

PROSPECTUS



*An offer of up to 22,500,000 Shares at a price of \$0.20 each to raise up to \$4,500,000.
The Company may accept oversubscriptions of up to an
additional 7,500,000 Shares to raise up to an additional \$1,500,000.*

CLASSIC MINERALS LIMITED ACN 119 484 016

IMPORTANT NOTICE

This is an important document that you should read in its entirety. You should consider carefully the risk factors in Section 4 in light of your personal circumstances and seek professional advice before you decide whether to invest. The Offer does not take into account your investment objectives, financial situation or particular needs.

The Shares offered by this Prospectus should be considered speculative.

IMPORTANT NOTICE

This Prospectus is dated 7 October 2011.

A copy of this Prospectus was lodged with the ASIC on 7 October 2011. Neither the ASIC nor ASX take any responsibility for the contents of this Prospectus.

No person or entity is authorised to give any information or to make any representation in connection with the Offer which is not contained in this Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with the Offer.

No Shares will be issued on the basis of this Prospectus later than thirteen (13) months after the date of this Prospectus. Application will be made within seven (7) days after the date of this Prospectus for permission for the Shares offered by this Prospectus to be listed for Quotation.

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. This Prospectus does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make an offer.

Applicants should read this document in its entirety and, if in any doubt, consult with their professional advisors before deciding whether to apply for Shares. There are risks associated with an investment in Classic Minerals Limited and the Shares offered under this Prospectus must be regarded as a speculative investment. The Shares offered under this Prospectus carry no guarantee with respect to return on capital investment, payment of dividends or the future value of the Shares.

Certain abbreviations and other defined terms are used throughout this Prospectus. Defined terms are generally identifiable by the use of an upper case first letter. Details of the definitions and abbreviations used are set out in Section 9 of this Prospectus.

All amounts are in Australian dollars unless otherwise specified.

EXPOSURE PERIOD

In accordance with Chapter 6D of the Corporations Act, this Prospectus is subject to an Exposure Period of 7 days from the date of lodgement of the Prospectus with the ASIC. This period may be extended by the ASIC for a further period of 7 days. The purpose of this Exposure Period is to enable the Prospectus to be examined by market participants prior to the raising of the funds, which examination may result in the identification of deficiencies in this Prospectus. If this Prospectus is found to be deficient, Applications received during the Exposure Period will be dealt with in accordance with section 724 of the Corporations Act. Applications received prior to the expiration of the Exposure Period will not be processed until after the Exposure Period. No preference will be conferred upon Applications received in the Exposure Period.

ELECTRONIC PROSPECTUS

This Prospectus will be issued in paper form and as an electronic Prospectus, which may be viewed online at www.classicminerals.com.au. The offer of Shares pursuant to this Prospectus is available to persons receiving an electronic version of this Prospectus in Australia. The Corporations Act 2001 prohibits any person from passing onto another person the Application Form unless it is attached to or accompanied by the complete and unaltered version of this Prospectus. During the Offer Period, any person may obtain a hard copy of this Prospectus by contacting the Company by e-mail at admin@classicminerals.com.au

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CORPORATE DIRECTORY

CLASSIC MINERALS LIMITED
ACN 119 484 016

DIRECTORS

Kevin J. Robertson *Non-Executive Chairman*

Angelo Ikonomou *Managing Director*

Stanislaw Procak *Non-Executive Director*

Justin Douch *Non-Executive Director*

COMPANY SECRETARY

Kent Hunter

REGISTERED OFFICE

Suite 2, 40 Cedric Street,
STIRLING WA 6021

CONTACT DETAILS

Website: www.classicminerals.com.au

Email: admin@classicminerals.com.au

Ph: (08) 9349 5101

Fax: (08) 9349 5103

IPO COMPLIANCE MANAGERS

Mining Corporate Pty Ltd
Suite 33, 22 Railway Road
SUBIACO WA 6008

LEGAL ADVISORS TO THE COMPANY

Lawton Gillon Lawyers
Level 11, 16 St Georges Terrace
PERTH WA 6000

INDEPENDENT GEOLOGIST

CoxsRocks Pty Ltd
22 Boreham Street
COTTESLOE WA 6011

INVESTIGATING ACCOUNTANTS

Stantons International Pty Ltd
(trading as Stantons International Securities)
Level 1, 1 Havelock Street
WEST PERTH WA 6005



PROPOSED ASX CODE : **CLZ**

SHARE REGISTRY*

Advanced Share Registry Limited
150 Stirling Hwy
NEDLANDS WA 6009

AUDITORS*

Stantons International Audit and Consulting Pty Ltd
(trading as Stantons International)
Level 1, 1 Havelock Street
WEST PERTH WA 6005

* *These parties had no involvement in the preparation or issue of this Prospectus. Their names appear for information purposes only.*

SECTION 1: INVESTMENT OVERVIEW

1.1 IMPORTANT NOTICE

Prospective investors should read this Prospectus in its entirety, including the Independent Geologist's Report in Section 5, the Investigating Accountant's Report in Section 6, and the Solicitor's Report on Mining Tenements in Section 7.

Neither Classic Minerals Limited nor any other person guarantees the performance of the Shares offered pursuant to this Prospectus, or the performance of Classic Minerals Limited or the return on any investment. An investment in the Company should be considered speculative.

1.2 INVESTMENT HIGHLIGHTS

- Classic Minerals Limited (**Classic** or **Company**) is an Australian based exploration company established to invest shareholders' funds in gold, base metal and uranium exploration, development and mining Projects.
- The Board has extensive and relevant experience in the exploration and finance industries.
- The Company has acquired, or has Option Agreements to acquire, substantial equity interests in five Projects, in exploration areas with identified high grade gold, base metal and uranium targets.
- The Projects are strategically located in established mineral fields and are considered prospective.

The above highlights are a brief summary only, and must be read in conjunction with the remainder of this Prospectus. Particular attention should be made to the Risk Factors detailed in Section 4 of this Prospectus.

1.3 RISKS

There are risks associated with an investment in the Company which are discussed in Section 4 of this Prospectus. Some of the key risks include:

- The five Projects are proposed to comprise six Exploration Licences and one Mining Lease. The Company cannot guarantee that the granted Exploration Licences and Mining Lease will be renewed beyond their expiry date.
- Of these five Projects, Classic currently owns 100% of three Exploration Licences. The Company has a proposed interest in the remaining three Exploration Licences and one Mining Lease held pursuant to Option Agreements. Should the Vendors fail to comply with the terms of the Option Agreements or conditions imposed by the Western Australian Department of Mines and Petroleum, the Company's interests in the Projects may be adversely affected.
- There can be no assurance that exploration of the Projects in which the Company has acquired or is acquiring an interest or other exploration properties that may be acquired by the Company in the future will result in the discovery of an economic resource. Even if an economic resource is discovered, there is no guarantee that the resource will be able to be commercially exploited by the Company.
- Title to the Tenements in which the Company has acquired or is acquiring an interest are subject to the tenement holder complying with the terms and conditions of the Tenements and other relevant legislation. A summary of the legal title attaching to the Tenements is set out in the Solicitor's Report on Mining Tenements in Section 7.
- There are operational and resource estimate risks in respect of the Projects in which the Company has or will acquire an interest, such as a failure to locate or identify economic mineral deposits and operational and technical challenges in the mining and processing of ore.
- Investment risks including economic risks such as changes in commodity prices, interest rates and exchange rates.
- The Company may be unable to obtain additional capital on satisfactory terms or at all.
- Other risks include environmental and regulatory risks and reliance on key management personnel.
- The auditor's opinion in the 30 June 2010 financial report indicates an inability to satisfy themselves as to the completeness of the general ledger and relevant disclosure for the year ended 30 June 2009 and the possible effect of this matter on the comparability of the 30 June 2010 figures. There may be information from prior to 30 June 2009 that the current directors have been unable to obtain, the impact of which may or may not be materially adverse to the Company's current financial position, **although the current directors are not aware of any such information.**

- The Company lodged its 2007, 2008, 2009 and 2010 Annual Reports to Shareholders late and the Company is therefore in breach of its financial reporting requirements which **may** affect the Company's operations going forward.
- The 112 Performance Shares potentially constitute a significant proportion of the Company's issued securities. Potential investors should be aware that there will be dilution to existing shareholders if the Performance Shares are converted into ordinary shares.

The above list is not to be taken as an exhaustive list of the risks faced by the Company or by investors in the Company. Prospective investors should carefully review the Risk Factors set out in Section 4 of this Prospectus and consult their professional adviser with any questions.

1.4 KEY FEATURES OF THE COMPANY'S BUSINESS MODEL

Classic will invest Shareholder funds in gold, base metals and uranium exploration. Over the medium to long term, its intent is to develop the assets and expand into mining projects to create value inside the Company and deliver value to Shareholders. Growing the value per share of the Company is the key priority.

There are many participants in the gold, base metals and uranium industries and there are many reasons for success, including:

- the initial identification of project areas on the basis of prospectivity;
- the quality of preparatory work done prior to embarking on exploration programs;
- the quality and professionalism of field personnel employed;
- the experience and qualifications of management; and
- geological probability.

A combination of all of these factors is considered necessary for the implementation of a successful exploration strategy.

Although in relation to its exploration activities, the Company will not have "competitors" for easy comparability (as each participant has differing strategic intent, asset inventory and resulting exploration programs), the Company would expect competition for the acquisition of gold, base metal and uranium mineralisation projects and also funding.

The Board and management team that has been assembled are capable of delivering positive exploration results. This reputable team has in their present or previous roles been instrumental in major resource financing, discovery, and turn key developments in the exploration industry.

The success of Classic in meeting the Company's objectives will be linked to economic exploration success, market conditions, retention of key management personnel and the Company's ability to minimise all of the risk factors facing the Company as detailed in Section 4.

The Board endorses the Corporate Governance Principles and Recommendations as published by ASX Corporate Governance Council and has adopted corporate governance charters and policies reflecting those ASX Recommendations as detailed in Section 3.5.



Photo: Founders of Classic Minerals from left; John Douch, Stan Procak, Mal Douch, Gary Douch



Photo: Drilling at Dohertys Project MS7/619 (the drill rig above is not an asset of the Company)

1.5 KEY FINANCIAL INFORMATION

At the completion of the Offer, Classic will have the funding required to carry out the exploration objectives set out in Section 3 and detailed in the Independent Geologist's Report.

It is intended to apply funds raised from the Offer as follows:

Use of Funds	Minimum Subscription (\$3.5M) \$	Full Subscription (\$4.5M) \$	Full Oversubscription (\$6.0M) \$
Pre-Offer cash and receivables	100,725	100,725	100,725
Total raised in the Offer	3,500,000	4,500,000	6,000,000
Total Funds Available	3,600,725	4,600,725	6,100,725
YEAR 1 EXPENDITURE			
Exploration expenditure (refer Section 3.4)	705,000	950,000	1,525,000
Expenses of the Issue (refer Section 8.8)	323,893	374,690	450,887
Loan repayments	676,370	676,370	676,370
Administration costs	400,000	500,000	550,000
Total Expenditure Year 1	2,105,263	2,501,060	3,202,257
Total Funds Available – End of Year 1	1,495,462	2,099,665	2,898,468
YEAR 2 EXPENDITURE			
Exploration expenditure (refer Section 3.4)	1,060,000	1,315,000	2,095,000
Administration costs	425,000	525,000	625,000
Total Expenditure Year 2	1,485,000	1,840,000	2,720,000
Total Funds Available – End of Year 2	10,462	259,665	178,468

Note:

- In the event that more than the minimum subscription and less than the full subscription, or more than the full subscription and less than the full oversubscription is raised, the Company intends to allocate the funds primarily towards evaluation and exploration (after expenses of the Offer) and budgets will be scaled up or back proportionately based on the level of subscription achieved.
- The "Use of Funds" table is a statement of current intentions as at the date of lodgement of this Prospectus with the ASIC. As with any budget, intervening events (including exploration success or failure) and new circumstances have the potential to affect the ultimate way funds will be applied. The Board reserves the right to alter the way funds are applied on this basis.
- Exploration expenditures will be reviewed on an on-going basis, depending upon the nature of results forthcoming from the respective work programs.
- Further, it is the Company's intention to increase and accelerate its exploration and drilling programs to achieve results as soon as practicable and, subject to encouraging results being obtained, to delineate resources. The Company may seek to raise additional funds within two years after listing on ASX to the extent required to increase and accelerate the exploration and drilling programs as determined by the Board.

Following the completion of the Offer, the Company will have sufficient working capital to carry out its stated objectives.

Dependent on the outcome of the Company's exploration activities, additional funding may be required to undertake further exploration or acquisitions. Access to additional funding will depend on market conditions and Company results.

In addition, any subsequent equity raising may dilute Shareholders' interest in the Company. There is no guarantee that there will be an ongoing liquid market for Shares. Accordingly, there is a risk that, should the market for Shares become illiquid, Shareholders will be unable to realise their investment in the Company.

Details of the Company's financial position and pro forma financial position are set out in the Investigating Accountant's Report in Section 6.

1.6 INFORMATION ON DIRECTORS AND EXECUTIVES

Kevin J. Robertson

Non-Executive Chairman

Mr Robertson has 41 years of extensive operational and management experience in large and small scale mining projects from development through to successful production. He has considerable understanding of Western Australian and Tasmanian mining operations which commenced in 1969 at Tasmania's Savage River Iron Ore Operation. Mr Robertson is also a member of the Australian Institute of Company Directors. He is currently the Managing Director of FairStar Resources Limited (ASX: FAS).

Angelo Ikonomou

Managing Director

Mr Ikonomou has a professional career spanning over 25 years with significant involvement in the financial and equities markets as well as international business development. Mr Ikonomou has implemented many management solutions within the banking, retail, automotive and insurance industries, with a focus on managing operational efficiency, cost reductions, consolidation and continuous improvement of operational infrastructure. He comes with strong corporate governance and management skills and global markets strategic knowledge. His senior management positions have included CBA, ONC, and Phoenix Orbit Sdn Bhd. He has also facilitated in the provision of strategic planning consultancy services to the private sector.

Stanislaw Procak

Non-Executive Director

Mr Procak is an experienced manager with over 35 years of mining industry experience particularly 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 Ltd. Mr Procak's experience includes employment in senior positions at Telfer Gold Mine, Big Bell Gold Mine, Golden Grove Polymetallic Mine and Kambalda Nickel Operations.

Justin Doutch

Non-Executive Director

Mr Doutch has served in the resources industry in Western Australia for the past 15 years, where he has gained extensive experience in areas of drilling, mineral exploration and project financing. Mr Doutch has a background in the establishment, development and operation of successful businesses, having formerly owned and operated a Goldfields engineering and drilling company. More recently Mr Doutch has been serving as an Executive Director of a company, actively involved in the exploration and acquisition of a diverse range of tenements in Western Australia.

Mr Kent Hunter *BBus, Chartered Accountant*

Company Secretary

Mr Hunter is a chartered accountant with over 16 years corporate and company secretarial experience. Mr Hunter has been involved in the listing of over 30 companies on the ASX in the past 9 years. He has experience in capital raisings, ASX compliance and regulatory requirements and is currently a director of Cazaly Resources Limited, Carbon Conscious Ltd, Western Manganese Ltd and is company secretary of two other ASX listed entities.

Commencing with Hall Chadwick Chartered Accountants in 1990, Mr Hunter completed his professional year and became chartered in 1993. Mr Hunter joined Ord Partners Chartered Accountants in 1995 and became Corporate and Audit Manager for a range of listed and unlisted entities. Mr Hunter founded Mining Corporate in 2000 and established a business of identifying projects requiring a route to commercialisation including industrial, technology, mining and exploration companies.

1.7 INDICATIVE TIMETABLE

Lodgement of Prospectus with ASIC	7 October 2011
Opening Date for Applications	17 October 2011
Closing Date for Applications	18 November 2011
Expected dispatch of holding statements	25 November 2011
Expected date for listing on ASX	2 December 2011

These dates are indicative only and may vary. Classic reserves the right to close the Offer early, or extend the Closing Date without prior notice. Applicants are therefore encouraged to submit Applications as soon as possible after the Opening Date.

1.8 PRO-FORMA CAPITAL STRUCTURE

The pro-forma capital structure of Classic is summarised in the table below on the basis of Classic raising the minimum subscription (17,500,000 Shares), full subscription (22,500,000 Shares) and full oversubscription (30,000,000 Shares) under the Offer.

Description	Minimum Subscription (\$3.5M)		Full Subscription (\$4.5M)		Full Oversubscription (\$6.0M)	
	Number	%	Number	%	Number	%
Shares						
Promoter Shares	62,767,503	60.8	62,767,503	57.9	62,767,503	54.2
Pre-IPO Seed Shares	22,497,632	21.8	22,497,632	20.8	22,497,632	19.5
Vendor Shares	500,000	0.5	500,000	0.5	500,000	0.4
IPO Shares	17,500,000	16.9	22,500,000	20.8	30,000,000	25.9
Total Shares	103,265,135	100.0	108,265,135	100.0	115,765,135	100.0
Performance Shares						
Performance Shares	112	100.0	112	100.0	112	100.0
Total Performance Shares	112	100.0	112	100.0	112	100.0

Shares

A total of 108,265,135 Shares will be on issue in the Company upon full subscription of the Offer and assuming no oversubscriptions are accepted. As at the date of this Prospectus, the Directors hold 4,250,000 Shares. The rights attaching to Shares are summarised in Section 8.1.1 of the Prospectus.

Of these, an aggregate of 500,000 Shares will be issued to Vendors of Exploration Projects. Refer to Section 8.4 of this Prospectus for further details.

Performance Shares

There are 112 Performance Shares on issue as at the date of this Prospectus, of which the Directors hold 10. The remaining 102 performance shares were issued to members and promoters for various past and future services provided to the Company. These 112 Performance Shares may convert into 56,000,000 Ordinary Shares in the event that the Company achieves one of the following Milestones:

- i) a Company Project attains a measured JORC Code compliant inferred resource of at least 250,000 ounces of gold;
- ii) a Company Project attains a measured JORC Code compliant inferred resource of at least 10,000,000 tonnes contained iron ore;
- iii) a Company Project (or any part of it) is sold for a value of at least \$10 million (in cash and/or assets of equivalent value which the Company will obtain such valuations from a suitably qualified independent expert who will adopt the appropriate valuation methodology based on acceptable industry principles); or
- iv) a joint venture arrangement is entered into for a Company Project and payments of at least \$10 million (in cash and/or assets of equivalent value which the Company will obtain such valuations from a suitably qualified independent expert who will adopt the appropriate valuation methodology based on acceptable industry principles) are paid to the Company as part of that arrangement.

If the Milestone has not occurred on or prior to 3 years after the date the Company is admitted to the Official List of the ASX, every Performance Share will convert into one (1) Share.

Refer to Section 8.1.2 for full terms and conditions of the Performance Shares.

Options

There are no Options on issue as at the date of this Prospectus.

1.9 PROPOSED NON-RENOUNCEABLE ENTITLEMENT ISSUE OF OPTIONS AFTER LISTING

Classic proposes to offer a non-renounceable entitlements issue of Options approximately three months after the Shares commence trading on ASX. All shareholders registered on the share register of the Company at a date to be announced (Record Date) by the Company to the ASX will be entitled to participate in the proposed non-renounceable entitlement issue of Options on the basis of one (1) Option for every two (2) Ordinary Shares held on the Record Date.

It is proposed that the Options will be issued at a price of one (1) cent each with an exercise price of \$0.20 and an expiry date of 30 June 2014 (Entitlement Options). Refer to Section 8.2 for the full terms of the proposed Entitlement Options.

