

# CLASSIC MINERALS LIMITED

ACN 119 484 016

## SUPPLEMENTARY PROSPECTUS

### 1. IMPORTANT INFORMATION

This supplementary prospectus (*supplementary prospectus*) supplements, and must be read together with, the prospectus dated 15 July 2022 (*prospectus*) issued by Classic Minerals Limited ACN 119 484 016 (*company*).

This *supplementary prospectus* is dated 12 August 2022 and was lodged with ASIC on that date. ASIC, ASX and their respective officers take no responsibility for the contents of this *supplementary prospectus* or the investment to which the *prospectus* relates.

Other than as set out below, all details in relation to the *prospectus* remain unchanged.

Terms and abbreviations defined in the *prospectus* have the same meaning in this *supplementary prospectus*.

This *supplementary prospectus* will be issued as an electronic prospectus, copies of which can be downloaded from the website of the *company* at <https://www.classicminerals.com.au/investor.php>

This is an important document and should be read in its entirety. If you do not understand it, you should consult your professional advisers without delay.

### 2. PURPOSE OF SUPPLEMENTARY PROSPECTUS

The purpose of this *supplementary prospectus* is:

- (a) to provide additional disclosure in respect of:
  - (i) the use of funds that may be received on exercise of *loyalty options*; and

- (ii) the effect of the receipt of funds on exercise of *loyalty options* on the *company's* financial position; and
- (b) to correct references to the amounts to be raised if all *loyalty options* and *piggyback options* are exercised to, in each case, “approx. \$5.15 million”.

## 3. AMENDMENTS TO THE PROSPECTUS

### 3.1. Introduction

The *prospectus* is amended on the basis set out in this Section 3.

### 3.2. Section 4 – Details of the offers

- (a) Section 4.1.4 of the *prospectus* is amended to read:

“If all *loyalty options* are exercised, the *company* will receive approx. \$5.15 million.”

- (b) Section 4.2.4 of the *prospectus* is amended to read:

“If all *piggyback options* are exercised, the *company* will receive approx. \$5.15 million.”

### 3.3. Section 5 – Purpose and effect of the offers

- (a) Section 5.1.1 of the *prospectus* is amended to read:

**“Loyalty offer**

The purpose of the *loyalty offer* is to reward *shareholders* for supporting the *company* and to provide the *company* with a potential source of additional capital if *loyalty options* are exercised. No funds will be raised through the issue of the *loyalty options*; however, if all the *loyalty options* are exercised (at an exercise price of \$0.05), the *company* will receive approximately \$5.15 million (less expenses).

In the event all *loyalty options* are exercised, the funds raised will used for the following purposes:

<i>Use of funds</i>	\$
Infill drilling at Kat Gap	1,000,000
Diamond drilling Kat Gap	200,000
Extension drilling at Kat Gap	400,000

Field costs	400,000
Plant assembly & infrastructure	500,000
Upgrade to plant	800,000
Water pump & pipeline to plant	500,000
Tailings dam	1,000,000
Relocate & upgrade camp	350,000
	<b>5,150,000</b>

(b) Section 5.1.2 of the *prospectus* is amended to read:

**“Piggyback offer**

The purpose of the *piggyback offer* is to encourage holders of *loyalty options* to exercise their *loyalty options*, generating approx. \$5.15 million in fresh capital if all *loyalty options* are exercised. In addition, the *company* will raise a further approx. \$5.15 million if all *piggyback options* are exercised (at an exercise price of \$0.10).

Given the long-dated nature of the *piggyback options*, and the uncertainty regarding the timing and extent of exercise of *piggyback options*, the *company* is not in a position to make a forecast as to the use of funds raised by the exercise of *piggyback options*.”

(c) Section 5.2.1 of the *prospectus* is amended to read:

**“Loyalty offer**

(a) The principal effect of the *loyalty offer*, assuming no *existing options* are exercised and converted into *shares* between the date of this *prospectus* and the *record date*, will be to increase the number of *options* on issue from 34,952,482 *options* as at the date of this *prospectus* to 138,367,970 *options* immediately after completion of the *loyalty offer*.

(b) If all *loyalty options* are exercised, the effect will be to:

- (i) increase the *company’s* cash reserves by approx. \$5.15 million (less expenses);
- (ii) increase the number of *shares* on issue from 206,830,978 *shares* as at the date of this *prospectus* to 310,246,367 *shares*; and

- (iii) decrease the number of *options* on issue from 138,367,970 *options* to 86,660,226 *options* (comprised of *existing options* and the *piggyback options*),

immediately following the issue of *shares* and *piggyback options* on exercise of the *loyalty options*.”

