



CLASSIC MINERALS LIMITED

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ENVIRONMENTAL SOCIAL GOVERNANCE Disclosure Report

Baseline ESG report (30 June 2023)

<https://www.classicminerals.com.au>

Listed on ASX Stock Exchange (ASX:CLZ)

[ESG Report Data Disclaimer](#)



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Environmental, Social, and Governance (ESG)

Classic Minerals (“**CLZ**” or the “**Company**”) is committed to the principles of ESG as the most effective means of creating long-term enterprise value and addressing the societal priorities enshrined in the United Nations’ Sustainable Development Goals. In January 2023, we made a commitment to commence reporting on the Environmental, Social, and Governance (ESG) disclosures of the Stakeholder Capitalism Metrics (SCM) of the World Economic Forum (WEF).

We are in the process of making ESG disclosures in the form of a set of universal, comparable ESG metrics focused on people, planet, prosperity and principles of governance that organisations can report on regardless of industry or region. This table represents our reporting against the 21 core metrics, being reviewed quarterly and updated periodically.

We use this universal ESG framework to align our mainstream reporting on performance against ESG indicators. By integrating ESG metrics into our governance, business strategy, and performance management process, we diligently consider all pertinent risks and opportunities in running our business. We continue to look for opportunities for further transparency on the topics which are material to our business.

To track our disclosure progress and demonstrate our sustainability performance against the WEF SCM framework we utilise Socialsuite’s ESG Go disclosure platform. ESG Go enables us to demonstrate our ongoing commitment to ESG by providing a dedicated solution to track, report, and share our ESG disclosures. With ESG Go we have started the journey of building robust ESG credentials.

Last updated: 17/7/2023

Governance

GOVERNING PURPOSE			
Setting purpose			
<i>CODE</i>	<i>TYPE</i>	<i>STATUS</i>	<i>LAST UPDATED</i>
GO-01-C1	Full disclosure	Reported	4 Jul 2023

Classic Minerals is dedicated to becoming a leading gold producer through exploration and development in Western Australia's Goldfields region, with a primary focus on the Forrestania and Kat Gap gold deposits. Our purpose is to responsibly extract and refine high-quality minerals, while creating value for our stakeholders through operational excellence, environmental stewardship, and stakeholder engagement.

QUALITY OF GOVERNING BODY			
Governance body composition			
<i>CODE</i>	<i>TYPE</i>	<i>STATUS</i>	<i>LAST UPDATED</i>
GO-02-C1	Partial disclosure	Reported	27 Jul 2023

Classic Minerals and its Board of Directors recognise the importance of good corporate governance and are committed to maintaining and enhancing the highest standards across the Company.

The Board of Directors is the key decision-making organ of the Company. It is responsible for the strategic direction of the Company and provides guidance to the management of the Company.

The Board carries out the role of the nomination committee. The Company evaluates the performance of the Board and individual directors on an annual basis. This process includes a review of the balance of skills present at the board with the intent of identifying individuals who have complimentary skills who could be invited to the board.

In terms of relevant board skills, two Board members have many years of experience in the mining sector both from an operational and strategic perspective. One Board Member and a Senior Executive have significant experience in capital raising, and accounting.

The Company has a board skills matrix in place which is ESG inclusive. We will continue to update this in the future.

The Board has five members, who are all independent.

As of June 2023, the Classic Minerals Board had the following make-up:

- 5 Board members
- 100% independent directors
- 100% non-executive directors
- 80% (4) male, 20% (1) female
- All directors are in the over 50 years old age group

STAKEHOLDER ENGAGEMENT			
Material issues impacting stakeholders			
CODE	TYPE	STATUS	LAST UPDATED
GO-03-C1	Partial disclosure	Reported	17 Jul 2023

Classic Minerals recognises the significance and influence that our business and operations hold over our diverse stakeholder groups. Thus, we are dedicated to maintaining transparent and consistent communication, engagement, and consultation with our stakeholders to ensure their voices are heard and their needs are met.

Our stakeholders are able to communicate with us through our website, email and phone. We receive queries and respond to them in a timely manner.

Emails are used to capture any material issues.

The majority of our shareholders (95%) are from retail investors.

The Company does not have a stakeholder communications policy or engagement plan in place. The Company will look at developing the policy and procedures to address stakeholder engagement in the future.

