

Notice of General Meeting, Explanatory Statement and Proxy Form

Classic Minerals Limited

ACN 119 484 016

Location

The Conference Room
Quest Midland
3 The Crescent
Midland, Western Australia 6056

Time and Date

11:00am (WST)
7 March 2025

IMPORTANT NOTE

The Notice of General Meeting, Explanatory Statement and Proxy Form should be read in their entirety. If you are in doubt as to how you should vote, you should seek advice from your professional adviser prior to voting.

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Important Dates

An indicative timetable of key proposed dates is set out below. These dates are indicative only and are subject to change.

Event	Date
Last day for receipt of Proxy Forms – Proxy Forms received after this time will be disregarded	11:00 (WST) on 5 March 2025
Snapshot date for eligibility to vote	5:00pm (WST) on 5 March 2025
General Meeting	11:00am (WST) on 7 March 2025

Notice of General Meeting

Notice is hereby given that a general meeting of Classic Minerals Limited (ACN ACN 119 484 016) (**Company**) will be held at the Conference Room, Quest Midland, 3 The Crescent, Midland, Western Australia 6056, at 11:00am (WST) on 7 March 2025.

Agenda

Resolution 1 Approval to dispose of main undertaking – Kat Gap Project	To consider and, if thought fit, to pass, with or without amendment, the following resolution as an ordinary resolution : <i>That, for the purposes of Listing Rule 11.2 and for all other purposes, Shareholders approve the sale of the Kat Gap Project to Bain Global Resources Pty Ltd ACN 664 564 961 (or its nominee), being the main undertaking of the Company, on the terms and in the manner set out in the Explanatory Statement.</i>
Resolution 2 Approval to issue Shares to LDA Capital	To consider and, if thought fit, to pass, with or without amendment, the following resolution as an ordinary resolution : <i>That, for the purpose of Listing Rule 7.1, and for all other purposes, Shareholders approve the issue of up to 500,000,000 Shares to LDA Capital Limited (or its nominee), for the purpose and on the terms set out in the Explanatory Statement.</i>
Resolution 3 Approval to issue Shares to Trade Creditors	To consider and, if thought fit, to pass, with or without amendment, the following resolution as ordinary resolution : <i>That, for the purpose of Listing Rule 7.1, and for all other purposes, Shareholders approve the issue of Shares to Trade Creditors (or their nominees), in accordance with the formula, for the purpose, and on the terms set out in the Explanatory Statement.</i>

Voting Exclusion Statements

Resolution	Excluded persons	Exception
Resolution 1	For the purposes of Listing Rules 11.2 and 14.11, the Company will disregard any votes cast in favour of the Resolution by or on behalf of the acquirer of the Company's main undertaking and any other person who will obtain a material benefit as a result of the disposal of the Company's main undertaking (except a benefit solely by reason of being a holder of ordinary securities in the Company), or an Associate of such person. In relation to Resolution 1, this includes BGR or any of its Associates.	The Company need not disregard a vote cast in favour of the Resolution if it is cast by: <ul style="list-style-type: none">a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way;the Meeting Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Meeting Chair on the Resolution as the Meeting Chair decides; ora holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:<ul style="list-style-type: none">the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on the Resolution; andthe holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.
Resolution 2 and 3	For the purposes of Listing Rules 7.3.9 and 14.11, the Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of Shares), or an Associate of such persons. In relation to Resolution 2, this includes the LDA Capital or any of its Associates.	

	In relation to Resolution 3, this includes the Trade Creditors or any of their respective Associates.	
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Explanatory Statement

For further information in relation to the items of business to be considered at the Meeting, please refer to the Explanatory Statement which accompanies this Notice. The Explanatory Statement forms part of this Notice.

Definitions

Unless inconsistent with the context, capitalised terms used in this Notice will have the meanings given to them in the Glossary set out in the Explanatory Statement.

By order of the Company's Board of Directors.

