

CLASSIC MINERALS LIMITED

ACN: 119 484 016

**ANNUAL REPORT
FOR THE YEAR ENDED
30 JUNE 2017**

CLASSIC MINERALS LIMITED

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CLASSIC MINERALS LIMITED

CORPORATE DIRECTORY

DIRECTORS

Justin Douth
Frederick Salkanovic
Lu Ning Yi

COMPANY SECRETARY

Jeffrey Nurse

A.B.N.

77 119 484 016

PRINCIPAL OFFICE

71 Furniss Road
Landsdale, WA, 6065

REGISTERED OFFICE

71 Furniss Road,
Landsdale, WA, 6065

AUDITORS

Bentleys Audit & Corporate (WA) Pty Ltd
Level 3, 216 St George's Terrace,
PERTH WA 6000

DIRECTORS' REPORT

The directors of Classic Minerals Limited submit herewith the financial report for the financial year ended 30 June 2017.

Directors

The names of directors in office at any time during or since the end of the financial year are:

Justin Douth
Frederick Salkanvoic (appointed 31 August 2017)
Lu Ning Yi
Kent Hunter (ceased 1 December 2016)

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Company Secretary

The name of secretary in office at any time during or since the end of the financial year is:

Jeffrey Nurse

Mr Jeffrey Nurse CA, MBA, ACIS is a Chartered Accountant. He holds a Masters Degree in Business Administration from the University of Western Australia and is an Associate of the Governance Institute of Australia.

Current Directors' qualifications and experience

Justin Douth (Executive Director) Age: 35 years old

Qualifications and
Experience

Mr Douth has served in the resource industry in Western Australia for the past 13 years, where he has gained extensive experience in the areas of drilling, mineral exploration and project financing. Justin's experience in exploration and the development of processes to expediently access and explore Classic's tenements is invaluable as is its alignment to the process of marketing its value to investors and end-users alike.

Shareholdings

4,448,337 ordinary shares

DIRECTORS' REPORT

Frederick Salkanovic (Non-Executive Director)(appointed 31 August 2017)**Age: 72 years old****Qualifications and Experience**

Mr Salkanovic has a history of mining in Western Australia and throughout Australia for the past 45 years. He has operated successful precious metals and gemstone mining operations and brings further hands-on experience to the Company as it ramps up its exploration and mining development activities at the Forrestania Gold project.

Mr Salkanovic has a strong knowledge of the mining and resources sector in Australia, he is a strong supporter of the company with key competencies in exploration, materials processing, marketing and financial management in relation to junior mining companies.

Shareholdings

Nil.

Lu Ning Yi (Non-Executive Director)**Age: 63 years old****Qualifications and Experience**

Mr Lu Ning Yi had a long career as an experienced and respected financial journalist with China's Jiangsu Economic newspaper. His position placed him in direct contact with many of China's top business executives. Since coming to Australia, Mr Lu has maintained and expanded his extensive Chinese and Australian business relationships. Mr Lu is a director of Chi Masters International Pty Ltd and is also a Non-Executive director of the Heritage Golf and Country Club in Victoria.

Shareholdings

2,751,915 ordinary shares

Kent Hunter (Non-Executive Director) (ceased to be a director from 1 December 2016)**Age: 50 years old****Shareholdings**

1,300,002 ordinary shares (held directly).

Meetings of directors

During this financial year, the Directors met regularly to discuss the affairs of the Company.

The number of Directors' meetings (including committees) held during the financial period, each Director held office during the financial year, and the number of meetings attended by each director were as follows:

Director	Board of Directors	
	Meetings. Attended	Number Eligible to Attend
Justin Douth	3	3
Lu Ning Yi	3	3
Kent Hunter	0	0

Principal activities

The principal activity of Classic Minerals Limited during the financial year was the exploration of mineral resource based projects, focussing on gold and nickel metals.

Operating results

The loss of the Company for the year ended 30 June 2017 amounted to \$3,160,464 (2016: profit of \$2,334,407).

Dividends

No dividends were paid or declared for payment since the incorporation of the Company.

Review of operations

A comprehensive description of the Company's exploration and research and development activities appears in other sections of this Annual Report.

Doherty's

The sale of the Doherty's project was concluded on 5 July 2017 with the receipt of the remaining \$50,000 which was part of final instalment of \$1,200,000. The project tenure has been transferred to the buyer and the Company no longer holds a stake in this project.

Forrestania Gold Project

Data acquisition and review

Classic acquired the historic data generated by previous holders of the Forrestania Gold project and has engaged RSC Mining & Mineral Exploration ("RSC") and Mr. Dean Goodwin (consulting geologist) to review the data with a view of extracting useful information for exploration planning and resource calculations.

Exploration target generation

Classic has engaged RSC to plan exploration drill holes in the vicinity of Lady Ada and Lady Magdalene. They have currently planned ~80 holes. The exploration target is extension of gold bearing mineralisation along strike and down-dip from existing deposits.

Classic has engaged Dean Goodwin (consulting geologist) to review historic data and map the region and generate new conceptual exploration targets based on geophysical data and structural mapping. ~80 targets have been identified and ranked according to priority.

Exploration drilling (~5,000m drilling completed) and sampling

The drill program comprise of both RC and diamond drilling. Furthermore, site and drill pad clearing was commenced on May 20 2017 ahead of commencement of drilling during the first week of June 2017. Drilling produced samples which were sent to ALS Lab for assay. Many of the drill holes returned gold grade.

The strong results point to both an increase and an upgrade in Resources at the Forrestania Gold Project ("FGP") The drilling was designed to target mineralisation outside of the current resource model as well as high-grade extensions below and adjacent to the current pit design, in line with Classic's strategy to sufficiently grow its mineral resources to a size that supports establishment of an on-site processing facility at FGP as contemplated in FGP scoping study (see ASX announcement released 2nd May 2017).

The Reverse Circulation (RC) drill program drilled to date comprised a total of 18 holes for 3,670m (MARC001 - MARC018).

Mine Design and Preliminary Economic Analysis

The Scoping Study has been prepared by the Company with input and contributions by several independent and highly reputable consultants. The Scoping Study shows a technically and financially viable project based on the key assumptions adopted for the purpose of this study.

The Scoping Study indicates the following based on A\$1,700 gold price and 8% discount rate:

- Low initial Capex of between A\$25M and A\$35M (as a part of the total funding requirement of A\$40M – A\$45M including an additional contingency of A\$2M – A\$4M and A\$8M - A\$10M working capital).
- 1.9mt at 1.95g/t Au (diluted) for 111koz produced over a LOM of 2.5 years.
- AISC of A\$1,080/oz – A\$1,160/oz.
- A\$60 – A\$70 million in free cash flow.
- NPV of A\$52 - A\$58 million.
- Payback/cashflow between months 18 and 24.

The study is based on mining open pit Resources from the Lady Magdalene and Lady Ada Resources and processing through a 1Mtpa Carbon in Leach (“CIL”) processing plant to produce approximately 111koz gold over an initial 2.5 year mine life at a sustaining cost of A\$1,080/oz – A\$1,160/oz gold. The study assumes a maximum cash drawdown of A\$40M which includes construction of the new processing facility, associated infrastructure and open pit pre-development. Based on \$1,700/oz gold price, the Project generates a pre-tax cashflow of A\$60 – A\$70 million (after royalties).

The estimated Mineral Resources underpinning the Study have been prepared by a Competent Person in accordance with the requirements in the JORC Code (2012). Classic’s study was completed with assistance from the following reputable industry consultant groups; Auralia Mining Pty Ltd (mine design, financial modelling); Timora Pty Ltd (Process Plant Design and Costing); Entech Pty Ltd (resource review and mining); Australian Resource Consulting Pty Ltd (historical data compilation and review; exploration planning); Martinick Bosch Sell Pty Ltd (MBS Environmental) (baseline environmental, heritage); and Rockwater Pty Ltd (groundwater).

The results of the Study were positive and importantly provide strong encouragement for the Company to commit to the next stage of its exploration and development program.

Field work and geological mapping

Classic has deployed field technicians and geologists to undertake sampling, prospecting and mapping on the tenements. Focus has been around Lady Ada and Lady Magdalene.

Regular updates to geological model as exploration results became available

As drill and assay results have come back, the Company and RSC have been updating the geological model which in turn helps with understanding of the geology and structural controls and better targeting.

Fraser Range (E28/1904)

Located 160 km ESE of Kambalda and in the Fraser-Albany Mobile Belt, which further to the north hosts the 6.4 million-ounce Havana and Tropicana gold deposits and 40 km to the south hosts the recently discovered and highly significant Sirius Resources NL Nova Nickel/Copper sulphide deposit.

In June 2017, the Fraser range project was restored to 28 blocks and 84km².

In January 2017 a review of historic Cobalt, Manganese and Graphite sampling was done and generated new targets for the company to follow up in the 2018 reporting year.

Geophysical Surveys are planned for the southern end of the project to test bedrock conductors for Nickel sulphide type deposits.

Exploration is now also focused around a 6km long conductive target “hot zone” identified extending south east from Mammoth.

Skirmish Hill (E69/3337)

Classic’s application for this tenement was approved in the last quarter of this financial year. This tenement is highly prospective for copper. The tenement is located 35 kilometres south east of the Aboriginal town of Blackstone in the West Musgrave aboriginal reserve area.

Share Dam (E25/529)

The Share Dam project is located 65km east of Kalgoorlie and is prospective for Gold. An extensive data review is underway to identify under explored historic and new gold targets.

Significant changes in state of affairs

In November 2016 and May 2017, the company issued 8,000,000 and 14,104,372 shares to Stock Assist Group Pty Ltd. These shares were issued under the company's Standby Subscription Agreement at \$0.003 per share and \$0.0079 per share. The Company received \$124,000.

There were no other significant changes in the state of affairs of the Company during the year ended 30 June 2017.

After reporting date events

On 5 July 2017, the Company signed an Agreement with Sulphide Resources Pty Ltd to acquire 100% interest in two exploration licences – E74/422 and E74/467 also known as the Kat Gap project. Under this Agreement Classic paid an Option fee of \$55,000 (GST inclusive) and has the right to purchase the tenements within 18 months for a further consideration of \$250,000 plus GST. In addition to the Option Fee, the Company must spend \$140,000 on the tenements during the option period. The Kat Gap project is located approximately 50km south-south east of the Company's Forrestania Gold Project.