It is proposed to apply for the Entitlement Options to be quoted on ASX. A disclosure document for the proposed non-renounceable entitlements issue of Entitlement Options will be issued when the securities are offered if required under the Corporations Act. To subscribe for the Entitlement Options, you must complete the application form that will be in, or accompany, the forthcoming disclosure document.

1.10 RESTRICTED SECURITIES

Securities on issue as at the date of this Prospectus and securities issued to the Vendors may be subject to the restricted securities provisions of the Listing Rules. Accordingly, a proportion of such securities may be required to be held in escrow for up to 24 months and may not be transferred, assigned or otherwise disposed of during that period. These agreements will be entered into in accordance with the Listing Rules.

In general, securities issued to promoters and related parties are escrowed for 24 months from the date of ASX listing. A portion of securities issued to seed investors and vendors are generally escrowed for 12 months from the date of the issue of the securities. The final number of escrowed securities will be determined by ASX.

2. DETAILS OF THE OFFER

2.1 SHARES OFFERED FOR SUBSCRIPTION

By this Prospectus, the Company offers for subscription up to 22,500,000 Shares at an issue price of \$0.20 each to raise up to \$4,500,000 (before expenses of the Offer). The Company may also accept oversubscriptions of up to a further 7,500,000 Shares at an issue price of \$0.20 each to raise up to a further \$1,500,000 (before expenses of the Offer). The maximum amount which may be raised under this Prospectus is therefore \$6,000,000 (before expenses of the Offer).

The Shares offered under this Prospectus will rank equally with the existing Shares on issue.

The Company reserves the right to reject any application or to allocate any applicant fewer Shares than the number applied for.

2.2 MINIMUM SUBSCRIPTION

The minimum subscription to the Offer is 17,500,000 Shares at an issue price of \$0.20 each to raise \$3,500,000 (before expenses of the Offer). If the minimum subscription has not been raised within three (3) months after the date of this Prospectus, all Applications will be dealt with in accordance with the Corporations Act.

2.3 PURPOSE OF THE OFFER

The purpose of the Offer is to provide Classic with the necessary funding to participate in the Projects and identify other potential acquisition opportunities.

It is intended to apply funds raised from the Offer as follows:

Use of Funds	Minimum Subscription (\$3.5M) \$	Full Subscription (\$4.5M) \$	Full Oversubscription (\$6.0M) \$
Pre-Offer cash and receivables	100,725	100,725	100,725
Total raised in the Offer	3,500,000	4,500,000	6,000,000
Total Funds Available	3,600,725	4,600,725	6,100,725
YEAR 1 EXPENDITURE			
Exploration expenditure (refer Section 3.4)	705,000	950,000	1,525,000
Expenses of the Issue (refer Section 8.8)	323,893	374,690	450,887
Loan repayments	676,370	676,370	676,370
Administration costs	400,000	500,000	550,000
Total Expenditure Year 1	2,105,263	2,501,060	3,202,257
Total Funds Available – End of Year 1	1,495,462	2,099,665	2,898,468
YEAR 2 EXPENDITURE			
Exploration expenditure (refer Section 3.4)	1,060,000	1,315,000	2,095,000
Administration costs	425,000	525,000	625,000
Total Expenditure Year 2	1,485,000	1,840,000	2,720,000
Total Funds Available – End of Year 2	10,462	259,665	178,468

Note:

1. In the event that more than the minimum subscription and less than the full subscription, or more than the full subscription and less than the full oversubscription is raised, the Company intends to allocate the funds primarily towards evaluation and exploration (after expenses of the Offer) and budgets will be scaled up or back proportionately based on the level of subscription achieved.
2. The "Use of Funds" table is a statement of current intentions as at the date of lodgement of this Prospectus with the ASIC. As with any budget, intervening events (including exploration success or failure) and new circumstances have the potential to affect the ultimate way funds will be applied. The Board reserves the right to alter the way funds are applied on this basis.
3. Exploration expenditures will be reviewed on an on-going basis, depending upon the nature of results forthcoming from the respective work programs.
4. Further, it is the Company's intention to increase and accelerate its exploration and drilling programs to achieve results as soon as practicable and, subject to encouraging results being obtained, to delineate resources. The Company may seek to raise additional funds within two years after listing on ASX to the extent required to increase and accelerate the exploration and drilling programs as determined by the Board.

Following the completion of the Offer, the Company will have sufficient working capital to carry out its stated objectives.

2.4 HOW TO APPLY

Applications for Shares under the Offer can only be made on the Application Form attached to this Prospectus.

The Application Form must be completed in accordance with the instructions set out on the back of each Application Form.

Completed Application Forms and accompanying cheques should, at any time after the Opening Date be:

Posted to:	OR	Delivered to:
Classic Minerals Limited		Classic Minerals Limited
C/- Advanced Share Registry Services		C/- Advanced Share Registry Services
PO Box 1156		150 Stirling Highway
NEDLANDS WA 6909		NEDLANDS WA 6009

Cheques must be made payable to "**Classic Minerals Limited – Share Account**" and crossed "**Not Negotiable**".

No brokerage or stamp duty is payable by Applicants.

Applications must be for a minimum of 10,000 Shares and thereafter in multiples of 1,000 Shares, and can only be made by completing the Application Form attached to this Prospectus.

The Company reserves the right to reject any Application or to allocate an Applicant fewer Shares than the number applied for.

2.5 ALLOTMENT OF SHARES

Subject to ASX granting approval for the Company to be admitted to the Official List, the allotment of Shares to Applicants will occur as soon as possible after the Closing Date, following which statements of shareholdings will be dispatched to successful Applicants. It is the responsibility of Applicants to determine their allocation prior to trading in Shares. Applicants who sell Shares before they receive their holding statements will do so at their own risk.

Pending the issue of the Shares, or return of the Application Monies, the Application Monies will be held in trust for the Applicants.

The Directors have the right to allocate Shares under the Offer. The Company may reject any Application or allocate any Applicant fewer Shares than applied for under the Offer.

If an Application is not accepted, or is accepted in part only, the relevant part of the Application Monies will be refunded. Interest will not be paid on Application Monies refunded.

2.6 ASX LISTING

Within 7 days after the date of this Prospectus, application will be made for the Shares offered by this Prospectus to be granted Quotation.

If approval for Quotation is not granted within three (3) months after the date of this Prospectus, the Company will not allot or issue any Shares, and will repay all Application Monies without interest as soon as practicable.

ASX takes no responsibility for the contents of this Prospectus. The fact that ASX may admit Classic Minerals Limited to the Official List is not to be taken in any way as an indication of the merits of the Company or the Shares offered pursuant to this Prospectus.

2.7 APPLICANTS OUTSIDE AUSTRALIA

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any of these restrictions. Failure to comply with these restrictions may violate securities laws. Applicants who are resident in countries other than Australia should consult their professional advisers as to whether any governmental or other consent are required or whether any other formalities need to be considered and followed.

2.8 UNDERWRITING

The Offer is not underwritten.

2.9 COMMISSIONS ON APPLICATION FORMS

The Company reserves the right to pay a commission of 5% (excl. GST) of amounts subscribed to any licensed securities dealer or Australian Financial Services Licensee in respect of valid applications lodged and accepted by the Company and bearing the stamp of the licensed securities dealer or Australian Financial Services Licensee. Payments will be subject to the receipt of a tax invoice from the licensed securities dealer or Australian Financial Services Licensee.

2.10 CHESSE

Classic will apply to participate in the Clearing House Electronic Subregister System (CHESSE), operated by ASX Settlement Pty Ltd (ASTC) (a wholly owned subsidiary of ASX), in accordance with the Listing Rules and ASTC Settlement Operating Rules. On admission to CHESSE, the Company will operate an electronic issuer-sponsored subregister and an electronic CHESSE subregister. The two subregisters together will make up the Company's principal register of securities.

Under CHESSE, the Company will not issue certificates to Shareholders. Instead, the Company will provide Shareholders with a holding statement (which is similar to a bank account statement) that sets out the number of Shares allotted to that Shareholder under this Prospectus.

This statement will also advise investors of either their Holder Identification Number (HIN) in the case of a holding on the CHESSE sub-register or Security Holder Reference Number (SRN) in the case of a holding on the issuer-sponsored subregister.

A statement will be routinely sent to holders at the end of any calendar month during which their holding changes. A holder may request a statement at any other time however a charge may be incurred for additional statements.

2.11 RISK FACTORS

Prospective investors in the Company should be aware that subscribing for Shares the subject of this Prospectus involves a number of risks. **These risks are set out in Section 4 of this Prospectus and investors are urged to consider those risks carefully (and, if necessary, consult their professional adviser) before deciding whether to invest in the Company.** The risk factors set out in Section 4 of this Prospectus, and other general risks applicable to all investments in listed securities not specifically referred to, may in the future affect the value of the Shares. Accordingly, an investment in the Company should be considered highly speculative.

2.12 FORECASTS

The Company is a mineral exploration company. Due to the speculative nature of exploration, there are significant uncertainties associated with forecasting future revenues from the Company's proposed activities. The Directors believe that given these inherent uncertainties, it is not possible to include a reliable forecast in this Prospectus.

2.13 DIVIDENDS

The extent, timing and payment of any dividends in the future will be determined by the Directors based on a number of factors, including future earnings and the financial performance and position of the Company. At the date of issue of this Prospectus the Company does not intend to declare or pay any dividends in the immediately foreseeable future.

2.14 PRIVACY DISCLOSURE

The Company collects information in relation to each Applicant as provided on an Application Form (Information) for the purposes of processing the Application Form and, should the Application be successful, to administer the Applicant's security holding in the Company (Purposes).

The Company may use the Information for the Purposes and the Company may disclose the Information for the Purposes to the Share Registrar, the Company's related bodies corporate, agents, contractors and third party service providers, and to ASX, ASIC and other regulatory authorities.

The Information may also be used and disclosed to persons inspecting the register, including bidders for securities in the context of takeovers, licensed securities dealers, mail houses, and regulatory bodies including the Australian Taxation Office.

2.15 ENQUIRIES

This Prospectus provides information for potential investors in Classic and it should be read in its entirety. If, after reading this Prospectus, you have any questions about any aspect of an investment in Classic, please contact your stockbroker, accountant or independent financial adviser.

SECTION 3: COMPANY AND PROJECT OVERVIEW

3.1 BACKGROUND

Classic was incorporated on 1 May 2006 for the purpose of acquiring an interest in the exploration of mineral resource based projects, focusing on gold, base metals and uranium, and subject to positive exploration results, development of mineral resources based projects.

Details of the Projects are summarised in this section and full particulars of the geological settings and work undertaken previously on the tenements are set out in the Independent Geologist's Report in Section 5 of this Prospectus.

It is the primary objective of Classic to become a successful and profitable exploration company. The Company aims to achieve this objective through utilising the collective experience of the Board and management team to advance its existing Projects and to identify complementary resource projects.

3.2 CORPORATE OBJECTIVES

The Company's aim is to become a gold, base metal and uranium explorer via successful exploration and project acquisition and to provide its Shareholders with a balanced risk portfolio. The Board and management of Classic have a broad range of expertise with technical, operational, financial and commercial skills and experience in the discovery and exploration of resources.

Among our corporate objectives are:

- to continue assessing opportunities for business development and new venture activities with a view to adding further exploration assets in the near future;
- to assess exploration opportunities for near term cashflow;
- to conduct operations at the highest professional and technical standards of the industry; and
- to effectively communicate with Shareholders and the broader market.

3.3 DETAILS OF ACQUISITION AGREEMENTS

In addition to the three Projects of which Classic owns 100%, Classic has three Option Agreements to secure an interest in four Tenements, which are organised into two Projects:

Juglah Rocks

The Company has entered into an Option Agreement with Guide Resources Pty Ltd pursuant to which the Company will acquire the right to purchase a 70% interest in the gold, silver and uranium rights within the Share Dam Prospect (E25/453), which is part of the Juglah Rocks Project, in consideration for the completion of \$250,000 of expenditure on the Tenement within four years of the Company being admitted to ASX.

The Company has entered into an Option Agreement with Roger Michael Lindsay pursuant to which the Company will acquire a 100% interest in the Juglah Prospect (E25/421 and E25/435), which is part of the Juglah Rocks Project, on payment of \$100,000 plus GST, or the issue of shares in Classic to the value of \$100,000 in lieu of cash payment.

Dohertys

The Company has entered into an Option Agreement with Golden West Resources Limited (ASX Code: GWR) pursuant to which the Company will acquire a 90% interest in the Dohertys Project (M57/619), in consideration for the completion of \$200,000 of expenditure on the Tenement within three years of the date of the Option Agreement, being 1 May 2009, and payment of \$80,000 plus GST.

Refer to Section 8.4 of this Prospectus for details of the material terms and conditions of the Option Agreements.

3.4 DETAILS OF THE PROJECTS

The Project areas are all located in the Eastern Goldfields and Murchison districts of Western Australia, relatively close to infrastructure and proximal to the towns of Kalgoorlie and Meekatharra. All of the projects are considered to range between greenfields to advanced exploration projects, but no mineral resources have been defined at this stage on any of the projects.

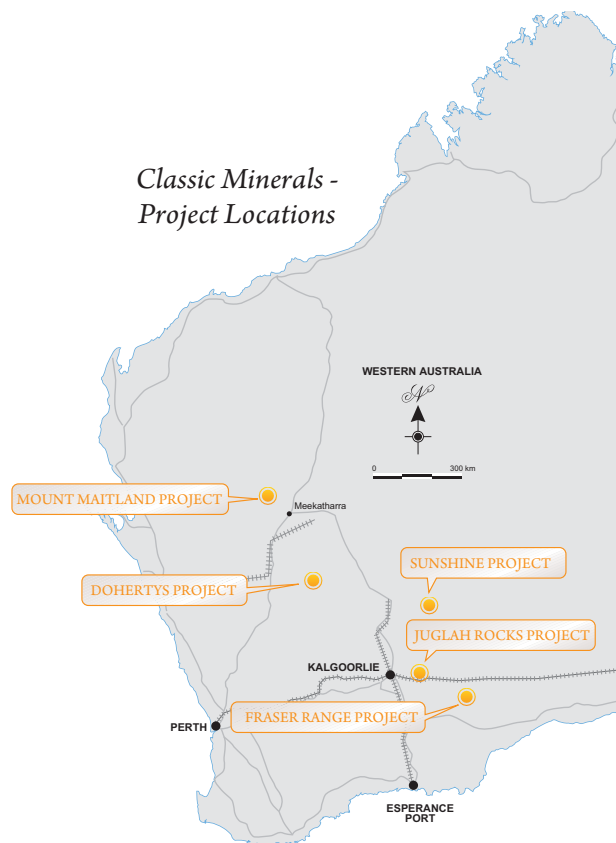
Classic Minerals Limited Tenements

PROJECT	PROSPECT	TENEMENT	HOLDER
SUNSHINE	Sunshine (Au)	E38/2084	Classic
MOUNT MAITLAND	Mt MAITLAND (U-PGE'S)	E51/1267	Classic
FRASER RANGE	Fraser Range (Au-Garnet)	E28/1904	Classic
DOHERTYS	Doherty's (Au)	M57/619	Golden West Resources
JUGLAH ROCKS	Share Dam (Au)	E25/453	Guide Resources
JUGLAH ROCKS	Juglah (Au)	E25/421	R.Lindsay
JUGLAH ROCKS	Juglah/Tramway (Au)	E25/435	R.Lindsay



The **Juglah Rocks Project** comprises three Exploration Licences (E25/421, E25/435 and E25/453) centred on the Juglah Monzogranite located approximately 55 kilometres east of Kalgoorlie and adjacent to a number of known and developing gold resources. The project is located approximately 1.5 kilometres east of Integra Mining Limited's Majestic Gold Deposit which currently hosts a large gold resource. To the east of Majestic and within the Classic ground previous exploration and prospecting has identified gold mineralisation within and adjacent to the tenement group with further exploration required to advance and build on the known target areas. Detrital iron ore mineralisation has been observed in a number of exposures within the tenement areas and further work to define and understand these occurrences is warranted.

Photos: Juglah Rocks Mine Workings, E25/421





Photos: Dohertys Mine (left), and drilling at Dohertys (above) M57/619

The **Dohertys Project** comprises one Mining Lease (M57/619) and is located in the Barrambie Greenstone Belt and covers a historic underground mining operation. Diamond drill intersections returned from a previous explorer highlights the potential to define a high grade gold deposit within the project area with further drilling likely to add to the gold resource potential of the area.

The **Mount Maitland Project** comprises Exploration Licence E51/1267 and is located some 100 kilometres northwest of Meekatharra and west of Yeelirrie in the Murchison Mineral Field. In adjacent tenements to the east carnotite uranium mineralisation was defined in calcrete by Western Mining Corporation in the 1970's. The calcrete deposits have developed within intermittently active flowing tributaries and ancient Palaeo-channels of the Murchison and Talga River systems that overlie deeply eroded late "hot" radiometric Archean granitic intrusive rocks. The exploration target at Mount Maitland West is a "Yeelirrie type, valley calcrete uranium deposit".

The **Sunshine Project** is secured by Exploration Licence E38/2084 and is located 7 kilometres southwest of Laverton in the Northeastern Goldfields. The tenement covers a sequence of mafic volcanics and intrusive felsic / porphyry rocks which host intermittent gold workings in narrow shear zones +/- quartz. The northern portion of the tenement is covered by recent alluvial cover and geochemistry in these specific areas is recommended to test for and define any gold anomalism.

The **Fraser Range Project** comprises Exploration Licence E28/1904 and is located 160 kilometres east southeast of Kambalda and is of interpreted Proterozoic age, part of the Fraser-Albany Mobile Belt which further to the north hosts the five million ounce Havana and Tropicana gold deposits. Access is via the Trans Australian railway access road to Zanthus, some 120 kilometres east along the Eyre Highway from Norseman and 40 kilometres north along station tracks to the project area. The geology of the prospect area is characterized by gneisses and schists of the Fraser Complex which are known to host accumulations of garnet. A garnet deposit in the southern portion of the tenement area is documented within Mindex and further work to assess the tones and grade is warranted. Detailed geochemistry particularly in areas of alluvial cover is recommended.

For further details on Classic's Projects, refer to the Independent Geologist's Report (Section 5).

PROJECT GENERATION

Whilst the Company will focus its exploration activities on the gold, base metals and uranium Projects in which it has acquired or agreed to acquire an interest in, it will also consider and evaluate any potential new resource based projects in Australia and overseas with a view to increasing the number of projects held by the Company. No specific criteria for the identification of such projects have been determined by the Company at this stage.

PROPOSED EXPLORATION BUDGET

The Company proposes to fund its intended activities as outlined in the tables below from the proceeds of the Offer. It should be noted that the budgets will be subject to modification on an ongoing basis depending on the results obtained from such exploration as carried out.

This involves an ongoing assessment of the Company's project interests and may lead to increased or decreased levels of expenditure on certain interests reflecting a change in emphasis. Subject to the above, the following expenditure is proposed.

