to Resolution 6 respectively will have as their performance condition the first occasion of the Company's 20 Day VWAP (as defined in the Glossary at section 7 to this Explanatory Memorandum) increasing to \$.002 during the Performance Period.

The Board may at its discretion determine to waive the performance condition for the Performance Rights.

3. Achievement of Performance Condition under Performance Rights

When the performance condition under the Performance Right is achieved (or waived at the discretion of the Board), the holder will become entitled to receive one Share for each Performance Right and which will be issued upon request by the holder. The holder of Performance Rights will have a period of up to three years from the date that the performance condition under the Performance Right is achieved to request the issue of such Shares, subject to the earlier termination of the holder's office as a Director (or, where the Performance Rights are held by the nominee of a Director, the termination of that corresponding Director's office). Any Performance Rights which have not been converted into Shares as at the date of such termination will automatically lapse.

4. Lapse of Performance Rights

A Performance Right will lapse if:

- a. the performance condition has not been satisfied at the expiry of the Performance Period, subject to the Board's discretion to waive the performance condition;
- b. in the opinion of the Board, the Director has acted fraudulently or dishonestly or in breach of his or her obligations to the Company or any of its subsidiaries, and the Board determines that the Performance Rights held by that Director (or their nominee) should lapse;
- c. the Director ceasing to hold office with the Company or a subsidiary of the Company, subject to the Board's discretion to waive the performance condition.

5. Transfer

Performance Rights may not be transferred other than with the prior written consent of the Board.

6. Adjustments upon alterations of capital

In the event of any reconstruction of the Company's issued capital, the Board may make adjustments to the terms of a Performance Right in a manner which is appropriate and will not result in any additional benefit being conferred on the Director who holds those Performance Rights, which is not conferred on Shareholders generally. The terms of the Performance Rights will be changed to the extent necessary to comply with the requirements of the Corporations Act and the ASX Listing Rules at the time of reconstruction.

If the Company issues Shares to Shareholders generally by way of a 'bonus issue', the number of Performance Rights held by a Director (or their nominee) will be increased by the number of securities which would have been issued if the Performance Rights were vested or had their performance condition is achieved and converted into Shares immediately prior to the record date for the bonus issue.

Schedule 2: Valuation of Director Performance Rights

17 October 2022

Mr J Haley
AusTinMining
Level 27 / 111 Eagle Street,
Brisbane
QLD 4000

Dear Sirs,

Brisbane
Level 3/349 Coronation Drive
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VALUATION CALCULATION PERFORMANCE RIGHTS

We have been asked to provide an indication value for the following Performance Rights. The Company is proposing to issue 80,000,000 Performance Rights in aggregate, the conditions of the performance rights are as follows:

Terms of Performance Rights

A Performance Right is a right to acquire one Share for each Performance Right subject to the satisfaction of the performance conditions within a period of 36 months from the date of grant of the Performance Right (Performance Period).

Performance Condition of Performance Rights

All of the Performance Rights proposed will have as their performance condition the first occasion of the Company's 20 Day VWAP increasing to \$0.002 during the Performance Period. The Board may at its discretion determine to waive the performance condition for the Performance Rights.

Achievement of Performance Condition under Performance Rights

When the performance condition under the Performance Right is achieved (or waived at the discretion of the Board), the holder will become entitled to receive one Share for each Performance Right and which will be issued upon request by the holder. The holder of Performance Rights will have a period of up to three years from the date that the performance condition under the Performance Right is achieved to request the issue of such Shares, subject to the earlier termination of the holder's office as a Director (or, where the Performance Rights are held by the nominee of a Director, the termination of that corresponding Director's office). Any Performance Rights which have not been converted into Shares as at the date of such termination will automatically lapse.

We have valued the options based on the following assumptions:

Option	Option Life (Years)	ANW Spot Price	Exercise Price	Barrier Price	Risk-Free Interest Rate	Expected Dividend Rate	Volatility
Performance Rights	3.00	\$0.001	\$0.000	\$0.002	3.55%	0%	73%

We have determined the value of the performance rights per the table below:

Type of Security	Vesting Condition	Number of Options	Option Value	Total Value of Options
Performance Rights	20-Day VWAP is equal to or greater than \$0.002 per share	20,000,000	0.0006507178	\$13,014.36