Pursuant to a Heads of Agreement dated 20 March 2017 between the Company and Fortuna SL Mining Pty Ltd ("Fortuna") the Company acquired 100% interest in two prospecting Licences – P77/4325 and P77/4326. These tenements are also known as the Lady Lila tenements. As consideration the Company issued 40M shares to Fortuna. This share issue was approved by the Company's shareholders at its General Meeting on 21 June 2017.

On 22 August 2017, the Company issued 85M shares as consideration to Stock Assist Group Pty Ltd to acquire 80% of the gold rights over five exploration licences - E77/2207, E77/2219, E77/2220, E77/2239 and E77/2303 and two prospecting licences – P77/4290 and P77/4291. These tenements are also known as the Forrestania Gold Project. This share issue was also approved by the Company's shareholders at its General Meeting on 21 June 2017.

On 19 September 2017, the Company signed an amendment to its Standby Subscription Agreement ('SSA') with Stock Assist Group Pty Ltd. Under the amended SSA, the Company can now make drawings up to \$5m previously \$1m. This Agreement provides the Company with greater funding options.

There are no other matters or circumstances that have arisen since 30 June 2017 that have or may significantly affect the operations, results, or state of affairs of the Company in future financial years.

Future developments

The Company will continue to explore its exploration areas and look to establish its exploration interest in prospective fields.

Environmental regulation

The Company is aware of its environmental obligations and acts to ensure its environmental commitments are met. The directors are not aware of any significant breaches during the year.

Non-Audit Services

No non-audit services were provided in this financial year.

Auditor's independence declaration

The auditor's independence declaration for the year ended 30 June 2017 has been received, forms part of the Director's Report, and can be found on page 15.

Indemnification of Officers

In accordance with the Company's constitution, except as may be prohibited by the Corporations Act 2001, every Officer or agent of the Company shall be indemnified out of the property of the Company against any liability incurred by him in his capacity as Officer or agent of the Company or any related corporation in

respect of any act or omission whatsoever and howsoever occurring or in defending any proceedings, whether civil or criminal.

During the financial year, the Company has paid insurance premiums in respect of directors' and officers' liability insurance. The insurance premiums relate to:

- Costs and expenses incurred by the relevant officers in defending legal proceedings, whether civil or criminal and whatever their outcome; and
- Other liabilities that may arise from their position, with the exception of conduct involving wilful breach of duty or improper use of information to gain a personal advantage.

During the financial year, the Company paid premiums for Directors and Officers liability insurance of \$10,128 (2016: \$10,643).

Proceedings on behalf of the Company

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings. The Company has not a party to any such proceedings during the year.

DIRECTORS' REPORT

REMUNERATION REPORT (AUDITED)

This report outlines the remuneration arrangements in place for Directors and executives of Classic Minerals Limited in accordance with the requirements of the *Corporations Act 2001* and its Regulations. For the purpose of this report, Key Management Personnel of the Company are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company, directly or indirectly, including any Director.

The remuneration report is set out in the Table.

Principles used to determine the nature and amount of remuneration

The Board is responsible for determining and reviewing compensation arrangements for the Directors. The Board assesses the appropriateness of the nature and amount of emoluments of such officers on a periodic basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality board and executive team. The Company does not link the nature and amount of the emoluments of such officers to the Company's financial or operational performance. The expected outcome of this remuneration structure is to retain and motivate directors.

Due to the current size of the Company and number of directors, the Board has elected not to create a separate Remuneration Committee but has instead decided to undertake the function of the Committee as a full Board under the guidance of the formal charter.

The rewards for Directors have no set or pre-determined performance conditions or key performance indicators as part of their remuneration due to the current nature of the business operations. The Board determines appropriate levels of performance rewards as and when they consider rewards are warranted.

The remuneration policy, setting the terms and conditions for the executive directors and other executives, was developed by the board. All executives receive a base salary (which is based on factors such as length of service and experience) and superannuation. The board reviews executive packages annually by reference to the Company's performance, executive performance and comparable information from industry sectors and other listed companies in similar industries.

The board may exercise discretion in relation to approving incentives, bonuses and options. The policy is designed to attract the highest calibre of executives and reward them for performance that results in long-term growth in shareholder wealth.

(a) Details of Key Management Personnel ("KMP")

(i) Directors

Justin Douch

Lu Ning Yi

Kent Hunter (ceased 1 December 2016)

(ii) Senior Executives

Jacob Douch

Jeffrey Nurse

James Passaris (for the financial year 2015/16)

CLASSIC MINERALS LIMITED

Details of Remuneration for Year Ended 30 June 2017 and 30 June 2016

The remuneration for each key management personnel of the Company during the year was as follows:

	SHORT-TERM BENEFITS			POST EMPLOYMENT		SHARE-BASED PAYMENT		TOTAL	REPRE- SENTED BY EQUITY/ OPTIONS
	Salary	Other	Non- Monetary	Superann- uation	Retirement Benefits	Equity	Options	\$	%
Directors									
Lu Ning Yi									
2017	50,000	-	-	-	-	-	-	50,000	-
2016	29,167	-	-	-	-	-	-	29,167	-
James Passaris (i)									
2017	-	-	-	-	-	-	-	-	-
2016	83,237	-	-	-	-	-	-	83,237	-
Justin Douth									
2017	250,000(ii)	-	21,330	23,750	-	-	-	295,080	-
2016	250,000	-	21,330	23,750	-	-	-	295,080	-
Jacob Douth (ii)									
2017	195,000(ii)	-	-	18,525	-	-	-	213,525	-
2016	175,000	-	-	18,525	-	20,000	-	213,525	-
Kent Hunter (ceased 1 December 2016)									
2017	25,000	-	-	-	-	-	-	25,000	-
2016	60,000	-	-	-	-	-	-	60,000	-
Jeffrey Nurse									
2017	112,845	-	-	10,720	-	-	-	123,565	-
2016	110,000	-	-	10,450	-	-	-	120,450	-
Total Remuneration Key Management Personnel									
2017	642,845	-	21,330	52,995	-	-	-	707,170	-
2016	707,404	-	21,330	52,725	-	20,000	-	801,459	-

i) In 2016/17 financial year, James Passaris was no longer a KMP.

ii) Justin Douth and Jacob Douth agreed to defer the payment of salaries until such time as the Company could pay them. The amount as at 30 June 2017 owing to Justin Douth was \$105,210 and owing to Jacob Douth was \$82,296. Please refer to Note 12.

DIRECTORS' REPORT

Employment Details of Members of Key Management Personnel

The Company has a services agreement with Mr. Justin Douth to provide services in his capacity as Managing Director. There is no fixed term to this Agreement.

Under this Agreement there are standard termination provisions and the Company can give notice of termination, or alternatively, payment in lieu of services. Following the Company's Initial Public Offering ("IPO"), in 2014, Mr. Douth's salary was increased to \$250,000 plus statutory superannuation. This increase was approved at a Director's Meeting by the Board. In 2015/16 and 2016/17 years, Mr Douth agreed to defer salary payments until such time as the Company could make salary payments. Upon termination of this agreement or after a period of 5 years, the motor vehicle leased by the Company will be transferred to Mr. Douth at nil consideration at which point all running costs will be at the expense of Mr. Douth. Mr. Douth is also to be reimbursed for reasonable expenses incurred in carrying out his duties.

Non-Executive Director Letter Agreements

The Company has non-executive director letter agreements with Mr. Frederick Salkanovic and Mr. Lu Ning Yi, these letter agreements outline the terms and conditions on which the Non-Executive Directors would carry out their duties to the Company. Mr. Lu is entitled to an annual remuneration of \$50,000 with no superannuation. Mr Lu are reimbursed for reasonable expenses incurred in carrying out their duties.

Executive Agreements

The Company has an employment contract with Jacob Douth as Exploration Manager, Jacob Douth's salary was \$195,000 plus superannuation.

In the event that Mr Jacob Douth's employment is terminated after one year of service, he will be entitled to receive an additional week's notice and any annual leave and long service leave entitlements will be paid. In 2017/18, financial year, Mr Douth agreed to defer payments of his salary until the Company could afford to make such payments.

The Company has an employment contract with Jeffrey Nurse as the Company's Chief Financial Officer and Company Secretary. Mr. Nurse's salary was increased from \$110,000 to \$120,000 plus superannuation from 1 May 2017.

Consultancy Agreement

The company has entered into a consultancy agreement with Aneles Consulting Services Pty Ltd, a company in which James Passaris has an interest to provide business services at the rate of \$4,820 per week plus GST.

Either party may terminate the Agreement at any time by providing the other Party with a written notice of termination equal to the Notice period and in the case of the principal paying the Contractor an amount equal to the Fee the contractor would otherwise earn during the Notice period. The Notice period is 90 days.

CLASSIC MINERALS LIMITED

Shareholdings of Key Management Personnel

(a) Number of ordinary shares held by key management personnel during the year

	Balance 1 July 2016	Received as remuneration	Net Change Other	Balance 30 June 2017
Lu Ning Yi	-	-	2,751,915	2,751,915
Justin Douth	5,248,337	-	(800,000)	4,448,337
Kent Hunter	1,300,002	-	-	1,300,002 ⁽ⁱ⁾
Fred Salkanovic	-	-	-	-
Jacob Douth	-	-	484,059	484,059
James Passaris	2,240,010	-	-	2,240,010
Jeffrey Nurse	510,000	-	-	510,000
	9,298,349	-	2,435,974	11,734,323

	Balance 1 July 2015	Received as remuneration	Net Change Other	Balance 30 June 2016
Stanislaw Procak	1,712,502	-	-	1,712,502 ⁽ⁱⁱ⁾
Lu Ning Yi	-	-	-	-
Justin Douth ⁽ⁱⁱ⁾	5,248,337	-	-	5,248,337
Kent Hunter	1,300,002	-	-	1,300,002
Jacob Douth	3,960,000	-	(3,960,000)	-
James Passaris	2,240,010	-	-	2,240,010
Jeffrey Nurse	510,000	-	-	510,000
	14,970,851	-	(3,960,000)	11,010,851

(i) Number of shares held at the time he ceased to be a director – 1 December 2016

(ii) Number of shares held at the time of his retirement – 30 November 2015.