Madhukar Bhalla
Company Secretary

6 February 2025

Meeting and Voting Information

Voting entitlement	The Board has determined that, for the purposes of voting at the Meeting, Shares will be taken to be held by persons who are registered as the holders of Shares at <u>5:00pm (WST) on 5 March 2025</u> .
Appointment of Corporate Shareholder representatives	A Shareholder that is a corporation may appoint an individual to act as its representative in accordance with section 250D of the Corporations Act. The Shareholder must lodge a satisfactory and duly executed appointment document with the Securities Registry in accordance with the instructions below.
Appointment of attorneys	A Shareholder may appoint an attorney to act on the Shareholder's behalf at the Meeting. To do so, the Shareholder must lodge a duly executed power of attorney with the Securities Registry in accordance with the instructions below.
Appointment of proxies	<p>A Shareholder entitled to attend and vote at the Meeting is entitled to appoint up to two proxies. A proxy does not need to be a Shareholder.</p> <p>To appoint a second proxy, a Shareholder must state on each Proxy Form (in the appropriate box) the percentage of voting rights which are the subject of the relevant proxy. If both Proxy Forms do not specify that percentage, each proxy may exercise half the Shareholder's votes. Fractions of votes will be disregarded.</p> <p><i>Appointing the Meeting Chair as proxy</i></p> <p>Shareholders may appoint the Meeting Chair as their proxy by marking the relevant box on the Proxy Form. Proxy Forms submitted without specifying the name of the proxy or expressly nominating the Meeting Chair as proxy will be deemed an appointment of the Meeting Chair. The Meeting Chair will be deemed proxy for a Shareholder if the proxy named in the Proxy Form does not attend the Meeting.</p> <p><i>Directing a proxy how to vote</i></p> <p>Shareholders may direct a proxy whether to vote for or against, or to abstain from voting, on a Resolution by marking the relevant box on the Proxy Form. Shareholders may also specify the proportion or number of votes that a proxy may exercise. All votes must be cast in accordance with such directions.</p> <p>Directed proxies that are not voted on a poll at the Meeting by an appointed proxy will default to the Meeting Chair who will be required to vote proxies as directed on a poll.</p> <p>Subject any legal restrictions on proxy voting, a proxy may vote on a Resolution at their discretion unless the Proxy Form directs the proxy how to vote on the Resolution.</p>
Lodgement of appointment documents	<p>Duly completed corporate representative appointment documents, powers of attorney and Proxy Forms (together with any power of attorney or other authority under which they are executed, if applicable) must be received by the Securities Registry on or before <u>11:00am (WST) on 5 March 2025</u>. Documents received after that time will be invalid.</p> <p>Appointment documents are to be lodged as follows:</p> <p>by post: Automic, GPO Box 5193, Sydney NSW 2001</p> <p>by fax: +61 2 9287 0309</p> <p>by email: meetings@automic.com.au</p> <p>online portal: https://investor.automic.com.au/#/home with instructions as follows:</p> <p> Select 'Investor Login' and in the "Single Holding Login" section, enter Classic Minerals Limited or the ASX code CLZ in the Issuer name field, your Holder Identification Number (HIN) or Security Reference Number (SRN) (which is shown on the front of your proxy form), postcode and complete the security verification process and click 'Login'. Select the 'Voting' tab and then follow the prompts. You will be taken to have signed your Proxy Form if you lodge it in accordance with the instructions given on the website.</p>
Proxy voting intention of Meeting Chair	The Meeting Chair intends to vote all undirected proxies FOR each of the Resolutions. In exceptional cases, the Meeting Chair may change their voting intention, in which case the Company will make an announcement to ASX in this regard.
Voting procedure	Voting on each Resolution at the Meeting will be conducted by way of a poll.
Questions by Shareholders	Please submit any questions to the Company by <u>5:00 (WST) on 28 February 2025</u> in the same manner as outlined above for lodgement of appointment documents.

Explanatory Statement

This Explanatory Statement has been prepared for the information of Shareholders in relation to the business to be conducted at the General Meeting.

The purpose of this Explanatory Statement is to provide Shareholders with all information known to the Company which is material to a decision on how to vote on the Resolutions in the accompanying Notice of General Meeting.

This Explanatory Statement should be read in conjunction with the Notice of General Meeting. Capitalised terms in this Explanatory Statement are defined in the Glossary or otherwise in the Explanatory Statement.

1. Resolution 1: Approval to dispose of main undertaking – Kat Gap Project

1.1 Background

On 17 December 2024, the Company announced that it had entered into a conditional Tenement Sale Agreement with BGR (**Tenement Sale Agreement**) for the sale of the Company's Kat Gap Project assets, for \$7,000,000 (**Proposed Disposal**).

The Kat Gap Project is located in the Forrestania region of Western Australia. It has been the principal focus of the Company's exploration and development activities in recent years, with the Company delineating an indicated and inferred mineral resource of 1,141,412 tonnes of gold at 2.19 g/t.¹

The Company proposes to apply the proceeds of sale of the Kat Gap Project to retire debt, to fund further exploration and advance feasibility studies of the Forrestania Gold Project, and for its general working capital requirements.

The Company will retain the current Kat Gap mobile processing plant and associated equipment, with a view to upgrading it to expedite processing capabilities.

A summary of the key terms of the Tenement Sale Agreement is set out in Section 1.5, below.

1.2 Proposed use of funds

The Company intends to use the proceeds received from the Proposed Disposal on the basis set out in the table below. This table is an indicative statement of the Board's present intention and is subject to change.

Proposed use	Amount
Payments of trade creditors and accruals	\$500,000
Payment of secured loans (principal only)	\$4,200,000
Costs of transaction	\$30,000
Exploration and development activities for Forrestania Gold Project	\$500,000
General working capital	\$1,770,000

Note: The Company only proposes to repay the outstanding principal under the secured loans. Unpaid interest that has accrued on these loans is proposed to be secured against the Forrestania Gold Project tenements.

¹ The information is extracted from the Company's announcement to ASX of 21 June 2023 entitled 'Gold Resource Update at Kat Gap Project' and is available to view at www.classicminerals.com.au/news.php?year=2023. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of Mineral Resources or Ore Reserves, that all material assumptions and technical parameters underpinning the estimates derived the original market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

1.3 **Activities after Proposed Disposal**

Following completion of the Proposed Disposal, the Company will continue its mineral exploration and development activities, with its primary focus to be on its Forrestania Gold Project, particularly in relation to the Lady Ada and Lady Magdalene deposits.