Minimum Subscription (\$3.5M) Proposed Exploration Budget:

Expenditure	Year 1	Year 2	Total
GIS Compilation	\$5,000	\$-	\$5,000
Native Title Considerations	\$50,000	\$-	\$50,000
Access Tracks	\$30,000	\$45,000	\$75,000
Auger Geochemistry	\$50,000	\$20,000	\$70,000
Aircore Drilling	\$160,000	\$250,000	\$410,000
Diamond Drilling	\$40,000	\$80,000	\$120,000
Reverse Circulation Drilling	\$120,000	\$310,000	\$430,000
Analysis	\$75,000	\$100,000	\$175,000
Field Staff	\$65,000	\$100,000	\$165,000
Reporting	\$50,000	\$55,000	\$105,000
Contingency	\$50,000	\$50,000	\$100,000
Metallurgy	\$10,000	\$10,000	\$20,000
Bulk Sampling	\$-	\$40,000	\$40,000
Total	\$705,000	\$1,060,000	\$1,765,000

Full Subscription (\$4.5M) Proposed Exploration Budget:

Expenditure	Year 1	Year 2	Total
GIS Compilation	\$5,000	\$-	\$5,000
Native Title Considerations	\$65,000	\$-	\$65,000
Access Tracks	\$35,000	\$45,000	\$80,000
Auger Geochemistry	\$80,000	\$50,000	\$130,000
Aircore Drilling	\$210,000	\$290,000	\$500,000
Diamond Drilling	\$60,000	\$120,000	\$180,000
Reverse Circulation Drilling	\$230,000	\$380,000	\$610,000
Analysis	\$80,000	\$115,000	\$195,000
Field Staff	\$75,000	\$125,000	\$200,000
Reporting	\$50,000	\$55,000	\$105,000
Contingency	\$50,000	\$55,000	\$105,000
Metallurgy	\$10,000	\$40,000	\$50,000
Bulk Sampling	\$-	\$40,000	\$40,000
Total	\$950,000	\$1,315,000	\$2,265,000

Full Oversubscription (\$6.0M) Proposed Exploration Budget:

Expenditure	Year 1	Year 2	Total
GIS Compilation	\$20,000	\$-	\$20,000
Native Title Considerations	\$70,000	\$-	\$70,000
Access Tracks	\$35,000	\$50,000	\$85,000
Auger Geochemistry	\$140,000	\$80,000	\$220,000
Aircore Drilling	\$380,000	\$510,000	\$890,000
Diamond Drilling	\$100,000	\$240,000	\$340,000
Reverse Circulation Drilling	\$390,000	\$640,000	\$1,030,000
Analysis	\$120,000	\$180,000	\$300,000
Field Staff	\$120,000	\$190,000	\$310,000
Reporting	\$70,000	\$65,000	\$135,000
Contingency	\$70,000	\$60,000	\$130,000
Metallurgy	\$10,000	\$40,000	\$50,000
Bulk Sampling	\$-	\$40,000	\$40,000
Total	\$1,525,000	\$2,095,000	\$3,620,000

SUMMARY

In summary, Classic has acquired interests in prospective exploration Projects with the potential to host gold, base metal and uranium occurrences. The Company believes it can achieve its objectives with its management team, which has a background in mineral exploration and finance.

The Company has commitments for expenditure on granted tenements in accordance with the ASX Listing Rules.

3.5 CORPORATE GOVERNANCE

The Board is responsible for the overall corporate governance of the Company and acknowledges, as a guiding principle, that it will at all times act ethically, honestly, and in accordance with the law, with a view to creating sustainable value for its shareholders.

The Board endorses the Corporate Governance Principles and Recommendations (ASX Recommendations) as published by ASX Corporate Governance Council and has adopted corporate governance charters and policies reflecting those ASX Recommendations, to the extent appropriate having regard to the size and circumstances of the Company.

The following policies and procedures have been implemented and are available in full on the Company's website at www.classicminerals.com.au

- Statement of Board and Management Functions

The Board of Directors has adopted a charter formalising the functions and responsibilities of the Board. The Board is ultimately responsible for all matters relating to the running of the Company.

- Code of conduct for directors and key executives

The Board has adopted a Code of Conduct for Directors and Key Executives which addresses matters relevant to the Company's legal and ethical obligation to its stakeholders. The policy outlines its requirements with respect to; the directors discharge of duties; relationships; compliance with laws and ethics; conflicts of interest; confidentiality; use of company assets; competition; environment; health and safety; and the annual review of the code of conduct by the board.

- Share Trading Policy

The Share Trading Policy sets out the Company's policy with regard to trading in Company securities. The policy applies to all Directors, key management personnel and other employees of the Company and their associates. The policy outlines: the requirements; general prohibition on insider trading; restrictions on trading; additional restrictions on short-term trading; permission to trade; exceptions; required notification of proposed trade in Company securities; and notification of trade in the Company's securities.

- Audit Committee Charter;

The Board has adopted an Audit Committee Charter outlining the composition of the committee; its responsibilities; authority; meeting requirements; reporting procedures; and oversight of the risk management system.

- Continuous Disclosure Policy;

The Board has adopted a Disclosure Strategy to ensure that The Company complies with the disclosure requirements of the ASX Listing Rules. The strategy highlights the requirements for immediate notification; the procedure for disclosing the information; those responsible for disclosing this information; and policy review details.

- Shareholder Communications Strategy

The Board of directors aims to ensure that Shareholders are informed of all major developments. The Shareholder Communications Strategy adopted by the Board, outlines responsibilities for reports issued to shareholders; ASX announcements; Annual General Meetings; maintenance of the Company website; requests for information; and review of shareholder communications.

- Risk Management Policy;
The Board has adopted the Risk Management Policy, which outlines the Board's responsibility in identifying risk, maintaining the integrity of financial reporting, recognising the role of the auditor and reviewing the risk management policy.
- Remuneration Committee Charter;
The Board has adopted a Remuneration Committee Charter outlining the composition of the committee; its responsibilities; meeting requirements; reporting procedures; and duties of the committee.
- Diversity Policy
The Company will develop, implement and monitor strategies, initiatives and programs to promote the Principle, including the achievement of gender diversity and review and report on same.
- Process for performance evaluation of the Board, Board committees, individual directors and key executives; and
- Corporate Code of Conduct.

The responsibilities of the Board include:

- protection and enhancement of shareholder value;
- formulation, review and approval of the objectives and strategic direction of the Company;
- monitoring the financial performance of the Company by reviewing and approving budgets and monitoring results;
- approving all significant business transactions including acquisitions, divestments and capital expenditure;
- ensuring that adequate internal control systems and procedures exist and that compliance with these systems and procedures is maintained;
- the identification of significant business risks and ensuring that such risks are adequately managed;
- the review of performance and remuneration of executive directors and key staff;
- the establishment and maintenance of appropriate ethical standards; and
- evaluating and, where appropriate, adopting with or without modification the ASX Recommendations.

The Board recognises the need for the Company to operate with the highest standards of behaviour and accountability.

The Company has considered the ASX Recommendations to determine an appropriate system of control and accountability to best fit its business and operations commensurate with these guidelines.

The Company seeks to follow these recommendations for listed companies where appropriate for its size and operations. In cases where the Company determines it would be inappropriate to follow the principles because of its circumstances, the Company will provide reasons for not doing so in its Annual Report. One such instance is the Board presently considers that due to the Company's size and scope of activities, it does not justify the establishment of special or separate committees at this stage, preferring to manage the Company through the full Board of Directors.

The Board will consider on an ongoing basis its Corporate Governance procedures and whether they are sufficient given the Company's nature of operations and size.

SECTION 4: RISK FACTORS

The business activities of the Company are subject to various risks that may impact on the future performance of the Company. Some of these risks can be mitigated by the use of safeguards and appropriate systems and controls, but some are outside the control of the Company and cannot be mitigated. There are a number of risk factors that investors should consider and seek independent advice on, before deciding whether or not to invest in Shares. The principal risk factors include, but are not limited to, the following:

4.1 SPECIFIC RISKS - PROJECTS

4.1.1 Contract Risk

The Company has proposed interests in the Projects held pursuant to the Option Agreements. The Company is reliant on the Vendors complying with the terms and conditions of the Option Agreements and the conditions attaching to the tenements (as applicable). Should the vendors fail to comply with the terms of the Option Agreements, the Company's interest in the Projects may be adversely affected.

4.1.2 Status of Tenements

The Company's assets comprise of six Exploration Licences and one Mining Lease. The Company cannot guarantee that the Exploration Licences and Mining Lease will be renewed beyond their expiry date and there is a material risk that, in the event the Company is unable to renew the granted tenements beyond their current expiry date, the Company's proposed interest in the Projects will be relinquished.

4.2 SPECIFIC RISKS - MINERAL EXPLORATION

4.2.1 Exploration Risk

Potential investors should understand that mineral exploration and development is a high-risk undertaking.

There can be no assurance that exploration of acquired projects interests or any other exploration properties that may be acquired in the future will result in the discovery of an economic resource. Even if an apparently viable resource is identified, there is no guarantee that it can be economically exploited.

The future exploration activities of the Company may be affected by a range of factors including geological conditions, limitations on activities due to seasonal weather patterns, unanticipated operational and technical difficulties, industrial and environmental accidents, native title process, changing government regulations and many other factors beyond the control of the Company.

The success of the Company will also depend upon the Company having access to sufficient development capital, being able to maintain title to the Projects and obtaining all required approvals for its activities. In the event that exploration programs are unsuccessful this could lead to a diminution in the value of the Projects, a reduction in the case reserves of the Company and possible relinquishment of part or all of the Projects.

4.2.2 Operating Risks

The operations of the Company may be affected by various factors, including failure to locate or identify mineral deposits; failure to achieve predicted grades in exploration and mining; operational and technical difficulties encountered in mining; difficulties in commissioning and operating plant and equipment; mechanical failure or plant breakdown; unanticipated metallurgical problems which may affect extraction costs; adverse weather conditions; industrial and environmental accidents; industrial disputes; and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment.

Although it should be noted that the Company's Directors have between them significant operational experience, no assurances can be given that Classic will achieve commercial viability through the successful exploration and/or mining of its tenement interests. Until Classic is able to realise value from its projects, it is likely to incur ongoing operating losses.

4.2.3 Resource Estimates

Resource estimates are expressions of judgment based on knowledge, experience and industry practice. Estimates which were valid when originally calculated may alter significantly when new information or techniques become available. In addition, by their very nature, resource estimates are imprecise and depend to some extent on interpretations, which may prove to be

inaccurate. As further information becomes available through additional fieldwork and analysis, the estimates are likely to change. This may result in alterations to development and mining plans which may, in turn, adversely affect the Company's operations.

4.2.4 Exploration Cost Estimate

The exploration costs of the Company described in Section 3.4 (Details of the Projects) and Section 5 (Independent Geologist's Report) of this Prospectus are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions. Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely affect the Company's viability.

4.2.5 Access to infrastructure

There is currently limited capacity and high demand for rail and port services for the export of mineral products in Australia. In the event that the Company progresses to production, there is no guarantee that suitable and affordable rail and port capacity will be available, which could have a material adverse impact on the Company.

In the event that the Company progresses the development and commercialisation of any of its assets toward production, it will also require the use of both power and water infrastructure. Due to high demand for power and water access, there is a risk that the Company may not be able to procure access to power and water which could have a material adverse impact on the Company.

4.2.6 Title Risks and Native Title

Interests in Tenements in Australia are governed by the respective State legislation and are evidenced by the granting of licenses or leases. Each license or lease is for a specific term and carries with it annual expenditure and reporting commitments, as well as other conditions requiring compliance. Consequently, the Company could lose title to or its interest in Tenements if licences conditions are not met or if insufficient funds are available to meet expenditure commitments. It is also possible that, in relation to tenements which the Company has an interest in or will in the future acquire such an interest, there may be areas over which legitimate common law native title rights of Aboriginal Australians exist. If native title rights do exist, the ability of the Company to gain access to tenements (through obtaining consent of any relevant landowner), or to progress from the exploration phase to the development and mining phases of operations may be adversely affected.

4.2.7 Additional Requirements for Capital

The Company's capital requirements depend on numerous factors. Depending on the Company's ability to generate income from its operations, the Company may require further financing in addition to amounts raised under this Prospectus. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its exploration programs as the case may be.

4.2.8 Commodity Price Volatility and Exchange Rate Risks

The price for minerals will depend on available markets at acceptable prices and transmission and distribution costs. Any substantial decline in the price of a commodity or an increase in transmission or distribution costs could have a material adverse effect on the Company.

Furthermore, international prices of various commodities are denominated in United States dollars, whereas the income and expenditure of the Company are and will be taken into account in Australian currency, exposing the Company to the fluctuations and volatility of the rate of exchange between the United States dollar and the Australian dollar as determined in international markets.

4.2.9 Environmental Risks

The operations and proposed activities of the Company are subject to State and Federal laws and regulations concerning the environment. As with most exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly if advanced exploration or field development proceeds. It is the Company's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws and industry standards. Areas disturbed by the Company's activities will be rehabilitated as required by the conditions attaching to the Tenements.

In this regard, the Department of Minerals and Petroleum of Western Australia from time to time, review the environmental bonds that are placed on permits. The Directors are not in a position to state whether a review is imminent or whether the outcome of such a review would be detrimental to the funding needs of the Company.

4.2.10 Insurance Risks

Insurance coverage of all risks associated with mineral exploration, development and production is not always available and, where available, the cost can be high. The Company will have insurance in place considered appropriate for the Company's needs. The Company will not be insured against all possible losses, either because of the unavailability of cover or because the Directors believe the premiums are excessive relative to the benefits that would accrue. The Directors believe that the insurance they have in place is appropriate. The Directors will continue to review the insurance cover in place to ensure that it is adequate.

4.2.11 Competition Risk

The industry in which the Company will be involved is subject to domestic and global competition. Although the Company will undertake all reasonable due diligence in its business decisions and operations, the Company will have no influence or control over the activities or actions of its competitors, which activities or actions may, positively or negatively, affect the operating and financial performance of the Company's Projects and business.

4.2.12 Reliance on Key Management

The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment.

4.2.13 Liquidity Risk

There is no guarantee that there will be an ongoing liquid market for Shares. Accordingly, there is a risk that, should the market for Shares become illiquid, Shareholders may be unable to realise their investment in the Company. In addition, any Shares held in escrow may affect the liquidity of the Company.

4.3 SPECIFIC RISKS - ASSOCIATED WITH THE COMPANY

4.3.1 Audit Qualifications

The auditor's opinion in the 30 June 2010 financial report indicates an inability to satisfy themselves as to the completeness of the general ledger and relevant disclosure for the year ended 30 June 2009 and the possible effect of this matter on the comparability of the 30 June 2010 figures. There may be information from prior to 30 June 2009 that the current directors have been unable to obtain, the impact of which may or may not be materially adverse to the Company's current financial position, **although the current directors are not aware of any such information.**

4.3.2 Limited Operating History by Current Management

The new board of management has an excellent track record of success in this industry and a determination to succeed, however, it has only a limited operating history. The Company's Prospectus must therefore be considered in light of the risks, expenses and difficulties frequently encountered by companies in their early stages of operation.

4.3.3 Financial Reporting Risk

The Company lodged the annual reports to shareholders (**Annual Reports**) for the years ended 30 June 2007, 30 June 2008, 30 June 2009 and 30 June 2010, after the due date pursuant to Chapter 2M of the Corporations Act. This late lodgement of the 2007, 2008, 2009 and 2010 Annual Reports means that the Company breached its financial reporting requirements under Chapter 2M of the Corporations Act. Shareholders should be aware that these breaches may affect the Company's operations going forward.

4.3.4 Dilution risk

The 112 Performance Shares as set out in section 1.8 potentially constitute a significant proportion of the Company's issued securities. The Performance Shares convert into ordinary shares on the achievement of certain milestones. Potential investors should be aware that there will be dilution to existing shareholders if the Performance Shares are converted into ordinary shares. The full terms of the Performance Shares are set out in Section 8.1.2 of this Prospectus.

4.4 GENERAL RISKS

4.4.1 Economic Risks

General economic conditions, movements in interest and inflation rates, the prevailing global commodity prices and currency exchange rates may have an adverse effect on the Company's proposed exploration activities, development and production activities, as well as on its ability to fund those activities.

As with any mining project, the economics are sensitive to metal and commodity prices. Commodity prices fluctuate and are affected by many factors beyond the control of the Company. Such factors include supply and demand fluctuations for minerals, technological advances, forward selling activities and other macro-economic factors. These prices may fluctuate to a level where the proposed mining operations are not profitable. Should the Company achieve success leading to mineral production, the revenue it will derive through the sale of commodities also exposes potential income of the Company to commodity price and exchange rate risks.

Further, share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- (a) general economic outlook;
- (b) interest rates and inflation rates;
- (c) currency fluctuations;
- (d) changes in investor sentiment;
- (e) the demand for, and supply of, capital; and
- (f) terrorism or other hostilities.

4.4.2 Market Conditions

The market price of the Company's securities (provided the Company achieves admission to list on ASX and quotation) can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource exploration stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

4.5 GOVERNMENT AND LEGAL RISK

Changes in government, monetary policies, taxation and other laws can have a significant impact on the Company's assets, operations and ultimately the financial performance of the Company and its securities.

On 2 July 2010, the Australian Federal Government announced the introduction of a new rent-based tax on resources. This new resource tax arrangement is to be known as the Mineral Resource Rent Tax (the MRRT) and will apply from 1 July 2012.

The proposed MRRT will apply to the mining of iron ore and coal in Australia, will be levied at a rate of 30 percent and will apply to the value of resources extracted by resources entities.

It is expected that legislation will be introduced into the Federal Parliament in the latter half of 2011. The extent to which the Company will be impacted by the MRRT will depend on the outcome of the final legislative design.

4.6 INVESTMENT SPECULATIVE

The risk factors outlined in Section 4 ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to in Section 4, may in the future materially affect the financial performance of the Company and the value of the Shares offered under this Prospectus. Therefore, the Shares to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those securities.

Potential investors should consider that an investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.

SECTION 5: INDEPENDENT GEOLOGIST'S REPORT



CoxsRocks Pty Ltd: ABN 69 111 457 231
Consultants to the Exploration and Mining Industry

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The Directors, Classic Minerals
5 October 2011

Dear Sirs,

INDEPENDENT GEOLOGIST REPORT ON EXPLORATION PROPERTIES OF CLASSIC MINERALS PTY LTD

CoxsRocks Pty Limited (**CoxsRocks**) was requested by Classic Minerals Ltd (**Classic Minerals or the Company**) to prepare an independent consulting geologist's report on the Company's projects located in the Eastern Goldfields and Murchison districts of Western Australia (**Projects**). The Company owns title or the right to acquire a 100% interest in a total of seven tenements covering a total area of 326.5 square kilometres in these regions (**Tenements**).

The report is to be included in a Prospectus to be lodged by Classic Minerals with the Australian Securities and Investment Commission ("**ASIC**") on or about 7 October 2011, offering for subscription up to 22,500,000 ordinary fully paid shares in the Company (Shares) at an issue price of \$0.20 per Share to raise up to \$4,500,000 with a minimum subscription of 17,500,000 Shares at an issue price of \$0.20 per Share to raise \$3,500,000. Oversubscriptions of up to a further 7,500,000 Shares at an issue price of \$0.20 each to raise up to a further \$1,500,000 will be accepted. The funds raised will be used for the purpose of exploration and evaluation of the Company's Projects.

This is not an independent evaluation report, and serves only to comment on the geological setting and proposed exploration programs on the Projects. CoxsRocks has not been asked to comment on the potential economic value or financial considerations pertaining to the value of Shares or assets held by Classic Minerals in relation to these Projects. CoxsRocks does not doubt the authenticity or substance of previous investigating reports. It has not however, carried out a complete audit of the information but has relied on previous reporting and documentation where applicable and has used this for research purposes with qualifications applied, where necessary. Details in respect of environmental, metallurgical and native title considerations are beyond the scope of this report and readers are directed to the Independent Solicitors Report in Section 7 of the Classic Minerals Prospectus for additional information regarding the Company's Projects.