Option holdings of Key Management Personnel

No options were held by or issued to directors during the period. The Company's unlisted options expired at 31 December 2015.

Transactions with Directors, Director Related Entities and other Related Entities are:

2017

In 2017, an aggregate amount of \$50,000 was due and payable to Lu Ning Yi this amount represented Directors Fees payable to Mr Yi in his capacity as a Non-Executive Director. An amount of \$79,167 remained owing as at 30 June 2017.

- In 2017, an aggregate amount of \$25,000 was due and payable to MCAS and M.Y. Body this amount represented Directors Fees payable to Mr Hunter in his capacity as Non-Executive Director. Mr Hunter has an interest in MCAS and M.Y Body. An amount of \$67,565 remains owing as at 30 June 2017.
- Denarda Holdings Pty Ltd is in the business of providing drilling services to mining companies and these services were provided to this Company at commercial rates. An amount of \$200,277 remains as a prepayment for future drilling as at 30 June 2017. This balance will be reduced in future years through the provision of further drilling services and associated services.
- In 2017, an aggregate amount of \$322,935 was expensed by the Company in relation to services provided by Namija Pty Ltd ("Namija"). Services performed by Namija during the year include consulting and fees in relation to business strategy, financing and indigenous affairs support at commercial rates. An amount of \$12,009 remains owing as at 30 June 2017.

2016

- In 2016, an aggregate amount of \$60,000 was due and payable to MCAS and M.Y. Body this amount represented Directors Fees payable to Mr Hunter in his capacity as Non-Executive Director. Mr Hunter has an interest in MCAS and M.Y Body. An amount of \$102,565 remains owing as at 30 June 2016.
- In 2016, an aggregate amount of \$29,167 was due and payable to Lu Ning Yi this amount represented Directors Fees payable to Mr Yi in his capacity as a Non-Executive Director. An amount of \$29,167 remains owing as at 30 June 2016.
- In 2016, an aggregate amount of \$20,833 was due and payable to Stan Procak. This amount represented Directors Fees payable to Mr Procak in his capacity as a Non-Executive Director until his retirement in November 2015. An amount of \$20,833 and \$1,979 in superannuation remains owing as at 30 June 2016.
- Denarda is in the business of providing drilling services to mining companies and these services were provided to this Company at commercial rates. An amount of \$200,277 remains as a prepayment for future drilling as at 30 June 2016. This balance will be reduced in future years through the provision of further drilling services and associated services.
- In 2016, an aggregate amount of \$391,316 was expensed by the Company in relation to services provided by Namija Pty Ltd ("Namija"), a company which John Douth (father of Justin Douth) is a consultant. Services performed by Namija during the year include consulting and fees in relation to business strategy, financing and indigenous affairs support at commercial rates. An amount of \$53,479 remains owing as at 30 June 2016.
- As at 30 June 2015, a short-term loan of \$3,500 had been advanced to the Company by Jacob Douth this was subsequently repaid in August 2015. Interest was charged at 20% on this short-term loan.
- As at 30 June 2015, a short-term loan of \$40,650 had been advanced to the Company by Samantha Douth (wife of Justin Douth) this was subsequently repaid in August 2015 and \$7,489 in interest was charged on the loan.

END OF REMUNERATION REPORT

CLASSIC MINERALS LIMITED

This report of the directors, incorporating the Remuneration Report, is signed in accordance with a resolution of the Board of Directors.



Justin Douth
Executive Director

Dated this 30th day of September 2017

CLASSIC MINERALS LIMITED

It is the opinion of the directors of Classic Minerals Limited (the "Company");

1. the financial statements and notes are in accordance with the Corporations Act 2001 and:
 - a. comply with Australian Accounting Standards and the Corporations Regulations 2001; and
 - b. give a true and fair view of the financial position of the Company as at 30 June 2017 and of the performance as represented by the results of its operations and its cashflows for the year ended on that date;
2. in the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.
3. the financial statements and notes also comply with International Financial Reporting Standards as disclosed in note 2.

This declaration is made in accordance with a resolution of the Board of Directors.



Justin Douch
Executive Director

Dated this 30th day of September 2017

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To The Board of Directors

**Auditor's Independence Declaration under Section 307C of the
Corporations Act 2001**

As lead audit director for the audit of the financial statements of Classic Minerals Limited for the financial year ended 30 June 2017, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- any applicable code of professional conduct in relation to the audit.

Yours faithfully



BENTLEYS
Chartered Accountants



MARK DELAURENTIS CA
Director

Dated at Perth this 30th day of September 2017

Independent Auditor's Report

To the Members of Classic Minerals Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Classic Minerals Limited ("the Company"), which comprises the statement of financial position as at 30 June 2017, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion:

- a. the accompanying financial report of the Company is in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the Company's financial position as at 30 June 2017 and of its financial performance for the year then ended; and
 - (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.
- b. the financial report also complies with International Financial Reporting Standards as disclosed in Note 2.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial report, which indicates that the Company incurred a net loss of \$3,160,464 during the year ended 30 June 2017. As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Related party transactions During the year, a number of significant related party transactions undertaken by the Company. The nature of and amount of these transactions are disclosed in Note 21. Given the number of material related party transactions occurring throughout the period, there is a risk that these transactions are not identified and disclosed.	Our procedures amongst others included: ▶ We reviewed the processes in place to identify related parties and inquired with management and those charged with governance of any transactions with these parties during the period; ▶ We reviewed the minutes of meetings of the Board of Directors for material transactions and sighted director resolutions confirming that the transactions are on commercial terms; ▶ Identified related party transactions and on a sample basis verified the transactions to supporting information; and ▶ We assessed the appropriateness of the disclosures included in Notes 21 to the financial report.
Exploration expenses During the year the Company incurred exploration expenses of \$1,003,325. Exploration expenditure is a key audit matter due to: ▶ The significance to the Company's statement of profit or loss and other comprehensive income; and ▶ The level of judgement required in evaluating management's application of the requirements of AASB 6 <i>Exploration for and Evaluation of Mineral Resources</i>. AASB 6 is an industry specific accounting standard requiring the application of significant judgements, estimates and industry knowledge.	Our procedures included, amongst others: ▶ Assessing management's determination of its areas of interest for consistency with the definition in AASB 6. This involved analysing the tenements in which the Company holds an interest and the exploration programs planned for those tenements. ▶ For a sample of tenements, we assessed the Company's rights to tenure by corroborating to government registries; and ▶ We tested exploration expenditure for the year by evaluating a sample of recorded expenditure for consistency to underlying records, the requirements of the Company's accounting policy and the requirements of AASB 6.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2017, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 2, the directors also state in accordance with Australian Accounting Standard *AASB 101 Presentation of Financial Statements*, that the financial report complies with International Financial Reporting Standards.

In preparing the financial report, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our responsibility is to express an opinion on the financial report based on our audit. Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Company audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2017. The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with s 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

Independent Auditor's Report

To the Members of Classic Minerals Limited *(Continued)*



Auditor's Opinion

In our opinion, the Remuneration Report of the Company, for the year ended 30 June 2017, complies with section 300A of the Corporations Act 2001.

A handwritten signature in blue ink that reads 'Bentleys'.

BENTLEYS
Chartered Accountants

A handwritten signature in blue ink that reads 'Mark DeLaurentis'.

MARK DELAURENTIS CA
Director

Dated at Perth this 30th day of September 2017

CLASSIC MINERALS LIMITED

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2017

	Note	30 June 2017 \$	30 June 2016 \$
Profit on sale of mining interest in Doherty's		-	3,505,063
Research & Development rebate	3	762,461	1,482,137
Other Income	3	336	2,365
Employee benefits and consultants expense		(1,318,754)	(1,173,541)
Advertising and marketing expenses		(12,705)	(11,544)
Legal expenses & professional fees		(187,426)	(311,480)
Referral Fee – Doherty's		(300,000)	(1,550)
Depreciation expense	10	(47,095)	(59,299)
Exploration expenses		(1,003,325)	(461,399)
Financing Charges		(715,199)	(403,965)
Travel expenses		(14,315)	(12,649)
Occupancy expenses		(88,732)	(102,445)
Administration expenses	4	(235,710)	(117,286)
Profit/(Loss) before income tax expense		(3,160,464)	2,334,407
Income tax benefit	5	-	-
Profit/(Loss) for the year		(3,160,464)	2,334,407
Total Other Comprehensive Income		-	-
Total Comprehensive loss for year		(3,160,464)	2,334,407
Profit/(Loss) for the year			
Attributable to members of Classic Minerals Limited		(3,160,464)	2,334,407
		(3,160,464)	2,334,407
Total Comprehensive Profit /(Loss) for year			
Attributable to members of Classic Minerals Limited		(3,160,464)	2,334,407
		(3,160,464)	2,334,407
Basic loss per share (cents per share)	6	(0.009)	0.007

The accompanying notes form part of this financial report.

CLASSIC MINERALS LIMITED

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2017

		30 June 2017 \$	30 June 2016 \$
CURRENT ASSETS	Note		
Cash and cash equivalents	7	1,087,258	56,555
Trade and other receivables	8	103,740	3,479,432
Other	9	200,277	200,277
TOTAL CURRENT ASSETS		1,391,275	3,736,264
NON-CURRENT ASSETS			
Plant and equipment	10	179,384	223,743
Other assets	11	3,642	3,642
TOTAL NON-CURRENT ASSETS		183,026	227,385
TOTAL ASSETS		1,574,301	3,963,649
CURRENT LIABILITIES			
Trade and other Payables	12	2,395,217	2,023,801
Provision for Employee Benefits	13	74,177	105,197
Borrowings	14	1,025,415	1,225,091
TOTAL CURRENT LIABILITIES		3,494,809	3,354,089
NON-CURRENT LIABILITIES			
Borrowings	14	61,106	79,650
TOTAL NON CURRENT LIABILITIES		61,106	79,650
TOTAL LIABILITIES		3,555,915	3,433,739
NET (LIABILITIES)/ ASSETS		(1,981,614)	529,910
EQUITY			
Issued capital	15	13,679,888	13,030,949
Accumulated losses		(15,661,702)	(12,501,039)
TOTAL EQUITY		(1,981,614)	529,910

The accompanying notes form part of this financial report.

