

22 February 2024

ASX Announcement

CLASSIC AGREES FACILITY TO FUND PROJECT DEVELOPMENT

Classic Minerals Limited (ASX: CLZ) (**Classic** or **Company**) is pleased to announce the execution of a binding terms sheet¹ with AuResources AG (**AuResources**), pursuant to which AuResources will initially advance US\$10 million (A\$15.3 million)² (**1st Tranche**) to Classic (**Terms Sheet**).

Repayment of the facility is to be made in six quarterly payments commencing on 30 October 2024. AuResources has agreed that, in the event Classic commences commercial production at its Kat Gap project during the facility period, repayments may be made in gold bullion at Classic's discretion.

The Terms Sheet also provides for the advance of a further US\$50 million (A\$76.5 million)³ in 5 tranches of US\$10 million each (A\$15.3 million each)⁴ subject to previous advances having been repaid in accordance with the terms of the Terms Sheet. Each further tranche is repayable in six equal quarterly payments commencing six months after the relevant advance.

The Company advises that there is a risk that any production may not be achieved during the term of the first advance. Further, in the event Classic does not have the capacity to make any necessary cash repayment, AuResources will have rights under the security arrangements to take control of Classic's assets to the extent required to secure repayment (**Default**).

The key terms of the Terms Sheet are set out in Schedule 1.

Use of funds – 1st Tranche

The 1st Tranche funds advanced by AuResources will be used by Classic to further develop production capacity at the Company's Kat Gap Gold Project, located approx. 30km from Varley, WA, and development of the Lady Magdalene and Lady Ada deposits at the Company's Forrestania Gold Project, as per the table below:

Expanding plant capacity: <ul style="list-style-type: none">Ball Mill, IPJ, Power Plant, Tailings Dam & leaching circuit.	A\$7,300,000
Operations: <ul style="list-style-type: none">Machinery hire, wages, consumables and camp extension and camp costs.	A\$5,000,000
Forrestania Gold Project: <ul style="list-style-type: none">Development of the Lady Magdalene and Lady Ada deposits	A\$1,000,000
Contingencies:	A\$1,000,000

¹ This facility is a USD facility and all advances and repayments will be made in USD at the exchange rate prevailing at the time.

² Exchange rate - 21 Feb 2024

³ Exchange rate - 21 Feb 2024

⁴ Exchange rate - 21 Feb 2024

Mining studies for Ore Reserve:	A\$1,000,000
<ul style="list-style-type: none"> Complete Scoping Study, Upgraded process plant design, Capex and Opex block model confirmation and ore characterisation. 	
	A\$15,300,000
<i>The above Use of Funds table is based on Company estimates only. Classic has not completed the relevant studies (Scoping Study or PFS or Reserve) which would support the above estimates.</i>	

Use of funds – 2nd Tranche

In the event that Classic accesses 2nd Tranche funding, it anticipates utilising that funding for the following purposes (and assuming no material changes in the US\$/A\$ exchange rate):

Capital Expenditure at Kat Gap plant	A\$7,800,000
Mining & Infrastructure	A\$3,250,000
Development of Forrestania gold project	A\$2,250,000
Exploration expenditure	A\$1,500,000
	A\$15,300,000
<i>The above Use of Funds table is based on Company estimates only. Classic has not completed the relevant studies (Scoping Study or PFS or Reserve) which would support the above estimates.</i>	

Use of funds – 3rd to 6th Tranche

In the event that Classic accesses further funding beyond the 2nd Tranche, it anticipates utilising each tranche for the following purposes (and assuming no material changes in the US\$/A\$ exchange rate):

Capital Expenditure at Kat Gap plant	A\$4,800,000
Mining & Infrastructure	A\$2,250,000
Development of Forrestania gold project	A\$2,250,000
Mining at Forrestania Gold Project	A\$4,500,000
Exploration expenditure	A\$1,500,000
	A\$15,300,000
<i>The above Use of Funds table is based on Company estimates only. Classic has not completed the relevant studies (Scoping Study or PFS or Reserve) which would support the above estimates.</i>	

Sources of funding

AuResources' funding obligations will be supported by Luxembourg-based Black Manta Capital Partners (**BMCP**). Classic has held a number of meetings with AuResources AG and Black Manta Capital Partners. AuResources has the business model to place any gold it receives from Classic's repayment schedule to be used as security through its distributed ledger technology and digitise gold "tokens" for its investors. AuResources is fully supported by BMCP and Classic has sighted the mandate confirming BMCP's engagement to raise funds to be channelled through AuResources AG. The Board has reviewed the recent capital raisings where BMCP has been directly involved, which over the past 3 years has been over US\$500 million (A\$769 million), and is confident that BCMP's arrangements with AuResources will enable AuResources to meet its funding obligations under the Terms Sheet.