The current ownership status and legal standing of the tenements within each project area is dealt with in the Solicitor's Report on Mining Tenements section of this Prospectus. CoxsRocks has not independently verified ownership and the current standing of the tenements and is not qualified to make legal representations in this regard. Instead we have relied on information provided by Classic Minerals and its current directors and advisors. CoxsRocks has prepared this report on the understanding that all Classic Minerals' tenements are currently in good standing. CoxsRocks has not attempted to establish the legal status of tenements within each project area with respect to Native Title or potential environmental and access restrictions. The reader is referred to the Solicitors Report on Mining Tenements in regards to these issues.

The Company intends to raise a minimum of \$3,500,000 and at least half the liquid assets held, or funds proposed to be raised by the Company, are understood to be committed to acquisition, exploration, development and administration of the mineral properties, satisfying the requirements of ASX Listing Rules 1.3.2(b) and 1.3.3(b).

Mr Coxhell is satisfied that if the minimum subscription is raised the Company will have sufficient working capital to carry out its stated objectives, satisfying the requirements of ASX Listing Rule 1.3.3(a).

The Company has provided exploration work programmes and budgets covering the initial two years of exploration. On the basis that \$4,500,000 is raised, the exploration budget totals approximately \$2.26 million, of which the Company plans to spend approximately \$950,000 in the first year of assessment. Where proposed exploration strategies have been stated, the proposed programmes are considered to be broadly consistent with the potential of the various projects. The corresponding budgets are generally adequate to cover the anticipated costs of the programmes.

The programmes may be altered in view of results gained which could revise the emphasis of current priorities.

Mr Coxhell considers that the relevant areas have sufficient technical merit, to justify the proposed programmes and associated expenditure, satisfying the requirements of ASX Listing Rule 1.3.3(a).

This report has been prepared by Mr Simon Coxhell BSc, MastersQual, MAusIMM. He has in excess of 25 years experience in mineral exploration, evaluation and mining.

The information used to prepare the report is drawn from:

- (a) discussions with consultants, directors and management of Classic Minerals.
- (b) reports prepared by previous tenement holders and their consultants.
- (c) scientific and technical research reports and papers publicly available.

This report has been prepared in accordance with the relevant requirements of the Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the "JORC Code"), Regulatory Guides 111 and 112 relating to Independent Expert Reports by the Australian Securities and Investments Commission ("ASIC") and relevant requirements of the Listing Rules of the Australian Securities Exchange ("ASX") and subject to the qualifications presented above, the VALMIN Code.

The author of the report, Simon Coxhell, who has compiled the information used in the report, is a Member of the Australasian Institute of Mining and Metallurgy with in excess of 25 years of experience and has the relevant expertise to qualify as a Competent Person as required under the JORC Code.

Yours Sincerely



Simon Coxhell

Principal Consultant

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1.0 EXECUTIVE SUMMARY

This report discusses the geological setting, exploration history, previous work and proposed exploration of the Projects of Classic Minerals. The Company either owns 100% of the tenements within each project or has the rights to acquire a substantial interest in the tenements subject to the terms and conditions described in the Solicitors Report on Mining Tenements in Section 7 of this Prospectus.

This report has been prepared to provide an independent technical assessment for inclusion in a prospectus to be issued by Classic Minerals to support the proposed listing on the Australian Securities Exchange (ASX). The report is an Independent Technical Assessment and does not express an opinion as to the value of mineral assets, nor to the fairness or reasonableness of any transactions.

The Project areas are all located in the Eastern Goldfields and Murchison district of Western Australia, relatively close to infrastructure and proximal to the towns of Kalgoorlie and Meekatharra. The projects are considered to range between Greenfields to advanced exploration projects, but no mineral resources have been defined at this stage on any of the projects. An advanced gold exploration project has been defined at the previously mined Dohertys Gold Project and further drilling is likely to add to the gold potential.

The **Juglah Rocks Project** comprises three exploration licences (E25/421, E25/435 and E25/453) centred on the Juglah Monzogranite located approximately 55 kilometres east of Kalgoorlie and adjacent to a number of known and developing gold resources. The project is located approximately 1.5 kilometres east of Integra Mining Limited's Majestic Gold Deposit which currently hosts a large gold resource. To the east of Majestic and within the Classic ground previous exploration and prospecting has identified gold mineralisation within and adjacent to the tenement group with further exploration required to advance and build on the known target areas. Detrital iron ore mineralisation has been observed in a number of exposures within the tenement areas and further work to define and understand these occurrences is warranted.

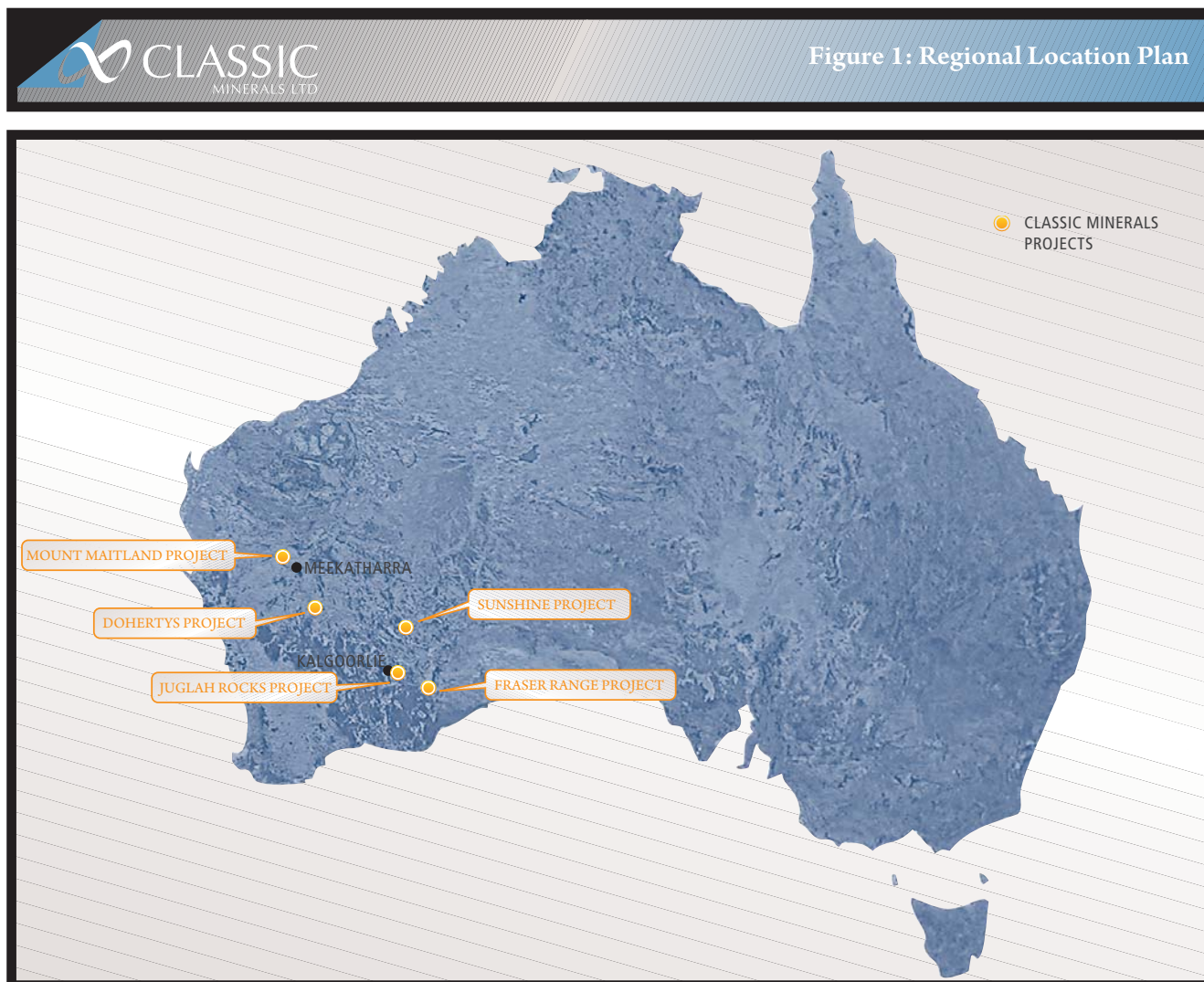
The **Dohertys Project** comprises M57/619 and is located in the Barrambie Greenstone Belt and covers a historic underground gold mining operation. Diamond drill intersections returned from a previous explorer highlights the potential to define a high grade gold deposit within the project area with further drilling likely to add to the gold resource potential of the area.

The **Mount Maitland Project** (E51/1267) is located some 100 kilometres north west of Meekatharra and west of Yeelirrie in the Murchison Mineral Field. In adjacent tenements to the east, carnotite uranium mineralisation was defined in calcrete by Western Mining Corporation in the 1970's. The calcrete deposits have developed within intermittently active flowing tributaries and ancient Palaeo-channels of the Murchison and Talga River systems that overlie deeply eroded late "hot" radiometric Archean granitic intrusive rocks. The exploration target at Mount Maitland West is a "Yeelirrie type, valley calcrete uranium deposit".

The **Sunshine Project** (E38/2084) is located 7 kilometres southwest of Laverton in the northeastern Goldfields. The tenement covers a sequence of mafic volcanics and intrusive felsic / porphyry rocks which host intermittent gold workings in narrow shear zones +/- quartz. The northern portion of the tenement is covered by Tertiary aged alluvial cover and geochemistry in these specific areas is recommended to test for and define any gold anomalism.

The **Fraser Range Project**, E28/1904, is located 160 kilometres east southeast of Kambalda and is of interpreted Proterozoic age and is part of the Fraser-Albany Mobile Belt which further to the north hosts the five million ounce Havana and Tropicana gold deposits. Access is via the Trans Australian railway access road to Zanthus, some 120 kilometres east along the Eyre Highway from Norseman and then 40 kilometres north along station tracks to the project area. The geology of the prospect area is characterized by gneisses and schist's of the Fraser Complex which are known to host accumulations of garnet. A garnet deposit in the southern portion of the tenement area is documented within Mindex and further work to assess the tones and grade is warranted. Detailed geochemistry particularly in areas of alluvial cover is recommended.

Classic Minerals has proposed logical exploration programmes commensurate with the exploration status and current perceived prospectivity of the project areas. It is noted that the proposed programmes may be subject to change according to progressive exploration results as work is carried out.



2.0 INTRODUCTION AND TENEMENTS

Classic Minerals has acquired, or has the rights to acquire, an interest in seven tenements over five project areas. The areas are considered prospective for gold, base metals and uranium mineralisation and range from grass roots to advanced exploration properties where previous work has defined anomalism and target areas for future work. In conjunction with the Company's consultants, work programmes have been designed and budgeted for all of the project areas which aim to test the more prospective areas and advance the geological understanding of all projects. Work programmes will evolve as exploration results are returned with full desktop and GIS data capture recommended of all previous work to optimise the planned exploration activities. The Company's current tenement holding, the subject of this report, is documented in Table 1.

Table 1: Classic Minerals Limited Tenements

PROJECT	PROSPECT	TENEMENT	HOLDER	AREA Km ²	Ha/ BLKS	GRANTED	EXPIRES	RENT \$	COMMIT- MENTS \$
SUNSHINE	Sunshine (Au)	E38/2084	Classic	15.9	11	26/09/08	25/09/13	2,073	20,000
MOUNT MAITLAND	Mt MAITLAND (U-PGE'S)	E51/1267	Classic	156.8	56	9/01/09	8/01/14	10,552	56,000
FRASER RANGE	Fraser Range (Au-Garnet)	E28/1904	Classic	78.4	28	22/10/09	21/10/14	3,391	28,000
DOHERTYS	Dohertys (Au)	M57/619	Golden West Resources	1.74	176 Ha	29/01/07	25/02/28	2,807	17,600
JUGLAH ROCKS	Share Dam (Au)	E25/453	Guide Resources	28	10	31/01/11	30/1/16	1,211	20,000
JUGLAH ROCKS	Juglah (Au)	E25/421	R.Lindsay	16.8	6	1/04/10	31/03/15	727	20,000
JUGLAH ROCKS	Juglah/Tramway (Au)	E25/435	R.Lindsay	14	5	19/08/10	18/08/15	606	15,000
				326.54					

An active program of tenement acquisition particularly in the areas of the Company's current project areas is encouraged.

3.0 JUGLAH ROCKS PROJECT

3.1 Introduction

The Juglah Rocks Project is located approximately 55 kilometres east of Kalgoorlie, Western Australia and comprises a large project area of approximately 58.8 square kilometres comprising a total of 3 exploration licenses (E25/421, E25/435, E25/453). Access to the project area can be gained by taking the Mt Monger road east of Kalgoorlie and then the Transline/Rawlina road to the east. Alternatively access may be obtained by heading east from Kalgoorlie to Bulong and then south to Juglah Rocks.

The Project area is centred on the Juglah Gold Mining Centre which comprises a large elliptical granite stock (Juglah Monzogranite) which has intruded a mixed felsic metasedimentary and mafic intrusive package. Gold mineralisation is related to zones of quartz veining and shearing within and adjacent to the granitoid focused along an interpreted axial planar shear related fault shear system. The group of tenements is located immediately east (1.5 kilometres) of the recent Majestic Gold Discovery of Integra Mining Limited (ASX Code: IGR) ("Integra") where gold mineralisation is hosted in a composite granodiorite intrusion. Broad zones of carbonate alteration crosscut by later quartz/sericite alteration with pyrite have been identified and associated with the gold mineralisation at Majestic. A number of highly significant gold drill intersections have been reported by Integra with a resources estimate of 3.9 million tonnes at 2.1 g/t gold for 260,000 ounces of contained gold announced on the 25th January 2011.

The large project area of Classic Minerals is conducive to a systematic gold exploration program encompassing geophysics, geochemistry and drill testing of the better anomalies. The new Majestic discovery of Integra's highlights the underexplored nature of the project with large areas, particularly to the north and east covered by Tertiary aged sediments masking any potential gold mineralisation.

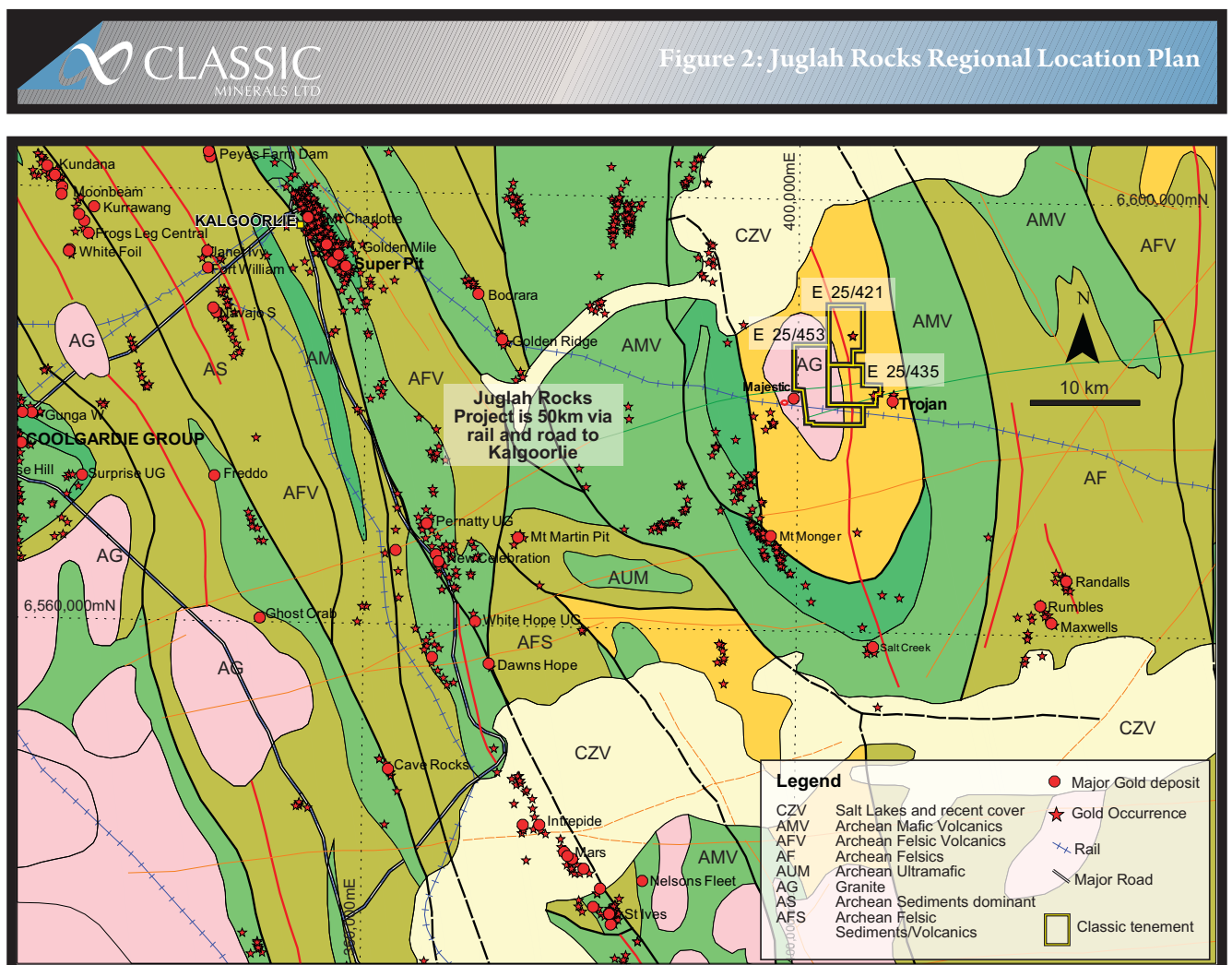
The area is also prospective for alluvial/detrital iron ore deposits. A number of exposures of ancient creek systems observed in dams within the Classic Minerals tenements reveals detrital alluvial grains of iron rich material which may be able to be readily beneficiated to produce an iron resource.

3.2 Regional Geology

The Juglah Rocks Project is located in the Eastern Goldfields Super terrane of the Archean Yilgarn Craton, within the Norseman-Wiluna Greenstone Belt and is situated largely within the southern part of the Kurnalpi Terrane. The southern Kurnalpi Terrane is further divided into the Gindalbie and Bulong Domains (Cassidy et al., 2006) with the Bulong Domain essentially representing a complex terrane boundary being made up of units from both the Kurnalpi and Kalgoorlie Terranes that have been tectonically interleaved. Rock types consist of a bimodal volcano sedimentary sequence of mafic to ultramafic lavas and volcanoclastic units overlain by a sequence of felsic volcanic, sedimentary units and banded iron formations. The geological sequence has undergone greenschist to lower amphibolite facies metamorphism, polyphase deformation, shearing and faulting and has been intruded by dolerites, quartz-feldspar porphyries and post-tectonic granitoids. The three terranes are made up largely of mafic, ultramafic and felsic volcanic rocks but have different stratigraphic sequences and proportions of rock types. The Gindalbie Terrane sequence consists of basalt, felsic volcanic/volcanoclastic rocks, komatiite and locally conglomerate.

The tenements are located on the eastern flank of the south-plunging Bulong Anticline situated at the southern extremity of the Yindarlgooda Dome. The stratigraphy is dominated by a western felsic volcanic sedimentary package and to the east by thick tholeiitic and high magnesium basalts.

