
CLASSIC MINERALS LIMITED

ABN 77 119 484 016

NOTICE OF ANNUAL GENERAL MEETING AND EXPLANATORY STATEMENT

TIME: 11:00am WST

DATE: Friday 21 November 2014

PLACE: Gershwin Room
Hyatt Regency Perth,
Lower Level, 99 Adelaide Terrace,
PERTH WA 6000

This Notice of Meeting and Explanatory Statement should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on (08) 9445 3008.

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TIME AND PLACE OF MEETING AND HOW TO VOTE

VENUE

The Annual General Meeting of the Shareholders of Classic Minerals Limited which this Notice of Meeting relates to will be held at 11:00am WST on Friday 21 November 2014 at:

<p>Gershwin Room, Hyatt Regency. Lower Level, 99 Adelaide Terrace PERTH WA 6000</p>
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YOUR VOTE IS IMPORTANT

The business of the Annual General Meeting affects your shareholding and your vote is important.

VOTING IN PERSON

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

VOTING BY PROXY

To vote by proxy, please complete and sign the proxy form enclosed and either:

- (a) send the proxy form by post to Classic Minerals Limited, PO Box 487, Perth WA 6021; or
- (b) send the proxy form by facsimile to the Company on facsimile number (08) 9242 8295.

so that it is received not later than 11.00am WST on Wednesday, 19 November 2014.

Proxy forms received later than this time will be invalid.

In accordance with section 249L of the Corporations Act, members are advised that:

- Each member has a right to appoint a proxy;
- The proxy need not be a member of the company; and
- A member who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes each proxy may exercise, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise half of the votes.

NOTICE OF ANNUAL GENERAL MEETING

New sections 250BB and 250BC of the Corporations Act came into effect on 1 August 2011 and apply to voting by proxy on or after that date. Shareholders and their proxies should be aware of these changes to the Corporations Act, as they will apply to this Meeting. Broadly, the changes mean that:

- if proxy holders vote, they must cast all 'directed' proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Further details on these changes are set out below.

Proxy vote if appointment specifies way to vote

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, **if it does:**

- the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed); and
- if the proxy has 2 or more appointments that specify different ways to vote on the resolution – the proxy must not vote on a show of hands; and
- if the proxy is the chair of the meeting at which the resolution is voted on – the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- if the proxy is not the chair – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

Transfer of non-chair proxy to chair in certain circumstances

Section 250BC of the Corporations Act provides that, if:

- an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the company's members; and
- the appointed proxy is not the chair of the meeting; and
- at the meeting, a poll is duly demanded on the resolution; and
- either of the following applies:
 - the proxy is not recorded as attending the meeting;
 - the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Annual General Meeting of Shareholders of Classic Minerals Limited will be held at Gershwin Room, Hyatt Regency Perth, Lower Level, 99 Adelaide Terrace at 11.00am WST on Friday, 21 November 2014.

The Explanatory Statement annexed to this Notice of Meeting provides additional information on matters to be considered at the Annual General Meeting. The Explanatory Statement and the proxy form are part of this Notice of Meeting.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Annual General Meeting are those who are registered Shareholders at the close of business on 19 November 2014.

Terms and abbreviations used in this Notice of Meeting and Explanatory Statement are defined in the Glossary.

AGENDA

Reports and Accounts

To receive the financial report of the Company for the year ended 30 June 2014, together with the Directors' report, the Remuneration Report and the auditor's report.

Ordinary Resolution 1 – Adoption of Remuneration Report (Non-binding)

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

“That, for the purposes of Section 250R(2) of the Corporations Act and for all other purposes, the Company adopts the Remuneration Report as contained in the Company's annual financial report for the financial year ended 30 June 2014.”

Short Explanation: The Corporations Act provides that a resolution that the remuneration report be adopted must be put to vote at a listed company's annual general meeting. The vote on Resolution 1 is advisory only and does not bind the Directors or the Company.

Note: the vote on this Resolution is advisory only and does not bind the Directors or the Company.

Voting Prohibition Statement:

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

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

However, a person described above may vote on this Resolution if:

- (a) the person does so as a proxy appointed by writing that specifies how the proxy is to vote on the Resolution; and
- (b) the vote is not cast on behalf of a person described in sub-paragraphs (a) or (b) above.

Ordinary Resolution 2 – Re-election of Mr Kent Hunter

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

“That, for the purpose of ASX Listing Rule 14.4, section 11.3 of the Constitution and for all other purposes, Kent Hunter being a director retires by rotation and being eligible, is hereby re-elected as a director.”

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Ordinary Resolution 3 – Ratification of Prior Issue of Shares

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

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, the shareholders ratify the issue of 7,378,416 Shares on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on Resolution 3 by any person who may participate in the proposed issue and any person who might gain a benefit, other than a benefit solely in the capacity of an ordinary security holder, from the passing of Resolution 3 and any associates of those persons.

