CLASSIC
MINERALS LTD

ACN: 119 484 016

ANNUAL REPORT
FOR THE YEAR ENDED
30 JUNE 2013

CONTENTS

CORPORATE DIRECTORY

DIRECTORS

Justin Doutch
Stan Procak
Paul Lambrecht

COMPANY SECRETARY

Kent Hunter

A.B.N.

77 119 484 016

PRINCIPAL OFFICE

Suite 7, 30 Hasler Road
OSBORNE PARK WA 6021

REGISTERED OFFICE

Suite 7, 30 Hasler Road
OSBORNE PARK WA 6021

AUDITORS

Stantons International
Level 2, 1 Walker Avenue
WEST PERTH WA 6005

CORPORATE GOVERNANCE STATEMENT

The Company is committed to implementing the highest standards of corporate governance. In determining what those high standards should involve the Company has turned to the ASX Corporate Governance Council's *Principles of Good Corporate Governance and Recommendations*. The Company is pleased to advise that the Company's practices are largely consistent with those ASX guidelines. As consistency with the guidelines has been a gradual process, where the Company did not have certain policies or committees recommended by the ASX Corporate Governance Council (the Council) in place during the reporting period, we have identified such policies or committees.

Where the Company's corporate governance practices do not correlate with the practices recommended by the Council, the Company is working towards compliance however it does not consider that all the practices are appropriate for the Company due to the size and scale of Company operations.

To illustrate where the Company has addressed each of the Council's recommendations, the following table cross-references each recommendation with sections of this report. The table does not provide the full text of each recommendation but rather the topic covered. Details of all of the recommendations can be found on the ASX Corporate Governance Council's website at http://www.asx.com.au/about/CorporateGovernance_AA2.shtm

PRINCIPLE 1: LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

1.1 Role of the Board

The Board's role is to govern the Company rather than to manage it. In governing the Company, the Directors must act in the best interests of the Company as a whole. It is the role of the senior executives to manage the Company in accordance with the direction and delegations of the Board and the responsibility of the Board to oversee the activities of management in carrying out these delegated duties. In carrying out its governance role, the main task of the Board is to drive the performance of the Company. The Board must also ensure that the Company complies with all of its contractual, statutory and any other legal obligations, including the requirements of any regulatory body. The Board has the final responsibility for the successful operations of the Company.

To assist the Board carry out its functions, it has developed a Code of Conduct to guide the Directors, the Managing Director and other senior executives in the performance of their roles. The Code of Conduct addresses the maintenance of the confidence in the Company's integrity, legal obligations and expectations of shareholders, responsibility and accountability of individuals for reporting and investigating reports of unethical behaviour. The Company's Code of Conduct is located on its website (www.classicminerals.com.au).

1.2 Responsibilities of the Board

In general, the Board is responsible for, and has the authority to determine, all matters relating to the policies, practices, management and operations of the Company. It is required to do all things that may be necessary to be done in order to carry out the objectives of the Company.

Without intending to limit this general role of the Board, the principal functions and responsibilities of the Board include the following:

- Leadership of the Organisation: overseeing the Company and establishing codes that reflect the values of the Company and guide the conduct of the Board.
- Strategy Formulation: to set and review the overall strategy and goals for the Company and ensuring that there are policies in place to govern the operation of the Company.
- Overseeing Planning Activities: the development of the Company's strategic plan.
- Shareholder Liaison: ensuring effective communications with shareholders through an appropriate communications policy and promoting participation at general meetings of the Company.
- Monitoring, Compliance and Risk Management: the development of the Company's risk management, compliance, control and accountability systems and monitoring and directing the financial and operational performance of the Company.
- Company Finances: approving expenses and approving and monitoring acquisitions, divestitures and financial and other reporting.
- Human Resources: appointing, and, where appropriate, removing the Managing Director ("MD") as well as reviewing the performance of the MD and monitoring the performance of senior management in their implementation of the Company's strategy.

- Ensuring the Health, Safety and Well-Being of Employees: in conjunction with the senior management team, developing, overseeing and reviewing the effectiveness of the Company's occupational health and safety systems to ensure the well-being of all employees.
- Delegation of Authority: delegating appropriate powers to the MD to ensure the effective day-to-day management of the Company and establishing and determining the powers and functions of the Committees of the Board.

The Company's Board Charter is located on its website (www.classicminerals.com.au).

1.3 Remuneration Committee

1.3.1 Role

The role of a Remuneration Committee is to assist the Board in fulfilling its responsibilities in respect of establishing appropriate remuneration levels and incentive policies for employees.

As the whole board consists of three (3) members, the Company does not have a remuneration committee because it would not be a more efficient mechanism than the full board for focusing the Company on specific issues.

1.3.2 Responsibilities

The responsibilities of a Remuneration Committee include setting policies for senior officers' remuneration, setting the terms and conditions of employment for the MD, reviewing and making recommendations to the Board on the Company's incentive schemes and superannuation arrangements, reviewing the remuneration of both Executive and NED's and making recommendations on any proposed changes and undertaking reviews of the MD's performance, including, setting with the MD goals and reviewing progress in achieving those goals.

1.4 Remuneration Policy

Directors' Remuneration for the majority of Directors will be approved at a Board meeting to be held after the ASX listing of the Company.

1.4.1 Senior Executive Remuneration Policy

The Company is committed to remunerating its senior executives in a manner that is market-competitive and consistent with best practice as well as supporting the interests of shareholders and in accordance with thresholds set in plans approved by shareholders. Consequently, under the Senior Executive Remuneration Policy the remuneration of senior executive may be comprised of the following:

- fixed salary that is determined from a review of the market and reflects core performance requirements and expectations;
- a performance bonus designed to reward actual achievement by the individual of performance objectives and for materially improved Company performance;
- participation in any share/option scheme with thresholds approved by shareholders;
- statutory superannuation.

There are no retirement benefits for senior executives.

By remunerating senior executives through performance and long-term incentive plans in addition to their fixed remuneration the Company aims to align the interests of senior executives with those of shareholders and increase Company performance.

Where shares and options are granted to senior executives the value would be calculated using the Black-Scholes method.

The objective behind using this remuneration structure is to drive improved Company performance and thereby increase shareholder value as well as aligning the interests of executives and shareholders.

The Board may use its discretion with respect to the payment of bonuses, stock options and other incentive payments.

1.5 Education and Induction

It is the policy of the Company that new Directors undergo an induction process in which they are given a full briefing on the Company. Where possible this includes meetings with key executives, tours of the premises, an induction package and presentations. Information conveyed to new Directors include:

- details of the roles and responsibilities of a Director;
- formal policies on Director appointment as well as conduct and contribution expectations;
- access to a copy of the Board Charter;
- guidelines on how the Board processes function;
- details of past, recent and likely future developments relating to the Board;
- background information on and contact information for key people in the organisation;
- an analysis of the Company;
- a synopsis of the current strategic direction of the Company;
- a copy of the Corporate Governance Statement, Charters, Policies and Memos; and
- a copy of the Constitution of the Company.

In order to achieve continuing improvement in Board performance, all Directors are encouraged to undergo continual professional development. Specifically, Directors are provided with the resources and training to address skills gaps where they are identified.

PRINCIPLE 2: STRUCTURE THE BOARD TO ADD VALUE

2.1 Composition of the Board

To add value to the Company the Board has been formed so that it has effective composition, size and commitment to adequately discharge its responsibilities and duties given its current size and scale of operations. Directors are appointed based on the specific skills required by the Company and on their decision-making and judgment skills.

The Company recognises the importance of NED's and the external perspective and advice that NED's can offer. Paul Lambrecht and Stanislaw Procak are NED's and are both independent Directors as they meet the following criteria for independence adopted by the Company:

An Independent Director is a NED and:

- is not a substantial shareholder of the Company or an officer of, or otherwise associated directly with, a substantial shareholder of the Company;
- has not been employed in an executive capacity by the Company or another group member and there has not been a period of at least three years between ceasing such employment and serving on the Board;
- within the last three years has not been a principal of a material professional adviser or a material consultant to the Company or another group member or an employee materially associated with the service provided;
- is not a material supplier or customer of the Company or another group member, or an officer of or otherwise associated directly or indirectly with a material supplier or customer; and
- has no material contractual relationship with the Company or other group member other than as a Director of the Company.

Justin Doutch is the MD and the Chairman of the Company and does not meet the Company's criteria for independence.

The skills, experience and expertise relevant to the position of Director held by each Director in office at the date of the Annual Report is included in the Directors' Report.

The term in office of each Director in office at the date of this report is as follows:

Name	*Term in Office*
Justin Doutch	Since 16 September 2011
Stanislaw Procak	Since 7 November 2012
Paul Lambrecht	Since 6 February 2012

2.2 Responsibilities of the Board

In general, the Board is responsible for, and has the authority to determine, all matters relating to the policies, practices, management and operations of the Company. It is required to do all things that may be necessary to be done in order to carry out the objectives of the Company.

Without intending to limit this general role of the Board, the principal functions and responsibilities of the Board include the following:

- Leadership of the Organisation: overseeing the Company and establishing codes that reflect the values of the Company and guide the conduct of the Board.
- Strategy Formulation: to set and review the overall strategy and goals for the Company and ensuring that there are policies in place to govern the operation of the Company.
- Overseeing Planning Activities: the development of the Company's strategic plan.
- Shareholder Liaison: ensuring effective communications with shareholders through an appropriate communications policy and promoting participation at general meetings of the Company.
- Monitoring, Compliance and Risk Management: the development of the Company's risk management, compliance, control and accountability systems and monitoring and directing the financial and operational performance of the Company.
- Company Finances: approving expenses and approving and monitoring acquisitions, divestitures and financial and other reporting.
- Human Resources: appointing, and, where appropriate, removing the MD as well as reviewing the performance of the MD and monitoring the performance of senior management in their implementation of the Company's strategy.
- Ensuring the Health, Safety and Well-Being of Employees: in conjunction with the senior management team, developing, overseeing and reviewing the effectiveness of the Company's occupational health and safety systems to ensure the well-being of all employees.
- Delegation of Authority: delegating appropriate powers to the MD to ensure the effective day-to-day management of the Company and establishing and determining the powers and functions of the Committees of the Board.

The Company's Board Charter is located on its website (www.classicminerals.com.au).

2.3 Nomination Committee

2.3.1 Role

The role of a Nomination Committee is to help achieve a structured Board that adds value to the Company by ensuring an appropriate mix of skills are present in Directors on the Board at all times.

As the whole board consists of three (3) members, the Company does not have a remuneration committee because it would not be a more efficient mechanism than the full board for focusing the Company on specific issues.

2.3.2 Responsibilities

The responsibilities of a Nomination Committee would include devising criteria for Board membership, regularly reviewing the need for various skills and experience on the Board and identifying specific individuals for nomination as Directors for review by the Board. The Nomination Committee also oversees management succession plans including the MD and his/her direct reports and evaluate the Board's performance and make recommendations for the appointment and removal of Directors. Currently the Board as a whole performs this role. Matters such as remuneration, expectations, terms, the procedures for dealing with conflicts of interest and the availability of independent professional advice are clearly understood by all Directors, who are experienced public company Directors.

2.4 Criteria for selection of Directors

Directors are appointed based on the specific governance skills required by the Company. Given the size of the Company and the business that it operates, the Company aims at all times to have at least two Directors with experience appropriate to the Company's target market. In addition, Directors should have the relevant blend of personal experience in accounting and financial management and Director-level business experience. The Nomination Committee is responsible for implementing a program to identify, assess and enhance director competencies. In addition, the Nomination Committee puts in place succession plans to ensure an appropriate mix of skills; experience, expertise and diversity are maintained on the Board. The Company's Director Selection Procedure is located on its website (www.classicminerals.com.au).

2.5 Performance Review/Evaluation

It is the policy of the Board to conduct a regular evaluation of its own performance, the committees' performances and the Directors' performances against appropriate measures. The evaluation process was first introduced via the Board Charter adopted on 14 September 2011. It was implemented for the financial year ended 30 June 2013. The objective of this evaluation is to provide ongoing best practice corporate governance to the Company. The Company's Performance Evaluation Policy is located on its website (www.classicminerals.com.au).

2.6 Independent Professional Advice

The Board collectively and each Director has the right to seek independent professional advice at the Company's expense, up to specified limits, to assist them to carry out their responsibilities.

PRINCIPLE 3: PROMOTE ETHICAL AND RESPONSIBLE DECISION MAKING

3.1 Role of the Board

The Board's role is to govern the Company rather than to manage it. In governing the Company, the Directors must act in the best interests of the Company as a whole. It is the role of the senior executives to manage the Company in accordance with the direction and delegations of the Board and the responsibility of the Board to oversee the activities of management in carrying out these delegated duties. In carrying out its governance role, the main task of the Board is to drive the performance of the Company. The Board must also ensure that the Company complies with all of its contractual, statutory and any other legal obligations, including the requirements of any regulatory body. The Board has the final responsibility for the successful operations of the Company.

To assist the Board carry out its functions, it has developed a Code of Conduct to guide the Directors, the MD and other senior executives in the performance of their roles. The Code of Conduct addresses the maintenance of the confidence in the Company's integrity, legal obligations and expectations of shareholders, responsibility and accountability of individuals for reporting and investigating reports of unethical behaviour. The Company's Code of Conduct is located on its website (www.classicminerals.com.au).

3.2 Trading in Company Shares

On 14 September 2011 the Board reviewed and adopted a Share Trading Policy which included restrictions on trading in closed periods, complying with the ASX Listing Rule requirements. The Board periodically reminds Directors, senior executives and employees of the prohibition in the Corporations Act 2001 concerning trading in the Company's securities when in possession of "inside information". The Board also periodically reminds Directors of their obligations to notify the Company Secretary of any trade in securities to ensure that ASX Listing Rule requirements are met. The Company's Share Trading Policy is located on its website (www.classicminerals.com.au).