The Company intends to program exploratory drilling to upgrade the inferred mineral resource at the Forrestania Gold Project to an indicated mineral resource. There are also a number of additional highly prospective targets that the Company proposes to explore, with a view to establishing further mineral resources at the project.

The Company will also look to engage suitable engineers and metallurgists to scope and design the appropriate upgrade pathway for the Company's processing plant.

1.4 **Resolution**

Resolution 1 is an ordinary resolution seeking Shareholder approval for the Proposed Disposal, under and for the purposes of Listing Rule 11.2.

1.5 **Listing Rules requirements**

Listing Rule 11.2 requires a listed entity obtain the approval of its shareholders to a disposal of its main undertaking.

ASX Guidance Note 12 – *Significant Changes to Activities* states that ASX generally applies a 50% "rule of thumb" in assessing whether assets or a business constitute the main undertaking of a listed entity. If assets or a business account for less than 50% of a listed entity's consolidated total assets, consolidated annual expenditure, consolidated EBITDA and consolidated annual profit before tax, then ASX considers that to be reasonably compelling evidence that the assets or business is not the entity's main undertaking.

In the Company's financial statements for the half year ended 31 December 2023 (being its most recent financial statements released to ASX), the Kat Gap Project represents approximately:

- 20% of the Company's consolidated total assets;
- 99% of the Company's consolidated expenditure;
- 99% of the Company's consolidated EBITDA; and
- 99% of the Company's consolidated annual profit before tax.

Accordingly, the Company considers the Kat Gap Project to be the Company's main undertaking, and therefore Listing Rule 11.2 applies to the Proposed Disposal. ASX has also advised the Company that it considers Listing Rule 11.2 applies to the Proposed Disposal.

If Resolution 1 is passed, the Company will be able to proceed with the Proposed Disposal.

If Resolution 1 is not passed, the Company will not be able to proceed with the Proposed Disposal, and the Tenement Sale Agreement will likely be terminated.

1.6 **Potential advantages and disadvantages of the Proposed Disposal**

Shareholders should consider the various potential advantages and disadvantages set out below in assessing the impact of the Proposed Disposal on the Company.

(a) **Potential advantages**

The Directors are of the view that the following non-exhaustive list of potential advantages may be relevant to a Shareholder's decision on how to vote on the Proposed Disposal:

- Company anticipates having sufficient funds from the sale proceeds to progress the exploration and development of the Forrestania Gold Project, as well as upgrading its mobile processing plant.
- The Company will use the sale proceeds to retire approximately \$5,230,000 of debts of the Company, including principal outstanding under the secured loans (see Section 1.2, above). This represents most of the debts currently owed by the Company.
- The Company will no longer be required to fund the costs of operating and maintaining the Kat Gap Project.

(b) **Disadvantages of the Proposed Disposal**

The Directors are of the view that the following non-exhaustive list of potential disadvantages may be relevant to a Shareholder's decision on how to vote on the Proposed Disposal:

- The Company will not share in the upside of further exploration and development of the Kat Gap Project. Any success from future activities at the Kat Gap Project will be to the benefit of BGR, not the Company.
- As ASX has determined that the Proposed Disposal represents a disposal of the Company's main undertaking, ASX will review whether the Company's level of operations going forward is sufficient, and its financial condition is adequate, to warrant continued quotation of its securities and listing on the Official List of ASX. If ASX is not satisfied in this regard, there is a risk that the Company may be required by ASX, within a period of 6 months from the date of the Disposal, to identify a new project or opportunity. If it fails to do so, there is a risk that ASX may suspend its Shares from trading and may require the Company to re-comply with the admission requirements in Chapters 1 and 2 of the Listing Rules before its Shares can be reinstated to trading. Further, ASX will review any further asset sale or purchase transactions that the Company wished to pursue in the 12 months from the Proposed Disposal, including whether such transactions attract the application of Chapter 11 of the Listing Rules.

1.7 **Listing Rule information requirements**

The following information is provided in relation to Resolution 1, as required by ASX Guidance Note 12 – *Significant Changes to Activities*:

Information required	Details
Parties to the Proposed Disposal	<p>The parties to the Proposed Disposal are:</p> <ul style="list-style-type: none">• the Company, as seller; and• Bain Global Resources Pty Ltd ACN 664 564 961, as buyer.
Material terms of the Proposed Disposal	<p>Sale assets</p> <p>The Kat Gap Project assets comprise:</p> <ul style="list-style-type: none">• mining lease M74/249;• exploration licence E74/467;• miscellaneous licences L74/57 and L74/59;• related exploration data and mining information; and• mobile equipment and accommodation located at the Kat Gap camp. <p>The sale assets do not include the Kat Gap mobile processing plant and associated equipment, which will be retained by the Company.</p> <p>Consideration</p> <p>The consideration payable by BGR for the Kat Gap Project assets is \$7,000,000 in cash.</p> <p>Apportionment of liabilities</p> <p>The Company remains liable for pre-completion liabilities in relation to the Kat Gap Project, other than the following, which are BGR's responsibility:</p> <ul style="list-style-type: none">• all outgoings and liabilities which accrue or relate to the period on or after the completion date; and• rehabilitation obligations in relation to the project tenements, whether arising before or after completion. <p>Conditions precedent to completion of sale</p> <p>Completion of the Proposed Disposal is conditional upon satisfaction of the following conditions precedent:</p> <ul style="list-style-type: none">• the Company obtaining all necessary Shareholder approvals in accordance with the Listing Rules, including under Listing Rule 11.2;