Details of AuResources' and BMCP business models can be found at <https://auresources.io/> and <https://blackmanta.capital/>

Pathway to "producer status"

Classic anticipates the following timetable to delineate the next steps towards "producer" status:

20 Feb – 23 Feb 2024	Release of Trial Mining results.
27 Feb – 01 Mar 2024	Release of Scoping Study.
01 Mar 2024	Commence Ore Reserve calculations.
July - August 2024	Release of Ore Reserve.
June 2024	Commence stripping and removal of overburden.
August 2024	Commence processing of Ore.
30 October 2024	1 st Delivery to AuResources AG

About AuResources

AuResources AG is a Swiss-based fintech startup using distributed ledger technology to revolutionize the gold market. Its primary innovation is tokenizing future gold production contracts and turning them into digital assets, opening up opportunities for investment much earlier in the gold supply process than traditional markets allow. Commenting on the transaction, AuResources CEO Ian Cooper said:

"We've tailored our solution to the specific needs of small to medium-scale miners. This early-stage access allows for substantial growth potential and returns, while our commitment to rigorous legal compliance ensures the project's resilience to evolving financial regulations. We're excited with the prospect of providing funds to Classic Minerals and partnering with Black Manta Capital Partners, a global company, who have also confirmed that this transaction is one that they and their investors

are enthusiastic about. As we partner with Classic and provide them with an opportunity to grow, we will also grow with them and provide a valuable service to our investors.”

About Black Manta Capital Partners

Black Manta Capital Partners (**BMCP**) is a next generation investment bank focused on digital and tokenized assets, operating a regulated investment platform for issuances in the European capital market. As a full-service provider for all technical, financial and legal aspects of asset and security tokenization, BMCP also provides traditional investment banking services such as capital market listing, structuring and placement. BMCP was founded in Luxembourg in 2018 and runs BMCP GmbH in Munich as a licensed and regulated Financial Service Institute. In addition to Munich, BMCP also operates in Vienna, Luxembourg, Cork and Shanghai. Commenting on the transaction, BMCP managing partner Alexander Rapatz remarked:

“Black Manta Capital Partners has always been at the cutting edge of technology and innovation. Our global clients benefit from our and our partner’s bank-grade technology and expertise to serve our customers and raise capital in the most efficient way possible and we are pleased to have partnered with AuResources AG utilising their platform of distributed ledger technology. We have assessed and noted the potential of Classic Minerals in providing a valued product and service to our clients. We are comfortable to endorse and welcome Classic Minerals and their gold projects to the world stage.”

Classic Minerals’ chairman John Lester commented:

“Classic is appreciative of AuResources and Black Manta Capital Partners in evaluating and endorsing our gold projects as being suitable for their consideration and investment. The launching of this round of funding puts Classic firmly on the international scene. We will now have the capacity and capability to deliver value to AuResources, Black Manta Capital and our shareholders.”

This announcement has been approved by the Board.

ENDS:

ABOUT THE FORRESTANIA GOLD PROJECT

Classic has inferred and indicated mineral resources of **8.41 Mt at 1.45 g/t for 391,417 ounces of gold**, classified and reported in accordance with the JORC Code (2012), with a Scoping Study (see ASX Announcement released 2nd May 2017) suggesting both the technical and financial viability of the project. The current post- mining Mineral Resource for Lady Ada, Lady Magdalene and Kat Gap is tabulated below. Additional technical detail on the Mineral Resource estimation is provided, further in the text below and in the JORC Table 1 as attached to ASX announcements dated 18 December 2019, 21 January 2020, and 20 April 2020.

Prospect	Indicated			Inferred			Total		
	Tonnes	Grade (Au g/t)	Oz Au	Tonnes	Grade (Au g/t)	Oz Au	Tonnes	Grade (Au g/t)	Oz Au
Lady Ada	257,300	2.01	16,600	1,090,800	1.23	43,100	1,348,100	1.38	59,700
Lady Magdalene				5,922,700	1.32	251,350	5,922,700	1.32	251,350
Kat Gap	254,900	2.5	20,488	886,512	2.11	60,139	1,141,412	2.19	80,367
Total	512,200	2.25	37,088	7,900,012	1.40	354,589	8,412,212	1.45	391,417

Notes:

1. The Mineral Resource is classified in accordance with JORC, 2012 edition
2. The effective date of the mineral resource estimate is 14 June 2023.
3. The mineral resource is contained within FGP tenements
4. Estimates are rounded to reflect the level of confidence in these resources at the present time.
5. Mineral resources for Lady Ada and Lady Magdalene (Ladies) are reported at 0.5 g/t Au cut-off grade, Kat Gap at 0g/t Au.
6. Depletion of the resource from historic open pit mining has been considered for the Ladies deposits. Trial pit mining depletion at Kat Gap has not been accounted for in the block model due to the ore remaining unprocessed.

The Company confirms that it is not aware of any new information or data that materially affects the information included in this market announcement and, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.

Forward Looking Statements - Disclaimer

This ASX announcement (Announcement) has been prepared by Classic Minerals Limited ("Classic" or "the Company"). It should not be considered as an offer or invitation to subscribe for or purchase any securities in the Company or as an inducement to make an offer or invitation with respect to those securities. No agreement to subscribe for securities in the Company will be entered into on the basis of this Announcement.