3.3 Conflicts of Interest

Directors must:

- disclose to the Board actual or potential conflicts of interest that may or might reasonably be thought to exist between the interests of the Director and the interests of any other parties in carrying out the activities of the Company; and
- if requested by the Board, within seven days or such further period as may be permitted, take such necessary and reasonable steps to remove any conflict of interest.
- If a Director cannot or is unwilling to remove a conflict of interest then the Director must, as per the *Corporations Act*, absent himself or herself from the room when discussion and/or voting occurs on matters about which the conflict relates.

3.4 Commitments

Each member of the Board is committed to spending sufficient time to enable them to carry out their duties as a Director of the Company.

3.5 Confidentiality

In accordance with legal requirements and agreed ethical standards, Directors and key executives of the Company have agreed to keep confidential, information received in the course of the exercise of their duties and will not disclose non-public information except where disclosure is authorised or legally mandated.

3.6 Related Party Transactions

Related party transactions include any financial transaction between a Director and the Company. Unless there is an exemption under the *Corporations Act* from the requirement to obtain shareholder approval for the related party transaction, the Board cannot approve the transaction.

3.7 Diversity Policy

The Company recognises and respects the value of diversity at all levels of the organisation.
The Company is committed to setting measurable objectives for attracting and engaging women at the Board level, in senior management and across the whole organisation.

As at the date of this report, the Company has the Company has the following proportion of women appointed:

- to the Board – 0%
- to senior management – 0%
- to the organisation as a whole – 12.5%

The Company's objective is to promote a culture which embraces diversity through ongoing education, succession planning, director and employee selection and recognising skills are not gender specific.

PRINCIPLE 4: SAFEGUARD INTEGRITY IN FINANCIAL REPORTING

4.1 Audit Committee

Due to the size and scale of operations of the Company the full Board undertakes the role of the Audit Committee. In the absence of an audit committee, the Board sets aside time to deal with issues and responsibilities usually delegated to the audit committee to ensure the integrity of the financial statements of the Company and the independence of the external auditor. Below is a summary of the role and responsibilities of an Audit Committee.

4.1.1 Role

The Audit Committee is responsible for reviewing the integrity of the Company's financial reporting and overseeing the independence of the external auditors.

As the whole Board only consists of three (3) members, the Company does not have an audit committee because it would not be a more efficient mechanism than the full Board for focusing the Company on specific issues and an audit committee cannot be justified based on a cost-benefit analysis. As the Company moves towards becoming a mining company, an audit committee will be formed consisting primarily of Independent Directors.

4.1.2 Responsibilities

The Audit Committee or as at the date of this report the full Board of the Company reviews the audited annual and half-yearly financial statements and any reports which accompany published financial statements and recommends their approval to the members.

The Audit Committee or as at the date of this report the full Board of the Company each year reviews the appointment of the external auditor, their independence, the audit fee, and any questions of resignation or dismissal.

The Audit Committee or as at the date of this report the full Board of the Company is also responsible for establishing policies on risk oversight and management.

4.2 Risk Management Policies

The Board's Charter clearly establishes that it is responsible for ensuring there is a sound system for overseeing and managing risk. As the whole Board only consists of three (3) members, the Company does not have a Risk Management Committee because it would not be a more efficient mechanism than the full Board for focusing the Company on specific issues.

The Board sets aside time at meetings to discuss any risk management issues and Directors are encouraged to give priority to such issues. The Company has developed a Risk Assessment Record in order to assist with the risk management of the Company.

In developing its risk management policies, the Board has taken into consideration any legal obligations and the reasonable expectations of its stakeholders in relation to risk management. The Chair is accountable to the Board for effective risk management. The Board undertakes to review the management of material business risks at least annually.

The Board has received assurance from the Chair and the MD that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.

The Company's Risk Management Policy is located on its website (www.classicminerals.com.au).

PRINCIPLE 5: MAKE TIMELY AND BALANCED DISCLOSURE

5.1 Continuous Disclosure

The Board has adopted a continuous disclosure policy to ensure that the Company complies with the disclosure requirements of the ASX Listing Rules, which is available on the Company's website. The Board and Senior Executives have designated the Company Secretary as the person responsible for overseeing and coordinating disclosure of information to the ASX as well as communicating with the ASX. In accordance with the *ASX Listing Rules* the Company immediately notifies the ASX of information:

- concerning the Company that a reasonable person would expect to have a material effect on the price or value of the Company's securities; and
- that would, or would be likely to, influence persons who commonly invest in securities in deciding whether to acquire or dispose of the Company's securities.

The Company's Continuous Disclosure Policy is located on its website (www.classicminerals.com.au).

PRINCIPLE 6: RESPECT THE RIGHTS OF SHAREHOLDERS

6.1 Shareholder Communication

The Company respects the rights of its shareholders and to facilitate the effective exercise of those rights the Company is committed to:

- communicating effectively with shareholders through releases to the market via ASX, information mailed to shareholders and the general meetings of the Company;
- giving shareholders ready access to balanced and understandable information about the Company and corporate proposals;
- making it easy for shareholders to participate in general meetings of the Company; and
- requesting the external auditor to attend the annual general meeting and be available to answer shareholder questions about the conduct of the audit and the preparation and content of the auditor's report.

The Company also makes available a telephone number and email address for shareholders to make enquiries of the Company and encourages shareholders to visit the Company's website for information. The Company's Shareholder Communications Policy is located on its website (www.classicminerals.com.au).

PRINCIPLE 7: RECOGNISE AND MANAGE RISK

7.1 Risk Management

7.1.1 Risk Management Policies

The Company's risk management strategy policy states that the Board as a whole is responsible for the oversight of the Company's risk management and control framework. The objectives of the Company's risk management strategy are to:

- identify risks to the Company;
- balance risk to reward;
- ensure regulatory compliance is achieved; and
- ensure senior executives, the Board and investors understand the risk profile of the Company.

The Board monitors risk through various arrangements including:

- regular Board meetings;
- share price monitoring;
- market monitoring; and
- regular review of financial position and operations.

The Company has developed a Risk Assessment Record in order to assist with the risk management of the Company. The Company's risk management strategy was formally reviewed by the Board on 14 September 2011 and was considered a sound strategy for addressing and managing risk. A copy of the strategy is available on the Company's website (www.classicminerals.com.au).

7.2 Attestations by CEO and CFO

It is the Board's policy, that the CEO and the CFO make the attestations recommended by the ASX Corporate Governance Council as to the Company's financial condition prior to the Board signing the Annual Report. However, as at the date of this report the Company does not have a designated CEO or CFO. These roles are performed by the MD and Company Secretary. The MD and Company Secretary have declared to the Board that the Company's management of its material business risks is effective.

PRINCIPLE 8: RENUMERATE FAIRLY AND RESPONSIBLY

8.1 Remuneration Committee

8.1.1 Role

The role of a Remuneration Committee is to assist the Board in fulfilling its responsibilities in respect of establishing appropriate remuneration levels and incentive policies for employees.

As the whole board consists of three (3) members, the Company does not have a remuneration committee because it would not be a more efficient mechanism than the full board for focusing the Company on specific issues.

8.1.2 Responsibilities

The responsibilities of a Remuneration Committee, or the full Board include setting policies for senior officers' remuneration, setting the terms and conditions of employment for the MD, reviewing and making recommendations to the Board on the Company's incentive schemes and superannuation arrangements, reviewing the remuneration of both Executive and NED's, recommendations for remuneration by gender and making recommendations on any proposed changes and undertaking reviews of the MD's performance, including, setting with the MD goals and reviewing progress in achieving those goals.

8.2 Remuneration Policy

Directors' Remuneration for the majority of Directors will be approved at a Board meeting to be held after the ASX listing of the Company.

8.2.1 Senior Executive Remuneration Policy

The Company is committed to remunerating its senior executives in a manner that is market-competitive and consistent with best practice as well as supporting the interests of shareholders and in accordance with thresholds set in plans approved by shareholders. Consequently, under the Senior Executive Remuneration Policy the remuneration of senior executive may be comprised of the following:

- fixed salary that is determined from a review of the market and reflects core performance requirements and expectations;
- long term incentives in the form of shares or options in the Company;
- participation in any share/option scheme with thresholds approved by shareholders;
- statutory superannuation.

There are no retirement benefits for senior executives.

By remunerating senior executives through performance and long-term incentive plans in addition to their fixed remuneration the Company aims to align the interests of senior executives with those of shareholders and increase Company performance.

Where shares and options are granted to senior executives the value would be calculated using the Black-Scholes method.

The objective behind using this remuneration structure is to drive improved Company performance and thereby increase shareholder value as well as aligning the interests of executives and shareholders.

The Board may use its discretion with respect to the payment of bonuses, stock options and other incentive payments.

8.2.2 Non-Executive Director Remuneration Policy

NED's are to be paid their fees out of the maximum aggregate amount approved by shareholders for the remuneration of NED's. NED's do not receive performance based bonuses and do not participate in equity schemes of the Company.

NED's are entitled to but not necessarily paid statutory superannuation. There are no retirement benefits for NED's.

8.3 Current Director Remuneration

Full details regarding the remuneration of Directors, is included in the Directors' Report.

The Company's Remuneration Statement is located on its website (www.classicminerals.com.au).

Principle / Recommendation	Requirement	Compliance	Reference
Principle 1	**Lay Solid Foundations for Management and Oversight**		
Recommendation 1.1	Functions of the Board and Senior Executives	Yes	1.1, 1.2, Website
Recommendation 1.2	Performance Evaluation of Senior Executives	Yes	1.4
Recommendation 1.3	Reporting on Principle 1	Yes	1.1, 1.2, Website
Principle 2	**Structure the Board to Add Value**		
Recommendation 2.1	Independent Directors	Yes	2.1

Recommendation 2.2	Independent Chair	No	2.1
Recommendation 2.3	Role of the Chair and CEO	Yes	2.1, 1.2 Website
Recommendation 2.4	Establishment of Nomination Committee	No	2.3
Recommendation 2.5	Performance Evaluation Process	Yes	2.5 Website
Recommendation 2.6	Reporting on Principle 2	Yes	2.1, 2.6, 2.3.2, 2.5 Website
Principle 3	**Promote Ethical and Responsible Decision Making**		
Recommendation 3.1	Directors' and Senior Executives' Code of Conduct	Yes	3.1, 3.2 Website
Recommendation 3.2	Diversity Policy	Yes	3.7
Recommendation 3.3	Diversity Policy Objectives	Yes	3.7
Recommendation 3.4	Diversity Reporting	Yes	3.7
Recommendation 3.5	Reporting on Principle 3	Yes	3.1, 3.2, 3.7 Website
Principle 4	**Safeguard Integrity in Financial Reporting**		
Recommendation 4.1	Establishment of Audit Committee	No	4.1
Recommendation 4.2	Structure of Audit Committee	No	4.1.2
Recommendation 4.3	Audit Committee Charter	No	4.1
Recommendation 4.4	Reporting on Principle 4	No	4.1, 4.1.1, 4.2 Website
Principle 5	**Make Timely and Balanced Disclosure**		
Recommendation 5.1	Policy for Compliance with Continuous Disclosure	Yes	5.1 Website
Recommendation 5.2	Reporting on Principle 5	Yes	5.1 Website
Principle 6	**Respect the Rights of Shareholders**		
Recommendation 6.1	Communications Strategy	Yes	6.1 Website
Recommendation 6.2	Reporting on Principle 6	Yes	6.1 Website
Principle 7	**Recognise and Manage Risk**		
Recommendation 7.1	Policies on Risk Oversight and Management of Material Business Risks	Yes	7.1.1 Website
Recommendation 7.2	Attestations by CEO and CFO	Yes	7.2
Recommendation 7.3	Risk Management and Internal Control	Yes	7.1.1 Website
Recommendation 7.4	Reporting on Principle 7	Yes	7.1.1 Website

Principle 8	**Renumerate Fairly and Responsibly**		
Recommendation 8.1	Establishment of Remuneration Committee	No	8.1, 8.3 Website
Recommendation 8.2	Structure of Remuneration Committee	No	8.1
Recommendation 8.3	Executive and Non-Executive Director Remuneration	Yes	8.2.1, 8.2.2
Recommendation 8.4	Reporting on Principle 8	Yes	8.1, 8.2.1 Website

DIRECTORS' REPORT

The directors of Classic Minerals Limited submit herewith the financial report for the financial year ended 30 June 2013.

Non-executive Chairman
Kevin Robertson (appointed 1 September 2010 and resigned 2 November 2012)

Directors
The names of directors in office at any time during or since the end of the financial year are:

Stanislaw Procak	(appointed 3 September 2010 and resigned 10 February 2012, appointed 7 November 2012)
Justin Doutch	(appointed 16 September 2011)
Dennis Parsons	(appointed 6 February 2012 and resigned 9 November 2012)
Paul Lambrecht	(appointed 6 February 2012)
Kevin Robertson	(appointed 1 September 2010 and resigned 2 November 2012)

Company Secretary
The name of secretary in office at any time during or since the end of the financial year is:

Kent Hunter

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Current Directors' qualifications and experience

Justin Doutch (Executive Director)
Age: 31 years old

Qualifications and Experience	Mr Doutch has served in the resource industry in Western Australia for the past 11 years, where he has gained extensive experience in the areas of drilling, mineral exploration and project financing. Justin has a background in the establishment, development and operation of a successful business, having formerly owned and operated a Goldfields engineering company. More recently Mr Doutch has been serving as an Non-Executive Director of Ironstone Resources Ltd, actively involved in the exploration and acquisition of a diverse range of tenements in Western Australia. Further Justin is an Non-Executive Director in Patron Commodity Partners specialising in marketing and sales of iron ore in the international market place. Justin's experience in exploration and the development of processes to expediently access and explore Classic's tenements is invaluable as is its alignment to the process of marketing its value to investors and end-users alike.
Shareholdings	2,500,004 ordinary shares (500,000 ordinary shares are indirectly held by Ironstone Resources Limited) 500,000 Options exercisable at $0.20 on or before 30 June 2015.