ETHICAL BEHAVIOUR			
Anti-corruption practices			
CODE	TYPE	STATUS	LAST UPDATED
GO-04-C1	Full disclosure	Reported	4 Jul 2023

Classic has a zero-tolerance policy towards bribery and corruption and is dedicated to upholding high ethical standards. We are committed to conducting all business dealings professionally, fairly, and with integrity. We have developed an Anti-Bribery and Anti-Corruption policy, which was approved and formalised by the Board in March 2023.

The policy applies to all employees, executive management, suppliers, consultants, customers, joint venture partners, temporary and contract staff (including subcontractors). Classic Minerals' Anti-corruption and Anti-bribery policy outlines the minimum standards that all Representatives of the Company must adhere to. Those who violate the policy will be subject to disciplinary action, up to and including termination of employment.

At the date of this report, Classic Minerals has not had any incidents of corruption or bribery in the past year.

RISK AND OPPORTUNITY OVERSIGHT			
Integrating risk and opportunity into business process			
<i>CODE</i>	<i>TYPE</i>	<i>STATUS</i>	<i>LAST UPDATED</i>
GO-05-C1	Partial disclosure	Reported	14 Jul 2023

The CLZ Board recognizes that effective corporate governance requires the Board and management team to oversee risks and opportunities across the entire organization. The board and its executives acknowledge that financial and non-financial risks emerge and evolve over time as the business and strategy shift, and it is vital to have visibility and mitigation measures in place for these risks. This includes risks related to economic, environmental, social, climate change, and data stewardship, which are essential for driving sustainable outcomes for all stakeholders.

The Board of Directors oversees risk management and seeks assistance from qualified external advisors as needed. The Board has recently approved and formalised a Risk Management Procedure and will look to develop a risk register this year, in tandem with the growth and evolution of the Company. The risk management procedure will be reviewed every 6 months and be updated as required.

Classic plans to introduce and integrate ESG risks and opportunities into the Company's risk management procedure during 2023 so that the board has oversight of emerging non-traditional risks.

ETHICAL BEHAVIOUR			
Mechanisms to protect ethical behaviour			
CODE	TYPE	STATUS	LAST UPDATED
GO-04-C2	Full disclosure	Reported	4 Jul 2023

Classic Minerals Limited is dedicated to upholding a high level of ethical conduct and integrity throughout its operations, as well as maintaining a strong framework for corporate governance. The Board of Directors (Board) wishes to promote a culture which encourages raising legitimate concerns about actual or suspected misconduct.

CLZ has developed and adopted a Whistleblower Policy to establish a safe and supportive atmosphere that emboldens individuals to report instances of wrongdoing or unlawful or inappropriate behaviour within the Company without fear of intimidation, disadvantage, or retaliation. Failure to report such incidents undermines the Company's culture of honesty and ethical business practices, and puts CLZ at risk. To prevent this, the Company takes measures to ensure that individuals are not discouraged, disadvantaged, or victimized for speaking up about concerns of wrongdoing.

This document sets out the Company's policy with respect to the protection of whistleblowers, including pursuant to statutory protections for whistleblowers granted under Australia law (Policy).

The objectives of this Policy are:

- to encourage people to come forward if they suspect misconduct in relation to the Company's operations;
- to ensure that people can make reports of legitimate suspected misconduct safely, securely, and with confidence that they will be protected and supported;
- to ensure that reports are dealt with appropriately and on a timely basis;
- to detail how the Company will receive, handle, and investigate reports; and
- to help deter misconduct and protect the interests of the Company's stakeholders, inline with the Company's risk management and governance framework.

See Also: Whistleblower Policy

Planet

CLIMATE CHANGE			
GHG emissions			
CODE	TYPE	STATUS	LAST UPDATED
PL-01-C1	Explanation	Reported	14 Jul 2023

Classic Minerals considers environmental issues a crucial topic to be addressed across its operational footprint and recognises the risk posed by climate change and the potential for impact on businesses.

CLZ is aware of its environmental obligations and acts to ensure its environmental commitments are met.

At present, the Company is not required to measure its carbon footprint but will be compliant if required in future.

The directors are not aware of any significant compliance breaches during the period and up to the date of this report.

NATURE LOSS			
Land use and key biodiversity areas			
CODE	TYPE	STATUS	LAST UPDATED
PL-02-C1	Partial disclosure	Reported	17 Jul 2023

As with most exploration projects and mining operations, the Company's activities are expected to have a direct impact on the environment, particularly if advanced exploration or mine development proceeds. Having said this, gold mining is not new to the region and as a result, environmental requirements are well established, and sector is subject to constant monitoring, compliance and enforcement activities.