CLASSIC MINERALS LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2017

	<i>Issued Capital \$</i>	<i>Option Premium Reserve</i>	<i>Accumulated Losses \$</i>	<i>Total Equity \$</i>
Balance at 30 June 2016	13,030,949	-	(12,501,039)	529,910
Loss for the year	-	-	(3,160,464)	(3,160,464)
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income/(Loss)	-	-	(3,160,464)	(3,160,464)
Transactions with owners recorded directly in equity				
Shares issued (net of expenses) during the year	648,939	-	-	648,939
Balance at 30 June 2017	13,679,888	-	(15,661,702)	(1,981,614)

	<i>Issued Capital \$</i>	<i>Option Premium Reserve</i>	<i>Accumulated Losses \$</i>	<i>Total Equity \$</i>
Balance at 30 June 2015	12,923,158	-	(14,835,446)	(1,912,288)
Loss for the year	-	-	2,334,407	2,334,407
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income/(Loss)	-	-	2,334,407	2,334,407
Transactions with owners recorded directly in equity				
Shares issued (net of expenses) during the year	107,791	-	-	107,791
Balance at 30 June 2016	13,030,949	-	(12,501,039)	529,910

The accompanying notes form part of this financial report.

CLASSIC MINERALS LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2017

	Note	30 June 2017 \$	30 June 2016 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Proceeds from the sale of Mining interest – Doherty's		3,350,000	600,000
Receipt of Research & Development Rebate		762,461	1,482,137
Payments to suppliers and employees		(2,524,921)	(1,679,671)
Interest paid		(478,760)	(430,805)
Interest received		335	944
Other Income received		-	1,423
Net cash (outflows) from operating activities	19(a)	1,109,115	(25,972)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of Fixed Assets		(2,736)	(2,727)
Return of Refundable Deposit – Nex Metals		-	(300,000)
Net cash (outflows) from investing activities		(2,736)	(302,727)
CASH FLOWS FROM FINANCING ACTIVITIES			
Share Capital received		124,000	20,000
Proceeds from Convertible Note issue – MDVest Pty Ltd		-	1,000,000
Repayment of Loans received/(repaid)		(1,050,276)	(1,242,294)
Proceeds of short term loans		850,600	568,011
Net cash inflows from financing activities		(75,676)	345,717
Net increase/ (decrease) in cash held		1,030,703	17,018
Cash and cash equivalents at the beginning of the year		56,555	39,537
Cash and cash equivalents at the end of the year	19(b)	1,087,258	56,555

The accompanying notes form part of this financial report.

CLASSIC MINERALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

1. Corporate Information

The financial report of Classic Minerals Limited (the Company) for the year ended 30 June 2017 was authorised for issue in accordance with a resolution of the directors on 30th September 2017.

2. Summary of Significant Accounting Policies

Basis of preparation

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations), other authoritative pronouncements of the Australian Accounting Standards Board and the Corporation Act 2001.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of this financial report are presented below and have been consistently applied unless otherwise stated.

The financial report has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Going Concern

The accounts have been prepared on the going concern basis, which contemplates continuity of normal activities and the realisation of assets and settlement of liabilities in the ordinary course of business. The Company recognised a loss of \$3,160,464 for the year ended 30 June 2017 (2016: profit of \$2,334,407).

The net working capital position of the Company at 30 June 2017 was a deficit of \$2,303,910 (2016: surplus of \$382,175). The Company has expenditure commitments relating to exploration expenditure obligations for their projects of \$537,501 which potentially could fall due in the twelve months to 30 June 2018. Furthermore, the Company has operating lease commitments of \$101,080 payable in the next 12 months.

On 19 September 2017, the Company entered into an amended Standby Subscription Agreement with Stock Assist Group Pty Ltd. Under this amendment, the Company has a facility of up to \$5,000,000 by issuing shares at 80% of 5 day VWAP, which it can utilise to meet short-term working capital requirements. An establishment fee of 8,000,000 shares on the amended Subscription Agreement has been paid.

The Company has obtained confirmations from its convertible note holder (refer Note 14) totalling \$1,000,000 to agree not to call upon their amounts owed until the earlier of such time that the Company has sufficient working capital to repay the amount.

CLASSIC MINERALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

2. Summary of Significant Accounting Policies (continued)

The Directors have prepared a cashflow forecast which indicates that the Company will have sufficient cashflows to meet all commitments and working capital requirements for the period 12 months from the date of signing this report. The ability of the Company to continue as a going concern is dependent on:

- The drawdown of the Standby Subscription Agreement with Stock Assist Group Pty Ltd to meet the payment requirements of their creditors;
- the completion of an entitlements issue of \$4,000,000 in October 2017. This raising is proposed to be partially underwritten, with a mandate obtained from the lead manager;
- the completion of another capital raising of \$2,500,000 in November 2017;
- the completion of the research and development rebate for the 2017 financial year anticipated to be received in November 2017;
- the continued support of creditors and Convertible Note holders who have deferred payment as outlined above; and
- containing cash outflows based on working capital requirements.

Should the Company not be successful in the above, it would be required to raise funds of approximately \$2,200,000 in the immediate future.

The above conditions represent a material uncertainty that may cast significant doubt about the ability of the Company to continue as a going concern. Should the Company be unable to continue as a going concern it may be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts different to those stated in the financial statements. The financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or to the amount and classification of liabilities that might result should the Company be unable to continue as a going concern and meet its debts as and when they fall due.

(a) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, cash in banks and investments in money market instruments, net of outstanding bank overdrafts.

(b) Employee benefits

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave, and sick leave when it is probable that settlement will be required and they are capable of being measured reliably.

Provisions made in respect of employee benefits expected to be settled within 12 months, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Provisions made in respect of employee benefits which are not expected to be settled within 12 months are measured as the present value of the estimated future cash outflows to be made by the entity in respect of services provided by employees up to reporting date.

(c) Financial assets

Investments are recognised and derecognised on trade date where purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, net of transaction costs.

Subsequent to initial recognition, investments in subsidiaries are measured at cost.

Other financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss', 'available-for-sale' financial assets, and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

CLASSIC MINERALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

2. Summary of Significant Accounting Policies (continued)

Available-for-sale financial assets

Shares and options held by the company are classified as being available-for-sale and are stated at fair value less impairment. Gains and losses arising from changes in fair value are recognised directly in the available-for-sale revaluation reserve, until the investment is disposed of or is determined to be impaired, at which time the cumulative gain or loss previously recognised in the available-for-sale revaluation reserve is included in the Statement of Profit or Loss and Other Comprehensive Income for the year.

Financial assets at fair value through the Statement of Profit or Loss and Other Comprehensive Income

The Company classifies certain shares as financial assets at fair value through profit or loss. Financial assets held for trading purposes are classified as current assets and are stated at fair value, with any resultant gain or loss recognised in the Statement of Profit or Loss and Other Comprehensive Income for the year.

Loans and receivables

Trade receivables, loans, and other receivables are recorded at amortised cost less impairment.

(d) Financial instruments issued by the company

Debt and equity instruments

Debt and equity instruments are classified as either liabilities or as equity in accordance with the substance of the contractual arrangement.

Transaction costs on the issue of equity instruments

Transaction costs arising on the issue of equity instruments are recognised directly in equity as a reduction of the proceeds of the equity instruments to which the costs relate. Transaction costs are the costs that are incurred directly in connection with the issue of those equity instruments and which would not have been incurred had those instruments not been issued.

Fair Value of Assets and Liabilities

The Company measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the Company would receive to sell an asset or would have to pay to transfer a liability in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (ie the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the entity's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to

CLASSIC MINERALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

2. Summary of Significant Accounting Policies (continued)

the transfer of such financial instruments, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

Valuation techniques

In the absence of an active market for an identical asset or liability, the Company selects and uses one or more valuation techniques to measure the fair value of the asset or liability. The Company selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the Company are consistent with one or more of the following valuation approaches:

Market approach: valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.

Income approach: valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.

Cost approach: valuation techniques that reflect the current replacement cost of an asset at its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Company gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

Fair value hierarchy

AASB 13 requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

Level 1

Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 2

Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3

Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable,

the asset or liability is included in Level 2. If one or more significant inputs are not based on

CLASSIC MINERALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

observable market data, the asset or liability is included in Level 3.

The Group would change the categorisation within the fair value hierarchy only in the following circumstances:

- (i) if a market that was previously considered active (Level 1) became inactive (Level 2 or Level 3) or vice versa; or
- (ii) if significant inputs that were previously unobservable (Level 3) became observable (Level 2) or vice versa.

When a change in the categorisation occurs, the Group recognises transfers between levels of the fair value hierarchy (i.e. transfers into and out of each level of the fair value hierarchy) on the date the event or change in circumstances occurred.

(e) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

- i. where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
- ii. for receivables and payables which are recognised inclusive of GST;

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the cash flow statement on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(f) Impairment of assets

At each reporting date, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised in the Statement of Profit or Loss and Other Comprehensive Income immediately, unless the relevant asset is carried at fair value, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have

2. Summary of Significant Accounting Policies (continued)

CLASSIC MINERALS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised in the Statement of Profit or Loss and Other Comprehensive Income immediately, unless the relevant asset is carried at fair value, in which case the reversal of the impairment loss is treated as a revaluation increase.

(g) Income tax

Current tax

Current tax is calculated by reference to the amount of income tax payable or recoverable in respect of the taxable profit or tax loss for the year. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by reporting date. Current tax for current and prior years is recognised as a liability (or asset) to the extent that it is unpaid (or refundable).

Deferred tax

Deferred tax is accounted for using the statement of financial position liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax base of those items.