However the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Ordinary Resolution 4 - Approval for the Future Placement of up to 35,000,000 Shares

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

“That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval and authorisation is given to the Directors to issue up to 35,000,000 Shares at an issue price that is at least 80% of the average market price of the Shares calculated over the last 5 days on which sales in the Shares were recorded before the date on which the issue is made, and otherwise on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on Resolution 4 by any person who may participate in the proposed issue and any person who might obtain a benefit, except a benefit solely in the capacity of a security holder, if Resolution 4 is passed and any associate of those persons.

However the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

DATED: 20 OCTOBER 2014

BY ORDER OF THE BOARD

**JUSTIN DOUTCH
MANAGING DIRECTOR
CLASSIC MINERALS LIMITED**

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of the Shareholders in connection with the business to be conducted at the Annual General Meeting of Classic Minerals Limited to be held at the Gershwin Room, Hyatt Regency Perth, Lower Level, 99 Adelaide Terrace at 11.00am WST on Friday, 21 November 2014.

The purpose of this Explanatory Statement is to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions in the Notice of Meeting (of which this Explanatory Statement forms a part).

FINANCIAL STATEMENTS

In accordance with the Constitution, the business of the Annual General Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2014 together with the declaration of the directors, the directors' report, the remuneration report and the auditor's report.

1. Ordinary Resolution 1 – Adoption of Remuneration Report (non-binding resolution)

In accordance with Section 250R(2) of the Corporations Act, the Company must put a resolution to Shareholders that the remuneration report be adopted at the Annual General Meeting. The vote on Resolution 1 is advisory only and does not bind the Directors or the Company.

Under changes to the Corporations Act which came into effect on 1 July 2011, if at least 25% of the votes cast on Resolution 1 are voted against the adoption of the Remuneration Report at the Annual General Meeting, and then again at the Company's 2015 Annual General Meeting, the Company will be required to put to Shareholders a resolution proposing the calling of an extraordinary general meeting to consider the appointment of directors of the Company (**Spill Resolution**).

If more than 50% of Shareholders vote in favour of the Spill Resolution, the Company must convene the extraordinary general meeting (**Spill Meeting**) within 90 days of the Company's 2015 Annual General Meeting. All of the Directors who are in office when the Company's 2015 Directors' report is approved, other than the managing director of the Company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting. Following the Spill Meeting those persons whose election or re-election as Directors is approved will be the Directors of the Company.

The remuneration report sets out the Company's remuneration arrangements for the Directors and senior management of the Company. The remuneration report is part of the Directors' report contained in the annual financial report of the Company for the financial year ending 30 June 2014.

A reasonable opportunity will be provided for discussion of the Remuneration Report at the Annual General Meeting.

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2. Ordinary Resolution 2 – Re- election of Mr Kent Hunter

Mr Kent Hunter retires by rotation at this meeting and, being eligible, offers himself for re-election and seeks re-election in accordance with ASX Listing Rule 14.4. Details regarding Kent Hunter are set out in the Company's 2014 Annual Report. The Directors, other than Kent Hunter, recommend that shareholder vote in favour of resolution 2.

3. Ordinary Resolution 3 – Ratification of Prior Issues of Shares

3.1 Background

On 22 August 2014, the Company announced that it had issued 3,378,416 Shares to pay creditors.

The Company issued the 3,378,416 Shares without prior Shareholder Approval out of its 15% annual placement capacity at an issue price of \$0.036 per Share.

On 7 October 2014, the Company announced that it had issued 4,000,000 Shares to pay creditors.

The Company issued the 4,000,000 Shares without prior Shareholder Approval out of its 15% annual placement capacity at an issue price of \$0.0305 per Share.

Resolution 3 seeks Shareholder ratification of the issue of 7,378,416 Shares pursuant to ASX Listing Rule 7.4 and for all other purposes of the issue of these Shares.

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue during any 12 month period any equity securities or other securities with rights to conversion to equity (such as an option), if the number of those securities exceeds 15% of the number of securities in the same class on issue at the commencement of that 12 month period.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where, pursuant to ASX Listing Rule 7.4, a company in general meeting ratifies the previous issue of securities made (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purposes of ASX Listing Rule 7.1.

By ratifying the issue of the Shares the subject of Resolution 3, the Company will retain the flexibility to issue equity securities in the future of up to the 15% annual placement capacity set out in ASX Listing Rule 7.1.

3.2 Technical information required by Listing Rule 7.4 for the Share Ratification

Pursuant to and in accordance with ASX Listing rule 7.5, the following information is provided in relation to the Share Ratifications:

- (a) 7,378,416 Shares were issued;
- (b) The issue prices per Share was \$0.036 per Share (for 3,378,416 Shares) and \$0.0305 per Share (for 4,000,000 Shares);

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(c) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;

(d) the Shares were issued to creditors of the Company as follows:

Total: 3,378,416:

Jeft Holdings Pty Ltd and Malcolm Douch	1,957,094
Namija Pty Ltd	904,761
GEM Geophysics	100,000
Aneles Consulting Services Pty Ltd	333,333
Kerry and Ian Holman	83,228

Total: 4,000,000:

Tarwarri Holdings Pty Ltd	3,000,000
Greywood Holdings Pty Ltd	1,000,000

None of the above entities are related to the Company.