Information required	Details								
	<ul style="list-style-type: none"> Ministerial consent being obtained for the transfer of mining lease M74/249 to BGR; the Australian Government not objecting to the acquisition of mining lease M74/249 by BGR for the purposes of the <i>Foreign Acquisitions and Takeovers Act 1975</i> (Cth); the Company's rights and obligations under the lithium rights arrangement with Tribitrag Holdings Pty Ltd in respect of mining lease M74/249 and exploration licence E74/467 being assigned to and assumed by BGR; the Company's rights and obligations under the royalty arrangement with David Donald Boyer being assigned to and assumed by BGR; and BGR's being satisfied with its due diligence enquiries. Including being provided with reasonable and timely access to the Kat Gap Project tenements to undertake at least 800m of drilling. <p>All of the conditions precedent are for the benefit of both the Company and BGR, other than the due diligence condition which is solely for the benefit of BGR.</p> <p>The conditions precedent were initially to be satisfied within 2 months of the date of the Tenement Sale Agreement (i.e. by 13 February 2025), but the parties have agreed to extend this date to 28 February 2025.</p> <p>Completion</p> <p>Completion of the Proposed Disposal is to occur 5 business days after satisfaction (or waiver) of the last condition precedent.</p> <p>Other</p> <p>The Tenement Sale Agreement otherwise contains provisions considered customary for an agreement of this nature, including in relation to sale warranties, indemnities and rights of termination.</p>								
Impact on the Company's financial position	<p>The Company will receive \$7,000,000 in cash consideration for the Disposal.</p> <p>The anticipated financial impact on the Company from the Proposed Disposal is set out in the pro forma statement of financial position in the Schedule to this Explanatory Statement. This information is indicative only and is not intended to be a statement of the Company's current or future financial position.</p>								
Impact on the share capital of the Company	<p>The Company will not issue securities under the Proposed Disposal. Therefore, the structure of the Company's share capital will be unaffected by the Proposed Disposal.</p> <p>The Company's capital structure as at the date of this Notice is set out in the table below.</p> <table> <tr> <th>Security type</th><th>Number on issue</th></tr> <tr> <td>Ordinary shares – fully paid</td><td>1,544,025,557</td></tr> <tr> <td>Options</td><td>74,568,012</td></tr> <tr> <td>Performance rights</td><td>36,099,066</td></tr> </table>	Security type	Number on issue	Ordinary shares – fully paid	1,544,025,557	Options	74,568,012	Performance rights	36,099,066
Security type	Number on issue								
Ordinary shares – fully paid	1,544,025,557								
Options	74,568,012								
Performance rights	36,099,066								
Changes to the Company's business model in light of the Proposed Disposal	<p>The Company will continue the business of mineral exploration and development, focusing on gold exploration at the Forrestania Gold Project. In this regard, please refer to Section 0, above.</p>								

Information required	Details	
The use of funds for the proceeds of the Proposed Disposal	Please refer to Section 1.2 above for the Company's proposed uses of the proceeds received from the Proposed Disposal.	
Changes to the Company's board or senior management in connection with or as a consequence of the Proposed Disposal	The composition of the Board or the Company's senior management is not expected to change as a result of the Proposed Disposal.	
Indicative timetable	If approved by Shareholders, the Company anticipates the Proposed Disposal will complete in accordance with the following timetable. This timetable is indicative only and is subject to change.	
	Event	Indicative date
	Announcement of Proposed Disposal	17 December 2024
	General Meeting to approve Proposed Disposal	28 February 2025
	Satisfaction or waiver of conditions precedent to completion	28 February 2025
	Completion of Proposed Disposal	5 March 2025
Voting exclusion statement	A voting exclusion statement for Resolution 1 is included in the Notice preceding this Explanatory Statement.	
Other information	ASX does not take any responsibility for the contents of this Notice.	

1.8 Directors' recommendation

The Directors do not have any material personal interest in the outcome of Resolution 1, other than as a result of their interest arising solely in the capacity of Shareholders.

Based on the information available, all of the Directors consider that the Proposed Disposal is in the best interests of the Company. Accordingly, the Directors unanimously recommend that Shareholders vote in favour of Resolution 1.

2. Resolution 2: Approval to issue Shares to LDA Capital

2.1 Background

On 15 December 2022, the Company announced that it had entered into an agreement with LDA Capital, pursuant to which the Company secured the right to require LDA Capital to subscribe for up \$15,000,000 in new Shares by way of the Company exercising put options (**Put Option Agreement**).

The Put Option Agreement provides the Company with the flexibility to issue Shares to LDA Capital at the Company's discretion and to receive funds for the issue of those Shares, until December 2025.