DIRECTORS' REPORT

Paul Lambrecht (Non-Executive Director)
Age: 43 years old

Qualifications and Experience	B.Bus FFin Mr Lambrecht is an investment advisor with over 17 years' experience in the financial services industry specialising in the natural resource sector. He has worked for Trustee companies and stockbroking firms for both global and local broking companies, including HSBC, Solomon Smith Barney and Citigroup, providing advice and strategies to retail, institutional and corporate client Paul holds a Bachelor of Business degree and has a Graduate Diploma in Applied Finance and Investment.
Shareholdings	1,200,002 ordinary shares (held indirectly by Alouisus Pty Ltd) 600,001 Options exercisable at $0.20 on or before 30 June 2015.

Stanislaw Procak (Non-Executive Director)

Age: 70 years old

Qualifications and Experience	Mr Procak is an experienced manager with over 35 years of mining industry experience in Western Australia. His specific area of experience comprises the coordinating of the complete set-up for mining projects from grass roots including staffing, operating budgets, financial management, mining techniques and methods and staff motivation to attain significant project milestones including throughput and grades. Immediately prior to joining Classic, Mr Procak was project manager at Golden West Resources Limited and prior to that General Manager Operations with Mawson West Limited. Mr. Procak's experience includes employment in senior positions at Telfer Gold Mine, Big Bell Gold Mine, Golden Grove Polymetaliic Mine and Kambalda Nickel Operations.
Shareholdings	1,650,002 ordinary shares 825,001 Options exercisable at $0.20 on or before 30 June 2015.

Principal activities
The principal activity of Classic Minerals Limited during the financial year was the exploration of mineral resource based projects, focussing on nickel, copper, gold, base metals and uranium.

Operating results
The loss of the Company for the year ended 30 June 2013 amounted to $3,206,916 (2012- loss of $1,075,274).

Dividends
No dividends were paid or declared for payment since the incorporation of the Company.

Review of operations
The company was engaged in acquiring tenements, conducting aeromagnetic surveys, conducting geological assessment of other tenements as well as sourcing and gathering information on prospective new tenements. The company also conducted drilling activities and geological assessment as well as preparing Independent Geological Reports for the purposes of IPO.

Significant changes in state of affairs

As at 30 June 2012, the company had an outstanding loan from Murano Holdings Pty Ltd for $300,000. This was subsequently converted to 11,000,000 shares at $0.03 per share representing $300,000 and $30,000 in interest.

DIRECTORS' REPORT

In the period from 1 September 2012 to 31 December 2012, 1,249,500 shares were issued to various promoters and service providers for a total consideration of $59,900. Between 1 August 2012 and 31 December 2012, the Company issued 22,003,333 shares at 3 cents each to raise a gross $660,100, a further 31,820,000 shares were issued at 5 cents each to raise a gross $1,591,000 and a further 9,320,000 shares were issued at 10 cents each to a gross $932,000.

With the consent of all Performance Shareholders, the Company varied the terms and conditions of the 112 Performance Shares previously issued by the Company. As at 14 November 2012, the Milestone events had not been achieved and the 112 Performance Shares were converted into 112 ordinary shares.

In December 2012, the Company issued 400,000 shares at 2.5 cents each to extinguish a loan due of $10,000, 1,982,800 shares were issued at 2.5 cents each to extinguish a loan owing of $49,570 and 1,200,000 shares were issued at 2 cents each to reduce a creditor balance by $24,000.

On 16 January 2013, the Company entered into a Sale and Purchase Agreement with Ironstone Resources Limited ("Ironstone") for the sale of the following tenements – EL38/2084, E25/421, E25/435, E25/453 and E28/2138 to Ironstone. Under the terms of this agreement, Ironstone would pay $220,000 in cash (GST inclusive) and 2.75 million shares in Ironstone to the Company.

On 22 May 2013, following the successful completion of its IPO, the Company issued and allotted 18,128,500 ordinary shares at $0.20 each to raise a gross $3,625,700.

There were no other significant changes in the state of affairs of the Company during the year ended 30 June 2013.

After reporting date events

Subsequent to year end, the following events have occurred:

On 31 July 2013, the Company exercised its Option to acquire 100% of Doherty's (M57/619) for $93,130 (GST Inclusive) (cash) and 570,000 in shares.

On 20 August 2013, the Company announced a non-renounceable Option Entitlement issue to raise $1,005,126 before expenses of the Issue. Shareholders as at 28 August 2013 were entitled to receive one Option exercisable at 20 cents on or before 30 June 2015 for every two fully paid ordinary shares held. Shareholders were required to pay $0.01 each for the Options. To date the Company has received $445,203 received as per bank statement and will seek to raise further monies via the shortfall.

On 26 August 2013, the Company acquired the exclusive marketing rights for iron ore over Exploration Licence E28/2238 from Guide Resources Pty Ltd, under the terms of this Agreement Classic issued 5 million ordinary shares to Guide and $225,000 as consideration, the Company will retain 30% of the revenue from the sale of iron ore. The term of the appointment is six months. The Company paid the $225,000 consideration on 21 June 2013 and the amount is included as Other Assets in the Statement of Financial Position at 30 June 2013.

Pursuant to a Sale and Purchase Agreement dated 16 January 2013, the Company sold the following tenements – EL38/2084, E25/421, E25/435 and E28/2138 to Ironstone Resources Limited for 2.75 million shares and $220,000 (cash) (GST Inclusive) payable 90 days after the signing of the Agreement. On 27 June 2013, a Deed of Variation was signed and allowed the cash component to be paid on 27 September 2013 and on 26 September 2013 the Company received the cash component.

Subsequent to year end and up to the date of this Report, the Company has sold 13,333,333 shares in Fairstar Resources Limited (FAS) to realise proceeds of $429,942. At the date of this report the Company holds a balance of 20,000,000 FAS shares valued at $340,000.

There are no other matters or circumstances that have arisen since 30 June 2013 that have or may significantly affect the operations, results, or state of affairs of the Company in future financial years.

DIRECTORS' REPORT

Details of Remuneration for Year Ended 30 June 2013 and 30 June 2012

The remuneration for each key management personnel of the Company during the year was as follows:

	SHORT-TERM BENEFITS			POST EMPLOYMENT		SHARE-BASED PAYMENT		TOTAL	REPRESENTED BY EQUITY/ OPTIONS
	Salary	Other	Non-Monetary	Superannuation	Retirement Benefits	Equity	Options	$	%
Directors									
Kevin Robertson									
2013	100,000	-	-	-	-	-	-	100,000	-
2012	-	-	-	-	-	-	-	-	-
Angelo Ikonomou									
2013	-	-	-	-	-	-	-	-	-
2012	39,000	-	13,541	5,294	-	-	-	57,835	-
Stanislaw Procak									
2013	84,366	21,300	4,224	375	-	-	-	110,265	-
2012	2,000	-	-	-	-	-	-	2,000	-
Justin Doutch									
2013	133,963	52,100	4,224	11,049	-	-	-	201,336	-
2012	-	55,264	-	-	-	29,990	-	85,254	35%
Jacob Doutch									
2013	149,422	-	-	12,205	-	60,000	-	221,627	27%
2012	-	-	-	-	-	-	-	-	-
Paul Lambrecht									
2013	58,288	-	4,224	375	-	-	-	62,887	-
2012	-	-	-	-	-	29,990	-	29,990	100%
James Passaris									
2013	169,521	-	-		-	-	-	169,521	-
2012	-	-	-	-	-	-	-	-	-
Total Remuneration Key Management Personnel									
2013	695,560	73,400	12,672	24,004	-	60,000	-	865,636	-
2012	41,000	55,264	13,541	5,294	-	59,980	-	175,079	-

i) In 2013, an aggregate amount of $201,336 (2012: $85,254) was paid or was due and payable to Mr. Justin Doutch for consulting services and as a directors' salary.

ii) In 2013, an aggregate amount of $221,627 was paid or was due and payable to Mr. Jacob Doutch in his capacity as tenement manager and included the granting of 2,000,000 shares at nil consideration.

iii) In 2013, an aggregate amount of $100,000 (2012- Nil) was paid or due and payable to Mr. Kevin Robertson as directors' fees this related to directors fee for a twenty-four month period.

iv) In 2013, an aggregate amount of $62,887 (2012- $29,990) was paid or due and payable to Alouisus Pty Ltd, a company associated with Mr. Paul Lambrecht.

v) In 2013, an aggregate amount of $110,265 (2012:$NIL) was paid or due and payable to Mr. Stan Procak as directors'and consulting fees.

vi) In 2013, an aggregate amount of $ 169,521 (2012: nil) was paid or due and payable to Mr. James Passaris as consulting fees.

vii) In 2012, an aggregate amount of $57,835 was paid, or was due and payable to Mr Ikonomou for consulting services. Mr Ikonomou resigned in November 2011.

DIRECTORS' REPORT

Employment Details of Members of Key Management Personnel
On 19 November 2012, the Company entered into a services agreement with Mr. Justin Doutch effective from 9 November 2012. Under this Agreement, Mr Doutch has been engaged by the Company to provide services to the Company in the capacity of Managing Director. There is no fixed term to this Agreement.

Under this Agreement there are standard termination provisions under which the Company can give notice of termination, or alternatively, payment in lieu of services. In addition, Mr Doutch is entitled to all unpaid remuneration and entitlements up to the date of termination. Mr. Doutch was paid an annual remuneration of $180,000 plus statutory superannuation and is entitled to the supply of a motor vehicle. Following the Company's successful IPO Mr. Doutch's salary has been increased to $250,000 plus statutory superannuation. This increase was approved at a Director's Meeting by the Board. Upon termination or after a period of 5 years, the motor vehicle ownership will be transferred to Mr. Doutch at nil consideration at which point all running costs will be at the expense of Mr. Doutch. Mr. Doutch will also be reimbursed for reasonable expenses incurred in carrying out his duties.

In the event that Mr Justin Doutch's contract is terminated after one year of service, he will be entitled to an additional week's notice and any annual leave and long service leave entitlements will be paid.

Non-Executive Director Letter Agreements
The Company has entered into non-executive director letter agreements with Kevin Robertson, Paul Lambrecht and Stan Procak, to provide for the terms and conditions on which the Non-Executive Directors would carry out their duties to the Company and the Non-Executive Directors agreed to act as non-Executive Directors to the Company. Mr. Roberston, Mr. Lambrecht and Mr. Procak were paid an annual remuneration of $50,000 plus statutory superannuation and are reimbursed for reasonable expenses incurred in carrying out their duties.

Executive Agreements
The Company has entered into an employment contract with Jacob Doutch as Tenement Manager effective from 15 June 2012 at an agreed salary of $133,328 inclusive of superannuation. Following the Company's successful IPO, Jacob Doutch's salary has been increased to $165,000 plus superannuation.

In the event that Mr Jacob Doutch's employment is terminated after one year of service, he will be entitled to receive an additional week's notice and any annual leave and long service leave entitlements will be paid.

Consultancy Agreement
The company has entered into a consultancy agreement with Aneles Consulting Pty Ltd, a company in which James Passaris has an interest to provide business services at the rate of $2,500 per week plus GST. Following the Company's successful IPO this was increased to $4,820 per week.

Either party may terminate the Agreement at any time by providing the other Party with a written notice of termination equal to the Notice period and in the case of the principal paying the Contractor an amount equal to the Fee the contractor would otherwise earn during the Notice period. The Notice period is 90 days.

Future developments
The Company will continue to explore its exploration areas and look to establish its exploration interest in prospective fields.

Environmental regulation
The Company is aware of its environmental obligations and acts to ensure its environmental commitments are met. The directors are not aware of any significant breaches during the year.

Meetings of directors
The number of Directors' meetings (including committees) held during the financial period each Director held office during the financial year, and the number of meetings attended by each director are:

DIRECTORS' REPORT

Director	Board of Directors Meetings. Attended	Number Eligible to Attend
Justin Doutch	5	5
Paul Lambrecht	5	5
Stan Procak	1	2
Kevin Robertson	3	3
Dennis Parsons	3	3

Options Reserve
There is no option reserve as at 30 June 2013.

Non-Audit Services
Non-audit services of $15,250 (2012 - $18,575) have been provided by the auditor or a related practice of the auditor during the year for the preparation of an Investigating Accountants Report for the Initial Public Offering ("IPO"). The directors believe that the non-audit services provided by Stantons International do not impair the objectivity or independence of the auditor.

Auditor's independence declaration
The auditor's independence declaration for the year ended 30 June 2013 has been received, forms part of the Director's Report, and can be found on page 21.

Indemnification of Officers
In accordance with the Company's constitution, except as may be prohibited by the Corporations Act 2001, every Officer or agent of the Company shall be indemnified out of the property of the Company against any liability incurred by him in his capacity as Officer or agent of the Company or any related corporation in respect of any act or omission whatsoever and howsoever occurring or in defending any proceedings, whether civil or criminal.

During the financial year, the Company has paid insurance premiums in respect of directors' and officers' liability insurance. The insurance premiums relate to:

- Costs and expenses incurred by the relevant officers in defending legal proceedings, whether civil or criminal and whatever their outcome; and
- Other liabilities that may arise from their position, with the exception of conduct involving wilful breach of duty or improper use of information to gain a personal advantage.