The project tenements cover a significant portion of a major regional D2 anticline known as the Bulong Anticline (Hickman, 1986) or Yindarlgooda Dome (Swagger, 1995). The anticline is developed on the hanging wall of a major west dipping crustal structure called the Emu Fault. This structure divides the Gindalbie Terrane in the west from Jubilee Terrane rocks in the east. The Yindarlgooda Dome is a north-south trending domal structure some 20 kilometres x 50 kilometres in area, comprising predominantly felsic to intermediate rocks and altered mafic intrusives which are also intruded by granites and Proterozoic dykes (e.g. Celebration Dyke). The margins of the dome comprise basalts, minor black shale, ultramafic flows and gabbros.



Geology of the area has been divided into three greenstone successions separated by regional low angle faults (Swagger, 1995):

- A lower-most succession contains a range of lithologies including andesitic basalt, dacite to rhyolite. These volcanic rocks are in turn overlain by shales and sediments, particularly in the southern hinge and eastern limb of the Bulong Anticline.
- A middle succession of mafic-ultramafic rocks, dominated on the western side of the Bulong Anticline by komatiite.
- An upper succession comprising bi-modal dacite-rhyolite volcanic rocks, which dominate the northern portion of the terrane and have been the target in the past for base metal (VMS) mineralisation.

The resultant complex shear system in the region is variously related to known gold and nickel mineralisation. Significant gold deposits in the region include Kanowna, Daisy Milano, Salt Creek, Randall's and Karonie, while the highly productive Kalgoorlie - New Celebration – Kambalda – St Ives trend lies to the west of the Yindarlgooda Project.

3.3 Local Geology

The tenements cover the central and easterly core of the Juglah granite dome with gold workings associated with north to north east trending shears and quartz veins visible in a number of areas throughout the tenements. The eastern side of the tenement package is largely covered by recent and ancient alluvium which masks the eastern granite/sediment contact around the northern portion of the granite stock. Geomorphology of the area consists of a mixture of residual and transported soils, overlying a predominantly stripped laterite profile, with partial exposure of bedrock in the central core of the project area within the Juglah granite. To the north and east the geology is extremely weathered and covered by Tertiary transported cover units comprising sands and clays associated with regionally extensive paleochannel deposits draining to the north into Lake Yindarlgooda.

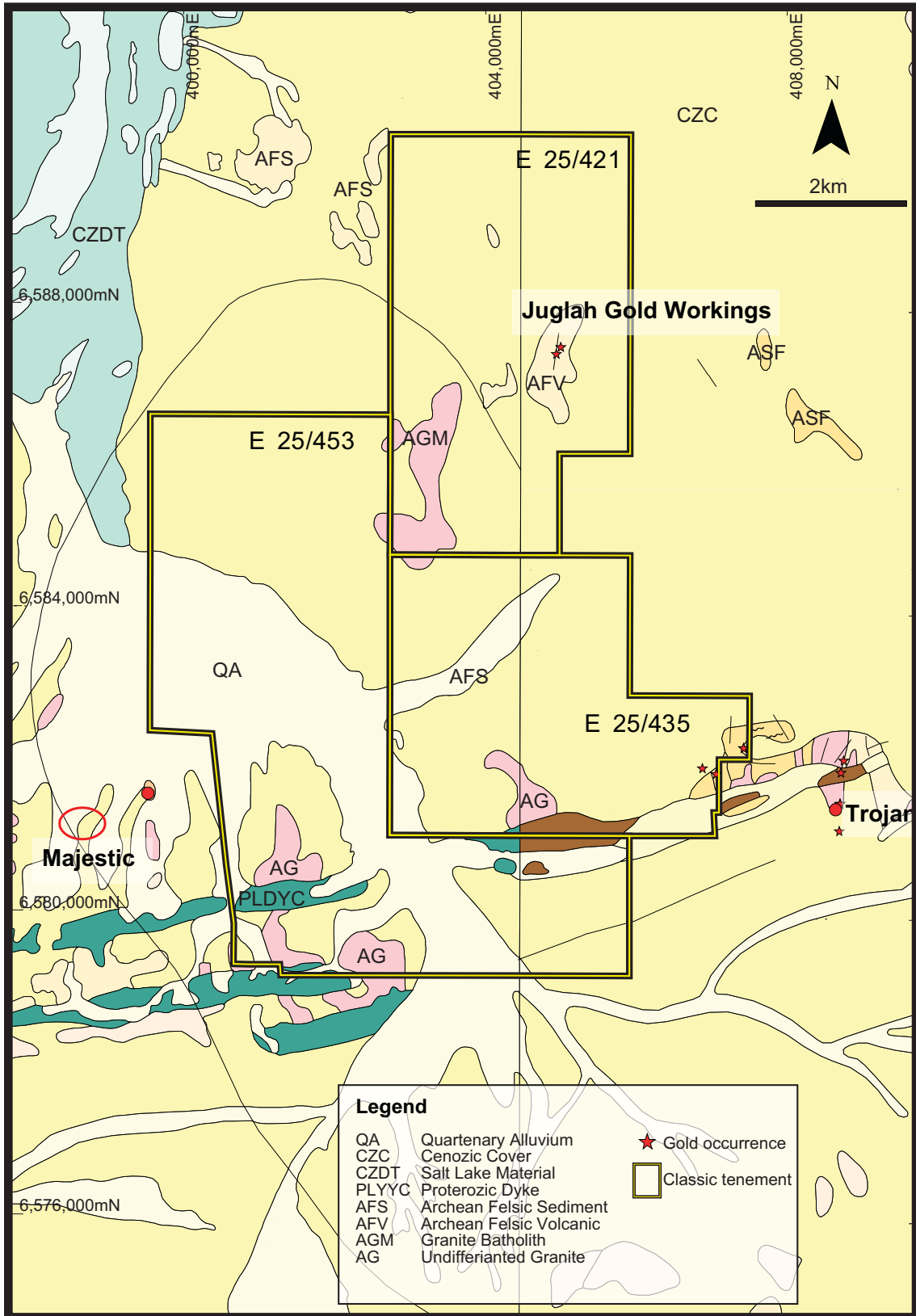
The outer contacts of the granite body against the felsics are not clearly exposed and the contact zones are interpreted to have been deeply weathered and eroded leading to depressions in the bedrock which have been subsequently filled with alluvial cover. Extensive paleochannel systems are known to the north in the vicinity of Lake Yindarlgooda and deep Tertiary aged incised valleys have been in filled with running sands and subsequently overlaid with puggy lucastrine clays. These paleochannels have been targeted in the past for gold deposits and also host large quantities of hyper saline water which have been used previously for mine process water at Mt Monger back in the early 1990's.

South of the outcropping Juglah Monzogranite within E25/435 extensive transported cover containing large amounts of iron rich detrital material is present and possibly represents ancient drainage systems (Tertiary in age?) which are preserved. Of interest in the vicinity of Share Dam is a 3 metre thick layer of iron rich detrital material (maghemite +/- hematite).

The economics of this type of iron deposit is unclear at present, however the visual appearance of the material in Share Dam is encouraging and further work to define the extent of the iron rich material is warranted.

These ancient drainage systems also have the potential to mask any sub outcropping gold mineralisation and exploration beneath the cover sequences particularly on the margins of the Juglah granite is recommended.

CLASSIC MINERALS LTD Figure 3: Juglah Rocks Detailed Location Plan



3.4 Mineralisation

The broad geologic setting of the Juglah Rocks tenement package comprises recent alluvium and colluvium overlying an Archaean granitoid basement of quartz monzonite composition accompanied by remnant greenstones and felsic porphyry intrusives. This basement has been intruded by east – west trending mafic and ultramafic dykes, which reportedly have the potential to host nickel and copper mineralisation. One of these mafic intrusives, the Celebration Dyke is exposed in the southern portion of E25/453 and E25/435.

Structurally the majority of the Juglah tenement package is located on the eastern flank of the south plunging Bulong anticlinal structure. The western margin of the underlying granitoid basement coincides with a major northwest striking shear. Locally, the granitoid exhibits intense shear – related deformation, which at Jones Find is associated with alteration haloes of up to 100 m in width. Exploration by various explorers has documented four styles of gold mineralisation.

- Narrow quartz vein gold bearing zones associated with shearing and biotite alteration. Most old mine workings are developed in these zones;
- Auriferous quartz vein stockworks have been identified in the northern part of the prospect;
- Quartz-biotite-clay ± albite alteration associated with anomalous gold assays; and
- Supergene gold at the base of the weathering profile.

3.5 Previous Exploration

Gold was first discovered in the immediate area in the 1920s by workers on the Trans Australian Railway with the best known gold occurrences including workings at Majestic, Transfind and Juglah Rocks. Documented historic production began in 1921 and 1937 with the Trans Find Mining Centre leases collectively producing 1020 t @ 27 g/t Au. Between 1902 and 1922 the Majestic Mining Centre produced 1606 t @ 17.7 g/t Au. A number of small scale gold workings are present within the Classic Minerals tenement package and have been mined by prospectors over the last 80 years.

Modern exploration commenced in the late 1960's and 1970's during the nickel boom when base metal exploration by Amax Exploration was completed in the vicinity of the project area. Systematic geological mapping, soil sampling and auger drilling was targeted on a number of the felsic volcanic units within the sequence and the E-W proterozoic dykes were also prospected. No base metal targets were located during the exploration and no assays for gold were completed. In 1984 Western Mining Corporation ("WMC") completed some gold exploration in the vicinity of Boundary Dam as part of their regional Lake Yindarlgooda Project located to the west of the project area and defined anomalous gold to the north of the Majestic Mining Centre. Their work included detailed soil sampling which successfully outlined a number of +10 ppb gold in soil anomalies. One of the anomalies, the Herald Project (located 2 kilometres west of the Classic Minerals tenements) recorded wide intercepts of sub-economic mineralisation however WMC concluded the potential of the area did not meet their corporate objectives and withdrew from the area.



Figure 4: Juglah Rocks Mine Workings, E25/421

The first significant gold exploration programs over the immediate project area were undertaken by Titan Resources (Jones Find, Bulong Anticline Project) ("Titan") and CRA Exploration (Kurnalpi-Yindarlgooda Project in the 1990s). In addition Mt Kersey Mining NL explored large portions of the project area between 1992-1998 (Juglah Project) targeting initially paleochannel gold targets to the north of the area adjacent to Lake Yindarlgooda and encountered extensive transported cover encompassing paleochannels and puggy clay layers. These Tertiary sequences reflecting a time of high rainfall and tropical conditions in the Eastern Goldfields significantly mask the bedrock geology with detailed drilling the only effective way to explore under these complex cover sequences.

Gold exploration work by Titan was focussed on the Bulong anticline and included over 4000 surface geochemical samples and 1200 drill holes. This work ultimately resulted in the definition of the Trojan Gold Deposit located just to the south east of the Classic Minerals tenement holding at Juglah.

The Trojan deposit (previously termed Curtin) was mined by New Hampton Goldfields in 1991 and had a JORC compliant gold resource of 1.41 mt @ 2.2 g/t Au for 101,000 ounces of gold. Gold mineralisation at Trojan was described as associated with a NNE trending brittle shear containing multiple sub parallel lodes dipping 60 degrees west and hosted by granite (quartz syenite) porphyry (of slightly more mafic composition than the granite) and in the extreme southern portion of the interfingered basalt and granite. The largest lode defined was known as the Juliet lode and was up to 20 metres wide and one kilometre in strike (Humphries 2001).

Trojan is situated to the south of the Transfind gold resource which was developed on the down dip and along strike portions of the historical workings at Transfind. Resource development drilling was completed in the late 1980s by Imperial Mining who defined and mined a resource of 91,000 t @ 3.44 g/t Au within a sequence of sheared andesitic and dacitic tuffs. Mineralisation was reported to trend 010-015 degrees and dip at 35 degrees to the east. Transfind and Trojan are both situated on the eastern margin of the Juglah Monzogranite intrusion and are probably related to competency contrast within different lithologies on the margins of the granite complex and dilatationary zones associated with this.

To the east of the Juglah Monzogranite a suite of mafic and felsic rocks are present and this area was explored by Titan Resources as part of their regional exploration in the 1990s.

Newcrest Mining acquired the Majestic project area in 2000 and completed wide spaced RC drilling and defined anomalous gold mineralisation outside of the main stockwork zone suggesting a larger gold system was present. In 2008 Integra Mining Limited acquired an 85% interest in the area and completed a gravity survey and aircore drilling at Herald which returned wide spread low grade gold intersections and provided encouragement for the commencement of a large RC drill program. In March 2010 Integra announced significant RC drill hole intersections which have since led to the recent announcement of large gold resource in the area.

The discovery of gold within an intrusive granitic host, similar to the Golden Cities discovery north of Kalgoorlie highlights the fact that granitic rocks are prospective for gold mineralisation and further work to evaluate granite hosted gold systems is warranted.

3.6 Proposed Exploration

Classic have proposed a systematic exploration programme to further explore the large tenement package at Juglah Rocks focused principally on the gold potential. The recent recognition and definition of the Majestic Gold Discovery by Integra has highlighted the potential for particular granite phases within the Juglah Monzogranite to be more prospective for gold mineralisation and careful delineation of any internal boundaries of the granite is warranted. Full desktop studies of previous work will be compiled to provide a base geological data set to be followed by regolith and landsat studies to map out those areas of transported cover which have the potential to mask undiscovered gold deposit. Systematic RAB/aircore drilling is proposed to be completed in areas considered prospective, with holes drilled through any cover sequences and low level gold analysis to follow. A focus on the margins/contact zones of the Juglah Monzogranite is recommended particularly where covered by modern and ancient alluvial cover. The north-eastern contact of the granite with the sedimentary units is masked by ancient and more recent alluvial deposits and detailed RAB drilling/geochemistry is specifically recommended in this area.

There are a number of gold workings developed within the tenements which have sufficient strike length and width to be of serious interest. Scout systematic reverse circulation drilling should be completed on these workings on a suggested nominal 40 metre spacing. The potential for high grade gold mineralisation is clear and work to assess this is warranted.

As discussed previously the evaluation of iron rich detrital material in the vicinity of Share Dam is warranted where a 3 metre thick layer of iron rich detrital material (maghemite +/- hematite) has been identified. The Juglah Rocks project area is favourably located with respect to regional infrastructure and detailed review and aircore drilling could readily test for this deposit type.

3.7 Proposed Budget - Juglah Rocks Project (E25/421, E25/435, E25/453)

	Minimum Subscription (\$3.5M)			Full Subscription (\$4.5M)			Full Oversubscription (\$6.0M)		
	Year 1	Year 2	Total	Year 1	Year 2	Total	Year 1	Year 2	Total
GIS Compilation	\$5,000	\$-	\$5,000	\$5,000	\$-	\$5,000	\$20,000	\$-	\$20,000
Native Title Considerations	\$5,000	\$-	\$5,000	\$5,000	\$-	\$5,000	\$10,000	\$-	\$10,000
Auger Geochemistry	\$10,000	\$10,000	\$20,000	\$10,000	\$20,000	\$30,000	\$40,000	\$30,000	\$70,000
Aircore Drilling	\$50,000	\$80,000	\$130,000	\$50,000	\$90,000	\$140,000	\$160,000	\$240,000	\$400,000
Reverse Circulation Drilling	\$-	\$120,000	\$120,000	\$80,000	\$100,000	\$180,000	\$140,000	\$300,000	\$440,000
Analysis	\$20,000	\$40,000	\$60,000	\$20,000	\$20,000	\$40,000	\$40,000	\$70,000	\$110,000
Field Staff	\$25,000	\$45,000	\$70,000	\$30,000	\$50,000	\$80,000	\$50,000	\$80,000	\$130,000
Reporting	\$10,000	\$15,000	\$25,000	\$10,000	\$15,000	\$25,000	\$25,000	\$25,000	\$50,000
Contingency	\$10,000	\$10,000	\$20,000	\$10,000	\$15,000	\$25,000	\$20,000	\$20,000	\$40,000
Total	\$135,000	\$320,000	\$455,000	\$220,000	\$310,000	\$530,000	\$505,000	\$765,000	\$1,270,000

4.0 DOHERTY'S PROJECT

4.1 Introduction

The Dohertys Project (M57/619) is located within the Barrambie Greenstone Belt approximately 65 kilometres north of Sandstone and 600 kilometres northeast of Perth in the East Murchison Mineral Field, Western Australia.

Access is by way of the Sandstone-Meekatharra main road, thence about 5 kilometres east along a graded track to the Dohertys Mine Site. The Barrambie Belt has a history of high-grade gold production having produced some 27,339 ounces of gold from 34,233 tonnes of ore (24.8 g/t). The Dohertys Project consists of three groups of historical mine workings; the Dohertys, Old Camp and South Shear mines. Dohertys is the largest, having produced 2,292 tonnes at a grade of 25.4 g/t gold between 1955 and 1985. Previous exploration and underground mine developments at the Dohertys workings have identified high grade gold mineralisation over a distance of 51 metres at 100 metres depth.

Limited drilling by Classic Minerals in 2010 (four reverse circulation holes for a total of 374 metres) returned 5m @ 7.08 g/t Au and 5m @ 3.64 g/t Au in adjacent holes.

The Company plans to further evaluate the known high-grade gold mineralisation and to carry out exploration over the Project with the object of discovering and defining further mineralised structures. The project is located within 100 kilometres of both the Gidgee and Sandstone mills and provides an opportunity for toll milling.

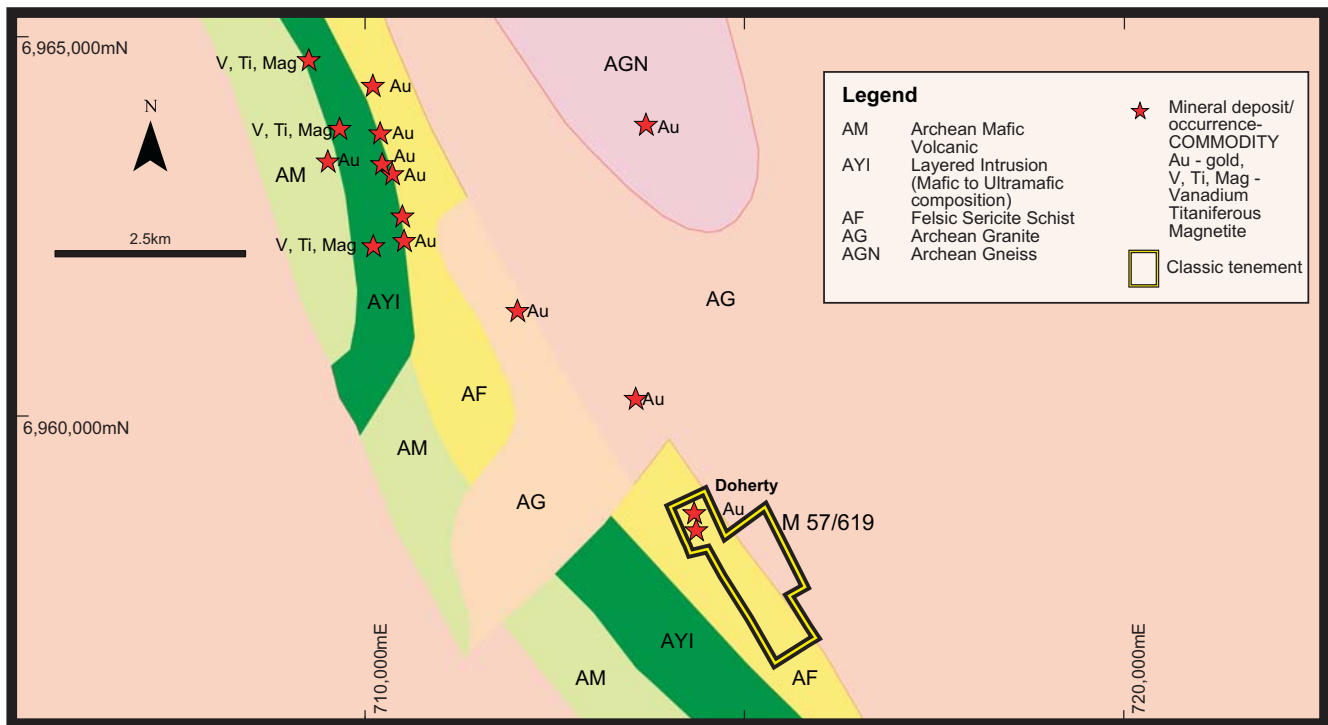
4.2 Regional Geology

The Dohertys Project is situated at the southern end of the Barrambie Greenstone Belt that comprises felsic volcanoclastics, minor greenstone metasediments and banded iron formation (BIF) all of which have been intruded by felsic porphyry and granitites. The Barrambie Greenstone Belt is a northwest trending belt in the granite gneiss terrain of the East Murchison. The Belt consists of the central Barrambie Sill, a layered mafic igneous complex, surrounded by felsic and sedimentary rocks. Gold mineralisation was discovered in 1905 during the construction of the rabbit-proof fence. Mining has been undertaken at four centres along the belt (Errolls, Sugarstone, Barrambie, and Scheelite). Just over half of this production came from the Barrambie Mining Centre. All lithologies at Barrambie contain gold mineralisation, including gabbro, granite, felsic volcanics and sedimentary rocks. Many deposits discovered to date contain a significant portion of supergene gold, with the higher grade cores are typically sulphide bearing quartz veins.