Since 15 December 2022, the Company has made calls on LDA Capital to subscribe for Shares totalling \$1,394,570 and \$13,605,430 remains available under the Put Option Agreement. LDA Capital currently holds on account, 1,149,200 Shares (or 0.07% of the total issue Shares).

The Company may seek to make further calls under the Put Option Agreement over the 3 months period following the Meeting to fund exploration expenses for its Forrestania Gold Project and upgrade the processing plant. However, the

Company will only do so once suspension in trading of its Shares has been lifted for more than 10 trading days, being a condition of issuing a put option notice, unless LDA Capital consents to waive this requirement.

2.2 Resolution

Resolution 2 is an ordinary resolution to approve the issue of up to 500,000,000 new Shares to the LDA Capital (or its nominee) under the Put Option Agreement, for the purpose of Listing Rule 7.1.

2.3 Listing Rules requirements

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of Equity Securities that a listed entity can issue without the approval of its shareholders over any 12-month period to 15% of the fully paid ordinary shares it had on issue at the start of that period.

The issue of the new Shares under Resolution 2 does not fall within any of the exceptions under Listing Rule 7.2, and would likely exceed the 15% limit in Listing Rule 7.1. It therefore requires the approval of Shareholders under Listing Rule 7.1.

If Resolution 2 is passed, the Company will be able to proceed with the issue and call on LDA Capital to subscribe for corresponding Shares to raise additional funds. In addition, the new Shares will be excluded from the calculation of the number of Equity Securities that the Company can issue without shareholder approval under Listing Rule 7.1.

If Resolution 2 is not passed, the Company will not be able to proceed with the issue and will need to explore alternative sources of funding.

The following information is provided in relation to Resolution 2, as required by Listing Rule 7.3:

Information required	Details			
Names of persons to whom the Company will issue securities or the basis upon which those persons were or will be identified or selected	<p>The new Shares will be issued to LDA Capital or its nominee.</p> <p>LDA Capital is not a 'related party' of the Company for the purpose of the Listing Rules. The Company will not issue any new Shares to a nominee of LDA Capital under Resolution 2 if the nominee is a related party of the Company.</p>			
Number and class of securities the Company will issue	<p>The Company may issue up to 500,000,000 new Shares. The number of Shares which may be issued will ultimately be a function of the trading price of Shares on ASX.</p> <p>There is no minimum (or 'floor') price at which the new Shares may be issued. Accordingly, there is a risk of material dilution to existing Shareholders.</p> <p>As noted above, trading in the Company's Shares on ASX is currently suspended, and the last trading price prior to suspension was \$0.001, representing the minimum trading price step permitted by ASX.</p> <p>Accordingly, the maximum number of new Shares that may be issued is 500,000,000. Applying the minimum trading price of \$0.001, which would in turn result in an issue price of \$0.009 per new Share (see pricing formula in this table, below), this would represent dilution to existing Shareholders of up to approximately 24.52%.</p> <p>However, the Company will not require LDA Capital to subscribe for Shares, and will not issue Shares, to the extent LDA Capital would acquire voting power in the Company of more than 19.99%, in contravention of the takeover restrictions in the Corporations Act.</p> <p>Set out below are examples of the potential Shares which may be issued assuming various issue price and Trade Debt repayment scenarios. The total number of Shares to be issued to LDA Capital (or its nominee) may ultimately be less than the amount shown in the table.</p>			
	30-day VWAP	Deemed issue price	Subscription call amount	Number of Shares issued
	\$0.003	\$0.0027	\$1,350,000	500,000,000
	\$0.002	\$0.0018	\$900,000	500,000,000
	\$0.001	\$0.0009	\$450,000	500,000,000

Information required	Details
Summary of material terms of securities	The Shares will be fully paid ordinary shares in the capital of the Company and will rank equally in all respects with the existing Shares then on issue. The Company will apply to ASX for official quotation of the new Shares.
Date(s) on or by which the Company will issue the securities	The Shares will not be issued on a date not later than 3 months after the date of the Meeting, or such later date as approved by ASX.
Price or other consideration the Company will receive for the securities	The Shares will be issued at a deemed issue price equal to 90% of the VWAP of Shares traded on ASX in the 30 days up to the day immediately prior to the issue date.
Purpose of the issue and intended use of any funds raised	The Shares are to be issued to raise funds for fund exploration expenses in relation to the Forrestania Gold Project and upgrade the processing plant, and otherwise for the Company's general working capital requirements.
Summary of material terms of agreement securities are being issued under	<p>Facility</p> <p>LDA Capital has granted the Company a put option facility under which the Company may, at its discretion, call on LDA Capital to subscribe for up to \$15,000,000 in Shares.</p> <p>Term</p> <p>The facility under the Put Option Agreement operates for a period of 3 years from the date of the agreement.</p> <p>Conditions</p> <p>LDA Capital's obligation to subscribe for Shares on receipt of a put option notice is subject to the satisfaction of certain conditions precedent, including that:</p> <ul style="list-style-type: none"> • if the issue of Shares under the put option notice requires shareholder approval, such approval has been obtained; • the Company has issued collateral shares to LDA Capital, being equal to the proposed number of Shares for which LDA Capital will need to subscribe under the put option notice; • in the 10 trading days prior to and excluding date of the put option notice, the Company's Shares were continuously quoted on ASX and were not subject to any trading halt or suspension in trading (other than a trading halt required under the Listing Rules for the purpose of the Company conducting a capital raise under the agreement); and • various Corporations Act and ASX filings have been announced to ASX. <p>Put option limits</p> <p>The number of Shares subject to a put option notice is limited to a maximum of 10 times the average daily number of the Company's Shares traded on the ASX during the 15-trading day period before the issue of the notice.</p> <p>Pricing</p> <p>The issue price of the Shares will be 90% of the higher of:</p> <ul style="list-style-type: none"> • the average of the VWAP of Shares over the 30-trading day period prior to the issue of a put option notice by the Company; and • the minimum acceptable price notified to LDA Capital by the Company in the put option notice. <p>The VWAP calculation is subject to adjustment as a result of certain events occurring, including trading volumes falling below an agreed threshold level or a material adverse event occurring in relation to the Company.</p>