During the financial year, the Company paid premiums for Directors and Officers liability insurance of $12,672 (2012: $13,541).

Options
Options to subscribe for unused fully paid ordinary shares in the Company at the date of this report held by directors and other Key Management Personnel.

Status	Number		Exercise Price	Expiry Date
Directors				
Justin Doutch	500,000	Options	$0.20	On or before 30 June 2015
Paul Lambrecht	600,001	Options	$0.20	On or before 30 June 2015
Stan Procak	825,001	Options	$0.20	On or before 30 June 2015
Senior Executives				
Jacob Doutch	Nil	Options	$0.20	On or before 30 June 2015
James Passaris	20,000	Options	$0.20	On or before 30 June 2015
	1,945,002	Options		

DIRECTORS' REPORT

Options to subscribe for unused fully paid ordinary shares in the Company at the date of this report held by other option holders:

Status	Number		Exercise Price	Expiry Date
Other Option holders	42,445,298	Options	$0.20	On or before 30 June 2015

No person entitled to exercise any of these options had or has any right by virtue of the option to participate in any share issue of any other body corporate.

Proceedings on behalf of the Company
No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings. The Company has not a party to any such proceedings during the year.

Signed in accordance with a resolution of the Board of Directors.

Justin Doutch
Executive Director

Dated this 2nd day of October 2013

It is the opinion of the directors of Classic Minerals Limited (the "Company");

1. the financial statements and notes are in accordance with the Corporations Act 2001 and:

   a. comply with Australian Accounting Standards and the Corporations Regulations 2001; and
   b. give a true and fair view of the financial position of the Company as at 30 June 2013 and of the performance as represented by the results of its operations and its cashflows for the year ended on that date;

2. in the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

3. the financial statements and notes also comply with International Financial Reporting Standards as disclosed in note 2.

This declaration is made in accordance with a resolution of the Board of Directors.

Justin Doutch
Executive Director

Dated this 2nd day of October 2013

Stantons International Audit and Consulting Pty Ltd
trading as
Stantons International
Chartered Accountants and Consultants

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2 October 2013

Board of Directors
Classic Minerals Limited
Level 1, 30 Hasler Road
Osborne Park, WA 6017

Dear Directors

RE: CLASSIC MINERALS LIMITED

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Classic Minerals Limited.

As Audit Director for the audit of the financial statements of Classic Minerals Limited for the year ended 30 June 2013, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

Yours faithfully

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(Trading as Stantons International)
(An Authorised Audit Company)

Martin Michalik

Martin Michalik
Director

Stantons International Audit and Consulting Pty Ltd
trading as
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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
CLASSIC MINERALS LIMITED

Report on the Financial Report

We have audited the accompanying financial report of Classic Minerals Limited, which comprises the statement of financial position as at 30 June 2013, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' responsibility for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In note 2, the directors also state, in accordance with Australian Accounting Standard AASB 101 Presentation of Financial Statements, that the financial report of the Company, comprising the financial statements and notes, complies with International Financial Reporting Standards.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

Our audit did not involve an analysis of the prudence of business decisions made by directors or management.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001.

Auditor's opinion

In our opinion:

(a) the financial report of Classic Minerals Limited is in accordance with the Corporations Act 2001, including:

  (i) giving a true and fair view of the Company's financial position as at 30 June 2013 and of its performance for the year ended on that date; and
  (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

(b) the financial report of the Company also complies with International Financial Reporting Standards as disclosed in note 2.

Emphasis of Matter Regarding Going Concern, Recoverability of a refundable deposit and of funds loaned to James Passaris

Without qualification to the audit opinion expressed below, attention is drawn to the following matters.

i) Going Concern

As referred to in note 2(s) to the financial report, the financial report has been prepared on a going concern basis. At 30 June 2013 the Company had net assets of $2,174,836 cash and cash equivalents of $1,284,830 and had net working capital of $1,542,152. The Company had incurred a loss after tax for the year ended 30 June 2013 of $3,206,916.

The ability of the Company to continue as a going concern and meet its planned exploration, administration, and other commitments is dependent upon the Company raising further working capital, and/or commencing profitable operations. In the event that the Company cannot raise further equity, the Company may not be able to meet its liabilities as they fall due, and the Company may be unable to realise its assets at amounts stated in the financial report.

ii) Recoverability of refundable deposit lodged with Nex Metals Explorations Limited

At 30 June 2013, the Company had deposited $300,000 with Nex Metals Explorations Limited ("Nex Metals") pending the completion of due diligence on a proposed acquisition of tenements. These deposited funds are refundable and have been classified within financial assets (refer to note 9 of the financial report) in the statement of financial position. The refundable deposit is stated at its realisable value and is estimated to be recovered within the next 12 months. The refundable deposit is not secured. It is noted that the Nex Metals' audit report at 30 June 2013 has been disclaimed on going concern. At the 30 June 2013, Nex Metals had cash and cash equivalents of $50,229. In the event that the Nex Metals defaults on its obligations, there is a risk that this asset may not be recovered, and thus maybe overstated in the financial report.

iii) Recoverability of funds loaned to James Passaris

During the year the Company loaned funds to James Passaris, key management personnel of the Company. At the 30 June 2013, a total of $248,681 was outstanding from Mr Passaris. In the event that the Mr Passaris defaults on his obligations, there is a risk that this asset may not be recovered, and thus maybe overstated in the financial report.

Report on the Remuneration Report

We have audited the remuneration report included in pages 16 to 18 of the directors' report for the year ended 30 June 2013. The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards

Auditor's opinion
In our opinion the remuneration report of Classic Minerals Limited for the year ended 30 June 2013 complies with section 300 A of the Corporations Act 2001.

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(Trading as Stantons International)
(An Authorised Audit Company)
Stantons International Audit & Consulting Pty Ltd

Martin Michalik

Martin Michalik
Director

West Perth, Western Australia
2 October 2013

CLASSIC MINERALS LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2013

	Note	*30 June 2013* $	*30 June 2012* $
Revenue from continuing operations	3	45,659	7,882
Profit on the sale of mining tenements	3	334,000	-
Employee benefits and consultants expense		(1,216,836)	(473,510)
Legal expenses & professional fees		(77,890)	(73,878)
Commissions paid		(9,569)	(78,364)
Depreciation and amortisation expense	10	(18,527)	(9,352)
Exploration expense		(1,116,475)	(176,726)
Share-based payments		(258,545)	(59,980)
Travel expenses		(176,643)	(8,844)
Occupancy expenses		(64,274)	(39,579)
Provision for diminution in value of shares received as consideration		(275,000)	-
Administration expenses	4	(372,816)	(162,923)
Loss before income tax expense		(3,206,916)	(1,075,274)
Income tax benefit	5	-	-
Loss for the year		(3,206,916)	(1,075,274)
Other Comprehensive Income			
- Items that will not be reclassified to profit or loss		-	-
- Items that may subsequently be reclassified to profit or loss		66,667	-
Income tax on other comprehensive Income		-	-
Total Other Comprehensive Income		66,667	-
Total Comprehensive loss for year		(3,140,249)	(1,075,274)
Loss for the year			
Attributable to members of Classic Minerals Limited		(3,206,916)	(1,075,274)
Attributable to non-controlling interest		-	-
		(3,206,916)	(1,075,274)
Total Comprehensive loss for year			
Attributable to members of Classic Minerals Limited		(3,140,249)	(1,075,274)
Attributable to non-controlling interest		-	-
		(3,140,249)	(1,075,274)
Basic loss per share (cents per share)	6	(1.821)	(1.103)
Diluted loss per share (cents per share)	6	(1.821)	(1.103)

The accompanying notes form part of this financial report.

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2013

	Note	*30 June 2013* *$*	*30 June 2012* *$*
CURRENT ASSETS			
Cash and cash equivalents	7	1,284,830	93,937
Trade and other receivables	8	588,702	-
Financial Assets	9	300,000	-
Available for sale financial assets	12	266,667	
Other		75,000	-
TOTAL CURRENT ASSETS		2,515,199	93,937
NON-CURRENT ASSETS			
Plant and equipment	10	213,274	32,129
Other assets	11	215,642	58,500
Available for sale financial assets	12	-	-
TOTAL NON-CURRENT ASSETS		428,916	90,629
TOTAL ASSETS		2,944,115	184,566
CURRENT LIABILITIES			
Trade and other payables	13	663,259	443,175
Employee provision	14	29,753	2,500
Borrowings	15	13,368	892,878
TOTAL CURRENT LIABILITIES		706,380	1,338,553
NON-CURRENT LIABILITIES			
Borrowings	15	62,898	-
TOTAL NON CURRENT LIABILITIES		62,898	-
TOTAL LIABILITIES		769,278	1,338,553
NET ASSETS/ (LIABILITIES)		2,174,837	(1,153,987)
EQUITY			
Issued capital	16	8,936,046	2,466,974
Reserves	17	66,667	-
Accumulated losses	18	(6,827,877)	(3,620,961)
TOTAL EQUITY(DEFICIENCY)		2,174,837	(1,153,987)

The accompanying notes form part of this financial report.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2013

	Issued Capital $	*Accumulated Losses* $	*Total Equity* $
Balance at 30 June 2011	1,849,693	(2,545,687)	(695,994)
Total Comprehensive Loss for the year			
Loss for the year	-	(1,075,274)	(1,075,274)
Other Comprehensive Income	-	-	-
Total Comprehensive Loss	-	(1,075,274)	(1,075,274)
Transactions with owners recorded directly in equity			
Shares issued during the year	617,281	-	617,281
Balance at 30 June 2012	2,466,974	(3,620,961)	(1,153,987)

	Issued Capital $	**Financial Asset Reserve** $	*Accumulated Losses* $	*Total Equity* $
Balance at 30 June 2012	2,466,974	-	(3,620,961)	(1,153,987)
Total Comprehensive Loss for the year				
Loss for the year	-	-	(3,206,916)	(3,206,916)
Other Comprehensive Income	-	66,667	-	66,667
Total Comprehensive Income/(Loss)	-	66,667	(3,206,916)	(3,140,249)
Transactions with owners recorded directly in equity				
Shares issued (net of expenses) during the year	6,469,072	-	-	6,469,072
Balance at 30 June 2013	8,936,046	66,667	(6,827,877)	2,174,836

The accompanying notes form part of this financial report.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2013

	Note	*30 June 2013* *$*	*30 June 2012* *$*
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		(3,210,989)	(774,638)
Interest received		45,659	7,882
Net cash (outflows) from operating activities	21(a)	(3,165,330)	(766,756)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of Fixed Assets		(123,406)	-
Purchase of shares in listed company Fairstar Resources Ltd		(200,000)	-
Loans to employees/consultants		(248,681)	-
Loans to related entities		(14,339)	-
Refundable Deposit subject to due diligence		(300,000)	-
Payments for other assets		(75,000)	
Payment of options agreement		-	(31,000)
Net cash (outflows) from investing activities		(961,426)	(31,000)
CASH FLOWS FROM FINANCING ACTIVITIES			
Share Capital received (net)		5,850,777	557,301
Loans received/(repaid)		(533,128)	(46,133)
Proceeds of a Short-term loan		-	300,000
Repayment of interest bearing borrowings		-	(6,581)
Net cash inflows from financing activities		5,317,649	804,587
Net increase in cash held		1,190,893	6,831
Cash and cash equivalents at the beginning of the year		93,937	87,106
Cash and cash equivalents at the end of the year	21(b)	1,284,830	93,937

The accompanying notes form part of this financial report.

1. Corporate Information

The financial report of Classic Minerals Limited (the Company) for the year ended 30 June 2013 was authorised for issue in accordance with a resolution of the directors on 2nd October 2013.

2. Summary of Significant Accounting Policies

Basis of preparation

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations), other authoritative pronouncements of the Australian Accounting Standards Board and the Corporation Act 2001.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of this financial report are presented below and have been consistently applied unless otherwise stated.

The financial report has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

(a) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, cash in banks and investments in money market instruments, net of outstanding bank overdrafts.

(b) Employee benefits

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave, and sick leave when it is probable that settlement will be required and they are capable of being measured reliably.

Provisions made in respect of employee benefits expected to be settled within 12 months, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Provisions made in respect of employee benefits which are not expected to be settled within 12 months are measured as the present value of the estimated future cash outflows to be made by the entity in respect of services provided by employees up to reporting date.

(c) Financial assets

Investments are recognised and derecognised on trade date where purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, net of transaction costs.

Subsequent to initial recognition, investments in subsidiaries are measured at cost.

Other financial assets are classified into the following specified categories: financial assets ‘at fair value through profit or loss’, ‘available-for-sale’ financial assets, and ‘loans and receivables’. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

2. Summary of Significant Accounting Policies (continued)

Available-for-sale financial assets
Shares and options held by the company are classified as being available-for-sale and are stated at fair value less impairment. Gains and losses arising from changes in fair value are recognised directly in the available-for-sale revaluation reserve, until the investment is disposed of or is determined to be impaired, at which time the cumulative gain or loss previously recognised in the available-for-sale revaluation reserve is included in the Statement of Profit or Loss and Other Comprehensive Income for the year.

Financial assets at fair value through the Statement of Profit or Loss and Other Comprehensive Income
The Company classifies certain shares as financial assets at fair value through profit or loss. Financial assets held for trading purposes are classified as current assets and are stated at fair value, with any resultant gain or loss recognised in the Statement of Profit or Loss and Other Comprehensive Income for the year.

Loans and receivables
Trade receivables, loans, and other receivables are recorded at amortised cost less impairment.

(d) Financial instruments issued by the company

Debt and equity instruments
Debt and equity instruments are classified as either liabilities or as equity in accordance with the substance of the contractual arrangement.