Yours faithfully



Brett Plant - Director

Schedule 3: Summary of key terms of the Performance Rights Plan

Plan Overview	<p>The Performance Rights Plan (the Plan) is to extend to Eligible Persons of the Company as the Board may in its discretion determine.</p> <p>The Plan is a long-term incentive aimed at creating a stronger link between both an Eligible Person's performance and reward, whilst increasing Shareholder value in the Company.</p>
Eligible Person and Eligible Associate	<p>A Director, Employee, Contractor or Prospective Participant (or the Eligible Associate of such person) of the Company or an Associated Body Corporate who the Board determines to be eligible to participate in the Plan.</p> <p>An Eligible Associate is;</p> <ul style="list-style-type: none"> (a) an immediate family member of an Eligible Person; (b) a company whose members comprise no persons other than the Eligible Person or immediate family members of the Eligible Person; or (c) a corporate trustee of a self-managed superannuation fund (within the meaning of the <i>Superannuation Industry (Supervision) Act 1993</i>) where the Eligible Person is a director of the trustee.
Participant	<p>An Eligible Person or an Eligible Associate who applies and becomes a member of the Plan is a Participant.</p>
Plan Limit	<p>It is proposed that a maximum number of 500,000,000 equity securities will be issued under the Rights Plan. The total number of Performance Rights to be issued by the Company under the Plan shall not at any time exceed 5% of the Company's total issued share capital when aggregated with the number of Shares issued or that may be issued as a result of offers made at any time during the previous 3 year period under:</p> <ul style="list-style-type: none"> (a) an employee incentive scheme covered by ASIC CO 14/1000; or (b) an ASIC exempt arrangement of a similar kind to an employee incentive scheme.
Acceptance of Invitation to Participate in the Plan	<p>An Invitation to participate in the Plan may be accepted by an Eligible Person (to whom the invitation is made), by delivering to the Company written acceptance in the form determined by the Board and stated in the letter of Invitation. An Eligible Person who receives an Invitation may renounce the invitation in favour of the Invitation being made to an Eligible Associate.</p>
Performance Hurdles	<p>The Board will determine in its absolute discretion whether any performance hurdles or other conditions (including as to time) will be required to be met (Performance Hurdles) before the Performance Rights which have been granted under the Plan can vest.</p> <p>Performance Rights will vest upon the satisfaction of the Performance Hurdles.</p>
Issue Price	<p>A Participant will not pay any consideration for the grant of Performance Rights.</p>
Exercise Price	<p>No amount shall be payable by a Participant on the exercise of a Vested Performance Right.</p>
Exercise Period	<p>The terms for exercise, including the exercise period, are stated in the Invitation, however the exercise period must not exceed seven years unless otherwise determined by the Board of Directors of the Company.</p>

Schedule 4: Proportional Takeover Provisions

75. TAKEOVER APPROVAL PROVISIONS

Subject to the provisions of the Corporations Act, where offers have been made for shares in the Company under a takeover bid and each such offer relates to a proportion of these shares in the Company included in a class of shares being a proportion that is the same in respect of each offer (Takeover Bid) the Directors shall refuse to register a transfer giving effect to a contract resulting from the acceptance of any offer pursuant to the Takeover Bid unless the provisions of this Rule have been complied with:

- 75.1. the Directors shall convene a Meeting of the Company to be held in accordance with this Constitution on a day which is not less than fifteen (15) days prior to the end of the period during which the offers made pursuant to the Takeover Bid remain open;*
- 75.2. at the Meeting referred to the Members entitled to vote in accordance with Rule 75.3 shall consider and vote on a resolution approving the Takeover Bid which resolution shall be taken to have been passed if the votes cast in favour of the resolution exceed fifty per centum (50%) of all votes validly passed in respect of the resolution; and*
- 75.3. for the purposes of the resolution referred to in Rule 75.2 a person (other than the offerer under the Takeover Bid or a person associated within the meaning of the Corporations Act with the bidder) who, as at 5.00pm on the day on which the first offer under the Takeover Bid was made, held shares included in the class of shares the subject of the Takeover Bid is entitled to vote and despite anything contained in this Constitution shall have one vote for each such share held.*

ENTITLEMENT TO VOTE

The Board has determined, in accordance with the Corporations Regulations 2001 that for the purposes of determining those Shareholders entitled to attend and vote at the Annual General Meeting of the Company, shall be those persons recorded in the register of Shareholders as at 11.00 a.m (Brisbane Time) on 26 November 2022. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

How to Vote

You may vote by attending the Annual General Meeting in person, by proxy or authorised representative.

Voting in Person

To vote in person, attend the Annual General Meeting on the date and at the place set out above.

A member entitled to attend and vote at the meeting is entitled to appoint a proxy to vote on their behalf. Where a member is entitled to cast two or more votes, they may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. Where the appointment does not specify the proportion or number of votes each proxy may exercise, each proxy may exercise half of the votes. A proxy need not be a member of the Company.

Members who are a body corporate are able to appoint representatives to attend and vote at the meeting under Section 250D of the *Corporations Act 2001* (Cth).

If a representative of the Company is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission. A form of the certificate may be obtained from the Company's share registry.

Signing instructions

You must sign the proxy form as follows in the spaces provided:

Individual: Where the holding is in one name, the holder must sign.

Joint Holding: Where the holding is in more than one name, all of the security holders should sign.

Power of Attorney: To sign under Power of Attorney, you must have already lodged this document with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001* (Cth)) does not have a Company Secretary, a sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary.

Please indicate the office or capacity held by signing in the appropriate place.

To vote by proxy, the proxy form provided with this notice (and the original or a certified copy of any power of attorney under which it is signed) must be received by the Company not less than forty eight (48) hours before the scheduled time for the meeting. Any proxy form received after that time will not be valid for the scheduled meeting.

Completed proxies can be returned to the Company Secretary by either mail to GPO Box 5261, Brisbane, Queensland 4001; or facsimile to (07) 3303-0681, or scanned and emailed to jhaley@austinmining.com.au