(e) no funds were raised from these issues. The Shares were issued in lieu of cash payments to creditors which amounts would have been \$121,008 (for the issue of 3,378,416 Shares at an issue price of \$0.0358 per Share) and \$122,000 (for the issue of 4,000,000 Shares at an issue price of \$0.0305 per Share).

4. RESOLUTION 4 – APPROVAL FOR THE FUTURE PLACEMENT OF UP TO 35,000,000 SHARES

4.1 Background

The Company is proposing to undertake a placement, through the issue of up to 35,000,000 Shares (Placement). The placement will be made to professional and sophisticated investors or to other persons to whom disclosure is not required under Chapter 6D of the Corporations Act.

The Shares the subject of the proposed Placement represent approximately 13.57% of the Company's current issued share capital of 257,855,915 Shares (assuming that no other Shares are issued and none of the existing Options have been converted into Shares prior to the Meeting).

Shareholder approval to the issue of these Shares is sought for the purpose of retaining the Company's capacity to issue Shares under Listing Rule 7.1.

4.2 ASX Listing Rule 7.1

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue during any 12 month period any equity securities or other securities with rights to conversion to equity (such as an option), if the number of those securities exceeds 15% of the number of securities in the same class on issue at the commencement of that 12 month period.

4.3 Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the Placement:

- (a) the maximum number of securities to be issued pursuant to this Resolution 4 is 35,000,000 Shares;
- (b) the Shares the subject of Resolution 4 will be issued no later than three (3) months after the date of this Meeting;
- (c) the Shares will be issued at a price that is at least 80% of the average market price of Shares calculated over the last 5 days on which sales in the Shares were recorded before the date on which any issue is made;
- (d) the Shares will be issued to professional and sophisticated investors or to other persons to whom disclosure is not required under Chapter 6D of the Corporations Act. The Directors will determine to whom the Shares will be issued but these persons will not be related parties of the Company;
- (e) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (f) the Shares will be issued progressively as subscribers are identified, however no Shares will be issued after the date which is three (3) months after the date of the Meeting; and
- (g) the Company intends to use the funds raised by Placement for the continued exploration of its portfolio of exploration assets, specifically the Fraser Range Project including the Mammoth Nickel Discovery. Any surplus funds will be used for general working capital purposes, review and analysis of new projects.

4.4 Directors' recommendation

None of the Directors have a material personal interest in the subject matter of Resolution 4. The Board recommends Shareholders vote in favour of Resolution 4 as it will provide additional working capital to the Company and means that the Shares the subject of this Resolution will not need to be counted as part of the Company's 15% placement capacity, giving the Company the flexibility to issue further securities representing up to 15% of the Company's share capital without Shareholder approval.

4.5 Voting Exclusion Statement

A voting exclusion statement is included in the Notice.

GLOSSARY

2014 Annual Report means the Company's annual report including the reports of the Directors and auditor and the financial statements of the Company for the year ended 30 June 2014, which can be downloaded from the Company's website at www.classicminerals.com.au

ASX means ASX Limited (ACN 008 724 791).

Annual General Meeting means the Annual General Meeting of the Company to be held on Friday 21 November 2014.

ASX Listing Rules or **Listing Rules** means the Listing Rules Adoption of the ASX and any other rules of the ASX which are applicable while the entity is admitted to the Official List of the ASX, each as amended or replaced from time to time, except to the extent of any express written waiver by the ASX.

Board means the Board of Directors.

Chair or **Chairman** means the person appointed to chair the Meeting convened by this Notice.

Company or **Classic Minerals** means Classic Minerals Limited (ABN 77 119 484 016).

Constitution means the constitution of the Company.

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

Director means a director of the Company.

Explanatory Statement means the explanatory statement accompanying this Notice of Meeting.

Meeting has the meaning in the introductory paragraph of the Notice.

Notice means the Notice of the Annual General Meeting attached to this Explanatory Statement.

Option means an Option which may be converted into a fully paid ordinary share in Classic Minerals at any time up to 30 June 2015 upon the payment of the Exercise Price of \$0.20 each.

Proxy Form means the proxy form attached to the Notice.

Remuneration Report means that section of the Directors' Report under the heading "Remuneration Report" set out in the 2014 Annual Report.

Resolution means a resolution contained in the Notice.

Share means an ordinary fully paid share in the capital of the Company.

Shareholder means a shareholder of the Company.

Spill Resolution has the meaning given in Section 2.

WST means Western Standard Time

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