This Announcement contains summary information about Classic, its subsidiaries and their activities which is current as at the date of this Announcement. The information in this Announcement is of a general nature and does not purport to be complete nor does it contain all the information which a prospective investor may require in evaluating a possible investment in Classic.

By its very nature exploration for minerals is a high-risk business and is not suitable for certain investors. Classic's securities are speculative. Potential investors should consult their stockbroker or financial advisor. There are a number of risks, both specific to Classic and of a general nature which may affect the future operating and financial performance of Classic and the value of an investment in Classic including but not limited to economic conditions, stock market fluctuations, gold price movements, regional infrastructure constraints, timing of approvals from relevant authorities, regulatory risks, operational risks and reliance on key personnel.

Certain statements contained in this announcement, including information as to the future financial or operating performance of Classic and its projects, are forward-looking statements that:

- may include, among other things, statements regarding targets, estimates and assumptions in respect of mineral reserves and mineral resources and anticipated grades and recovery rates, production and prices, recovery costs and results, capital expenditures, and are or may be based on assumptions and estimates related to future technical, economic, market, political, social and other conditions;
- are necessarily based upon a number of estimates and assumptions that, while considered reasonable by Classic, are inherently subject to significant technical, business, economic, competitive, political and social uncertainties and contingencies; and,
- involve known and unknown risks and uncertainties that could cause actual events or results to differ materially from estimated or anticipated events or results reflected in such forward-looking statements.

Classic disclaims any intent or obligation to update publicly any forward-looking statements, whether as a result of new information, future events or results or otherwise. The words 'believe', 'expect', 'anticipate', 'indicate', 'contemplate', 'target', 'plan', 'intends', 'continue', 'budget', 'estimate', 'may', 'will', 'schedule' and similar expressions identify forward-looking statements.

All forward-looking statements made in this announcement are qualified by the foregoing cautionary statements. Investors are cautioned that forward-looking statements are not guarantees of future performance and accordingly investors are cautioned not to put undue reliance on forward-looking statements due to the inherent uncertainty therein. No verification: Although all reasonable care has been undertaken to ensure that the facts and opinions given in this Announcement are accurate, the information provided in this Announcement has not been independently verified.

Schedule 1 – terms & conditions of Terms Sheet

The key terms and conditions of the Terms Sheet are as follows:

1. **(1st Tranche)** subject to satisfactory completion of due diligence, AuResources will advance US\$1,000,000 (A\$1.53 million)⁵ within 30 days of execution of the Terms Sheet, with a further US\$9,000,000 (A\$13.8 million)⁶ (**1st Tranche Balance**) to be advanced within 90 days of execution of the Terms Sheet and following execution of definitive documentation.
2. **(Further Tranches)** Subject to repayment obligations for previous tranches having been satisfied, AuResources will advance up to a further five tranches of US\$10,000,000 each (A\$15.3 million each)⁷.
3. **(Conditions precedent)** The advance of the 1st Tranche Balance is conditional on satisfaction of the following conditions precedent (**Conditions**):
 - (a) completion of satisfactory due diligence by the parties;
 - (b) Classic obtaining any approvals required pursuant to the ASX listing rules and Corporations Act or from any government agency necessary for completion of the transaction in accordance with applicable laws;
 - (c) no event or circumstance occurring that has or will have a material adverse effect on the financial condition, assets, liabilities or prospects of Classic or the Kat Gap project for the period commencing from the date of execution of this terms sheet until completion;
 - (d) no event or circumstance occurring that has or will have a material adverse effect on the financial condition, assets, liabilities or prospects of AuResources for the period commencing from the date of execution of this terms sheet until completion; and
 - (e) the parties entering into a definitive financing agreement (**Facility Agreement**).
4. **(Repayment)** Commencing on 30 October 2024, Classic will repay with six equal quarterly instalments in cash. In the event that Classic commences commercial production at its Kat Gap project, Classic may make repayments in gold bullion in lieu of cash.
5. **(Security arrangements)** Classic will grant mining mortgages over the tenements

⁵ Exchange rate - 21 Feb 2024

⁶ Exchange rate - 21 Feb 2024

⁷ Exchange rate - 21 Feb 2024

comprising the Company's Kat Gap, Lady Ada and Lady Magdelene projects and a general security deed over Classic's personal property. All existing secured parties have long-standing commercial arrangements with Classic and the Company expects that they will execute a deed of priority in favour of AuResources.

6. **(Default)** In the event Classic does not have the capacity to make any necessary cash repayment, AuResources will have rights under the security arrangements to take control of Classic's assets to the extent required to secure repayment.

7. **(Termination)** Either party may terminate the agreement:
 - (a) if any of the Conditions become incapable of being satisfied;
 - (b) if the terms and conditions of the formal Facility Agreement have not been agreed within 90 days of execution of the Terms Sheet;
 - (c) if, prior to execution of the Facility Agreement, the party is not satisfied with its due diligence enquiries;
 - (d) for material unremedied breach of the Facility Agreement; or
 - (e) for insolvency.