In principle, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that sufficient taxable amounts will be available against which deductible temporary differences or unused tax losses and tax offsets can be utilised. However, deferred tax assets and liabilities are not recognised if the temporary differences giving rise to them arise from the initial recognition of assets and liabilities (other than as a result of a business combination) which affects neither taxable income nor accounting profit. Furthermore, a deferred tax liability is not recognised in relation to taxable temporary differences arising from goodwill.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, branches, associates and joint ventures except where the entity is able to control the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with these investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year(s) when the asset and liability giving rise to them are realised or settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by reporting date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the entity expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the entity intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax for the year

Current and deferred tax is recognised as an expense or income in the statement of comprehensive income, except when it relates to items credited or debited directly to equity, in which case the deferred tax is also recognised directly in equity, or where it arises from the

CLASSIC MINERALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

2. Summary of Significant Accounting Policies (continued)

accounting for a business combination, in which case it is taken into account in the determination of goodwill or excess.

(h) Payables

Trade payables and other accounts payable are recognised when the entity becomes obliged to make future payments resulting from the purchase of goods and services.

(i) Presentation currency

The entity operates entirely within Australia and the presentation currency is Australian dollars.

(j) Plant and equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation. The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets.

Depreciation

The depreciable amount of all fixed assets is depreciated on a diminishing value basis over their useful lives to the Company commencing from the time the asset is held ready for use. The depreciation rates used for each class of depreciable assets are:

<i>Class of Fixed Asset</i>	<i>Depreciation Rate</i>
Motor vehicles, Caravan and Quad Bikes	18.75% - 37.5%
Office equipment	7.5% - 100%

(k) Exploration and Evaluation Expenditure

Identifiable exploration assets acquired are recognised as assets at their cost of acquisition.

Subsequent exploration and evaluation costs related to an area of interest are written off. Acquired exploration assets are not written down below acquisition cost until such time as the acquisition cost is not expected to be recovered through use or sale.

(l) Intangible assets

Intangible assets with indefinite lives that are acquired separately are carried at cost less accumulated impairment losses.

(m) Provisions

Provisions are recognised when the entity has a present obligation, the future sacrifice of economic benefits is probable, and the amount of the provision can be measured reliably.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cashflows estimated to settle the present obligation, its carrying amount is the present value of those cashflows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that recovery will be received and the amount of the receivable can be measured reliably.

(n) Revenue recognition

Interest revenue

Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the financial asset.

CLASSIC MINERALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

2. Summary of Significant Accounting Policies (continued)

(o) Equity based compensation

The Company expenses equity based compensation such as share and option issues after ascribing a fair value to the shares and/or options issued. If options vest at date of grant, the expense is taken up at date of grant and a corresponding Option Reserve is credited.

(p) Issued capital

Issued capital is recognised at the fair value of the consideration received by the Company. Any transaction costs on the issue of shares are recognised directly in equity as a reduction of the share proceeds received.

(p) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that it transferred to the company, are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the year.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the years in which they are incurred.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

(q) Earnings per share

Basic earnings per share is calculated as a net profit attributable to members, adjusted to exclude any costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings per share is calculated as net profit attributable to members, adjusted for:

- costs of servicing equity (other than dividends) and preference share dividends;
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the year that would result from the dilution of potential ordinary shares; divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

(r) Sale of Non-Current Asset

Income from the sale of assets is measured as the consideration received net of the carrying value of the asset and any cost of disposal.

Share based payments

The Company measures the cost of equity-settled transactions principally with its creditors by reference to the fair value of the equity instruments at the date at which they are granted. Share based payments are disclosed at Note 28.

Environmental Issues

Balances disclosed in the financial statements and notes thereto are not adjusted for any pending or enacted environmental legislation, and the directors understanding thereof. At the current stage of the Company's development and its current environmental impact the directors believe such treatment is reasonable and appropriate.

CLASSIC MINERALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

2. Summary of Significant Accounting Policies (continued)

(s) Critical accounting judgments, estimates and assumptions (continued)

Exploration and evaluation costs

Exploration and evaluation costs are written off in the year they are incurred apart from acquisition costs which are carried forward where right of tenure of the area of interest is current.

These costs are carried forward in respect of an area that has not at statement of financial position date reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Taxation

Balances disclosed in the financial statements and the notes thereto, related to taxation, are based on the best estimates of directors. These estimates take into account both the financial performance and position of the Company as they pertain to current income taxation legislation, and the directors understanding thereof. No adjustment has been made for pending or future taxation legislation. The current income tax position represents that directors' best estimate, pending an assessment by the Australian Taxation Office.

Comparative figures

When required by accounting standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

When the Group applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statements, a statement of financial position as at the beginning of the earliest comparative period will be disclosed.

(t) Adoption of New and Revised Accounting Standard

New, revised or amending Accounting Standards and Interpretations adopted

The group has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the group during the financial year.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the group for the annual reporting period ended 30 June 2017. The group's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the group, are set out below.

CLASSIC MINERALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

AASB 9 Financial Instruments

This standard is applicable to annual reporting periods beginning on or after 1 January 2018. The standard replaces all previous versions of AASB 9 and completes the project to replace IAS 39 'Financial Instruments: Recognition and Measurement'. AASB 9 introduces new classification and measurement models for financial assets. A financial asset shall be measured at amortised cost, if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows, which arise on specified dates and solely principal and interest. All other financial instrument assets are to be classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading) in other comprehensive income ('OCI'). For financial liabilities, the standard requires the portion of the change in fair value that relates to the entity's own credit risk to be presented in OCI (unless it would create an accounting mismatch). New simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the entity. New impairment requirements will use an 'expected credit loss' ('ECL') model to recognise an allowance. Impairment will be measured under a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. The standard introduces additional new disclosures. The group will adopt this standard from 1 July 2018 but the impact of its adoption is yet to be assessed by the group.

AASB 15 Revenue from Contracts with Customers

This standard is applicable to annual reporting periods beginning on or after 1 January 2018. The standard provides a single standard for revenue recognition. The core principle of the standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard will require: contracts (either written, verbal or implied) to be identified, together with the separate performance obligations within the contract; determine the transaction price, adjusted for the time value of money excluding credit risk; allocation of the transaction price to the separate performance obligations on a basis of relative stand-alone selling price of each distinct good or service, or estimation approach if no distinct observable prices exist; and recognition of revenue when each performance obligation is satisfied. Credit risk will be presented separately as an expense rather than adjusted to revenue. For goods, the performance obligation would be satisfied when the customer obtains control of the goods. For services, the performance obligation is satisfied when the service has been provided, typically for promises to transfer services to customers. For performance obligations satisfied over time, an entity would select an appropriate measure of progress to determine how much revenue should be recognised as the performance obligation is satisfied. Contracts with customers will be presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Sufficient quantitative and qualitative disclosure is required to enable users to understand the contracts with customers; the significant judgements made in applying the guidance to those contracts; and any assets recognised from the costs to obtain or fulfil a contract with a customer. The group will adopt this standard from 1 July 2018 but the impact of its adoption is yet to be assessed by the group.

CLASSIC MINERALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

AASB 16 Leases

This standard is applicable to annual reporting periods beginning on or after 1 January 2019. The standard replaces AASB 117 'Leases' and for lessees will eliminate the classifications of operating leases and finance leases. Subject to exceptions, a 'right-of-use' asset will be capitalised in the statement of financial position, measured as the present value of the unavoidable future lease payments to be made over the lease term. The exceptions relate to short-term leases of 12 months or less and leases of low-value assets (such as personal computers and small office furniture) where an accounting policy choice exists whereby either a 'right-of-use' asset is recognised or lease payments are expensed to profit or loss as incurred. A liability corresponding to the capitalised lease will also be recognised, adjusted for lease prepayments, lease incentives received, initial direct costs incurred and an estimate of any future restoration, removal or dismantling costs. Straight-line operating lease expense recognition will be replaced with a depreciation charge for the leased asset (included in operating costs) and an interest expense on the recognised lease liability (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results will be improved as the operating expense is replaced by interest expense and depreciation in profit or loss under AASB 16. For classification within the statement of cash flows, the lease payments will be separated into both a principal (financing activities) and interest (either operating or financing activities) component. For lessor accounting, the standard does not substantially change how a lessor accounts for leases. The group will adopt this standard from 1 July 2019 but the impact of its adoption is yet to be assessed by the group.

NOTE 3: REVENUE FROM CONTINUING OPERATIONS

Profit on sale of mining interest in Doherty's
Research & Development Rebate
Interest Income
Other Income

30 June 2017	30 June 2016
\$	\$
-	3,505,063
762,461	1,482,137
335	944
-	1,421
762,796	4,989,565

NOTE 4: LOSS BEFORE INCOME TAX

The loss before income tax has been arrived at after charging the following expenses:

Insurance expenses
Telephone expenses
Other administration expenses

30 June 2017	30 June 2016
\$	\$
10,128	19,562
4,650	2,789
220,932	94,935
235,710	117,286

CLASSIC MINERALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 5: INCOME TAX

	30 June 2017 \$	30 June 2016 \$
(a) Current tax expense		
Current year	-	-
5(b)	-	-
(b) Numerical reconciliation between tax expense and pre-tax net profit		
Profit/ (Loss) before tax	(3,160,464)	2,334,407
Income tax expense/(benefit) calculated at 27.5% (2017)		
30% (2016)	(869,128)	700,322
Tax effect of:		
- Non-deductible expenses	176,279	37,276
- Impairment	-	-
- Current year revenue losses for which no deferred tax asset has been recognised	-	-
-Unrecognised timing differences	902,525	(19,246)
-Exploration costs	-	-
- Taxable profit on disposal of tenements	-	69,390
-Research & Development rebate	(209,677)	(460,691)
Capital losses utilised	-	-
Prior year tax losses utilised	-	(327,051)
Income tax expense on pre-tax net profit	-	-
(c) Unrecognised deferred tax balances		
The following deferred tax assets at 27.5% (2017), 30%(2016) have not been brought to account:		
Unrecognised deferred tax asset – tax losses	1,955,837	1,498,917
Unrecognised deferred tax asset- other timing differences	241,848	181,978
Net deferred tax assets	2,197,685	1,680,895

The net deferred tax assets not brought into account will only be of a benefit to the Company if future assessable income is derived of a nature and amount sufficient to enable the benefits to be realised, the conditions for deductibility imposed by the tax legislation continue to be complied with and the Company are able to meet the continuity of ownership and/or continuity of business tests.