Transaction costs on the issue of equity instruments
Transaction costs arising on the issue of equity instruments are recognised directly in equity as a reduction of the proceeds of the equity instruments to which the costs relate. Transaction costs are the costs that are incurred directly in connection with the issue of those equity instruments and which would not have been incurred had those instruments not been issued.

2. Summary of Significant Accounting Policies (continued)

(e) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

i. where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
ii. for receivables and payables which are recognised inclusive of GST;

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the cash flow statement on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(f) Impairment of assets

At each reporting date, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised in the Statement of Profit or Loss and Other Comprehensive Income immediately, unless the relevant asset is carried at fair value, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised in the Statement of Profit or Loss and Other Comprehensive Income immediately, unless the relevant asset is carried at fair value, in which case the reversal of the impairment loss is treated as a revaluation increase.

(g) Income tax

Current tax

Current tax is calculated by reference to the amount of income tax payable or recoverable in respect of the taxable profit or tax loss for the year. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by reporting date. Current tax for current and prior years is recognised as a liability (or asset) to the extent that it is unpaid (or refundable).

Deferred tax

Deferred tax is accounted for using the statement of financial position liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax base of those items.

2. Summary of Significant Accounting Policies (continued)

In principle, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that sufficient taxable amounts will be available against which deductible temporary differences or unused tax losses and tax offsets can be utilised. However, deferred tax assets and liabilities are not recognised if the temporary differences giving rise to them arise from the initial recognition of assets and liabilities (other than as a result of a business combination) which affects neither taxable income nor accounting profit. Furthermore, a deferred tax liability is not recognised in relation to taxable temporary differences arising from goodwill.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, branches, associates and joint ventures except where the entity is able to control the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with these investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of thetemporary differences and they are expected to reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year(s) when the asset and liability giving rise to them are realised or settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by reporting date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow

from the manner in which the entity expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the entity intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax for the year

Current and deferred tax is recognised as an expense or income in the statement of comprehensive income, except when it relates to items credited or debited directly to equity, in which case the deferred tax is also recognised directly in equity, or where it arises from the initial accounting for a business combination, in which case it is taken into account in the determination of goodwill or excess.

(h) Operating cycle

The operating cycle of the entity coincides with the annual reporting cycle.

(i) Payables

Trade payables and other accounts payable are recognised when the entity becomes obliged to make future payments resulting from the purchase of goods and services.

(j) Presentation currency

The entity operates entirely within Australia and the presentation currency is Australian dollars.

(k) Plant and equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation. The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets.

2. Summary of Significant Accounting Policies (continued)

Depreciation

The depreciable amount of all fixed assets is depreciated on a diminishing value basis over their useful lives to the Company commencing from the time the asset is held ready for use. The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	***Depreciation Rate***
Caravan	18.75%
Motor vehicles and Quad Bikes	18.75% - 37.5%
Office equipment	7.5% - 100%

(l) Exploration and Evaluation Expenditure

Identifiable exploration assets acquired are recognised as assets at their cost of acquisition.

Subsequent exploration and evaluation costs related to an area of interest are written off as in except they may be carried forward as an item in the statement of financial position where the rig tenure of an area are current and one of the following conditions is met:

- the costs are expected to be recouped through successful development and exploitation area of interest, or alternatively, by its sale; and
- exploration and/or evaluation activities in the area of interest have not at the reporting date re a stage which permits a reasonable assessment of the existence or otherwise of econor recoverable reserves, and active and significant operations in, or in relation to, the area of ir are continuing.

Acquired exploration assets are not written down below acquisition cost until such time a acquisition cost is not expected to be recovered through use or sale.

(m) Provisions

Provisions are recognised when the entity has a present obligation, the future sacrifice of economic benefits is probable, and the amount of the provision can be measured reliably.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cashflows estimated to settle the present obligation, its carrying amount is the present value of those cashflows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that recovery will be received and the amount of the receivable can be measured reliably.

(n) Revenue recognition

Interest revenue

Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the financial asset.

(o) Equity based compensation

The Company expenses equity based compensation such as share and option issues after ascribing a fair value to the shares and/or options issued. If options vest at date of grant, the expense is taken up at date of grant and a corresponding Option Reserve is credited.

(p) Issued capital

Issued capital is recognised at the fair value of the consideration received by the Company. Any transaction costs on the issue of shares are recognised directly in equity as a reduction of the share proceeds received.

2. Summary of Significant Accounting Policies (continued)

(q) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that it transferred to the company, are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the year.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the years in which they are incurred.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

(r) Earnings per share

Basic earnings per share is calculated as a net profit attributable to members, adjusted to exclude any costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings per share is calculated as net profit attributable to members, adjusted for:

- costs of servicing equity (other than dividends) and preference share dividends;
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the year that would result from the dilution of potential ordinary shares; divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

(s) Going Concern

At 30 June 2013, the Company had net assets of $2,174,837, and had incurred a net loss of $3,206,916 for the year then ended, with a cash and cash equivalents balance of $1,284,830 and a net working capital totaling $1,808,819.

As at the date of this Report the Company had cash reserves of $629,257. These cash reserves along with readily realisable equity investments are considered to be sufficient to meet forecast outgoings for a period of at least 12 months from the date of this report.

The Directors believe it is appropriate to prepare these accounts on a going concern basis.

The financial report has therefore been prepared on a going concern basis, which assumes continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

Should the Company be unable to continue as a going concern, it may be required to realise their assets and extinguish their liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements.

2. Summary of Significant Accounting Policies (continued)

These financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts or classification of liabilities and appropriate disclosures that may be necessary should the entity and the parent be unable to continue as a going concern.

The Directors acknowledge that the Company will need to adopt further strategies to ensure that funding is maintained. This includes, but is not limited to further costs reduction strategies, further debt/capital funding seeking, and seeking other prospective projects.

(t) Critical accounting judgments, estimates and assumptions

The preparation of financial statements in conformity with AIFRS required the use of certain critical estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are:

Exploration and evaluation costs

Exploration and evaluation costs are written off in the year they are incurred apart from acquisition costs which are carried forward where right of tenure of the area of interest is current. These costs are carried forward in respect of an area that has not at statement of financial position date reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

(u) Adoption of New and Revised Accounting Standard

New Accounting Standards for Application in Future Periods

The AASB has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to the Group.

At the date of the authorization of the financial statements, the standards and Interpretations listed below were in issue but not yet effective.

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
AASB 9 'Financial Instruments', AASB 2010-7 'Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)', and AASB 2012-6 'Amendments to Australian Accounting Standards-Mandatory Effective date of AASB 9 and Transition Disclosures'	1 January 2015	30 June 2016
AASB 10 'Consolidated Financial Statements'	1 January 2013	30 June 2014
AASB 11 'Joint Arrangements'	1 January 2013	30 June 2014
AASB 12 'Disclosure of Interests in Other Entities'	1 January 2013	30 June 2014
AASB 13 'Fair Value Measurement' and AASB 2011-8 'Amendments to Australian Accounting Standards arising from AASB 13'	1 January 2013	30 June 2014
AASB 119 'Employee Benefits' (2011) and AASB 2011-10 'Amendments to Australian Accounting Standards arising from AASB 19 (2011)'	1 January 2013	30 June 2014
AASB 127 'Separate Financial Statements (2011), AASB 2011-7 'Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements standards'	1 January 2013	30 June 2014
AASB 128 'Investments in Associates and Joint Ventures' (2011), AASB 2011-7 'Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements standards'	1 January 2013	30 June 2014

2. Summary of Significant Accounting Policies (continued)

AASB 2011-4 'Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements'	1 July 2013	30 June 2014
AASB 2011-7 'Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements standards'	1 January 2013	30 June 2014
AASB 2012-2 'Amendments to Australian Accounting Standards-Disclosures-Offsetting Financial Assets and Liabilities' (Amendments to AASB 7)	1 January 2013	30 June 2014
AASB 2012-3 'Amendments to Australian Accounting Standards-Disclosures-Offsetting Financial Assets and Liabilities' (Amendments to AASB 132)	1 January 2014	30 June 2015
AASB 2012-5 'Amendments to Australian Accounting Standards arising from Annual Improvements cycle'	1 January 2013	30 June 2014
AASB 2012-6 'Amendments to Australian Accounting Standards-Mandatory Effective date of AASB 9 and Transition Disclosures'	1 January 2013	30 June 2014
Interpretation 20 'Stripping Costs in the Production Phase of a Surface Mine' and AASB 2011-12 'Amendments to Australian Accounting Standards arising from Interpretation 20'.	1 January 2013	30 June 2014

The Group has decided not to early adopt any of the new and amended pronouncements. Of the above new and amended Standards and Interpretations the Group's assessment of those new and amended pronouncements that are relevant to the Group but applicable in future reporting periods is set out below:

- AASB 9: Financial Instruments (December 2010) and AASB 2010-7 and AASB 2012-6: Amendments to Australian Accounting Standards arising from AASB 9 (December 2010). These Standards are applicable retrospectively and include revised requirements for the classification and measurement of financial instruments, as well as recognition and derecognition requirements for financial instruments.

  The key changes made to accounting requirements include:

  - simplifying the classifications of financial assets into those carried at amortised cost and those carried at fair value;
  - simplifying the requirements for embedded derivatives;
  - removing the tainting rules associated with held-to-maturity assets;
  - removing the requirements to separate and fair value embedded derivatives for financial assets carried at amortised cost;
  - allowing an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument
  - requiring financial assets to be reclassified where there is a change in an entity's business model as they are initially classified based on: (a) the objective of the entity's business model for managing the financial assets; and (b) the characteristics of the contractual cash flows; and
  - requiring an entity that chooses to measure a financial liability at fair value to present the portion of the change in its fair value due to changes in the entity's own credit risk in other comprehensive income, except when that would create an accounting mismatch. If such a mismatch would be created or enlarged, the entity is required to present all changes in fair value (including the effects of changes in the credit risk of the liability) in profit or loss.

  The Group has not yet been able to reasonably estimate the impact of these pronouncements on its financial statements.

- AASB 10: Consolidated Financial Statements, AASB 11: Joint Arrangements, AASB 12: Disclosure of Interests in Other Entities, AASB 127: Separate Financial Statements (August 2011), AASB 128: Investments in Associates and Joint Ventures (August 2011) and AASB 2011-7: Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards (applicable for annual reporting periods commencing on or after 1 January 2013).

2. Summary of Significant Accounting Policies (continued)

AASB 10 replaces parts of AASB 127: Consolidated and Separate Financial Statements (March 2008, as amended) and Interpretation 112: Consolidation - Special Purpose Entities. AASB 10 provides a revised definition of control and additional application guidance so that a single control model will apply to all investees. The Group has not yet been able to reasonably estimate the impact of this Standard on its financial statements.

AASB 11 replaces AASB 131: Interests in Joint Ventures (July 2004, as amended). AASB 11 requires joint arrangements to be classified as either "joint operations" (whereby the parties that have joint control of the arrangement have rights to the assets

and obligations for the liabilities) or 'joint ventures" (where the parties that have joint control of the arrangement have rights to the net assets of the arrangement). Joint ventures are required to adopt the equity method of accounting (proportionate consolidation is no longer allowed).

AASB 12 contains the disclosure requirements applicable to entities that hold an interest in a subsidiary, joint venture, joint operation or associate. AASB 12 also introduces the concept of a "structured entity", replacing the 'special purpose entity" concept currently used in Interpretation 112, and requires specific disclosures in respect of any investments in unconsolidated structured entities. This Standard will only affect disclosures and is not expected to significantly impact the Group.

To facilitate the application of AASBs 10, 11 and 12, revised versions of AASB 127 and AASB 128 have also been issued. These Standards are not expected to significantly impact the Group.

- AASB 13: Fair Value Measurement and AASB 2011-8: Amendments to Australian Accounting Standards arising from AASB 13 (applicable for annual reporting periods commencing on or after 1 January 2013).

  AASB 13 defines fair value, sets out in a single Standard a framework for measuring fair value, and requires disclosures about fair value measurements.

  AASB 13 requires:

  - inputs to all fair value measurements to be categorised in accordance with a fair value hierarchy; and
  - enhanced disclosures regarding all assets and liabilities (including, but not limited to, financial assets and financial liabilities) measured at fair value.

  These Standards are not expected to significantly impact the Group.

- AASB 2011-4: Amendments to Australian Accounting Standards to remove the individual ley management Personnel Disclosure Requirements ((applicable for annual reporting periods commencing on or after 1 January 2013).

  This standard makes amendments to AASB 124; Related Party Disclosures to remove the individual key management personnel disclosure requirements (including paras Aus 29.1 to Aus 29.9.3). These amendments serve a number of purposes, including furthering the trans-Tasman conversion, removing differences from IFRSs, and avoiding any potential confusion with the equivalent Corporations Act 2001 disclosure requirements.

  This standard is not expected to significantly impact the Group's financial report as a whole.

  AASB 119 (September 2011) includes changes to the accounting for termination benefits.

  The Group has not yet been able to reasonably estimate the impact of these changes to AASB 119.

  AASB 2012-2 'Amendments to Australian Accounting Standards-Disclosures-Offsetting Financial Assets and Liabilities' (Amendments to AASB 7); AASB 2012-3 'Amendments to Australian Accounting Standards-Disclosures-Offsetting Financial Assets and Liabilities' (Amendments to AASB 132); AASB 2012-5 'Amendments to Australian Accounting Standards arising from Annual Improvements cycle'; AASB 2012-6 'Amendments to Australian Accounting Standards-Mandatory Effective date of AASB 9 and Transition Disclosures'; and Interpretation 20 'Stripping Costs in the Production Phase of a Surface Mine' and AASB 2011-12 'Amendments to Australian Accounting Standards arising from Interpretation 20'.