4.3 Local Geology

Within the tenement area the exposed rock types comprise felsic volcanoclastic and metasediments that are intruded by porphyry and mafics. The felsic rocks are banded and schistose and intercalated with the felsics are BIF, which contain grey chert and magnetite bands with minor pyrite. The BIF forms a prominent north-westerly-trending ridge through the tenement. Overlying these rocks are fine-grained quartz-eye tuffs. The albite porphyry unit comprises porphyry stocks intrusive into the overlying felsics.

Figure 5: Dohertys Geology Plan



4.4 Previous Exploration

In the past the area has been mined for both gold and copper. Past records of gold production from the Barrambie region are contained in Table 2.

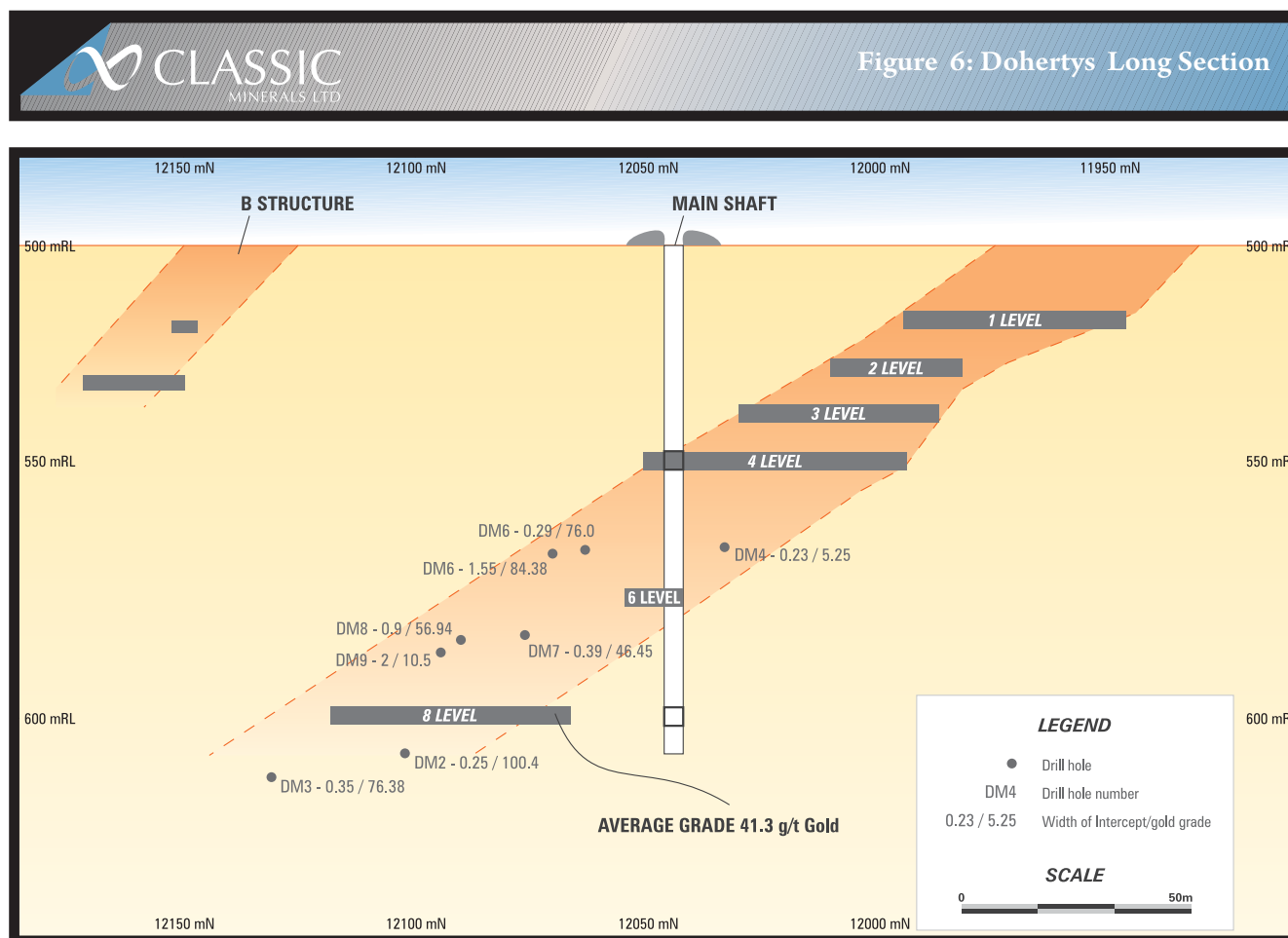
Table 2 – Recorded Gold Production Barrambie Region

LOCATION	TONNES	GOLD (OZ)	GRADE (G/T)	PERIOD
Doherty's	2,292	1,872	25.4	1955 - 1985
Barrambie	16,530	15,390	29.0	1907 – 1966
Sugarstone	5,270	3,880	22.9	1908 - 1913
Erroll's	10,141	6,197	19.0	1906 - 1919
TOTAL	34,233	27,339	24.8	

Between 1986 – 1990, Samson Exploration NL carried out exploration within the Project area at Dohertys Gold Mine, the Barrambie Gold Mining Centre, Sugarstone-Ironclad Area and Erroll's Leases. Samson completed aerial photography, gridding, soil and rock chip sampling, mapping, and stream sediment sampling.

This programme was followed by rotary air blast drilling (RAB), reverse circulation drilling (RC), diamond drilling, underground mapping of the accessible abandoned gold mining workings and face sampling. Some shaft sinking and development mining was also carried out.

The RAB drilling programme identified anomalous gold values in a number of locations west of the known gold workings, which warrant further investigation.



A programme of diamond drilling comprising twelve holes was completed at Dohertys Mine Workings to test the down plunge continuation of the gold-bearing lode.

Reverse circulation drilling completed by the previous owners (Golden West Resources) during January 2008 defined further anomalous gold intercepts confirming and extending the mineralised structure down dip.

In 1986, Eltin Pty Ltd ("Eltin") was contracted to deepen the main access shaft, and establish the 6 and 8 Levels and drive along the east limb of the fold structure. A 9 metre cross-cut at the 6 Level intersected mineralisation, which traced over a distance of 11 metres. Development of the 8 Level intersected a pyritic quartz reef in porphyry over a distance of 51 metres.

In 2010 Classic Minerals drilled four reverse circulation holes for a total of 374 metres. The holes ranged in depth from 85 to 95 metres and were targeted at known gold mineralisation at the northern end of the tenement adjacent to the Scheelite North Dohertys gold occurrence. Samples were submitted as 5 metre composites for analysis with two intersections returned in holes DRC07 and DRC08. DRC07 returned 5m @ 7.08 g/t Au from 60-65 metres and DRC08 returned 5m @ 3.64 g/t Au from 60-65 metres.

4.5 Proposed Exploration

There are three groups of gold workings located within the project area, namely, Dohertys, Old Camp and South Shear. Gold mineralisation is hosted by quartz-filled shears in altered albite porphyry. The dominant sulphide is pyrite with traces of chalcopyrite and scheelite. The mineralised gold reefs are generally developed along anticlinal crests and with fold limbs plunging at 30° to the north-northwest. To date only the Old Camp workings have been investigated by systematic, albeit shallow drilling. The geometry of the structures suggest a northerly plunge direction of the gold mineralisation and these should be tested down dip and plunge of the known higher grade shoots.

Doherty's has been investigated by limited drilling and the South Shear workings remain untested. Shallow RAB drilling encountered anomalous gold to the west of the main lode system and this area warrants more detailed investigation. Isoclinal folding in the area suggests the possibility of repetitive sub parallel lodes and anomalous results in the RAB drilling may support this.

The obvious potential in the area is the down dip and down plunge potential of the main gold mineralised structure. The grades returned to date are encouraging and based on the results further drilling should extend the known gold mineralisation. Deeper diamond drilling is the recommended approach for advancing the project followed by resource estimation and economic analysis.

4.6 Proposed Budget - Dohertys Project (M57/619)

	Minimum Subscription (\$3.5M)			Full Subscription (\$4.5M)			Full Oversubscription (\$6.0M)		
	Year 1	Year 2	Total	Year 1	Year 2	Total	Year 1	Year 2	Total
Access Tracks	\$-	\$5,000	\$5,000	\$5,000	\$5,000	\$10,000	\$5,000	\$10,000	\$15,000
Native Title Considerations	\$5,000	\$-	\$5,000	\$10,000	\$-	\$10,000	\$10,000	\$-	\$10,000
Reverse Circulation Drilling	\$40,000	\$60,000	\$100,000	\$80,000	\$80,000	\$160,000	\$130,000	\$140,000	\$270,000
Diamond Drilling	\$40,000	\$80,000	\$120,000	\$60,000	\$120,000	\$180,000	\$100,000	\$240,000	\$340,000
Analysis	\$15,000	\$15,000	\$30,000	\$15,000	\$40,000	\$55,000	\$20,000	\$40,000	\$60,000
Field Staff	\$10,000	\$10,000	\$20,000	\$10,000	\$20,000	\$30,000	\$20,000	\$40,000	\$60,000
Reporting	\$10,000	\$10,000	\$20,000	\$10,000	\$10,000	\$20,000	\$10,000	\$10,000	\$20,000
Metallurgy	\$10,000	\$10,000	\$20,000	\$10,000	\$40,000	\$50,000	\$10,000	\$40,000	\$50,000
Contingency	\$10,000	\$10,000	\$20,000	\$10,000	\$10,000	\$20,000	\$10,000	\$10,000	\$20,000
Total	\$140,000	\$200,000	\$340,000	\$210,000	\$325,000	\$535,000	\$315,000	\$530,000	\$845,000

5.0 SUNSHINE PROJECT

5.1 Introduction

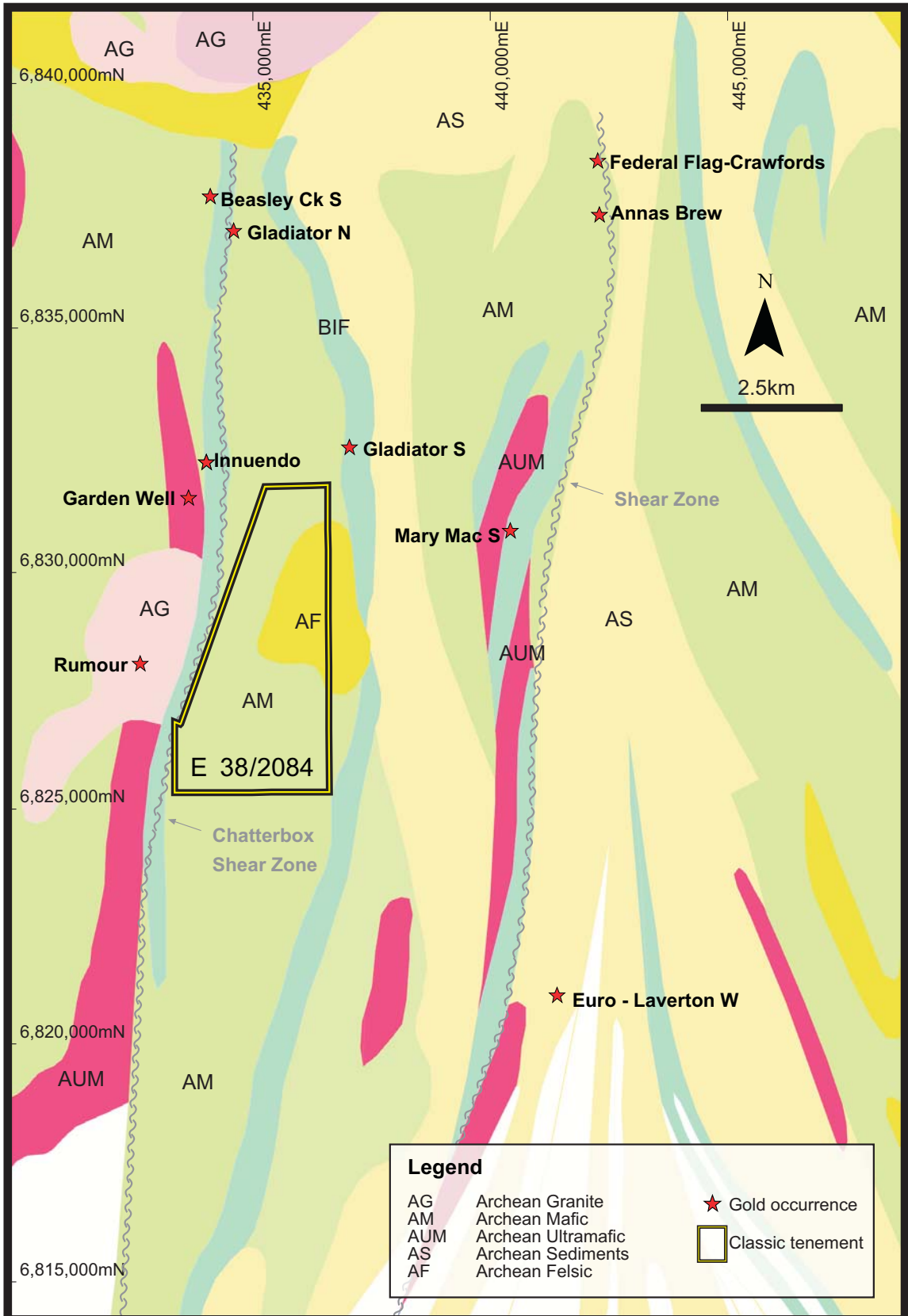
The Sunshine prospect is located in the gold rich Mt Margaret Mineral Field near Laverton and comprises Exploration License E38/2084 totaling 15.9 square kilometres. The prospect is located in the Mt Margaret Mineral Field, some 7 kilometres South West of Laverton on the Mt Weld Pastoral Lease. Access is via the unsealed Leonora-Mt Margaret-Laverton road.

5.2 Regional Geology

The earlier regional geological framework of the Laverton area comprised four broadly defined north-south litho structural corridors or domains, bounded by major strike shear zones. The eastern corridor consists predominantly of strongly deformed metasediments and andesitic volcanoclastic, and includes slate, greywacke, andesite and chert. This domain is bounded by the west by the Childe Harold fault of the Laverton Tectonic Zone that hosts the Granny Smith deposits. The western corridor comprises a complex assemblage of mafic and ultramafic volcanic and intrusive rocks, with interlayered BIF and black shale. Most of the BIF and mafic-hosted gold deposits of the Laverton area are hosted by these rocks. The third corridor is a relatively narrow fault bounded zone occupied almost entirely by deformed sediments, including conglomerates, forming the characteristics hanging wall assemblage to the Lancefield mine stratigraphy.

The fourth corridor comprises strongly deformed ultramafic, mafic volcanic and intercalated BIF and sediments and includes the Lancefield, Gladiator and Gladiator South and Gladiator North. The sequence includes gabbroic intrusions conformable to stratigraphy and abundant generally transgressive felsic dykes.

CLASSIC MINERALS LTD Figure 7: Sunshine Geology and Location Plan



Structurally the area is interpreted to comprise a moderately eastward dipping and eastward facing suite of greenstone in the transition zone between the linear, strike faults controlled Laverton Greenstone Belt and the more open structure of the Margaret Anticline to the southwest. A significant feature of the regional geological setting is the extensive Permian cover, which completely masks stratigraphy and gold anomalism over extensive areas. The cover is part of a Permian glacial sequence, and can reach thicknesses of up to 150m, although much of the sequence is substantially less than 60m in thickness. In many areas the cover effectively precludes the use of conventional surface geochemical exploration methods however MMI soil sampling may be useful over such terrains.

The Margaret Domain, which hosts the Mt Morgan's, Jupiter, Lancefield and Wallaby gold deposits, is characterized by predominantly tholeiitic basalts and ultramafic rocks, and subordinate metasedimentary rocks including BIF, intruded variably by dolerites, syenites, granitites and minor felsic porphyry units. The domain is dominated by the broad Margaret Anticline structure. The Laverton Tectonic Zone, which hosts the Granny Smith and Sunrise gold deposits, comprises calc-alkaline felsic to intermediate volcanic and metasediments, with lesser BIF and more minor mafic components.

The Burtville Domain, with hosts the Heringal, Admiral Hill and Mt Barnicoat gold deposits, is characterized by mafic/ultramafic volcanics, with a paucity of metasediments and distinct absence of BIF. Within each of these terraces' granitites may host mineralisation.

Adjacent to Classic Minerals' E38/2084 tenement to the west and northwest is situated the Innuendo, Whisper and Rumor gold deposits hosted by the Chatterbox Shear Zone (CSZ). This major regional structure can be traced by geophysics over a length of up to 30 kilometres. The CSZ is a complex north-south striking east-dipping ductile/brittle fault zone which hosts intermittent gold mineralisation within shear zones, quartz veins and fractures zones along its length.

The geology of the tenement area comprises a sequence of mafic volcanics overlying the Mt Ajax banded iron formation, intruded by several generations of northwest trending porphyries which form a series of low hills. Minor chert units crop out in the southwest of the tenement. The mafic volcanic units are largely obscured by colluvium. Two small areas of workings (Sunshine and Sunny Hill) associated with the margins of a northwest trending porphyry have yielded a total historic production of 116 ounces of gold.

5.3 Previous Exploration

Classic Minerals' current tenement E38/2084 was originally covered by E 38/851 and was granted to Resource Exploration NL (Attgold Pty Ltd then Mawson West Ltd) in 1996. A Joint Venture Agreement was executed between Metex Resources NL, Niclex and Resource Exploration NL in 1997 and exploration to 2002 was reported. This work included literature review, reconnaissance mapping, aerial photographic interpretation, geophysics interpreted by Southern Geoscience Ltd, geochemistry including soil sampling and vacuum drilling, follow up surface rock chip sampling within anomalous areas and some RAB drilling.

The highest levels of gold anomalism were found at Target 5V, a 200m long vacuum anomaly in mafic rocks. An infill soil sampling program on a 100X50m grid pattern confirmed a bulls eye anomaly with tails to the NE and SE producing an anomaly over a 300X200m area. Samples were collected from a large moderate NE dipping hill of foliated felsic intrusive cross cut by narrow shallow NW dipping tensional quartz veins. Assay results suggested the vein arrays are mineralised but with a variable coarse gold component.