- (c) Section 5.2.2(a) is amended to read:

“If all *piggyback options* are exercised (and assuming all *loyalty options* had been exercised), the effect would be to:

- (a) increase the *company’s* cash reserves by approx. \$5.15 million;”.

- (d) Section 5 of the *prospectus* is amended to include the following section:

### 3.4. Effect on financial position

The pro forma balance sheet for the *company* as at 30 June 2022 has been prepared based on the accounting policies normally adopted by the *company* and reflect the changes to its financial position.

The pro forma balance sheet has been prepared to reflect:

- the issue of convertible notes with a principal amount of \$4,000,000 (***convertible notes***)
- the exercise of approximately 103 million *loyalty options* with an exercise price of \$0.05
- the estimated expenses in relation to the issue of *convertible notes* and the *loyalty offer*

The pro forma balance sheet has been prepared to provide investors with information on the assets and liabilities of the *company* and pro forma assets and liabilities of the *company* as noted below. The historical and pro forma financial information is presented in abbreviated form, insofar as it does not include all of disclosures required by the Australian Accounting Standards applicable to annual financial statements.

	<b>Unaudited Balance Sheet as at 30 Jun 22</b>	<b>Pro forma Adjustments</b>	<b>Pro forma Balance Sheet</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	421	6,788	7,209
Trade and other receivables	108		108
Other current assets	120		120
<b>TOTAL CURRENT ASSETS</b>	<b>649</b>	<b>6,788</b>	<b>7,437</b>
<b>NON-CURRENT ASSETS</b>			
Exploration and evaluation	3,660		3,660
Rights of use assets	376		376
Plant and equipment	6,485		6,485
<b>TOTAL NON-CURRENT ASSETS</b>	<b>10,521</b>	<b>-</b>	<b>10,521</b>
<b>TOTAL ASSETS</b>	<b>11,170</b>	<b>6,788</b>	<b>17,958</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	6,887		6,887
Advance for convertible notes	2,127	(2,127)	-
Provisions	115		115
Lease liability - current	94		94
Borrowings - current	5,274		5,274
<b>TOTAL CURRENT LIABILITIES</b>	<b>14,497</b>	<b>(2,127)</b>	<b>12,370</b>
<b>NON-CURRENT LIABILITIES</b>			
Convertible notes	-	4,000	4,000
Lease liability - non-current	320		320
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>320</b>	<b>4,000</b>	<b>4,320</b>
<b>TOTAL LIABILITIES</b>	<b>14,817</b>	<b>1,873</b>	<b>16,690</b>
<b>NET ASSETS/(LIABILITIES)</b>	<b>(3,647)</b>	<b>4,915</b>	<b>1,268</b>
<b>EQUITY</b>			
Issued capital	60,974	5,510	66,484
Reserves	3,129	428	3,557
Accumulated losses	(67,750)	(1,023)	(68,773)
<b>TOTAL EQUITY</b>	<b>(3,647)</b>	<b>4,915</b>	<b>1,268</b>

Note:

The figures stated in this pro forma balance sheet are subject to the effects of rounding.

### **Basis of preparation**

The basis of preparation for the Historical Financial Information is in accordance with the *company's* accounting policies, as described in its financial report, and the recognition and measurement principles of the Australian Accounting Standards.

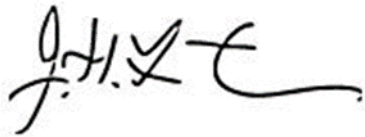
The Historical Financial Information is based on the unaudited balance sheet as of 30 June 2022.

The stated basis of preparation for the Pro Forma Historical Financial Information is in a manner consistent with the recognition and measurement principle of the Australian Accounting Standards applied to the Historical Financial Information and the events or transactions to which the pro forma adjustments relate, as described above, as if those events or transactions had occurred as of 30 June 2022.

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## DIRECTORS' AUTHORISATION

This *supplementary prospectus* is issued by the *company* and its issue has been authorised by a resolution of the *directors*. In accordance with section 720 of the *Corporations Act*, each *director* has consented to the lodgement of this *supplementary prospectus* with ASIC.

A handwritten signature in black ink, appearing to read 'J. H. Lester', with a long horizontal flourish extending to the right.

**John Lester**  
**Director**

for and on behalf of  
**Classic Minerals Limited**