  These standards are not expected to impact the Group.

NOTE 3: REVENUE FROM CONTINUING OPERATIONS

	30 June 2013 *$*	*30 June 2012* *$*
Profit on sale of mining tenements	334,000	-
Interest revenue	45,659	7,882
	379,659	7,882

NOTE 4: LOSS BEFORE INCOME TAX

	30 June 2013 *$*	*30 June 2012* *$*
The loss before income tax has been arrived at after charging the following expenses:		
Telephone expenses	12,290	5,188
Insurance expense	25,765	24,307
Other administration expenses	334,761	133,428
	372,816	162,923

NOTE 5: INCOME TAX

	30 June 2013 *$*	*30 June 2012* *$*
(a) Recognised in the Statement of Comprehensive Income		
Current tax expense		
Current year	-	-
	-	-
Attributable to:		
Continuing operations	-	-
Discontinuing operations	-	-

(b) Numerical reconciliation between tax expense and pre tax net profit

Loss before tax	(3,206,916)	(1,075,724)
Income tax benefit calculated at 30%	(962,075)	(322,717)
Tax effect of:		
- Non-deductible expenses	80,085	-
- Tax effect of current year revenue losses for which no deferred tax asset has been recognised	881,990	322,717
Income tax expense	-	-
Income tax expense on pre-tax net profit	-	-

(c) Unrecognised deferred tax balances

The following deferred tax assets (at 30%) have not been brought to account:		
Unrecognised deferred tax asset – tax losses	1,913,652	1,073,557
Unrecognised deferred tax asset- unrealised capital losses	82,500	-
Unrecognised deferred tax asset- other timing differences	332,406	-
Net deferred tax assets	2,328,558	1,073,557

The net deferred tax assets not brought into account will only be of a benefit to the Company if future assessable income is derived of a nature and amount sufficient to enable the benefits to be realised, the conditions for deductibility imposed by the tax legislation continue to be complied with and the Company are able to meet the continuity of ownership and/or continuity of business tests.

NOTE 6: EARNINGS PER SHARE		30 June 2013 $	30 June 2012 $
a.	Loss for the year	(3,206,916)	(1,075,274)
	Loss attributable to ordinary shareholders	(3,206,916)	(1,075,274)
b.	Weighted average number of ordinary shares for the purpose of basic earnings per share	176,120,830	97,440,702
	Weighted average number of ordinary shares at 30 June	176,120,830	97,440,702

Potential ordinary shares are not considered dilutive as their conversion does not show an inferior view of the earnings performance of the Company. Accordingly diluted earnings per share are the same as earnings per share.

	30 June 2013	30 June 2012
Earnings per share – cents	(1.821)	(1.103)
Dilutive earnings per share – cents	(1.821)	(1.103)

NOTE 7: CASH AND CASH EQUIVALENTS	30 June 2013 $	30 June 2012 $
Cash at bank	1,284,830	93,937

NOTE 8: TRADE AND OTHER RECEIVABLES	30 June 2013 $	30 June 2012 $
CURRENT		
Unpaid Share Capital	2,020	-
Receivable from Ironstone Resources Limited (i)	200,000	-
Loan to John Doutch(ii)	14,339	-
Loan to James Passaris(iii)	248,681	-
Receivable from Jett Holdings	27,519	-
Other receivables	96,143	-
	588,702	-

As at 30 June 2013 trade and other receivables do not contain impaired assets and are not past due.

(i) Pursuant to a Sale and Purchase Agreement dated 16 January 2013, the Company sold the following tenements – EL38/2084, E25/421, E25/435 and E28/2138 to a public unlisted company, Ironstone Resources Limited for 2.75 million shares and $220,000 (cash) (GST inclusive) payable 90 days after the signing of the Agreement. A Deed of Variation was signed on 27 June 2013 and extended the date for the settlement of the $220,000 (cash) until 27th September 2013. On 26th September 2013, the Company received payment for the abovementioned tenements.

(ii) The loan advanced to John Doutch will be repaid in two instalments over a two-month period. This loan is unsecured and interest free.

(iii) The loan advanced to James Passaris (a consultant to the Company) will be repaid in four instalments over a three-month period with interest charged at 13.00% per annum payable monthly in arrears. The funds advanced are unsecured.

NOTE 9: FINANCIAL ASSETS	30 June 2013 $	30 June 2012 $
CURRENT		
Refundable Deposit with Nex Metals Exploration Limited	300,000	-
	300,000	-

On 27 May 2013, the Company entered into an agreement with Nex Metals Exploration Limited ("Nex Metals") to place a refundable deposit of $300,000 with Nex Metals pending due diligence on up to 16 tenements. As at the date of this report, the Company continues to carry out its due diligence on these tenements and no decision has been made as to whether the Company will proceed with the purchase to these tenements. The funds deposited are unsecured.

NOTE 10: PLANT AND EQUIPMENT	30 June 2013	30 June 2012
Cost	$	$
Motor vehicles and Quad Bikes		
Opening balance	83,350	83,350
Acquisitions	69,091	-
Disposals	-	-
Closing balance	152,441	83,350
Office equipment		
Opening balance	38,642	38,642
Acquisitions	12,843	-
Disposals	-	-
Closing balance	51,485	38,642
Fixtures & Fittings		
Opening balance	2,452	2,452
Acquisitions	-	-
Disposals	-	-
Closing balance	2,452	2,452

	30 June 2013 *$*	*30 June 2012* *$*
Plant & Equipment		
Opening balance	8,863	8,863
Acquisitions	-	-
Disposals	-	-
Closing balance	8,863	8,863
Caravan		
Opening balance	-	-
Acquisitions	40,025	-
Disposals	-	-
Closing balance	40,025	-
Motor Vehicle under Hire Purchase		
Opening balance	-	-
Acquisitions	77,500	-
Disposals	-	-
Closing balance	77,500	-
Total Cost	**332,766**	**133,307**
Accumulated Depreciation		
Motor vehicles and Quad Bikes		
Opening balance	57,999	52,157
Depreciation charge for year	9,156	5,842
Impairment losses	-	-
Disposals	-	-
Closing balance	67,155	57,999
Office equipment		
Opening balance	37,793	36,840
Depreciation charge for year	1,297	953
Impairment losses	-	-
Disposals	-	-
Closing balance	39,090	37,793
Fixtures & Fittings		
Opening balance	1,073	613
Depreciation charge for year	345	460
Impairment losses	-	-
Disposals	-	-
Closing balance	1,418	1,073
Plant & Equipment		
Opening balance	4,313	2,216
Depreciation charge for year	2,007	2,097
Impairment losses	-	-
Disposals	-	-
Closing balance	6,320	4,313
Caravan		
Opening balance	-	-
Depreciation charge for year	1,876	-
Impairment losses	-	-

Disposals	-	-
Closing balance	1,876	-
Motor Vehicle under Hire Purchase		
Opening balance	-	-
Depreciation charge for year	3,633	-
Impairment losses	-	-
Disposals	-	-
Closing balance	3,633	-
Total Accumulated Depreciation	**119,492**	**101,178**
Carrying Amount		
Motor vehicles and Quad Bikes		
At 1 July	25,351	31,193
At 30 June	85,286	25,351
Office equipment		
At 1 July	849	1,802
At 30 June	12,395	849

	30 June 2013 ***$***	***30 June 2012*** ***$***
Fixtures & Fittings		
At 1 July	1,379	1,839
At 30 June	1,034	1,379
Plant & Equipment		
At 1 July	4,550	6,647
At 30 June	2,543	4,550
Caravan		
At 1 July	-	-
At 30 June	38,149	-
Motor Vehicle under Hire Purchase		
At 1 July	-	-
At 30 June	73,867	-
Total Carrying Amount	**213,274**	**32,129**

Note: The assets recoverable amounts are based on fair value less costs to sell.

NOTE 11: OTHER ASSETS	***30 June 2013*** ***$***	***30 June 2012*** ***$***
Non - Current		
Prepaid Deposit with Guide Resources Pty Ltd (i)	200,000	-
Option agreements (ii)	12,000	53,000
Bond on tenements	3,642	5,500
	215,642	58,500

(i) Under an agreement with Guide Resources Pty Ltd ("Guide") (Refer to Note 25), Classic has been granted the rights to market the iron ore rights owned by Guide over exploration license E28/2238. Pursuant to this agreement the Company deposited a sign-on deposit of $225,000 with Guide of which $25,000 was not refundable and has been expensed. The remaining $200,000 is refundable to Classic in the event that the Company fails to find a Party willing to purchase iron ore from Guide within six months of the signing of the Agreement.

(ii) The Company has been granted options to acquire interests in mineral prospects.

NOTE 12: AVAILABLE FOR SALE FINANCIAL ASSETS	*30 June 2013* *$*	*30 June 2012* *$*
Current		
Investment in shares in a Listed Company(at market value)(i)	266,667	-
Non Current		
Shares received in consideration for the sale of mining tenements (at fair value) (ii)	275,000	-
Less: Provision for diminution in values of shares	(275,000)	-
	-	-

AVAILABLE FOR SALE FINANCIAL ASSETS (CURRENT)

(i) As at 30 June 2013, the Company held 33,333,333 shares in Fairstar Resources Limited. At the date of this report the company held 20,000,000 shares with a market value of $340,000.

AVAILABLE FOR SALE FINANCIAL ASSETS (NON-CURRENT)

(ii) As at 30 June 2013, the Company held 2,750,000 shares in Ironstone Resources Limited, a public unlisted company. A provision for the diminution in value of these shares has been made.

NOTE 13: TRADE AND OTHER PAYABLES	*30 June 2013* *$*	*30 June 2012* *$*
Trade and other payables (i)	419,770	243,422
Accruals	243,489	199,753
	663,259	443,175

(i) Trade payables are non-interest bearing and are normally settled on 30-60 day terms. The amount of payables at balance date exceeding normal trading terms is estimated at $50,000.

NOTE 14: PROVISION FOR EMPLOYEE BENEFITS	*30 June 2013* *$*	*30 June 2012* *$*
Provision for Annual Leave	29,753	2,500
	29,753	2,500

NOTE 15: BORROWINGS	*30 June 2013* *$*	*30 June 2012* *$*
Current		
Hire purchase contract (i)	13,368	-
Loans from associated parties	-	892,878
	13,368	892,878
Non-Current		
Hire purchase contract (i)	62,898	-
	62,898	-

(i) The hire purchase contract is secured against a motor vehicle.

NOTE 16: ISSUED CAPITAL

Ordinary shares	Note	*30 June 2012* *$*	*Number of Shares*
At the beginning of the reporting year		1,849,693	81,995,135
Seed Capital issued to promoters at a deemed value (29 August 2011)		16	1,625,000
Seed Capital issued to settle contract (29 August 2011)		5	500,000
Seed Capital issued to promoters (February 2012)		50,010	3,000,000
Seed Capital issued to promoters (June 2012)		2,250	15,000
Seed Capital issued at 3 cents (May 2012)		100,000	3,333,333
Seed Capital issued at 5 cents May 2012)		395,000	7,900,000
Seed Capital issued at 10 cents (19 August 2011, 26 August 2011, 19 September 2011)		70,000	700,000
At the end of the reporting year		2,466,974	99,068,468

Ordinary shares	Note	*30 June 2013* *$*	*Number of Shares*
At the beginning of the reporting year		2,466,974	99,068,468
Conversion of Performance shares (November 2012)		-	112
Shares based payments (refer to Note 26)		653,145	20,154,800
Seed Capital issued at 3 cents (1 August 2012 to 31 December 2012)		660,100	22,003,333
Seed Capital issued at 5 cents (1 August 2012 to 31 December 2012)		1,591,000	31,820,000
Seed Capital issued at 10 cents (1 August 2012 to 31 December 2012)		932,000	9,320,000
Shares cancelled		(2,000)	(40,000)
Capital Raising in Initial Public Offering ("IPO") (i)		3,625,700	18,128,500
Less: expenses related to capital Raisings		(990,873)	-
At the end of the reporting year		8,936,046	200,455,213

(i) $2,000 of the IPO funds were unpaid at 30 June 2013.

Cancellation of Performance shares

In November 2012 with the consent of all 23 Performance Shareholders, Classic varied the Terms and Conditions of the Performance Shares effectively bringing forward the date for the achievement of the Milestone events from three years after date the Company is admitted to the Official List of the ASX to 14 November 2012. As no Milestone event occurred by 14 November 2012 every Performance Share converted into one ordinary share.

NOTE 17: FINANCIAL ASSET RESERVE	*30 June 2013* *$*	*30 June 2012* *$*
Balance at the beginning of the year	-	-
Movement	66,667	-
Balance at the end of the financial year	66,667	-

NOTE 18: ACCUMULATED LOSSES	*30 June 2013* *$*	*30 June 2012* *$*
Balance at the beginning of the year	(3,620,961)	(2,545,687)
Loss for the year	(3,206,916)	(1,075,274)
Accumulated losses at the end of the financial year	(6,827,877)	(3,620,961)

NOTE 19: EXPENDITURE COMMITMENTS

(a) Exploration Expenditure Commitments

	30 June 2013 $	*30 June 2012* $
Payable		
Not later than 1 year	206,038	206,038
Later than 1 year but not later than 5 years	304,768	273,451
Later than 5 years	303,600	321,200
	814,406	800,689

(b) Rental Commitments

	30 June 2013 $	*30 June 2012* $
Payable		
Not later than 1 year	106,546	-
Later than 1 year but not later than 5 years	26,182	-
	132,728	-

The Company has entered into a contract to lease office premises located at Suite 7, 30 Hasler Road, Osborne Park. The lease commences from 1 October 2013 for one year. The annual rental is for approximately $67,200 plus variable outgoings of $ 27,029 per annum and GST. In addition, the lease agreement provides for seven car bays at $10,500 per annum. The Company also entered into an agreement for the lease of a factory/ warehouse located at Rowallan Street, Osborne Park, this lease commenced on 1 July 2013 for an annual fee of $28,000 plus GST. This lease agreement is for a term of one year with an option for a further two years.