During the year ended 30 June 2017, the Company applied for and has been assessed as being eligible to receive a rebate from the Australian Taxation Office of \$762,461 representing the tax value of research and development costs for the year 30 June 2016. This was received on 12 May 2017.

This tax note has been prepared on the basis that prior year losses are able to be recouped. It should be noted that the ability of a company to utilise prior year tax losses will depend upon the satisfaction of the loss recoupment tests contained within the Income Tax Legislation. At the time of preparing the financial statements, this assessment has not been undertaken.

NOTE 6: EARNINGS PER SHARE

	30 June 2017 \$	30 June 2016 \$
a. Profit/(loss) for the year	(3,160,464)	2,334,407
b. Weighted average number of ordinary shares at 30 June	359,665,255	313,232,220
Earnings per share – cents	(0.009)	0.007

CLASSIC MINERALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 7: CASH AND CASH EQUIVALENTS

	30 June 2017	30 June 2016
	\$	\$
Cash at bank	1,087,258	56,555

NOTE 8: TRADE AND OTHER RECEIVABLES

	30 June 2017	30 June 2016
	\$	\$
Current		
Receivable from Accelerated Mining Pty Ltd (i)	50,000	3,400,000
Prepaid Interest on Convertible Note – MDVest Pty Ltd (ii)	30,136	26,849
Bonds and Security Deposits	23,604	20,000
Other receivables	-	32,583
	103,740	3,479,432

As at 30 June 2017 trade and other receivables do not contain any impaired assets.

- (i) On 24 March 2016, the Company entered into a Sale of Mining Interest agreement with Accelerated Mining Pty Ltd for the sale of its interest in the Doherty's gold project (M57/619) for \$4m (GST Inclusive). The Company received \$3,350,000 in this financial year. The amount of \$50,000 which was outstanding as at 30 June 2017 was subsequently received on 5 July 2017. The project tenure has subsequently been transferred to the purchaser and the Company no longer holds a stake in this project.
- (ii) The Company has received the proceeds from a Convertible Note of \$1m to MDVest Pty Ltd. This facility matured on 26 August 2016 and was extended for a further six months until 25 February 2017. The facility has subsequently been renewed for a further year until 25 August 2018. Interest applicable to this extension accrues at 20% per annum.

NOTE 9: OTHER ASSETS

	30 June 2017	30 June 2016
	\$	\$
Current		
Prepaid Drilling Expenses	200,277	200,277
	200,277	200,277

The Company has a contract with Denarda Holdings Pty Ltd for the provision of drilling services. Pursuant to this Agreement the Company has prepaid drilling expenses. This prepayment will be recovered from drilling and other associated services provided by Denarda. Refer to Note 21 for further explanations.

As at 30 June 2017, Denarda Holdings Pty Ltd had been deregistered however application is being made to ASIC to reverse this condition and this process is administrative in nature.

CLASSIC MINERALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 10: PLANT AND EQUIPMENT

	30 June 2017 \$	30 June 2016 \$
Gross Carrying Amount		
Motor Vehicles, Caravan and Quad Bikes		
Opening balance	232,394	232,394
Acquisitions	-	-
Disposals	-	-
Closing balance	232,394	232,394
Plant & Equipment		
Opening balance	160,112	158,112
Acquisitions	3,463	2,727
Disposals	-	-
Closing balance	163,575	160,112
Motor Vehicle under Hire Purchase		
Opening balance	139,853	139,853
Acquisitions	-	-
Disposals	-	-
Closing balance	139,853	139,853
Total Cost	535,822	533,086
	30 June 2017 \$	30 June 2016 \$
Accumulated Depreciation		
Motor Vehicles, Caravan and Quad Bikes		
Opening balance	124,159	100,470
Depreciation charge for year	19,555	23,689
Disposals	-	-
Closing balance	143,714	124,159
Plant & Equipment		
Opening balance	127,558	110,923
Depreciation charge for year	12,123	16,635
Closing balance	139,681	127,558
Motor Vehicle under Hire Purchase		
Opening balance	57,626	38,651
Depreciation charge for year	15,417	18,975
Closing balance	73,043	57,626
	356,438	309,343
Carrying Amount		
Motor vehicles, Caravan and Quad Bikes		
At 1 July	108,235	131,924
At 30 June	88,680	108,235
Plant & Equipment		
At 1 July	33,281	47,189
At 30 June	23,895	33,281
Motor Vehicle under Hire Purchase		
At 1 July	82,227	101,202
At 30 June	66,809	82,227
Total Carrying Amount 30 June 2017	179,384	223,743

CLASSIC MINERALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 11: OTHER ASSETS

	30 June 2017 \$	30 June 2016 \$
Non- Current		
Bond on tenements	3,642	3,642
	<u>3,642</u>	<u>3,642</u>

NOTE 12: TRADE AND OTHER PAYABLES

	30 June 2017 \$	30 June 2016 \$
Current		
Trade and other payables (i)	1,597,232	719,937
Accruals	610,477	1,073,393
Accrual – outstanding salaries for Justin Douth and Jacob Douth (ii)	187,508	230,471
	<u>2,395,217</u>	<u>2,023,801</u>

- (i) Trade payables are non-interest bearing and are normally settled on 30-60 day terms. As at 30 June 2017, the amount of Trade payables was \$878,181 and the amount exceeding normal trading terms totalling \$381,696
- (ii) Justin Douth and Jacob Douth agreed to defer the payment of salaries until such time as the Company could pay them. The amount as at 30 June 2017 owing to Justin Douth was \$105,210 and owing to Jacob Douth was \$82,298.

CLASSIC MINERALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 13: PROVISION FOR EMPLOYEE BENEFITS

Current

Provision for Annual Leave

30 June 2017 \$	30 June 2016 \$
74,177	105,197
74,177	105,197

NOTE 14: BORROWINGS

Current

Loans from shareholders (i)
Loans from Related Parties (ii)
Hire Purchase contract (iii)

30 June 2017 \$	30 June 2016 \$
2,350	202,025
1,000,000	1,000,000
23,066	23,066
1,025,416	1,225,091
61,106	79,650
61,106	79,650

Non-Current

Hire purchase contract (iii)

(i) As at 30 June 2017, three short-term loans were advanced to the Company by its shareholders. These unsecured loans amounted to \$2,350. Interest did not accrue on these loans. Two of these short-term loans were repaid in full in July 2017.

(ii) The Company has received the proceeds of a Convertible Note issue of \$1M to MDVest Pty Ltd, a company related to Marlene Douch (mother of Justin Douch). Under the terms of the Convertible Note ("CN") the face value of the CN can be converted into shares at any time during a 12-month period at an exercise price of \$0.03 per share. This facility has now been extended until 25 August 2018. Interest on the CN accrues at 20.0% per annum. MDVest Pty Ltd has agreed not to seek repayment until such time as the Company is able to repay this amount.

(iii) The hire purchase contract is secured by a motor vehicle.

NOTE 15: ISSUED CAPITAL

Ordinary shares

At the beginning of the reporting year
Share based payments (refer to Note 24)
Share Capital issued at 0.3 Cents (November 2016)
Share Capital issued at 0.7 cents (June 2017)
Less: expenses related to capital raisings
At the end of the reporting year

30 June 2017 \$	Number of Shares
13,030,949	325,467,635
524,939	63,000,000
24,000	8,000,000
100,000	14,104,372
-	-
13,679,888	410,572,007

Ordinary shares

At the beginning of the reporting year
Share based payments (refer to Note 27)
Share Capital issued at 0.4 cents (July 2015)
Less: expenses related to capital raisings
At the end of the reporting year

30 June 2016 \$	Number of Shares
12,923,158	302,270,465
87,791	18,197,170
20,000	5,000,000
-	-
13,030,949	325,467,635

NOTE 16: EXPENDITURE COMMITMENTS

(a) Exploration Expenditure Commitments

Payable
Not later than 1 year
Later than 1 year but not later than 5 years
Later than 5 years

30 June 2017 \$	30 June 2016 \$
537,501	300,994
1,200,006	982,472
-	-
1,737,507	1,283,466

CLASSIC MINERALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

(b) Rental Commitments

	30 June 2017 \$	30 June 2016 \$
Payable		
Not later than 1 year	24,828	138,969
Later than 1 year but not later than 5 years	-	141,039
	24,828	280,008

The Company has entered into a contract to lease office and warehouse premises located at 71 Furniss Street, Landsdale, 6065. The lease has been renewed from 1 November 2017 for a period of 24 months. The new lease reflects an increase of 3% in base rent to \$71,080 plus variable outgoings estimated to be around \$30,000. A security deposit of \$20,000 has been paid.

(c) Finance lease commitments – Company as lessee

Future minimum lease payments under finance leases together with the present value of the net minimum lease payments are as follows:

	30 June 2017 \$	30 June 2016 \$
Within one year	23,066	23,066
After one year but not more than five years	87,154	105,699
Total minimum lease repayments	110,220	128,765
Less amounts representing finance charges	(26,048)	(26,048)
Present value of minimum lease payments	84,172	102,717
Included in the financial statements as:		
Current interest-bearing liabilities	23,066	23,066
Non-current interest-bearing liabilities	61,106	79,651
Total included in interest-bearing liabilities	84,172	102,717

(d) Capital Expenditure Commitments

There were no capital expenditure commitments at 30 June 2017.

NOTE 17: CONTINGENT LIABILITIES AND CONTINGENT ASSETS

The Company intends to hold a General Meeting (previously described as an Extraordinary General Meeting) shortly, at which time shareholder approval will be sought for at least four ordinary resolutions. Shareholder approval will be requested for 12,933,333 shares issued to various trade creditors including Samantha Douth (wife of Justin Douth) in February 2015. A second resolution will seek approval for 1,000,000 shares issued to Samantha Douth in June 2015. A third resolution will seek shareholder approval for the \$1m Convertible Note issued to MDVest Pty Ltd.

If resolutions 1 and 2 above are not approved the Company may be required to cancel the issued shares and recognise a liability of \$175,000.