Information required	Details
	<p>Remuneration</p> <p>The Company must pay to LDA Capital an option premium fee of \$300,000, payable within 12 months of the date of execution of the Put Option Agreement.</p> <p>The Company must reimburse LDA Capital's legal costs up to US\$25,000.</p> <p>The Company must also issue 59,614,678 options to LDA Capital, each exercisable at \$0.01385 (being 125% of the 5-day VWAP of Shares as at market close on 13 December 2022) and expiring 3 years from issue.</p>
Voting exclusion statement	A voting exclusion statement for Resolution 2 is included in the Notice preceding this Explanatory Statement.

2.4 Directors' recommendation

The Board believes that the proposed issue of Shares is beneficial for the Company, and therefore recommends Shareholders vote in favour of Resolution 2. It will allow the Company to access funds when required, and also enable it to retain the flexibility to issue further Equity Securities representing up to 15% of the Company's share capital during the next 12 months.

3. Resolution 3: Approval to issue Shares to Trade Creditors

3.1 Background

The Company is currently in negotiations with various non-related party trade creditors (**Trade Creditors**) regarding a proposal to pay up to \$1,000,000 in general trade debts owed by the Company (**Trade Debts**) through the issue of new Shares to the Trade Creditors (or their respective nominees). However, the Company has NOT yet formalised any agreements with Trade Creditors in this regard.

3.2 Resolution

Resolution 3 is an ordinary resolution to approve the issue of new Shares to the Trade Creditors (or their respective nominees) to settle Trade Debts owed by the Company to those Trade Creditors, for the purpose of Listing Rule 7.1.

3.3 Listing Rules requirements

A summary of Listing Rule 7.1 and the exceptions in Listing Rule 7.2 are set out in Section 2.3, above.

The issue of the new Shares under Resolution 3 does not fall within any of these exceptions and could potentially exceed the 15% limit in Listing Rule 7.1. It therefore requires the approval of Shareholders under Listing Rule 7.1.

If Resolution 3 is passed, the Company will be able to proceed with the issue and settle the corresponding value of Trade Debts. In addition, the new Shares will be excluded from the calculation of the number of Equity Securities that the Company can issue without shareholder approval under Listing Rule 7.1.

If Resolution 3 is not passed, the Company will not be able to proceed with the issue and will be required to repay the Trade Debts from its cash reserves.

3.4 Listing Rule information requirements

The following information is provided in relation to Resolution 3, as required by Listing Rule 7.3:

Information required	Details
Names of persons to whom the Company will issue securities or the basis upon which those persons were or will be identified or selected	<p>The Shares will be issued to those Trade Creditors (being general trade creditors of the Company) owed a Trade Debt by the Company of \$10,000 or more who agree to accept repayment of their Trade Debt (partially or wholly) through the issue of new Shares and who:</p> <ul style="list-style-type: none"> are not 'related parties' of the Company for the purpose of the Listing Rules; and do not hold or control more than 5% of the Shares on issue, and will not obtain such a holding as a result of receiving new Shares under the Resolution.