(c) Finance lease commitments – Company as lessee

Future minimum lease payments under finance leases together with the present value of the net minimum lease payments are as follows:

	30 June 2013 $	*30 June 2012* $
Within one year	19,608	-
After one year but not more than five years	73,529	-
Total minimum lease repayments	93,137	-
Less amounts representing finance charges	(16,871)	-
Present value of minimum lease payments	76,266	-
Included in the financial statements as:		
Current interest-bearing liabilities	13,368	-
Non-current interest-bearing liabilities	- 62,898	-
Total included in interest-bearing liabilities	76,266	-

(d) Capital Expenditure Commitments

There were no capital expenditure commitments at 30 June 2013.

(e) Remuneration Commitments

There were no remuneration commitments at 30 June 2013.

NOTE 19: CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Pursuant to an Option Agreement of 1 May 2009, the Company had the option (“Dohertys Project Option”) to acquire up to a 90% interest in mining licence ML57/619 from Golden West Resources Limited (“GWR”). The Dohertys Project Option fee was the payment of $2,000 in cash (paid) and completing a minimum of $200,000 in exploration expenditure in relation to the Dohertys Project within three years of the Golden West Agreement being signed.

On 31 July 2013, Classic exercised the Dohertys Option by paying GWR the sum of $93,130 (cash) (GST Inclusive) and issuing 570,000 shares. The Company acquired 100% of the tenement (previously a 90%interest) subject of the original Agreement.

The Company has an Agreement for Sourcing Tenements (“AST”) with Guide Resources Pty Ltd (“Guide”) whereby if Guide introduces tenements to Classic and Classic enters into arrangements to acquire a relevant interest in such tenements (and other tenements acquired within a 20km radius), Guide Resources is entitled to receive a minimum fee of $10,000 relating to each tenement. Furthermore, Guide Resources would be entitled to conduct exploration on each relevant tenement for all minerals other than uranium, gold and silver. If production commences from gold, silver or uranium on a relevant tenement, Guide Resources is entitled to a royalty of $2.50 per wet tonne.

In August 2013, an unsecured creditor, Mavia Pty Ltd wrote to the Company alleging that it had not been paid for several outstanding invoices. The Company has sought legal advice on this matter and considers that the liability owed to Mavia as at 30 June 2013 had been correctly stated at $56,750. This amount has already been recognised in the Company’s financial statements as part of trade creditors. The Company disputes the claims made against it by Mavia Pty Ltd.

NOTE 20: SEGMENT REPORTING

The Company operates predominantly in the mineral exploration industry in Australia. For management purposes, the Company is organised into one main operating segment which involves the exploration of minerals in Australia. All of the Company’s activities are interrelated and discrete financial information is reported to the Board (Chief Operating Decision Maker) as a single segment. Accordingly, all significant operating decisions are based upon analysis of the Company’s as one segment. The financial results from this segment are equivalent to the financial statements of the Company’s as a whole.

NOTE 21: STATEMENT OF CASH FLOWS	*30 June 2013* *$*	*30 June 2012* *$*
a. Reconciliation of the net loss after income tax to net cash flows from operating activities		
Net loss for the year	(3,206,916)	(1,075,274)
Non-cash Items		
Depreciation and amortisation	18,527	9,352
Share based payments	258,545	59,980
Provision for non-recovery of investment	275,000	-
Gain on sale of mineral tenements	(334,000)	-
Carrying value of mineral tenements sold	(41,000)	-
Changes in assets and liabilities		
(Increase)/decrease in debtors/receivables	(225,682)	13,473
(Increase)/decrease in Other Assets	(157,142)	-
Increase/(decrease) in trade creditors and accruals	220,084	223,213
Increase/(decrease) in provisions	27,254	2,500
Cash outflows from operations	(3,165,330)	(766,756)

During the year, non-cash share based payments amounted to $654,145. For further information refer to Note 26.

b. Reconciliation of cash and equivalents		
Cash and equivalents comprise		
- cash at bank and in hand	1,284,830	93,937

Cash at bank and in hand earns interest at floating rates based on daily bank deposit rates.

Short term deposits are made for varying years of between one day and three months depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates.

NOTE 22: KEY MANAGEMENT PERSONNEL DISCLOSURES

(a) Details of key management personnel

(i) Directors

Kevin Robertson	(appointed 1 September 2010 and resigned 2 November 2012)
Stanislaw Procak	(appointed 3 September 2010 and resigned 10 February 2012 , appointed 7 November 2012)
Justin Doutch	(appointed 16 September 2011)
Dennis Parsons	(appointed 6 February 2012 and resigned 9 November 2012)
Paul Lambrecht	(appointed 6 February 2012)

(ii) Senior Executives

Jacob Doutch	(appointed 15 June 2012)
James Passaris	(appointed 2 August 2009)

	30 June 2013 *$*	*30 June 2012* *$*
(b) Compensation of key management personnel by category		
Short-term employee benefits	781,632	109,805
Post employment benefits	24,004	5,294
Share-based payment	60,000	59,980
	865,636	175,079

Refer to the Remuneration Report contained in the Directors' Report for details of the remuneration paid or payable to each member of the Company's key management personnel for the year ended 30 June 2013.

(c) Number of ordinary shares held by key management personnel during the year

	Balance 1 July 2012	*Received as remuneration*	*Net Change Other*	*Balance 30 June 2013*
Kevin Robertson(i)	600,000	-	-	600,000
Angelo Ikonomou(i)	1,000,000	-	-	1,000,000
Gary Lyons (i)	1,000,000	-	-	1,000,000
Stanislaw Procak	1,650,000	-	2	1,650,002
Justin Doutch	2,000,000	-	4	2,000,004
Paul Lambrecht	1,200,000	-	2	1,200,002
Jacob Doutch	-	1,960,000	-	1,960,000
James Passaris	2,240,000	-	10	2,240,010
	9,690,000	**1,960,000**	**18**	**11,650,018**

	Balance 1 July 2011	*Received as remuneration*	*Net Change Other*	*Balance 30 June 2012*
Kevin Robertson	600,000	-	-	600,000
Angelo Ikonomou	1,000,000	-	-	1,000,000
Gary Lyons	1,000,000	-	-	1,000,000
Stanislaw Procak	1,150,000	500,000	-	1,650,000
Justin Doutch		1,000,000	1,000,000	2,000,000
Paul Lambrecht	-	1,000,000	200,000	1,200,000
Dennis Parsons				
Jacob Doutch	-	-	-	-
James Passaris	2,240,000	-	-	2,240,000
	5,990,000	**2,500,000**	**1,200,000**	**9,690,000**

(i) Number of shares held at time of Resignation

d) Number of performance shares held by key management personnel during the year

Cancellation of Performance shares

In November 2012 with the consent of all 23 Performance Shareholders, Classic varied the Terms and Conditions of the Performance Shares effectively bringing forward the date for the achievement of the Milestone events from three years after date the Company is admitted to the Official List of the ASX to 14 November 2012. As no Milestone event occurred by 14 November 2012 every Performance Share converted into one ordinary share. All of the Performance Shares issued to Key Management Personnel have been included in the Issued share capital note above.

	Balance 1 July 2011	*Received as remuneration*	*Net Change Other*	*Balance 30 June 2012*
Kevin Robertson	2	-	-	2
Angelo Ikonomou	2	-	-	2
Gary Lyons	2	-	-	2
Stanislaw Procak	2	-	-	2
Justin Doutch	-	-	4	4
Dennis Parsons	-	-	2	2
Paul Lambrecht	-	-	2	2
	8	**-**	**8**	**16**

(e) Loans to key management personnel or their related parties:

	30 June 2013
	$
Loan to John Doutch(ii) (refer Note 8)	14,339
Loan to James Passaris(iii) (refer Note 8)	248,681
Loan to Jett Holdings (refer Note 8)	27,519

NOTE 23: RELATED PARTY TRANSACTIONS

Transactions with Directors, Director Related Entities and other Related Entities are:

- In 2013, an aggregate amount of $385,283 was paid or due and payable to Namija Pty Ltd ("Namija"), a company in which John Doutch has a beneficial interest. In accordance with an Agreement between the Company and Namija dated 30 January 2012, Namija Pty Ltd has been engaged to provide business strategy, capital raising and indigenous affairs support and consulting services. In June 2013, Namija Pty Ltd, received a payment of $125,000 plus GST as a success fee for the introduction of investors to the Company's Initial Public Offering ('IPO"); the details of this transaction have been disclosed in the Company's Replacement Prospectus dated 1 March 2013 and forms part of the aggregate amount mentioned above.
- In 2013, an aggregate amount of $313,166 was paid or due and payable to Denarda Holdings Pty Ltd ("Denarda"), a company in which John Doutch has a beneficial interest. Denarda is in the business of providing drilling services to mining companies and these services were provided to this Company at commercial rates.
- In 2013, an aggregate amount of $74,372 was paid or due and payable to Mining Corporate Pty Ltd, ("Mining Corporate") in regard to the provision of corporate advisory services, assistance with the Company's IPO and corporate secretarial services. Mr. Kent Hunter, the Company Secretary has an interest in Mining Corporate.
- In 2013, an aggregate amount of $407,527 was paid or due and payable to Jett Holdings Pty Ltd in relation to commissions as part of the Company's IPO.
- In 2013, an aggregate amount of $187,000 was paid or due and payable to Guide Resources Pty Ltd, these payments related to the renewal of options over several mining tenements. Mr. James Passaris is a director of Guide Resources Pty Ltd. In addition to these payments, the Company acquired the rights to market iron ore to potential purchasers, consideration for this transaction was a $225,000 refundable deposit paid 21 June 2013, of which $25,000 has been expensed, and five million shares in this Company.
- On 26th September 2013, after the end of the financial year, the Company received a $220,000 (cash) (GST inclusive) payment relating to the sale of mining tenements to Ironstone Resources Limited. The details of this transaction have been disclosed in Notes 8(i) and Note 12(ii).
- As at 30 June 2013, an amount of $4,180 was due to Philip Capital Limited, this amount represented commissions relating to the raising of capital in the Company's IPO. Mr. Paul Lambrecht, a director of the Company is an employee of Philip Capital.
- As at 30 June 2013, an amount of $14,339 was due from John Doutch, Justin Doutch's father.
- In 2013, an aggregate amount of $201,336 was paid or due and payable to Justin Doutch and included an amount of $52,100 was paid to a company related to Justin Doutch.
- In the financial year ended 30 June 2013, an aggregate amount of $62,887 was paid, or due and payable to Alouisus Pty Ltd, a company related to Mr. Paul Lambrecht as Directors' Fees, for the preceding fifteen month period.
- In the financial year ended 30 June 2013, an aggregate amount of $110,265 was paid, or due and payable to Mr. Procak for consulting services and Directors' Fees for the fifteen months ended 30 June 2013;
- In financial year ended 30 June 2013, an aggregate amount of $100,000 was paid or due and payable to Mr. Kevin Robertson as Director's Fees for the 24 months ending November 2012;
- In the financial year ended 30 June 2012, Mr Lambrecht received 1,000,000 shares representing a share-based payment of $29,990.
- In the financial year ended 30 June 2012, an aggregate amount of $ 2,000 was paid, or due and payable to Mr. Procak for consulting services.
- In financial year ended 30 June 2012, an aggregate amount of $55,264 was paid, or was due and payable to Mr Justin Doutch for consulting services. Mr Justin Doutch received a further $29,990 in a share-based payment.
- In 2012, an aggregate amount of $ 57,835 was paid, or due and payable to Mr. Ikonomou for consulting service.

NOTE 24: FINANCIAL RISK MANAGEMENT AND POLICIES

The Company's activities expose it to a variety of financial risks: market risk (interest rate risk), credit risk and liquidity risk. The Company's overall risk management program focuses on the unpredictability of the financial markets and seeks to minimise potential adverse effects on the financial performance of the Company. The Company does not use derivative financial instruments; however the Company uses different methods to measure different types of risk to which it is exposed.

Risk management is carried out by the Board of Directors with assistance from suitably qualified external advisors. The Board provides written principles for overall risk management and further policies will evolve commensurate with the evolution and growth of the Company.

The carrying value of the Company's and the Company's financial instruments are as follows:

	30 June 2013 $	*30 June 2012* $
Financial assets		
Cash and cash equivalents	1,284,830	93,937
Trade and other receivables	588,702	-
Other Financial Assets	566,667	-
	2,440,199	93,937
Financial liabilities		
Trade and other payables	663,259	443,175
Borrowings	76,266	892,878
	739,525	1,336,053

The Company's principal financial instruments comprise cash and short-term deposits, trade and other receivables, listed shares and other financial assets. The Company does not have any borrowings, other than a Hire Purchase liability for a motor vehicle and trade and other payables in the normal course of business.

The main purpose of these financial instruments is to fund the Company's operations.

It is, and has been throughout the year under review, the Company's policy that no trading in financial instruments shall be undertaken. The main risks arising from the Company are cash flow (interest rate risk, liquidity risk and credit risk). The Board reviews and agrees policies for managing each of these risks and they are summarised below.

(a) Market risk

(i) Foreign exchange risk
The Company's exposure to foreign exchange risk arising from currency exposures is limited.

(ii) Cash flow and interest rate risk
The Company's only interest rate risk arises from cash and cash equivalents held. Term deposits and current accounts held with variable interest rates expose the Company to cash flow interest rate risk. The Company does not consider this to be material and has therefore not undertaken any further analysis of risk exposure.