The Company has an Agreement for Sourcing Tenements ("AST") with Guide Resources Pty Ltd ("Guide") whereby if Guide introduces tenements to Classic and Classic enters into arrangements to acquire a relevant interest in such tenements (and other tenements acquired within a 20km radius), Guide Resources is entitled to receive a minimum fee of \$10,000 relating to each tenement. Furthermore, Guide Resources would be entitled to conduct exploration on each relevant tenement for all minerals other than uranium, gold and silver. If production commences from gold, silver or uranium on a relevant tenement, Guide Resources is entitled to a royalty of \$2.50 per wet tonne.

CLASSIC MINERALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 18: SEGMENT REPORTING

The Company operates predominantly in the mineral exploration industry in Australia. For management purposes, the Company is organised into one main operating segment which involves the exploration of minerals in Australia. All of the Company's activities are interrelated and discrete financial information is reported to the Board (Chief Operating Decision Maker) as a single segment. Accordingly, all significant operating decisions are based upon analysis of the Company's as one segment. The financial results from this segment are equivalent to the financial statements of the Company's as a whole.

NOTE 19: STATEMENT OF CASH FLOWS

	30 June 2017 \$	30 June 2016 \$
a. Reconciliation of the net loss after income tax to net cash flows from operating activities		
Net profit/(loss) for the year	(3,160,464)	2,334,407
Non-cash Items		
Depreciation expense	47,095	59,299
Share based payments	524,939	87,791
Changes in assets and liabilities		
(Increase)/decrease in debtors/receivables	3,375,693	(3,441,555)
Increase)/decrease in Exploration and evaluation Assets	-	231,300
Increase/(decrease) in trade creditors and accruals	371,416	672,182
Increase/(decrease) in Hire Purchase liability	(18,544)	(12,924)
Increase/(decrease) in provisions	(31,020)	43,528
Cash outflows from operations	1,109,115	(25,972)
b. Reconciliation of cash and equivalents		
Cash and equivalents comprise		
- cash at bank and in hand	1,087,258	56,555

During the year, non-cash share based payments amounted to \$524,939. For further information refer to Note 24.

Cash at bank and in hand earns interest at floating rates based on daily bank deposit rates.

Short term deposits are made for varying years of between one day and three months depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates.

NOTE 20: KEY MANAGEMENT PERSONNEL DISCLOSURES

	30 June 2017 \$	30 June 2016 \$
(a) Compensation of key management personnel by category		
Short-term employee benefits	654,176	769,567
Post employment benefits	52,994	54,704
Share-based payment	-	-
	707,170	824,271

Refer to the Remuneration report contained in the Director's Report for details of the remuneration paid to each member of the Company's Key Management Personnel, shares and option holdings.

CLASSIC MINERALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 21: RELATED PARTY TRANSACTIONS

Transactions with Directors, Director Related Entities and other Related Entities are:

2017

- In 2017, an aggregate amount of \$50,000 was due and payable to Lu Ning Yi this amount represented Directors Fees payable to Mr Lu in his capacity as a Non-Executive Director. An amount of \$79,167 remained owing as at 30 June 2017.
- In 2017, an aggregate amount of \$25,000 was due and payable to MCAS and M.Y. Body this amount represented Directors Fees payable to Mr Hunter in his capacity as Non-Executive Director until 1 December 2016 when Mr Hunter ceased to be a director. Mr Hunter has an interest in MCAS and M.Y Body. An amount of \$127,565 remains owing as at 30 June 2017.
- Denarda Holdings Pty Ltd, a company which John Douth (father of Justin Douth) has a beneficial interest, is in the business of providing drilling services to mining companies and these services were provided to this Company at commercial rates. An amount of \$200,277 remains as a prepayment for future drilling as at 30 June 2017. This balance will be reduced in future years through the provision of further drilling services and associated services.
- In 2017, an aggregate amount of \$386,009 was expensed by the Company in relation to services provided by Namija Holdings Pty Ltd ("Namija"), a company which John Douth (father of Justin Douth) is a consultant. Services performed by Namija during the year included consulting fees in relation to business strategy, financing and indigenous affairs. \$24,500 of this amount was settled in shares, with 3,500,000 shares issued on 5 September 2016. An amount of \$112,009 remains owing as at 30 June 2017.

2016

- In 2016, an aggregate amount of \$60,000 was due and payable to MCAS Pty Ltd, ("Mining Corporate") and M.Y. Body this amount represented Directors Fees payable to Mr Hunter in his capacity as a Non-Executive Director. Mr Hunter has an interest in MCAS and M.Y Body. An amount of \$102,565 remains owing as at 30 June 2016.
- In 2016, an aggregate amount of \$29,167 was due and payable to Mr. Lu Ning Yi. This amount represents Directors Fees payable to Mr Yi for the seven-month period in which he was a Non-Executive Director. An amount of \$29,167 remains owing as at 30 June 2016.
- In 2016, an aggregate amount of \$22,812 was due and payable to Mr. Stan Procak. This amount represents Directors Fees payable to Mr Procak for the five-month period for the year in which he was a Non-Executive Director. On 30 November 2015, Mr Procak retired. An amount of \$20,833 and \$1,979 (Superannuation) remains owing to Mr. Procak as at 30 June 2016.
- Denarda Holdings Pty Ltd, a company which John Douth (father of Justin Douth) has a beneficial interest, is in the business of providing drilling services to mining companies and these services were provided to this Company at commercial rates. An amount of \$200,277 remains as a prepayment for future drilling and other associated services as at 30 June 2016.
- In 2016, an aggregate amount of \$391,316 was expensed by the Company in relation to services provided by Namija Holdings Pty Ltd ("Namija"), a company which John Douth (father of Justin Douth) is a consultant. Services performed by Namija during the year and included consulting and fees in relation to business strategy, financing and indigenous affairs. An amount of \$53,479 remains owing as at 30 June 2016.
- As at 30 June 2015, a short-term loan of \$3,500 had been advanced to the Company from Jacob Douth. This was repaid in full in August 2015. Interest was charged on this short-term loan at 20%.
- As at 30 June 2015, a short-term loan of \$40,650 had been advanced to the Company from Samantha Douth (wife of Justin Douth). This was repaid in full in August 2015. Interest of \$7,498 was charged on this loan.

CLASSIC MINERALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 22: FINANCIAL RISK MANAGEMENT AND POLICIES

The Company's activities expose it to a variety of financial risks: market risk (interest rate risk), credit risk and liquidity risk. The Company's overall risk management program focuses on the unpredictability of the financial markets and seeks to minimise potential adverse effects on the financial performance of the Company. The Company does not use derivative financial instruments; however the Company uses different methods to measure different types of risk to which it is exposed.

Risk management is carried out by the Board of Directors with assistance from suitably qualified external advisors. The Board provides written principles for overall risk management and further policies will evolve commensurate with the evolution and growth of the Company.

The carrying value of the Company's financial instruments are as follows:

	30 June 2017 \$	30 June 2016 \$
Financial assets		
Cash and cash equivalents	1,087,258	56,555
Trade and other receivables	103,740	3,479,432
	1,190,998	3,535,987
Financial liabilities		
Trade and other payables	2,395,217	2,041,070
Borrowings	1,025,415	1,304,741
	3,420,632	3,266,161

The Company's principal financial instruments comprise cash, trade and other receivables. The Company has borrowings and a hire purchase liability for a motor vehicle and trade and other payables in the normal course of business.

The main purpose of these financial instruments is to fund the Company's operations.

It is, and has been throughout the year under review, the Company's policy that no trading in financial instruments shall be undertaken. The main risks arising from the Company are cash flow (interest rate risk, liquidity risk and credit risk). The Board reviews and agrees policies for managing each of these risks and they are summarised below.

CLASSIC MINERALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 22: FINANCIAL RISK MANAGEMENT AND POLICIES (continued)

(a) Market risk

(i) Foreign exchange risk

The Company's exposure to foreign exchange risk arising from currency exposures is limited.

(ii) Cash flow and interest rate risk

The Company's only interest rate risk arises from cash and cash equivalents held. Term deposits and current accounts held with variable interest rates expose the Company to cash flow interest rate risk. The Company does not consider this to be material and has therefore not undertaken any further analysis of risk exposure.

(b) Credit risk

Credit risk is managed by the Board and arises from cash and cash equivalents as well as credit exposure including outstanding receivables and committed transactions.

All cash balances held at banks are held at internationally recognised institutions.

The maximum exposure to credit risk at reporting date is the carrying amount of the trade and other receivables as summarised at the start of Note 25. The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about default rates.

Financial assets that are neither past due and not impaired are as follows:-

	30 June 2017 \$	30 June 2016 \$
Cash and cash equivalents		
AA S&P rating	1,087,258	56,555
Trade and Other receivables		
Unsecured	103,740	3,479,432

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash balances and access to equity funding.

The Company's exposure to the risk of changes in market interest rates relate primarily to cash assets and floating interest rates. The Company does not have significant interest-bearing assets and is not materially exposed to changes in market interest rates.

The directors monitor the cash-burn rate of the Company on an on-going basis against budget and the maturity profiles of financial assets and liabilities to manage its liquidity risk.

The Company received funding via the Standby Subscription Agreement. On 19 September 2017, by mutual agreement the Company signed an amendment to the original Standby Subscription Agreement. The amended facility allows the Company to make drawings up to \$5m from \$1m. The Company made two drawings under this Facility totalling \$124,000. In May 2017 the Company received a Research & Development Rebate for 2015/16 of \$762,461 (2014/15 - \$1,482,137).

The Company will apply for a Research & Development rebate for 2016/17 financial year and raise further capital possibly through a rights entitlement issue. The Company will have adequate funding for its operations for the next twelve months.

The financial liabilities the Company had at reporting date were trade payables incurred in the normal course of the business and a hire purchase liability.

