

Made by: Classic Minerals Limited
ACN 119 484 016
(Company)

Product: Unquoted bonus options (Loyalty Options) to acquire
fully paid ordinary shares in the Company (Shares),
offered under a prospectus dated 15 July 2022
(Prospectus)

Effective date: 15 July 2022

1. Introduction

This Target Market Determination (**TMD**) is issued by the Company pursuant to section 994B of the *Corporations Act 2001* (Cth) (**Corporations Act**) in relation to the Loyalty Options offered under the Prospectus.

This TMD has been prepared to help investors understand for whom the offers of Loyalty Options under the Prospectus are most suitable.

Importantly, this TMD:

- does not set out the full terms and conditions of the Loyalty Options – these are set out in the Prospectus;
- is not intended to provide legal, financial or investment advice;
- is not a recommendation to subscribe for or acquire Loyalty Options, or otherwise to invest in the Company.

Investors should refer to and read the Prospectus in its entirety when making a decision regarding subscription for/acquisition of Loyalty Options as it contains material information, including a summary of key investment risks. Investors should consider consulting with a professional adviser if they have any questions regarding the Loyalty Options or contents of the Prospectus.

A copy of the Prospectus is available on the Company's website at www.classicminerals.com.au or on the Australian Securities Exchange (ASX) market announcements platform using the Company's ASX code 'CLZ'.

Capitalised terms used in this TMD and which are not otherwise defined have the meanings assigned to them in the Prospectus, unless inconsistent with the context in which they are used.

2. Product Information

The key features of the Loyalty Options are as follows:

Eligibility & entitlement:

The Loyalty Options are being offered to Eligible Shareholders on the basis of one Loyalty Option for every two (2) Shares held on the Record Date (**Loyalty Offer**).

For the purposes of the above:



Securities entitlement:	<ul style="list-style-type: none"> • “Eligible Shareholder” means a registered holder of Shares at 5:00 (AWST) on 22 July 2022 whose registered address is in Australia or New Zealand.
Exercise price:	Each Loyalty Option grants the holder an entitlement to subscribe for and be issued with one (1) Share, and one free-attaching option for every two (2) Shares subscribed for (Piggyback Option), on payment of the specified exercise price.
Expiry date:	Each Loyalty Option is exercisable at \$0.05.
Quotation:	Each Loyalty Option expires at 5:00pm (AWST) on 25 August 2022.
Transferability:	The Loyalty Options are an unquoted class of securities.
Transferability:	Loyalty Options are transferable prior to their expiry date, subject to any applicable restrictions on transfer under the ASX Listing Rules or applicable law.

3. Target Market

The Loyalty Options have been designed for investors whose likely objectives, financial situation and needs (as listed below) are aligned with the product (including the key attributes) as set out in section 3.

Class of investors within target market:	<p>The Loyalty Options are intended for investors who:</p> <ul style="list-style-type: none"> • wish to gain exposure to investments in equity securities of small-mid-cap minerals exploration companies listed on ASX; • may wish to engage in secondary trading of quoted equity securities, including Shares; • seek leverage to profit from an appreciation in the market price of Shares; and • are accustomed to participating in speculative investments in the minerals exploration sector.
Objectives, financial situation and needs:	<p>The Loyalty Options are issued only to Eligible Shareholders and have been designed for individuals who:</p> <ul style="list-style-type: none"> • have an existing equity holding in the Company; • have the financial ability to consider the economic risk of the exercise of the Loyalty Options; • do not have need for liquidity with respect to an investment in the Loyalty Options; • do not have a need to derive income from an investment in the Loyalty Options;



Excluded class of consumers:	<ul style="list-style-type: none"> • have such knowledge and experience in financial and business matters that they are capable of evaluating the merits and risks of exercising the Loyalty Options; and • have determined that the Loyalty Options are a suitable investment both in the nature and number of the Loyalty Options being acquired.
	<p>The Loyalty Options have not been designed for individuals who:</p> <ul style="list-style-type: none"> • do not ordinarily invest in speculative investments in the minerals exploration sector; • require an income stream from their investment; or • are not able to withstand the consequences of potential losses without material impact on their standard of living.
Consistency between target market and the product:	<p>The Loyalty Options provide leverage in respect of share price appreciation of Shares. However, there is a risk that the Loyalty Options may become worthless in value if the Company's share price does not exceed the exercise price of the Loyalty Options before their expiry.</p>

4. Distribution

The following is an overview of the intended distribution of the Loyalty Options.

Distribution channels:	The Loyalty Options will be issued to all Eligible Shareholders.
Distribution conditions:	Persons determined to be Eligible Shareholders.
Adequacy of distribution conditions and restrictions:	The Company has emphasised that an investment in the Loyalty Options, and in the underlying Shares that may be issued on exercise of Loyalty Options, is speculative in nature and not suitable for investors to whom such an investment is inappropriate.

5. Review of TMD

The Company will review this TMD on the basis outlined below.

Review triggers	<p>The Loyalty Options will only be available for issue between 27 July and 3 August 2022 (Review Period).</p> <p>Where any event occurs during the Review Period that suggests the TMD is no longer appropriate, the Company will review this TMD. Examples of events that may trigger a review include (but are not limited to):</p>
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Review period:	<ul style="list-style-type: none">• a material change in the Loyalty Options' key attributes such that they are no longer consistent with the likely objectives, financial situation and needs of investors in the target market;• a significant adverse change to the Company's circumstances (i.e. suspension from trading or the appointment of administrators);• a supplementary or replacement prospectus being lodged in relation to the Prospectus;• a material adverse change to the economic or regulatory landscape which applies to an investment in the Loyalty Options; or• regulatory queries are received as to the adequacy of this TMD.
	<p>If a review trigger occurs, the Company will undertake a review of the TMD within 10 business days.</p> <p>As the Loyalty Offer is made only to a discrete class of persons for a limited time, and the Company is subject to continuous disclosure requirements under the Corporations Act and ASX Listing Rules, the Company considers it is not necessary or appropriate to implement periodic reviews of this TMD.</p>

6. Reporting and Monitoring of TMD

The Company will collect and review the information in relation to this TMD as set out below.

Complaints:	The Company will review all complaints received in relation to the Loyalty Options on a continuous basis.
Significant dealings:	The Company will consider "significant dealings" (as that term is defined ASIC Regulatory Guide 274) in relation to the Loyalty Options which are inconsistent with this TMD and determine appropriate steps to be taken, including (if appropriate) reporting matters to the Australian Securities & Investments Commission.

7. Authorisation

This TMD has been authorised for release by the Board of Directors of the Company.

8. Enquiries

For further information in relation to this TMD, please contact the Company using the contact details below:

Madhukar Bhalla
Company Secretary
Classic Minerals Limited

Telephone: +61 8 6305 0221

Email: madhu@classicminerals.com.au