A program of vacuum drill holes to infill to 100X50m spacing beneath the shallow cover (2-8 metres) confirmed the original anomalous results, outlining a broadly north-south 600m long coincident Au and As anomaly.

A program of angled RAB drilling comprising 12 holes for 408m on a single traverse to test part of the 5H vacuum anomaly encountered major basement lithologies of intercalated felsic porphyry and mafic volcanics possibly from the high magnesium field. Minor zones of coarser mafic were noted representing dolerite. Weak mineralisation was associated with intense goethite alteration and quartz veining.

5.4 Proposed Exploration

The majority of the identified anomalies have not been adequately drill tested so the possibility to identify economic gold mineralisation remains intact. The application of MMI sampling over areas of transported cover should be considered to investigate the potential for basement gold mineralisation located underneath the more recent Permian cover sequences. Full desktop studies should be completed prior to undertaking field activities that will initially focus of a review of all data, soil sampling and mapping. The more sensitive modern MMI sampling exploration tool can identify subtle gold mineralisation trends within soil geochemical anomalies and a program over non outcrop areas is planned. First priority targets generated by this work will then be drill tested. In Year 2 any positive results from the first phase drilling will be further investigated by ongoing drill campaigns.

5.5 Proposed Budget - Sunshine Project (E38/2084)

	Minimum Subscription (\$3.5M)			Full Subscription (\$4.5M)			Full Oversubscription (\$6.0M)		
	Year 1	Year 2	Total	Year 1	Year 2	Total	Year 1	Year 2	Total
Access Tracks	\$10,000	\$10,000	\$20,000	\$10,000	\$10,000	\$20,000	\$10,000	\$10,000	\$20,000
Native Title Considerations	\$10,000	\$-	\$10,000	\$20,000	\$-	\$20,000	\$20,000	\$-	\$20,000
Auger Geochemistry	\$10,000	\$-	\$10,000	\$30,000	\$20,000	\$50,000	\$40,000	\$30,000	\$70,000
Aircore/RAB Drilling	\$40,000	\$80,000	\$120,000	\$60,000	\$80,000	\$140,000	\$100,000	\$130,000	\$230,000
Analysis	\$10,000	\$20,000	\$30,000	\$15,000	\$25,000	\$40,000	\$30,000	\$30,000	\$60,000
RC Drilling	\$40,000	\$90,000	\$130,000	\$30,000	\$160,000	\$190,000	\$80,000	\$160,000	\$240,000
Field Staff	\$10,000	\$25,000	\$35,000	\$15,000	\$25,000	\$40,000	\$20,000	\$30,000	\$50,000
Reporting	\$10,000	\$10,000	\$20,000	\$10,000	\$10,000	\$20,000	\$10,000	\$10,000	\$20,000
Contingency	\$10,000	\$10,000	\$20,000	\$10,000	\$10,000	\$20,000	\$10,000	\$10,000	\$20,000
Total	\$150,000	\$245,000	\$395,000	\$200,000	\$340,000	\$540,000	\$320,000	\$410,000	\$730,000

6.0 MOUNT MAITLAND PROJECT

6.1 Introduction

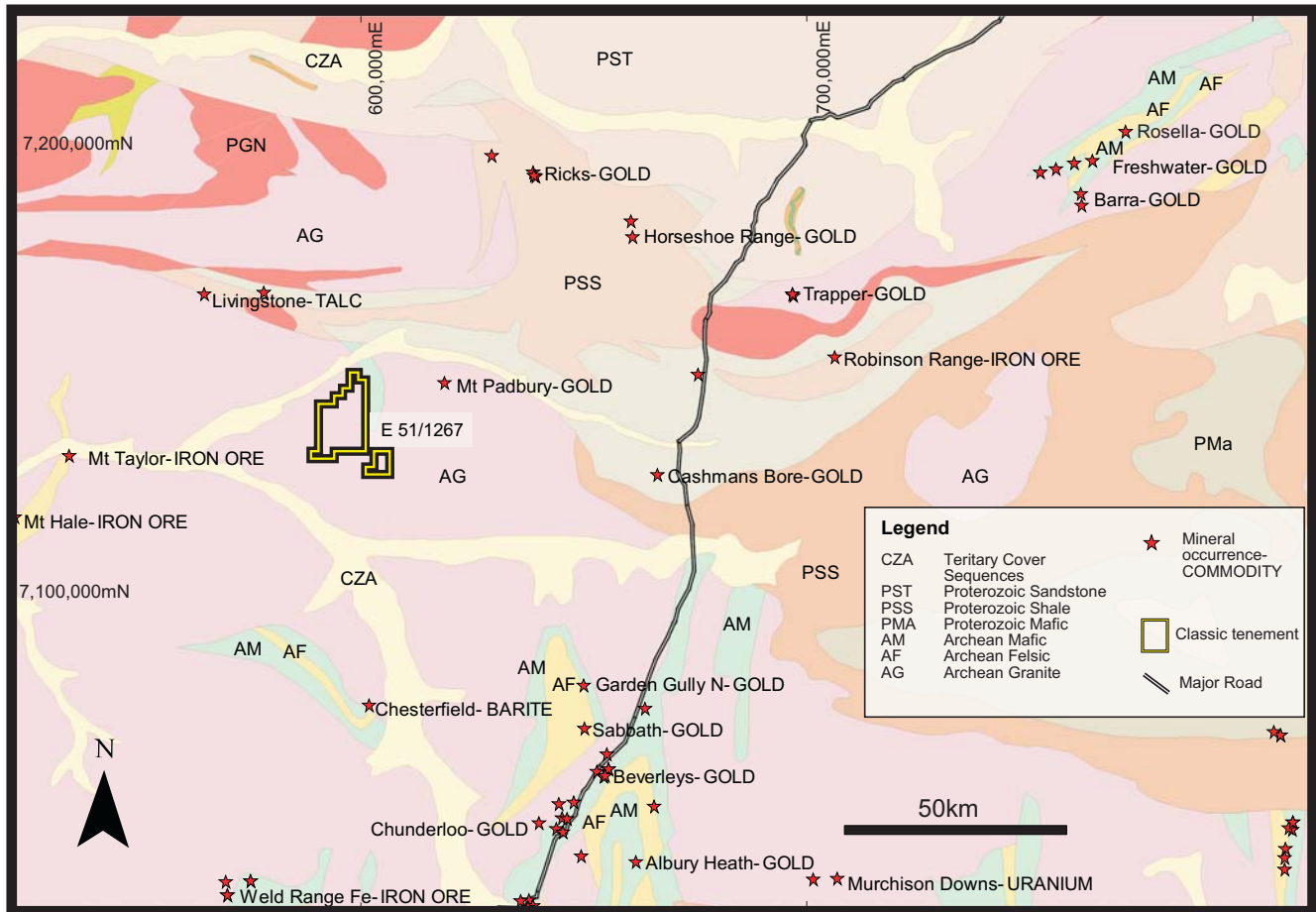
The Mt Maitland Project (E51/1267) is located in the Meekatharra District of the Murchison Mineral Field, Western Australia. It is centered about 800 kilometres north of Perth and about 100 kilometres north west of Meekatharra. Access from Meekatharra is by way of the Meekatharra-Mt Augustus main road that passes through the centre of the area from south to north.

6.2 Regional Geology

The regional geological setting of the Mt Maitland Prospect area comprises the western contact zone between the Mt Maitland Greenstone Belt with the Palaeoproterozoic Bryah Group rock sequence to the west. The greenstones comprise interlayered felsic and mafic volcanic rocks in intercalated BIP that have been intruded by Ultramafic-komatiite sills. Basement to the area contains extensive remnants of old cratonic granitic-gneisses interleaved with Archean sub-crustal rocks, late Archean granitoid intrusive and younger radioactive biotite monzogranite that is intruded by generally east-west trending Proterozoic aged dolerite dykes. Gold mineralisation at the historic Mount Maitland North mine (located outside and to the north east of Classic Minerals' tenement holding is hosted by laminated quartz veins within deformed BIF.

Uranium calcrete deposits in other areas of the Murchison (Yeelirrie) have developed within intermittently active flowing tributaries and ancient Palaeo-channels of the Murchison and Talga River systems that overlie deeply eroded late "hot" radiometric Archean granitic intrusive rocks. The exploration target at Mount Maitland West includes a Yeelirrie type, valley calcrete uranium deposit.

Figure 8: Mount Maitland Regional Location Plan



6.3 Previous Exploration

Regional exploration for gold was undertaken within the prospect area that is centered on the historic Mount Maitland North workings hosted by laminated quartz veins within deformed BIF. A surface geochemical program outlined several narrow, discontinuous gold anomalies exhibiting sporadic gold distribution that occurs at the northern extremity of the Yilgarn Craton. Drill targets were defined after further soil and stream sediment sampling however follow-up RAB drilling failed to return any significant results. Additional rock chip sampling of a mafic-ultramafic sequence west of Mount Maitland returned results that still require follow-up.

Part of the current tenement was part of the Narryer-Mount Gould diamond project explored by Astro Mining NL. Exploration completed during 1998-99 comprised a data review including interpretation of geophysical data, aerial photographs and reconnaissance and geological mapping. Stream sediment sampling for diamond indicator minerals was undertaken but rock samples and heavy mineral concentrates returned negative results so the tenements were surrendered. Little work has been undertaken since this time.

6.4 Proposed Exploration

The project is considered a grass roots exploration play with first pass reconnaissance planned to explore for uranium mineralisation within the Quaternary alluvials and colluvial sediments in tributaries leading to the Murchison River. Within the catchment area "hot" late Archean granites have been previously identified and work on the secondary calcrete within the tenement area to investigate the the uranium potential is recommended.

The gold potential particularly on the eastern side of the tenement area should be reviewed. Late stage granitic intrusive bodies if present, have the potential for rare earth deposits similar to the Yungibana system located to the north and analysis of geochemistry should cover this mineral type. Full desktop studies will be completed prior to undertaking field activities that will initially focus on a review of all data, soil sampling and mapping. The more sensitive modern MMI sampling exploration analytical technique can identify subtle gold mineralisation trends within soil geochemical anomalies and a program over non outcrop areas is planned. First priority targets generated by this work will then be drill tested. In Year Two any positive results from the first phase drilling will be further investigated by additional drilling.

6.5 Proposed Budget - Mount Maitland Project (E51/1267)

	Minimum Subscription (\$3.5M)			Full Subscription (\$4.5M)			Full Oversubscription (\$6.0M)		
	Year 1	Year 2	Total	Year 1	Year 2	Total	Year 1	Year 2	Total
Access Tracks	\$10,000	\$10,000	\$20,000	\$10,000	\$10,000	\$20,000	\$10,000	\$10,000	\$20,000
Native Title Considerations	\$20,000	\$-	\$20,000	\$20,000	\$-	\$20,000	\$20,000	\$-	\$20,000
Auger Geochemistry	\$10,000	\$10,000	\$20,000	\$20,000	\$10,000	\$30,000	\$40,000	\$20,000	\$60,000
Aircore/RAB Drilling	\$30,000	\$50,000	\$80,000	\$60,000	\$40,000	\$100,000	\$80,000	\$60,000	\$140,000
Analysis	\$15,000	\$15,000	\$30,000	\$15,000	\$20,000	\$35,000	\$20,000	\$30,000	\$50,000
Field Staff	\$10,000	\$10,000	\$20,000	\$10,000	\$10,000	\$20,000	\$20,000	\$20,000	\$40,000
Reporting	\$10,000	\$10,000	\$20,000	\$10,000	\$10,000	\$20,000	\$15,000	\$10,000	\$25,000
Contingency	\$10,000	\$10,000	\$20,000	\$10,000	\$10,000	\$20,000	\$20,000	\$10,000	\$30,000
Total	\$115,000	\$115,000	\$230,000	\$155,000	\$110,000	\$265,000	\$225,000	\$160,000	\$385,000

7.0 FRASER RANGE PROJECT

7.1 Introduction

The Fraser Range Project (E28/1904) is located within the Proterozoic Albany-Fraser Orogenic Belt (Collision Zone) east of the Yilgarn Craton. In the past little exploration has been completed in the area, however the discovery of the Trilogy deposit near Ravensthorpe to the south west precipitated large regional exploration programs by a number of major companies which has subsequently highlighted the prospectivity of this belt of rocks, particularly with the recent discovery of the multimillion ounce Tropicana and Havana gold deposits. The Fraser Range project is located 160 kilometres east southeast of Kambalda. Access is via the Trans Australian railway access road to Zanthus, some 120 kilometres east along the Eyre Highway from Norseman and then 40 kilometres north along station tracks to the project area.

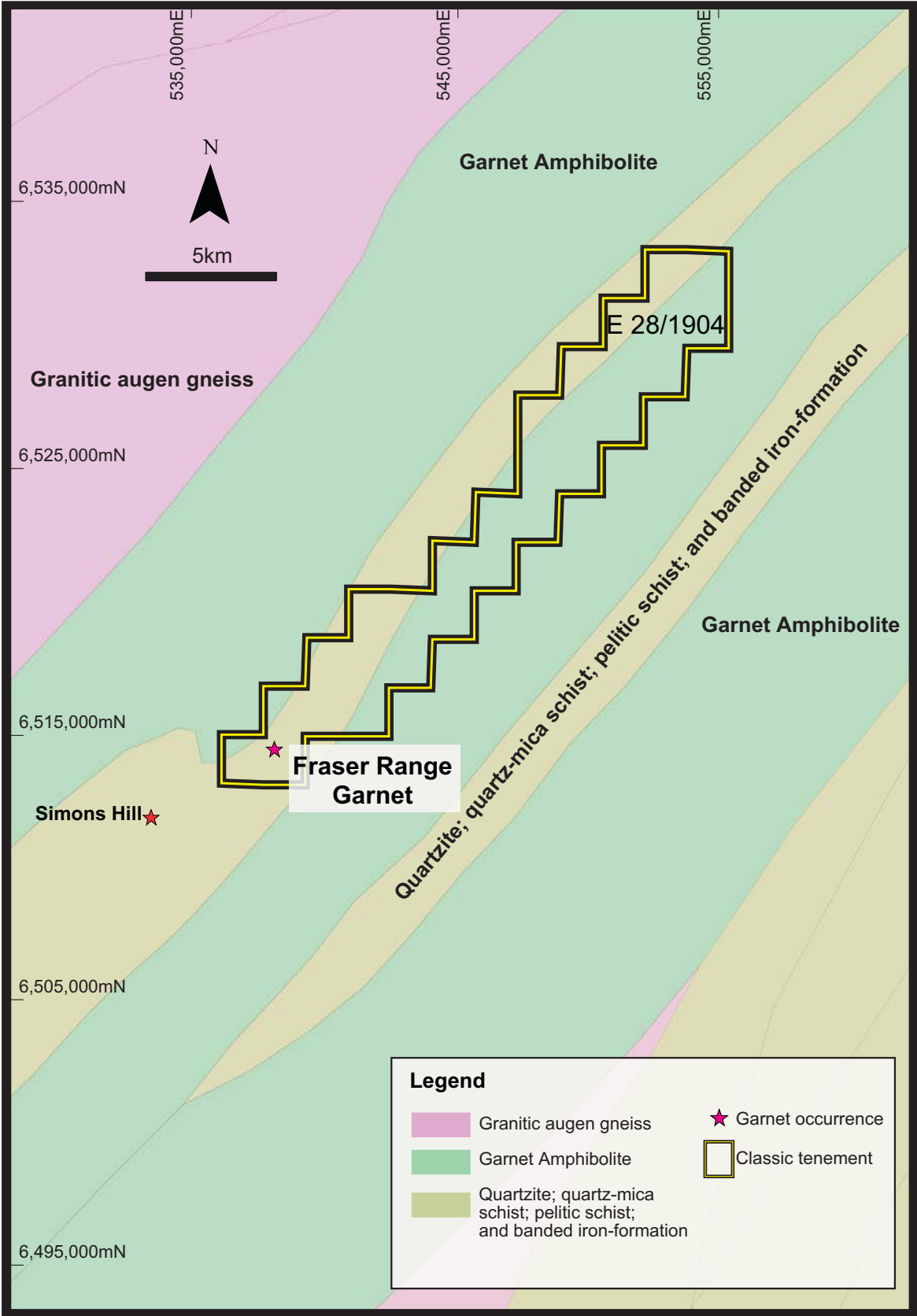
7.2 Regional Geology

The Fraser Complex is of Proterozoic age and is part of the Fraser-Albany Orogen. It is bound in the west by the Archaean Yilgarn Craton and is covered to the east by the Tertiary Eucla Basic sediments. The geology of the prospect area is characterized by granulite facies felsic to mafic gneisses, felsic mafic schist's after metasediments and intruded by mafic-ultramafic intrusions. Sheets of granite intruded the region during peak metamorphism. Structurally the regional contains NE thrusts and with tight NE isoclinal folding in the west and broader scale folding to the east.

7.3 Previous Exploration

In the early 1980's Stockdale and CRA completed limited exploration in the search for diamonds; however neither company made any discoveries and withdrew from the district. In 1983 Renison pegged 70km² to assess potential for precious metals. Exploration was restricted to stream sediment sampling with some limited rock chipping. No anomalism was reported.

Figure 9: Fraser Range Detailed Location Plan



Later Pancontinental explored the northern portion of Fraser Range for platinum and palladium mineralisation. They delineated some weakly anomalous results up to 50ppbPt and 250ppbPb, however they withdrew as there was some uncertainty to whether a massive sulphide body would survive the high grade metamorphism and deformation.

In the late 1980's Growth Resources pegged several tenements within the Fraser Range area exploring for PGE mineralization in the layered ultramafic units within Bungonia Complex. Surface anomalies were tested with a programme of shallow RAB drilling through areas of thin cover but no significant intersections were reported.

In 1996-1999 Stod Pty Ltd identified alluvial and elluvial industrial grade almandine garnet bearing material with grain size >600u. During 1997-98 additional geological reconnaissance, X-ray diffraction and scanning electron microscope analysis of the heavy mineral concentrates was undertaken however further work was delayed due to Native Title legislation and the tenement was surrendered.

During the 1990's there was a steady increase in exploration in the Fraser Range area. Several companies reported strong grass roots programs including: Gutnick Resources (Ni-Cu), Helix Resources and BHP (Ni-Cu), and Gold Partners (Au). Prior to Geographe Resources commencing a regional calcrete survey there was little of modern gold exploration completed in the project area.

Detailed work for gold mineralisation in the district comprised geological reconnaissance, regolith mapping, calcrete sampling, and aeromagnetic surveying and interpretation, Initial calcrete sampling, outlined a number of Au and base metal anomalies, which were then infill sampled. Sampling did not define any strong precious or base metal anomalism in the portions of the tenements surrendered.

7.4 Proposed Exploration

Full desktop studies will be completed prior to undertaking field activities that will initially focus on a review of all data, soil sampling and mapping. The more sensitive modern MMI sampling exploration tool can identify subtle gold mineralisation trends within soil geochemical anomalies and a programme over non outcrop areas is planned. First priority targets generated by this work will then be drill tested. In Year 2 any positive results from the first phase drilling will be further investigated by ongoing drill campaigns.