(b) Credit risk

Credit risk is managed by the Board and arises from cash and cash equivalents as well as credit exposure including outstanding receivables and committed transactions.

All cash balances held at banks are held at internationally recognised institutions.

NOTE 24: FINANCIAL RISK MANAGEMENT AND POLICIES (continued)

The maximum exposure to credit risk at reporting date is the carrying amount of the financial assets as summarised at the start of Note 24. The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about default rates.

Financial assets that are neither past due and not impaired are as follows:-

	30 June 2013 *$*	*30 June 2012* *$*
Cash and cash equivalents		
AA S&P rating	1,284,830	93,937
Trade and Other receivables	588,702	-
Unsecured -		
Financial Assets	566,667	-
Unsecured (i)		

(i) An amount of $300,000 was deposited into an ASX Listed entity, Nex Metals Ltd. The directors believe that this amount will be fully recovered and accordingly no provision has been made. It is noted that this company has received a disclaimer of opinion with respect to going concern.

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash balances and access to equity funding.

The Company's exposure to the risk of changes in market interest rates relate primarily to cash assets and floating interest rates. The Company does not have significant interest-bearing assets and is not materially exposed to changes in market interest rates.

The directors monitor the cash-burn rate of the Company on an on-going basis against budget and the maturity profiles of financial assets and liabilities to manage its liquidity risk.

The Company has subsequent to the reporting date announced and completed an Option Entitlement Issue which has provided funding to the Company for operations for the next twelve months. In addition, the Company has made a number of strategic investments which can be realised at short notice.

The financial liabilities the Company had at reporting date were trade payables incurred in the normal course of the business and a hire purchase liability.

NOTE 24: FINANCIAL RISK MANAGEMENT AND POLICIES (continued)

The following table sets out the carrying amount, by maturity, of the financial assets and liabilities:

Year ended 30 June 2013	<1 year	1 - 5 Years	Over 5 Years	Total contractual cashflows	Weighted average effective interest rate %
Financial Assets:					
Cash and Cash equivalents	1,284,830			1,284,830	
Trade and other Receivables	588,702			588,702	
Financial Asset	300,000	-	-	300,000	
Financial Assets	-	266,667	-	266,667	
	2,173,532	266,667	-	2,440,199	
Financial Liabilities:					
Trade and other payables	663,259			663,259	
Hire purchase liabilities	13,368	62,898	-	76,266	-
Borrowings	-	-	-	-	-
	676,627	62,898	-	739,525	

Year ended 30 June 2012	<1 year	1 - 5 Years	Over 5 Years	Total contractual cashflows	Weighted average effective interest rate %
Financial Liabilities:					
Hire purchase liabilities	-	-	-	-	-
Borrowings	892,878	-	-	892,878	-
	892,878	-	-	892,878	

(d) Fair value estimation

The fair value of financial assets and liabilities must be estimated for recognition and measurement or for disclosure purposes.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values due to their short term nature.

The fair value of long term borrowings is not materially different from their carrying value.

The entity's principle financial instruments consist of cash and deposits with banks, accounts receivable, trade payables and loans payable. The main purpose of these non-derivative financial instruments is to finance the entity's operations.

(e) Capital risk

The Company determines capital to be the equity as shown in the statement of financial position plus net debt (being total borrowings less cash and cash equivalents).

The Company's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they can provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

During 2013, the Company's strategy, which was unchanged from 2012, was to keep borrowings to a minimum. The company's equity management is determined by funds required to undertake its development activities and meet its corporate and other costs.

NOTE 25: SUBSEQUENT EVENTS

Subsequent to year end, the following events have occurred:

On 31 July 2013, the Company exercised the Option granted to it by Golden West Resources Limited and acquired a 100% interest (increased from the original Options terms - 90% Interest) in mining licence M57/619. The Company paid $93,130 (GST Inclusive) and 570,000 fully paid ordinary shares.

On 20 August 2013, the Company announced a non-renounceable Option Entitlement issue to raise $1,005,126 before expenses of the Issue. Shareholders as at 28 August 2013 were entitled to receive one Option exercisable at 20 cents on or before 30 June 2015 for every two fully paid ordinary shares held. Shareholders were required to pay $0.01 per Option. At the date of this Report the Company had raised over $443,903 from this Issue (of 44,390,300 Options) and will seek to raise the 'shortfall' over the next three months.

On 26 August 2013, the Company acquired the exclusive marketing rights for iron ore over Exploration Licence E28/2238 from Guide Resources Pty Ltd. Under the terms of this Agreement, Classic issued 5 million ordinary shares to Guide and paid $225,000 as consideration, Guide will pay the Company 30% of the Sale Price.

Subsequent to year end and up to the date of this Report, the Company has sold 13,333,333 shares in Fairstar Resources Limited (FAS) to realise proceeds of $429,942. At the date of this report the Company holds a balance of 20,000,000 FAS shares valued at $340,000.

There are no other matters or circumstances that have arisen since 30 June 2013 that have or may significantly affect the operations, results, or state of affairs of the Company in future financials years.

NOTE 26: SHARE BASED PAYMENTS

Shares granted to promoters, senior executives and advisers as share based payments during the year are as follows:

Name	Grant Date	Vesting Date	Number of shares	Total Value	Reason for Issue
Carol Mason(i)	13 June 2011	27 August 2012	247,500	$ 7,425	Promoters fee
Thomas Giri (i)	13 June 2011	27 August 2012	875,000	$ 26,250	Promoters fee
Noel Mather(i)	13 June 2011	27 August 2012	450,000	$ 13,500	Promoters fee
Murano Holidngs Pty Ltd(ii)	15 June 2012	31 December 2012	11,000,000	$330,000	Conversion of loan
Portable XRF Services	24September 2012	24 September 2012	49,500	$ 9,900	Pay creditor
KT Investments	5 November 2012	5 November 2012	500,000	$ 15,000	Promoters Fee
Paul Ravesi	10 December 2012	10 December 2012	700,000	$ 35,000	In lieu of Commissions
Mavia Pty Ltd	4 April 2012	4 April 2012	250,000	$ 57,500	Pay creditor
Denarda Holdings	18 December 2012	18 December 2012	400,000	$ 10,000	Conversion of Loan
Malcolm Doutch	18 December 2012	18 December 2012	1,982,800	$ 49,570	Conversion of loan
Namija Pty Ltd	18 December 2012	18 December 2012	1,200,000	$ 24,000	Pay Creditor
Jacob Doutch	27 August 2012	27 August 2012	2,000,000	$ 60,000	Senior Employee
Jeffrey Nurse	27 August 2012	27 August 2012	500,000	$ 15,000	Senior Employee
			20,154,800	**$653,145**	

(i) On 13 June 2011, several shareholders were granted shares in the Company; these shares were only allotted by the directors in August 2012 and accordingly have recognised as a share based payment in the 2012/13 financial year.

(ii) On 15 June 2012, Murano Holdings Pty Ltd lent the Company $300,000 which was subsequently converted from a loan with interest ($30,000) into shares.

NOTE 27: AUDITORS REMUNERATION

	30 June 2013 *$*	*30 June 2012* *$*
Auditors remuneration	30,411	52,171
Other services – Preparation of Investigating Accountant's Report	15,250	18,575
	45,661	70,746

NOTE 28: COMPANY DETAILS

The principal place of business of the Company is Suite 7, 30 Hasler Road, Osborne Park WA 6017.

ASX INFORMATION

AS AT 18 OCTOBER 2013

The following additional information is required by the ASX Limited in respect of listed public companies and was applicable at 18 October 2013.

1. Shareholding

a. **Distribution of Shareholders**

Category (size of holding)	Number (as at 18 October 2013) Shareholders	Ordinary Shares
1 – 1,000	12	35
1,001 – 5,000	7	31,704
5,001 – 10,000	142	1,395,653
10,001 – 100,000	232	10,391,196
100,001 – and over	178	194,206,625
	571	206,025,213

b. The number of shareholdings held in less than marketable parcels is 27 shareholders amounting to 89,392 shares.

c. The followings securities are restricted at 18 October 2013:

- 39,667,783 ordinary shares fully paid until between Nov and Dec 2013
- 74,565,112 ordinary shares fully paid until 24 May 2015

d. The names of substantial shareholders listed in the company's register as at 18 October 2013 are:

Shareholder	Ordinary Shares	%Held of Total Ordinary Shares
Sheldon Coates& Harvey Coates <Sheldon Coates S/F Acc>	16,000,000	7.766
Gurindji Pty Ltd	14,000,000	6.795
Murano Holdings Pty Ltd	12,300,000	5.970
Viking Equities Pty Ltd	10,674,526	5.181

e. Voting Rights

The voting rights attached to the ordinary shares are as follows:

Each ordinary share is entitled to one vote when a poll is called, otherwise each member present at a meeting or by proxy has one vote on a show of hands.

f. 20 Largest Shareholders as at 18 October 2013 — Ordinary Shares

		Number of Ordinary Fully Paid Shares Held	% Held of Issued Ordinary Capital
1.	Sheldon & Harvey Coates < Sheldon Coates Superannuation Fund>	16,000,000	7.766
2.	Gurindji Pty Ltd	14,000,000	6.795
3.	Murano Holdings Pty Ltd	12,300,000	5.970
4.	Viking Equities Pty Ltd	10,674,526	5.181
5.	Dominic Virgara	6,400,000	3.106
6.	Conray Micheal Passaris	4,783,333	2.322
7.	Robert Floreani & Yvonne Floreani <Rochester Chambers Pty Ltd	4,600,000	2.233
8.	Craig Martin	4,020,000	1.951
9.	Steven Karl Hegyi	3,737,653	1.814
10.	Robert Franco Floreani <Paul Anthony Ravesi Family Ac	3,725,004	1.808
11.	HSBC Custody Nominees (Australia) Limited	3,400,000	1.650
12.	Nathan Benjamin Manning<the Manning Family Acc>	3,373,333	1.637
13.	Morelshy Pty Ltd <Morelshy Account>	3,000,008	1.456
14.	Rockcom Pty Ltd <Rockcom Account>	3,000,008	1.456
15.	Adaven Pty Ltd <the Nevada Account>	3,000,000	1.456
16.	Merlin Fortune Limited	2,500,000	1.213
17.	Lynda Lee Doutch	2,450,000	1.189
18.	Mr Raymore John Millard & Jacinta Louise Reynolds <RJ Millard Super Fund Account>	2,350,000	1.141
19.	Aneles Consulting Services Pty Ltd	2,200,000	1.068
20.	Mrs. Lynette Kay Samuel	2,130,000	1.034
		107,643,865	**52.248**

2. The name of the company secretary is Kent Hunter.

3. The address of the principal registered office in Australia is: Suite 7, 30 Hasler Road, Osborne Park WA, 6917

4. Registers of securities are held at the following address: Advanced Share Registry Limited, 150 Stirling Highway, Nedlands, WA, 6009.

5. Stock Exchange Listing

   Quotation has been granted for all the ordinary shares of the company (with the exception of those shares detailed in 1c above) on all Member Exchanges of the ASX Limited.

6. Unquoted Securities

   The Company has no unquoted securities as at 18 October 2013 with the exception of those shares detailed in 1c (above).

7. Quoted Options over Unissued Shares ($0.20 options – expiry 30 June 2015)

A total of 44,390,353 $0.20 options are on issue. Each option can be exercised upon the payment of $0.20 and will receive one ordinary share. The expiry date for the options is 30 June 2015.

20 Largest Option Holders as at 18 October 2013 — $0.20 options expiring on or before 30 June 2015

		Number of $0.20 Options Held	% Held of $0.20 Options
1.	Sheldon Coates and Harvey Coates <Sheldon Coates S/F Acc>	6,000,000	13.516
2.	Viking Equities Pty Ltd	5,374,763	12.108
3.	Dominic Virgara	3,225,000	7.265
4.	Mr Steven Karl Hegyi	2,273,803	5.122
5.	Robert Franco Floreani <Paul Anthony Ravesi Family Acc>	1,862,502	4.196
6.	HSBC Custody Nominees (Australia) Limited	1,700,000	3.830
7.	Mrs Lynette Kay Samuel	1,065,000	2.399
8.	G K Investments Pty Ltd	1,000,000	2.253
9.	Mr Raymore John Millard & Jacinta Louise Reynolds < R J Millard Super Fund A/C>	1,000,000	2.253
10.	Chatenois Pty Ltd < Chatenois Super Fund Acc>	1,000,000	2.253
11.	Ray Wright	1,000,000	2.253
12.	Amin Francis Chehade & Jacqueline Lewis	918,700	2.070
13.	Stan Procak	825,001	1.859
14.	Miss Eyvonne Piwen	630,000	1.419
15.	Stuttgart Pty Ltd	621,250	1.400
16.	Mr Michael Lediaev	600,000	1.352
17.	Mr Issa Boulos	562,500	1.267
18.	Mr Sheldon Philip Coates	520,000	1.171
19.	Harvey Coates, Coates Super Fund A/C>	505,000	1.138
20.	Justin Aron Doutch	500,000	1.126
		31,183,519	70.248

8. Use of Cash and Assets

The Company used the cash and assets in a form readily convertible to cash that it had at the time of admission in a way consistent with its business objectives stated in the company's replacement prospectus dated 1 March 2013.

SCHEDULE OF MINERAL TENEMENTS
AS AT 18 OCTOBER 2013

Project	***Tenement***	***Interest held by Classic Minerals Limited***
Doherty's	M57/619	100%
East Kalgoorlie	E28/2238	100%
Fraser Range	E28/1904	100%
Mount Maitland	E51/1267, E51/1485	100%