Information required	Details			
Number and class of securities the Company will issue	The Company intends to issue Shares up to an aggregate value of \$1,000,000.			
	The exact number of Shares to be issued will be calculated using the following formula:			
	$A = B / C$			
	where:			
	A is the number of new Shares to be issued;			
	B is the Trade Debt to be repaid through the issue of new Shares; and			
	C is the issue price of new Shares (see below).			
Number and class of securities the Company will issue	There is no minimum (or ‘floor’) price at which the new Shares may be issued. Accordingly, there is a risk of material dilution to existing Shareholders.			
	However, trading in the Company’s Shares on ASX is currently suspended. Further, the last trading price prior to suspension was \$0.001, representing the minimum trading price step permitted by ASX.			
	Accordingly, the maximum number of new Shares that may be issued is 1,250,000,000. Applying the minimum trading price of \$0.001, which would in turn result in an issue price of \$0.008 per new Share, this would represent dilution to existing Shareholders of up to approximately 44.74%.			
	Set out below are examples of the potential Shares which may be issued assuming various issue price and Trade Debt repayment scenarios.			
	Issue price	Trade Debt repaid		
		\$500,000	\$750,000	\$1,000,000
	\$0.0012	416,666,667 Shares	625,000,000 Shares	833,333,333 Shares
\$0.0010	500,000,000 Shares	750,000,000 Shares	1,000,000,000 Shares	
\$0.0008	625,000,000 Shares	937,500,000 Shares	1,250,000,000 Shares	
Summary of material terms of securities	The Shares will be fully paid ordinary shares in the capital of the Company and will rank equally in all respects with the existing Shares then on issue. The Company will apply to ASX for official quotation of the new Shares.			
Date(s) on or by which the Company will issue the securities	The Shares will be issued as soon as possible after reaching agreement with any Trade Creditors regarding the repayment of their Trade Debts. However, in any case, Share will not be issued later than 3 months after the date of the Meeting, or such later date as approved by ASX.			
Price or other consideration the Company will receive for the securities	The Shares will be issued at a deemed issue price equal to 80% of the VWAP of Shares traded on ASX in the 30 days up to the day immediately prior to the issue date.			
Purpose of the issue and intended use of any funds raised	The Shares are to be issued to reduce the Company’s liabilities, in lieu of the Company’s obligation to pay the Trade Debts in cash. Accordingly, the Company will not raise any funds from the issue of the Shares.			

Information required	Details
Summary of material terms of agreement securities are being issued under	The Company has NOT entered into any agreement to issue the Shares at this time. However, if Resolution 3 is approved, it proposes to do so with those Trade Creditors who wish to accept payment of their Trade Debts in the form of Shares. Any such agreement will be consistent with the arrangements described in this Section 1.
Voting exclusion statement	A voting exclusion statement for Resolution 3 is included in the Notice preceding this Explanatory Statement.

3.5 **Directors' recommendation**

The Board believes that the proposed issue of Shares is beneficial for the Company, and therefore recommends Shareholders vote in favour of Resolution 3. It will allow the Company to settle Trade Debts while preserving its cash reserves, and also enable it to retain the flexibility to issue further Equity Securities representing up to 15% of the Company's share capital during the next 12 months.

Glossary of Terms

In this Explanatory Statement, the following terms have the meaning set out below, unless the context otherwise requires:

ASIC	The Australian Securities and Investments Commission.
Associate	Has the meaning given to that term in Chapter 19 of the Listing Rules.
ASX	ASX Limited ACN 008 624 691, including the financial market operated by it known as the Australian Securities Exchange.
BGR	Bain Global Resources Pty Ltd ACN 664 564 961.
Board	The Company's Board of Directors.
Company	Classic Minerals Limited ACN 119 484 016.
Company Secretary	The Secretary of the Company at the time of the Meeting.
Corporations Act	The <i>Corporations Act 2001</i> (Cth).
Director	A director of the Company.
EBITDA	Earnings before interest, taxation, depreciation and amortisation.
Equity Security	Has the meaning given to that term in Listing Rule 19.12, being: <ul style="list-style-type: none">(a) a share;(b) a unit;(c) a right to a share or unit or option;(d) an option over an issued or unissued security;(e) a convertible security;(f) any security that ASX decides to classify as an equity security;(g) but not a security that ASX decides to classify as a debt security.
Explanatory Statement	This explanatory statement which accompanies and forms part of the Notice of Meeting.
Forrestania Gold Project	The gold exploration and development project conducted by the Company, located in the Forrestania region of Western Australia.
General Meeting or Meeting	The general meeting of the Company convened by the Notice, including or any adjournment of such meeting.
Glossary	This glossary of terms.
Kat Gap Project	The gold exploration and development project conducted located in the Forrestania region of Western Australia, conducted by the Company in relation to mining lease M74/249, exploration licence E74/467 and miscellaneous licences L74/57 and L74/59.
LDA Capital	LDA Capital Limited, a corporation incorporated and registered in the British Virgin Islands.
Listing Rules	The listing rules of ASX, as amended from time to time.
May Placement	Has the meaning given to that term in Section 3.1 of the Explanatory Statement.
Meeting Chair	The chairperson of the Meeting.
Notice or Notice of General Meeting	The notice of the General Meeting which accompanies this Explanatory Statement.
Proposed Disposal	Has the meaning given to that term in Section 1.1.
Proxy Form	The proxy form accompanying the Notice.
Put Option Agreement	The Put Option Agreement between the Company and LDA Capital dated on or about 13 December 2022.

Related Body Corporate	Has the same meaning as given to that term in the Corporations Act.
Resolution	A resolution set out in the Notice.
Section	A section of the Notice.
Securities Registry	The Company's securities registry, being Automic Pty Ltd ACN 152 260 814.
Share	A fully paid ordinary share in the capital of the Company.
Shareholder	A registered holder of a Share.
Tenement Sale Agreement	The Tenement Sale Agreement between the Company and BGR dated in or about December 2024.
Trade Creditors	Has the meaning given to that term in Section 3.1.
Trade Debts	Has the meaning given to that term in Section 3.1.
VWAP	The volume-weighted average price.
WST	Australian Western Standard Time, being the time in Perth, Western Australia.