CLZ is committed to meeting or surpassing its regulatory environmental obligations in all its exploration activities, while working to protect the environment both within and beyond the Company's operational boundaries. To achieve this objective, one approach being implemented is carrying out operations without chemicals to prevent the discharge of contaminants into nearby regions. CLZ has also engaged with external consultants to monitor its environmental impact.

CLZ has issued detailed announcements outlining CIL Processing and engaged geotechnical and tailings engineers, who have successfully delivered a tailings design and management solution. The Board recently formalised the Company's Environmental Policy, which outlines the environmental objectives aimed towards minimising potential impacts to the environment when undertaking operations and associated activities, from exploration through to mining, processing and the delivery of our products.

The directors are not aware of any significant compliance breaches during the period and up to the date of this report.

FRESHWATER AVAILABILITY			
Water consumption			
<i>CODE</i>	<i>TYPE</i>	<i>STATUS</i>	<i>LAST UPDATED</i>
	Partial disclosure	Reported	17 Jul 2023

Water consumption is considered material to our ground operations.

CLZ is expected to use 2 tonnes water for 1 tonne of Ore during processing. 40% of the water is collected (recovered) and able to be recycled. 60% of water use is lost and non-recoverable.

CLZ has been permitted to have a second bore, with capacity of 100,000 litres of water.

CLIMATE CHANGE			
TCFD implementation			
<i>CODE</i>	<i>TYPE</i>	<i>STATUS</i>	<i>LAST UPDATED</i>
PL-01-C2	Explanation	Reported	14 Jul 2023

It is widely recognised that although compliance with the TCFD framework is currently voluntary in Australia, there is an increasing expectation from governments, investors, customers, and the community that businesses assess and disclose their climate-related risks and opportunities. There is inherent strategic value for those organisations who are able to apply a TCFD lens, as it provides a frame to build and develop the business expertise necessary to navigate a world transitioning to a low-carbon economy.

Currently, CLZ has no plans to explore TCFD implementation because it is not significant for the Company's operations at this time.

People

DIGNITY AND EQUALITY			
Diversity and inclusion			
CODE	TYPE	STATUS	LAST UPDATED
PE-01-C1	Partial disclosure	Reported	14 Jul 2023

Classic Minerals acknowledges the advantages that employee and board diversity brings, including access to a wider pool of highly qualified personnel, increased employee retention, diverse perspectives and ideas, and access to available talent. The Company's diversity policy covers various aspects of diversity, including but not limited to gender, age, ethnicity, and cultural background.

Classic Minerals has put in place a diversity policy aimed at achieving a diverse and skilled workforce, an inclusive workplace culture that benefits all staff, improved employment and career development opportunities for women, and a work environment that values and utilises the contributions of employees with different backgrounds, experiences, and perspectives. The Company's diversity policy is reviewed annually.

Furthermore, the Company has set specific diversity targets for the board, senior management, and employees. The targets for the board have been achieved with a female representation of at least 20%, while the senior executive team aims for a female representation of 40% and male representation of 60% by 30 June 2024. The employee target is for a female representation of 30% and male representation of 70% by 30 June 2025.

As of the date of this Corporate Governance Statement, the proportion of women in the Company's group is 20% for the board, 33% for senior executives, and 40% for employees. The Company's diversity policy will be accessible in the Governance section of the Company's investor website.

The Company actively seeks to employ and develop female employees. As such, the Company appointed its first female member to the Board in May 2021.

HEALTH AND WELL-BEING			
Health and safety			
CODE	TYPE	STATUS	LAST UPDATED
PE-02-C1	Partial disclosure	Reported	17 Jul 2023

Classic Minerals is committed to the health and safety of its employees and contractors. As such, the Company has a comprehensive OHS&E Management Plan that adheres to the best industry practices for Health and Safety.

We have now commenced production, and will have OHS&E plans implemented.

There have been no injury or incidents to report to date.

SKILLS FOR THE FUTURE			
Training provided			
CODE	TYPE	STATUS	LAST UPDATED
PE-03-C1	Explanation	Reported	14 Jul 2023

Classic Minerals recognises the importance of training for a competent workforce.

As and when required, the Company offers training (e.g. courses) to employees. However, due to the current size of the Company, Classic Minerals is not yet reporting against this metric.

DIGNITY AND EQUALITY			
Pay equality			
CODE	TYPE	STATUS	LAST UPDATED
PE-01-C2	Partial disclosure	Reported	14 Jul 2023

Classic Minerals is committed to pay equality across all levels of the organisation. The Company recognises that pay equality is a priority area that helps promote a fair and equitable workplace and supports the attraction and retention of talented employees.