The following table sets out the carrying amount, by maturity, of the financial assets and liabilities:

CLASSIC MINERALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 22: FINANCIAL RISK MANAGEMENT AND POLICIES (continued)

Year ended 30 June 2017	<1 year	1 - 5 Years	Over 5 Years	Total contractual cashflows	Weighted average effective interest rate %
Financial Assets:					
Cash and Cash equivalents	1,087,258	-	-	1,087,258	-
Trade and other Receivables	103,740	-	-	103,740	-
	<u>1,190,998</u>	<u>-</u>	<u>-</u>	<u>1,190,998</u>	
Financial Liabilities:					
Trade and other payables	2,395,217	-	-	2,395,217	-
Hire purchase liabilities	23,066	61,106	-	84,172	5.3
Borrowings	1,002,350	-	-	1,002,350	21.0
	<u>3,420,633</u>	<u>61,106</u>	<u>-</u>	<u>3,481,739</u>	
Year ended 30 June 2016	<1 year	1 - 5 Years	Over 5 Years	Total contractual cashflows	Weighted average effective interest rate %
Financial Assets:					
Cash and Cash equivalents	56,555			56,555	-
Trade and other Receivables	3,479,432			3,479,432	-
	<u>3,535,987</u>	<u>-</u>	<u>-</u>	<u>3,535,987</u>	
Financial Liabilities:					
Trade and other payables	2,023,801			2,023,801	-
Hire purchase liabilities	23,066	79,650	-	102,716	5.3
Borrowings	1,202,025	-	-	1,202,025	34.73
	<u>3,248,892</u>	<u>79,650</u>	<u>-</u>	<u>3,328,542</u>	

(d) Fair value estimation

The fair value of financial assets and liabilities must be estimated for recognition and measurement or for disclosure purposes.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values due to their short term nature.

The fair value of long term borrowings is not materially different from their carrying value.

The entity's principle financial instruments consist of cash and deposits with banks, accounts receivable, trade payables and loans payable. The main purpose of these non-derivative financial instruments is to finance the entity's operations.

CLASSIC MINERALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 22: FINANCIAL RISK MANAGEMENT AND POLICIES (continued)

(e) Capital risk

The Company determines capital to be the equity as shown in the statement of financial position plus net debt (being total borrowings less cash and cash equivalents).

The Company's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they can provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

During 2017, the Company's strategy, which remains unchanged from 2015 and 2016, borrowed funds on a short-term basis to assist in its exploration activities. The company's equity management is determined by funds required to undertake its research & development activities and meet its corporate and other costs.

NOTE 23: SUBSEQUENT EVENTS

On 5 July 2017, the Company signed an Agreement with Sulphide Resources Pty Ltd to acquire 100% interest in two exploration licences – E74/422 and E74/467 also known as the Kat Gap project. Under this Agreement Classic paid an Option fee of \$55,000 (GST inclusive) and has the right to purchase the tenements within 18 months for a further consideration of \$250,000. In addition to the Option Fee, the Company must spend \$140,000 on the tenements during the option period. The Kat Gap project is located approximately 50km south-south east of the Company's Forrestania Gold project.

Pursuant to a Heads of Agreement dated 20 March 2017 between the Company and Fortuna SL Pty Ltd ("Fortuna") the Company acquired 100% interest in two prospecting Licences – P77/4325 and P77/4326. These tenements are also known as the Lady Lila tenements. As consideration the Company issued 40M shares to Fortuna. This share issue was approved by the Company's shareholders at its General Meeting on 21 June 2017.

On 22 August 2017, the Company issued 85M shares as consideration to Stock Assist Group Pty Ltd to acquire 80% of the gold rights over five exploration licences - E77/2207, E77/2219, E77/2220, E77/2239 and E77/2303 and two prospecting licences – P77/4290 and P77/4291. These tenements are also known as the Forrestania Gold Project. This share issue was also approved by the Company's shareholders at its General Meeting on 21 June 2017.

On 19 September 2017, the Company signed an amendment to its Standby Subscription Agreement ("SSA") with Stock Assist Group Pty Ltd. Under the amended SSA, the Company can now make drawings up to \$5m (previously \$1m). This Agreement provides the Company with greater funding options. The Company issued 8m shares to Stock Assist to establish the increased Facility.

There have been no other matters or circumstances that have arisen since 30 June 2017 that have or may significantly affect the operations, results, or state of affairs of the Company in future financial years.

NOTE 24: SHARE BASED PAYMENTS

Shares granted to creditors and advisers as share based payments during the year are as follows:

Name	Grant Date	Vesting Date	Number of shares	Total Value(\$)	Expense
Namija Pty Ltd	5 September 2016	5 September 2016	2,500,000	17,500	Consulting Fees
Namija Pty Ltd	5 September 2016	5 September 2016	1,000,000	7,000	Consulting Fees
Stock Assist Group Pty Ltd	30 September 2016	30 September 2016	6,000,000	36,000	Financing Costs
Stock Assist Group Pty Ltd	23 November 2016	23 November 2016	25,000,000	150,000	Barramie Rights
Angelos Levissianos	23 November 2016	23 November 2016	500,000	4,000	Financing
Goldlaw Pty Ltd	30 December 2016	30 December 2016	4,000,000	20,000	Legal fees
Adam McKay	20 January 2017	20 January 2017	1,000,000	7,000	Financing
Stock Assist Group Pty Ltd	23 January 2017	23 January 2017	1,000,000	7,000	Financing
Foskin Pty Ltd	23 January 2017	23 January 2017	500,000	4,000	Financing
John Che	29 March 2017	29 March 2017	1,000,000	14,000	Financing

CLASSIC MINERALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

John Che	31 March 2017	31 March 2017	1,000,000	14,000	Financing
John Che	11 May 2017	11 May 2017	3,000,000	45,000	Financing
John Che	30 May 2017	30 May 2017	1,500,000	13,500	Financing
Stock Assist Group Pty Ltd	28 May 2017	28 May 2017	15,000,000	135,000	Financing
Stock Assist Group Pty Ltd *			-	50,939	Financing
			63,000,000	\$524,939	

*: As part of the drawdown of \$124,000 under the Standby Subscription Agreement ("SSA") with Stock Assist, the Company issued 22,104,372 shares. As a result, the Company recognised a share based payment of \$50,939 to recognise the fair value of the services provided.

NOTE 25: AUDITORS REMUNERATION

	30 June 2017	30 June 2016
	\$	\$
Auditors remuneration	33,733	37,643
	33,733	37,643

NOTE 26: COMPANY DETAILS

The principal place of business of the Company is 71 Furniss Road, Landsdale WA 6065.

CLASSIC MINERALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

ASX INFORMATION

AS AT 12 OCTOBER 2017

The following additional information is required by the ASX Limited in respect of listed public companies and was applicable at 12 October 2017.

1. Shareholding

a. Distribution of Shareholders	Number	
	Shareholders	Ordinary Shares
Category (size of holding)		
1 – 1,000	27	2,471
1,001 – 5,000	4	16,704
5,001 – 10,000	126	1,231,205
10,001 – 100,000	383	20,761,423
100,001 – and over	495	639,767,670
	1,035	661,779,473

- b. The number of shareholdings held in less than marketable parcels is 468 shareholders amounting to 15,038,019 shares.
- c. As at 12 October 2017 there are no restricted shares
- d. The names of substantial shareholders listed in the company's register as at 12 October 2017 are:

Shareholder	Ordinary Shares	%Held of Total Ordinary Shares
MFCM Nominee Services Pty Ltd	50,000,000	7.55
Greywood Holdings Pty Ltd	33,354,572	5.04

e. Voting Rights

The voting rights attached to the ordinary shares are as follows:

Each ordinary share is entitled to one vote when a poll is called, otherwise each member present at a meeting or by proxy has one vote on a show of hands.

CLASSIC MINERALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

1. 20 Largest Shareholders as at 12 October 2017 — Ordinary Shares

		Number of Ordinary Fully Paid Shares Held	% Held of Issued Ordinary Capital
1	MFCM NOMINEE SERVICES PTY LTD	50,000,000	7.55
2	GREYWOOD HOLDINGS PTY LTD	33,354,572	5.04
3	STOCK ASSIST GROUP PTY LTD	32,290,625	4.88
4	MR ADAM JOHN LAURENCE MCKAY	31,000,000	4.68
5	JAMES CLARK	17,000,000	2.57
6	MR SHELDON PHILIP COATES & MR HARVEY LARRY CHARLES COATES <SHELDON COATES S/F A/C>*	16,875,000	2.55
7	GURINDJI PTY LTD <GURINDJI A/C>	16,027,999	2.42
8	MR MICHELE PARRELLA	12,000,000	1.81
9	S3 CONSORTIUM PTY LTD	10,057,142	1.52
10	MR MATTHEW ROBIN MAY	10,000,000	1.51
11	VIKING EQUITIES PTY LIMITED	9,999,526	1.51
12	MR DOMINIC VIRGARA	8,700,000	1.31
13	NAMIJA PTD LTD	8,333,806	1.26
14	JACOB SPENCER DOUTCH	7,500,000	1.13
15	LINCOLN JAMES TOPHAM & PAULINE MARGERY TOPHAM	7,142,857	1.08
16	LIONE DOUTCH	7,011,714	1.06
17	MR HOSSAM HABIB SHARKAWY	7,000,000	1.06
18	JOHN CHE	6,500,000	0.98
19	STOCK ASSIST GROUP PTY LTD	5,563,697	0.84
20	FOSKIN PTY LTD	5,457,000	0.82
	TOTAL	301,813,938	45.61

*These shares have been transferred to News Minerals Pty Ltd after 12 October 2017.

2. The name of the company secretary is Jeffrey Nurse.
3. The address of the principal registered office in Australia is: 71 Furniss Road, Landsdale, WA, 6065.
4. Registers of securities are held at the following address Advanced Share Registry Limited, 110 Stirling Highway, Nedlands WA 6009.
5. **Stock Exchange Listing**
Quotation has been granted for all the ordinary shares of the company on all Member Exchanges of the ASX Limited.

**SCHEDULE OF MINERAL TENEMENTS
AS AT 12 OCTOBER 2017**

Project	Tenement	Interest held by Classic Minerals Limited
Fraser Range	E28/1904	100%
Forrestania	E74/244	100%
	E74/467	100%
	P77/4290	80%
	P77/4291	80%
	E77/2207	80%
	E77/2219	80%
	E77/2220	80%
	E77/2239	80%
	E77/2303	80%
	P77/4325	100%
	P77/4326	100%
Share Dam	E25/529	100%
Skirmish	E69/3337	100%