Schedule – Unaudited Pro Forma Statement of Financial Position

	31 December 2023 (reviewed)	Adjustments (unaudited)	Pro forma (unaudited)
	\$'000	\$'000	\$'000
CURRENT ASSETS			
Cash and cash equivalents	3	2,300	2,303
Trade and other receivables	105		105
Other current assets	689		689
Total	797	2,300	3,097
NON-CURRENT ASSETS			
Exploration and evaluation	2,739	(2,010)	729
Rights of use assets	361		361
Plant and equipment	6,120		6,120
Total	9,220	(2,010)	7,210
TOTAL ASSETS	10,017	290	10,307
CURRENT LIABILITIES			
Trade and other payables	7,250	(500)	6,750
Convertible notes	335		335
Provisions	149		149
Lease liability	165		165
Borrowings	9,016	(4,200)	4,816
Total	16,915	(4,700)	12,215
NON-CURRENT LIABILITIES			
Convertible notes	-		-
Lease liability	256		256
Provision for mine rehabilitation	1,223		1,223
Total	1,479	-	1,479
TOTAL LIABILITIES	18,394	(4,700)	13,694
NET ASSETS/(LIABILITIES)	(8,377)	4,990	(3,387)
EQUITY			
Issued capital	85,363		85,363
Reserves	2,576		2,576
Accumulated losses	(96,316)	4,990	(91,326)
Total	(8,377)	4,990	(3,387)

Assumptions

In preparing the above pro forma statement of financial position (**Pro Forma**), it has been assumed that there have not been any material movements in the assets and liabilities of the Company between 31 December 2023 and 30 January 2025 other than the following:

- completion of the Proposed Disposal; and
- use of proceeds received from the Proposed Disposal on payments of general trade debts and accruals, as well as payment of secured loans provided to the Company.

Basis of preparation

The Pro Forma has been prepared based on the reviewed consolidated statement of financial position for the half year ended 31 December 2023 and is intended to show the anticipated financial effect on the Company of the Proposed Disposal.

The information in the Pro Forma has not been audited or review. It is presented in an abbreviated form and does not contain all of the disclosures ordinarily provided in an annual or half year financial report prepared in accordance with the applicable accounting standards and therefore does not provide the same level of detail or understanding of the financial position of the Company as a statement of financial position in an annual or half year financial report.

The Pro Forma is indicative only and is not intended to be a statement of the Company's current or future financial position.

Your proxy voting instruction must be received by **11.00am (AWST) on Wednesday, 05 March 2025**, being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

SUBMIT YOUR PROXY

Complete the form overleaf in accordance with the instructions set out below.

YOUR NAME AND ADDRESS

The name and address shown above is as it appears on the Company's share register. If this information is incorrect, and you have an Issuer Sponsored holding, you can update your address through the investor portal: <https://investor.automic.com.au/#/home> Shareholders sponsored by a broker should advise their broker of any changes.

STEP 1 – APPOINT A PROXY

If you wish to appoint someone other than the Chair of the Meeting as your proxy, please write the name of that Individual or body corporate. A proxy need not be a Shareholder of the Company. Otherwise if you leave this box blank, the Chair of the Meeting will be appointed as your proxy by default.

DEFAULT TO THE CHAIR OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chair of the Meeting, who is required to vote these proxies as directed. Any undirected proxies that default to the Chair of the Meeting will be voted according to the instructions set out in this Proxy Voting Form, including where the Resolutions are connected directly or indirectly with the remuneration of Key Management Personnel.

STEP 2 - VOTES ON ITEMS OF BUSINESS

You may direct your proxy how to vote by marking one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF SECOND PROXY

You may appoint up to two proxies. If you appoint two proxies, you should complete two separate Proxy Voting Forms and specify the percentage or number each proxy may exercise. If you do not specify a percentage or number, each proxy may exercise half the votes. You must return both Proxy Voting Forms together. If you require an additional Proxy Voting Form, contact Automic Registry Services.

SIGNING INSTRUCTIONS

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

Joint holding: Where the holding is in more than one name, all Shareholders should sign.

Power of attorney: If you have not already lodged the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Voting Form when you return it.

Companies: To be signed in accordance with your Constitution. Please sign in the appropriate box which indicates the office held by you.

Email Address: Please provide your email address in the space provided.

By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible) such as a Notice of Meeting, Proxy Voting Form and Annual Report via email.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate 'Appointment of Corporate Representative' should be produced prior to admission. A form may be obtained from the Company's share registry online at <https://automicgroup.com.au>.

Lodging your Proxy Voting Form:

Online

Use your computer or smartphone to appoint a proxy at <https://investor.automic.com.au/#/loginsah> or scan the QR code below using your smartphone

Login & Click on 'Meetings'. Use the Holder Number as shown at the top of this Proxy Voting Form.



BY MAIL:

Automic
GPO Box 5193
Sydney NSW 2001

IN PERSON:

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Sydney NSW 2000

BY EMAIL:

meetings@automicgroup.com.au

BY FACSIMILE:

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