Classic Minerals is proud to report that there is pay equality between women and men within the organisation. The Company's compensation framework is based on job roles, skills, and experience, and is free from discrimination based on gender. The Company recognises the

importance of having a diverse workforce and has a zero-tolerance policy for any form of gender-based pay discrimination.

Classic Minerals also ensures pay equality for minor and major ethnic groups. The Company's compensation framework is designed to provide fair and equitable compensation for all employees regardless of their ethnicity, race, or cultural background. The Company recognises the importance of fostering a culture of inclusivity and ensuring that all employees are treated fairly and equitably.

DIGNITY AND EQUALITY			
Wage level			
CODE	TYPE	STATUS	LAST UPDATED
PE-01-C3	Explanation	Reported	14 Jul 2023

CLZ is committed to fair and responsible remuneration and understands that diversity can only be achieved by promoting equal pay and by providing equal remuneration for the same jobs.

Classic Minerals believes that the Board of Directors is the most appropriate body within the Company to handle remuneration matters. The Board carefully considers the compensation packages for directors and senior executives, taking into account market standards and practices within the mining industry. The Board conducts regular comparisons of remuneration for executives in other mining companies to ensure that Classic Minerals' compensation packages remain competitive and attract and retain top talent.

Due to the size of the Company and lean number of employees, CLZ has determined that reporting the ratios of total compensation of CEO to median compensation of all employees is not yet relevant.

DIGNITY AND EQUALITY			
Child, forced or compulsory labour			
CODE	TYPE	STATUS	LAST UPDATED
PE-01-C4	Explanation	Reported	14 Jul 2023

Classic Minerals is committed to conducting all of its business activities fairly, honestly with integrity, and in compliance with all applicable laws, rules and regulations. Its Board, management and employees are dedicated to high ethical standards and recognise and support the Company's commitment to compliance with these standards.

CLZ has a modern slavery policy, which will be published on its website shortly.

Prosperity

EMPLOYMENT AND WEALTH GENERATION			
Rate of employment			
<i>CODE</i>	<i>TYPE</i>	<i>STATUS</i>	<i>LAST UPDATED</i>
PR-01-C1	Explanation	Reported	4 Jul 2023

Classic Minerals recognises that employment and job creation are key drivers of economic growth, dignity and prosperity, and provide a basic indication of a Company's capacity to attract diverse talent, which is key to innovating new products and services.

CLZ is a relatively lean Company with only a small number of employees. As such, at this point in time, information detailing the turnover of staff, new staff hired, or staff to have exited the Company, is not disclosed in the Annual Report.

INNOVATION OF BETTER PRODUCTS AND SERVICES			
Total R&D expenses			
<i>CODE</i>	<i>TYPE</i>	<i>STATUS</i>	<i>LAST UPDATED</i>
PR-02-C1	Partial disclosure	Reported	17 Jul 2023

During 2022, the Company's strategy, which has remained unchanged from previous years, borrowed funds on a short-term basis to assist in its innovation activities. The Company's equity management is determined by funds required to undertake its research and development activities and meet its corporate and other costs.

The Company is dedicated to seeking improved methods for innovation in collaboration with different fields of research and development. However, to date, the Company has not been reporting against this metric.

See Also: Annual Report 2022

COMMUNITY AND SOCIAL VITALITY			
Total tax paid			
<i>CODE</i>	<i>TYPE</i>	<i>STATUS</i>	<i>LAST UPDATED</i>
PR-03-C1	Full disclosure	Reported	4 Jul 2203

Detailed information disclosing the total tax paid by Classic Minerals can be found in the Annual Report, for the year ending 30 June 2022 (see link below).

See Also: Annual Report 2022

EMPLOYMENT AND WEALTH GENERATION			
Economic contribution			
<i>CODE</i>	<i>TYPE</i>	<i>STATUS</i>	<i>LAST UPDATED</i>
PR-01-C2	Partial disclosure	Reported	4 Jul 2023

The details of Classic Minerals' financials and economic contribution can be reviewed in the Annual Report, ending 30 June 2022. This includes information around grants received in FY22.

See Also: Annual Report 2022

EMPLOYMENT AND WEALTH GENERATION			
Financial investment contribution			
<i>CODE</i>	<i>TYPE</i>	<i>STATUS</i>	<i>LAST UPDATED</i>
PR-01-C3	Full disclosure	Reported	5 Jul 2023

The details of Classic Minerals' financials and economic contribution can be reviewed in the Annual Report, ending 30 June 2022. This includes information around grants received in FY22.

See Also: Annual Report 2022