7.5 Proposed Budget - Fraser Range Project (E28/1904)

	Minimum Subscription (\$3.5M)			Full Subscription (\$4.5M)			Full Oversubscription (\$6.0M)		
	Year 1	Year 2	Total	Year 1	Year 2	Total	Year 1	Year 2	Total
Access Tracks	\$10,000	\$20,000	\$30,000	\$10,000	\$20,000	\$30,000	\$10,000	\$20,000	\$30,000
Native Title Considerations	\$10,000	\$-	\$10,000	\$10,000	\$-	\$10,000	\$10,000	\$-	\$10,000
Auger Geochemistry	\$20,000	\$-	\$20,000	\$20,000	\$-	\$20,000	\$20,000	\$-	\$20,000
Aircore/RAB Drilling	\$40,000	\$40,000	\$80,000	\$40,000	\$80,000	\$120,000	\$40,000	\$80,000	\$120,000
Analysis	\$15,000	\$10,000	\$25,000	\$15,000	\$10,000	\$25,000	\$10,000	\$10,000	\$20,000
RC Drilling	\$40,000	\$40,000	\$80,000	\$40,000	\$40,000	\$80,000	\$40,000	\$40,000	\$80,000
Bulk Sampling	\$-	\$40,000	\$40,000	\$-	\$40,000	\$40,000	\$-	\$40,000	\$40,000
Field Staff	\$10,000	\$10,000	\$20,000	\$10,000	\$20,000	\$30,000	\$10,000	\$20,000	\$30,000
Reporting	\$10,000	\$10,000	\$20,000	\$10,000	\$10,000	\$20,000	\$10,000	\$10,000	\$20,000
Contingency	\$10,000	\$10,000	\$20,000	\$10,000	\$10,000	\$20,000	\$10,000	\$10,000	\$20,000
Total	\$165,000	\$180,000	\$345,000	\$165,000	\$230,000	\$395,000	\$160,000	\$230,000	\$390,000

8.0 CLASSIC MINERALS EXPLORATION BUDGET

A systematic exploration programme for all tenement areas has been designed and budgeted and is considered appropriate for the different areas. The programme ranges from a full geochemical survey over the large Juglah rocks tenement with systematic reverse circulation drill testing of the known gold workings to be completed in the area to diamond drilling at Dohertys. The sequence of exploration and work completed will be dependent on the results achieved in the first stages and should be sufficient to allow an accurate understanding of the areas prospectivity and to build on any previous encouraging results.

The program below caters for the minimum subscription, the full subscription and full over-subscription.

	Minimum Subscription (\$3.5M)			Full Subscription (\$4.5M)			Full Oversubscription (\$6.0M)		
	Year 1	Year 2	Total	Year 1	Year 2	Total	Year 1	Year 2	Total
Juglah Rocks	\$135,000	\$320,000	\$455,000	\$220,000	\$310,000	\$530,000	\$505,000	\$765,000	\$1,270,000
Dohertys	\$140,000	\$200,000	\$340,000	\$210,000	\$325,000	\$535,000	\$315,000	\$530,000	\$845,000
Mt Maitland	\$115,000	\$115,000	\$230,000	\$155,000	\$110,000	\$265,000	\$225,000	\$160,000	\$385,000
Laverton/Sunshine	\$150,000	\$245,000	\$395,000	\$200,000	\$340,000	\$540,000	\$320,000	\$410,000	\$730,000
Fraser Range	\$165,000	\$180,000	\$345,000	\$165,000	\$230,000	\$395,000	\$160,000	\$230,000	\$390,000
Total	\$705,000	\$1,060,000	\$1,765,000	\$950,000	\$1,315,000	\$2,265,000	\$1,525,000	\$2,095,000	\$3,620,000

GLOSSARY OF GEOLOGICAL AND TECHNICAL TERMS

Aerial photography:	The taking of airphotos for surveying or other purposes.
Aeromagnetics:	Measurement of the earth's magnetic field from a surveying aircraft for the purpose of recording the magnetic characteristics of rocks.
Alluvial:	Result of waterborne processes.
Alteration:	Change in mineralogical composition of a rock commonly brought around by Reactions with hydrothermal solutions.
Amphibolite:	A metamorphic rock composed mainly of amphibole.
Archean:	The oldest rocks of the Pre Cambrian Era, older than about 2500 million years.
Arsenic (As):	A mineral, the native element, occurring in grey masses.
Auger drilling:	A drilling shallow drilling technique which uses auger drilling rods.
Au:	Chemical symbol for gold
Auriferous:	Gold Bearing
Banded Iron Formation/BIF:	Chemical sedimentary rock composed mainly of finely alternating layers of silica and iron oxide.
Basalt:	Dark coloured fine grained rock composed mainly of feldspar and pyroxene.
Base metals:	Non-precious metal-usually refers to lead, copper, zinc, nickel.
Bedrock:	Solid rock underlying surficial deposits.
BLEG sample:	Bulk leach exploration gold sample (see soil sampling).
Blocks (blks):	Graticular area bounded by 1 minute of latitude and 1 minute of longitude. Equal to approximately 2.8km ² in WA.
Breccia:	Rock fragmented into angular components.
Carbonate:	A salt or ester of carbonic acid; a compound containing the CO ₃ .
Chert:	Very fine grained rock composed of silica.
Chlorite:	A platy hydrous silicate related to mica.
Clastic:	Rocks composed of fragmental material derived from pre-existing rocks.
Copper:	A metallic element with the chemical symbol Cu.
Craton:	The stable portions of the continents that have largely escaped orogenic activity.
Diamond drilling:	Method of obtaining cylindrical core of rock by drilling with a diamond-set or diamond-impregnated bit.
Dolerite:	A medium grained mafic intrusive rock composed mainly of pyroxene and plagioclase.
Dyke:	A tabular body of igneous rock, crosscutting the host strata at a high angle.
Fault:	A fracture in rock along which there has been relative displacement of the two sides either vertically or horizontally
Felsic:	Descriptive of light coloured rock containing an abundance of feldspar and quartz.
Fold:	A bend in strata or any planar structure.
Ga:	Time Scale, where 1 Ga is equal to one billion years
g/t:	Grams per tonne.
Geochemistry:	The study of the abundance of elements in rocks by chemical methods.
GIS:	Geographic Information System.
Gneiss:	A coarse grained rock in which bands rich in granular minerals alternate with bands in which schistose minerals predominate.
Gold:	A metallic element with the chemical symbol Au.
Granitoid:	A field term for a coarse grained felsic rock resembling granite.
Grass Roots:	Initial stages of a mineral exploration program involving a preliminary assessment of potential.
Greenstone:	A field term for metamorphosed mafic and ultramafic igneous rocks.

Ha:	Hectare.
Igneous:	Formed by solidification of hot mobile material termed magma.
Intermediate rock:	An igneous rock containing between 52 and 66% SiO ₂ .
Intrusion:	A body of igneous rock that invades older rocks.
Laterite:	A strongly leached iron and aluminium rich rock, formed at the surface by weathering in tropical conditions.
Lineament:	A linear geological feature.
Lithology:	Composition and texture of rock.
Lode:	A tabular or vein like deposit of valuable mineral between well defined walls.
m:	Metre.
Ma:	Million years
Mafic:	Descriptive of rocks composed dominantly of magnesium and iron forming silicates.
Metamorphosed:	A rock that has been altered by physical and chemical processes involving heat, pressure and derived fluids.
Migmatitisation:	The process whereby a rock undergoes partial melting during extreme metamorphism, producing a migmatite.
Mineralisation:	The concentration of metals and their chemical compounds within a body of rock.
Mylonite:	A fine-grained, laminated rock formed by micro-brecciation during movement on fault surfaces
Ore:	Mineral bearing rock that may be mined and treated at a profit.
Outcrop:	An exposure of bedrock at the surface.
Oxidation:	Near surface decomposition by exposure to the atmosphere and ground water.
ppb or ppm:	Parts per billion (1000 million) or parts per million.
Pelite:	A very fine grained sedimentary rock composed of clay or finer material.
Plunge:	Inclination of a fold axis or other structure.
Plutonic:	Rocks formed at depth and high pressures.
Porphyry:	A rock with conspicuous crystals in a fine grained ground mass.
Paleo:	Ancient creek and river systems
Pyroclastic:	Detrital volcanic material that have been explosively ejected from a volcanic vent.
Quartz:	A mineral composed of silicon dioxide, (SiO ₂).
Reconnaissance:	A general examination or survey of a region with reference to its main features, usually as a preliminary to a more detailed survey.
Resorbed:	To dissolve and assimilate: solid greenstone/BIF rock partially digested, but still intact.
Resource:	In-situ mineral occurrence from which valuable or useful minerals may be recovered.
Reverse circulation:	(RC) A percussion drilling technique in which the cuttings are recovered through the drill rods thus minimising sample losses and contamination.
Rotary air blast drilling/RAB:	Rotary drilling technique in which sample is returned to surface outside the rod string by compressed air.
Schist:	A metamorphic rock with a platy or foliated texture.
Sediment:	Rocks formed by the deposition of solids from water.
Shale:	A fine grained, clay rich sedimentary rock with a well developed bedding plane fissility.
Shear:	A fracture in rock similar to a fault.
Sill:	A tabular intrusion of igneous rock that is concordant with the structure of the enclosing rocks.
Siltstone:	A very fine grained consolidated clastic rock composed predominantly of silt grade.
Soil sampling:	Systematic collection of soil samples at a series of different locations in order to study the distribution of soil geochemical values.

Splay fault:	A secondary shear or fault divergent from the principal structure.
Stockwork:	A network of, usually quartz veinlets diffused in the original rock.
Stratigraphy:	Composition, sequence and correlation of stratified rock in the earth's crust.
Structural:	Pertaining to geological structure.
Strike:	The course or bearing of a bed or layer of rock.
Sulphide:	A mineral compound containing a metal and sulphur.
t:	Tonne. (1000 kg)
Tuff:	A rock formed of compacted volcanic fragments, generally less than 4mm in diameter.
Ultramafic:	Descriptive of igneous rock containing virtually no quartz or feldspar and composed essentially of ferromagnesium silicates, mainly olivine and pyroxene.
Vein:	A thin sheet-like intrusion into a fissure or crack, commonly bearing quartz.
Volcanic:	Descriptive of rocks originating from volcanic activity.
Volcanoclastic:	Pertaining to a clastic rock containing volcanic material without regard to its origin or environment.
Volcanogenic:	Formed by processes directly connected with volcanism.

SECTION 6: INVESTIGATING ACCOUNTANT'S REPORT

Stantons International Pty Ltd trading as

Stantons International Securities

ABN 41 103 088 697

AFS Licence No. 319600

5 October 2011

The Directors

Classic Minerals Limited

Suite 2, 40 Cedric Street

STIRLING WA 6021

LEVEL 1, 1 HAVELOCK STREET
WEST PERTH WA 6005, AUSTRALIA
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Member of Russell Bedford International

Dear Sirs

RE: INVESTIGATING ACCOUNTANT'S REPORT

1. INTRODUCTION

This report has been prepared at the request of the directors of Classic Minerals Limited ("Classic" or "the Company") for inclusion in a Prospectus to be dated on or around 7 October 2011 ("the Prospectus") relating to the proposed issue by Classic of up to 22,500,000 shares to be issued at a price of 20 cents per share to raise \$4,500,000. The minimum subscription has been set at \$3,500,000 (17,500,000 shares) and the maximum subscription has been set at \$6,000,000 (30,000,000 shares).

2. BASIS OF PREPARATION

This report has been prepared to provide investors with information on historical results, the statement of financial position of Classic and the pro-forma statement of financial position of Classic as noted in Appendix 2. The historical and pro-forma financial information is presented in an abbreviated form, insofar as it does not include all of the disclosures required by Australian Accounting Standards applicable to annual financial reports in accordance with the Corporations Act 2001. This report does not address the rights attaching to the securities to be issued in accordance with the Prospectus, nor the risks associated with the investment. Stantons International Securities has not been requested to consider the prospects for Classic, the securities on offer and related pricing issues, nor the merits and risks associated with becoming a shareholder in Classic and accordingly, has not done so, nor purports to do so. Stantons International Securities accordingly takes no responsibility for those matters or for any matter or omission in the Prospectus, other than responsibility for this report. Risk factors are set out in Section 4 of the Prospectus.

3. BACKGROUND

Classic was incorporated in Australia on 1 May 2006 as Broad Resources Limited with an issued capital of 3 shares. In 2007, following shareholder approval, the Company changed its name to Classic Minerals Limited. On 13 June 2011, the Company issued 51,917,500 shares at \$0.00001 each to various promoters of the Company at a deemed total consideration of \$519.18. On 14 June 2011 a further 8,725,000 shares were issued at \$0.00001 for a total deemed consideration of \$87.25. On 20 June 2011, various loans totalling \$762,000 due by the Company to various investors were converted to share equity (10,425,000 shares). 3,100,000 were issued at 4 cents each (\$124,000), 400,000 were issued at 5 cents each (\$20,000), 350,000 were issued at approximately 5.714 cents each (\$20,000), 50,000 were issued at 6 cents each (\$3,000), 2,875,000 were issued at 8 cents each (\$230,000), 3,650,000 were issued at 10 cents each (\$365,000). On 20 June 2011, a further 11,372,632 shares were issued

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(monies received as different times during the period to 20 June 2011) to raise a gross \$1,163,000. 2,500,000 shares were issued at 8 cents each (\$200,000), 1,053,632 were issued at 9.5 cents each (\$100,000), 5,150,000 were issued at 10 cents each (\$515,000) and 2,670,000 at approximately 13.03 cents each (\$348,000). In August 2011 a further 1,625,000 shares were issued to promoters at a total issued price of \$16.25 and a further 500,000 shares to Stan Procak to settle a 2007 obligation at a deemed cost of \$5. A further 700,000 shares were issued to seed capitalists in August/September 2011 at 10 cents each to raise a gross \$70,000.

On 10 June 2011, the Company issued a total of 112 Performance Shares for nil consideration. The terms of having the performance shares convert to ordinary shares in Classic are as follows:

These 112 Performance Shares may convert into 56,000,000 Shares in the event that the Company achieves one of the following Milestones:

- (a) a Company Project attains a measured JORC Code compliant inferred resource of at least 250,000 ounces of Gold;
- (b) a Company Project attains a measured JORC Code compliant inferred resource of at least 10,000,000 tonnes contained Iron Ore;
- (c) a Company Project (or any part of it) is sold for a value of at least \$10 million (in cash and/or assets of equivalent value which the Company will obtain such valuations from a suitably qualified independent expert who will adopt the appropriate valuation methodology based on acceptable industry principles); or
- (d) a joint venture arrangement is entered into for a Company Project and payments of at least \$10 million (in cash and/or assets of equivalent value which the Company will obtain such valuations from a suitably qualified independent expert who will adopt the appropriate valuation methodology based on acceptable industry principles) are paid to the Company as part of that arrangement.

If the Milestone has not occurred on or prior to 3 years after the date the Company is admitted to the Official List of the ASX, every Performance Share will convert into one (1) Share.

Pursuant to an Option Agreement of 1 May 2009, the Company has the option ("Dohertys Project Option") to acquire up to a 90% interest in mining licence ML57/619 from Golden West Resources Limited ("GWA"). 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. The Company may withdraw from the agreement at any time during the option period and retain no rights or interest in the Dohertys Project and will have no obligations to spend the minimum expenditure of \$200,000. To exercise the Dohertys Option, Classic will need to pay GWA the sum of \$80,000.

Pursuant to an Option Agreement of 25 May 2011, the Company has the option ("Share Dam Gold Option") to acquire a 100% interest in gold, silver and uranium rights in the Guide Resources Share Dam Gold Prospect contained within the exploration licence E25/453 from Guide Resources Pty Ltd ("Guide Resources"). The Share Dam Gold Prospect Option fee was the payment of \$10,000 in cash (paid). To exercise the option, the Company is required to pay a fee of \$10,000. To earn a 100% in the Share Dam Gold Prospect Classic must spend a minimum of \$250,000 on exploration expenditure in relation to the Share Dam Gold Prospect within four years. The Company may withdraw from the agreement at any time during the option period after spending a minimum of \$100,000 in the first year of the option period but may withdraw after spending the minimum of \$100,000 and retain no rights or interest in the Share Dam Gold Prospect and will have no obligations to spend any further monies. The agreement is subject to Classic obtaining a listing on ASX. The Company entered into an undated Deed of Variation with Guide Resources Pty Ltd ("Guide Resources") varying the terms of the Option Agreement between the Company and Guide Resources dated 25 May 2011 in respect to EL25/453. The Deed of Variation varies to the rights granted pursuant to the Option Agreement ("the Option Agreement"). The material terms of Deed of Variation are as follows:

- (a) The Company is entitled to retain a 70% interest in Exploration Licence 25/453 ("Tenement") insofar as it relates to gold, silver and uranium ("Minerals Interest").
- (b) Guide Resources is entitled to retain 30% of the Minerals Interest ("Guide Resources Interest").

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- (c) The Guide Resources Interest endures until the commencement of commercial production.
- (d) The royalty payable to Guide, pursuant to the terms of the Option Agreement, is no longer payable.
- (e) The Deed of Variation otherwise contains provisions considered standard in agreements of this nature.

Pursuant to a Heads of Agreement between the Company and Roger Michael Lindsay ("Lindsay") dated 1 October 2010 ("HOA"), Classic has the option (later of 12 months or 12 months from date of grant of the exploration licence 25/421) to acquire the exploration licences 25/421 and 25/435 from Lindsay. The option fee is the payment of \$10,000 (paid) and to exercise the option, Classic shall either pay \$100,000 cash or issue \$100,000 of shares in Classic. A royalty of \$5 per ounce on gold is payable and 1% on a net smelter return on other metals produced from the tenement area. The Option has been extended for a further 12 months by the payment of \$10,000.

The Company has an Agreement for Sourcing Tenements ("AST") with Guide Resources 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. The AST acknowledges that 5 tenements already introduced to Classic are relevant tenements.

The Company has interests in other tenements that are more fully described in the Prospectus but include, an interest in the Sunshine Laverton tenement E30/2084, the Mount Maitland tenement E51/1267 and the Fraser Range tenement E28/1904.

The Company has entered into an employment contract with Angelo Ikonou ("Ikonou") for Ikonou to act as the Managing Director of Classic for a term of one year from achieving an ASX listing. Prior to an ASX listing, Ikonou is entitled to an annual base salary of \$120,000 plus 9% statutory superannuation with the base salary increasing to \$150,000 per annum plus 9% statutory superannuation after the Company achieves an ASX listing. Furthermore there are short term incentives ("STI") and long term incentive ("LTI") payments in place as follows (subject to shareholder approval that has not yet been obtained):

STI

1. Upon Classic listing on the ASX, Ikonou to be issued with 500,000 shares in Classic;
2. Upon releasing a First JORC Resource, Ikonou to be issued with 500,000 shares in Classic;
3. Upon releasing a Bankable Feasibility Study, Ikonou to be issued with 500,000 shares in Classic; and
4. Upon commencement of production, Ikonou to be issued with 1,000,000 shares in Classic

LTI

1. Upon Classic share price reaching 30 cents and staying above 30 cents for 5 consecutive days then a one off bonus payment of \$20,000 is payable to Ikonou;
2. Upon Classic share price reaching 50 cents and staying above 50 cents for 5 consecutive days then a one off bonus payment of \$50,000 is payable to Ikonou;
3. Upon Classic share price reaching \$1 and staying above \$1 for 5 consecutive days then a one off bonus payment of \$75,000 is payable to Ikonou.

Normal termination provisions apply and further details on the employment contract are noted elsewhere in the Prospectus.

Potential investors should read the Prospectus in full, including the Independent Geologist's Report and the Independent Solicitors' Report on Mining Tenements. We make no comments as to ownership or values of the current and proposed mineral tenement interests of Classic. Further details on all significant contracts entered into by the Company since incorporation are referred to in the Material Contracts Section 8.4 of the Prospectus.

Stantons International Securities**4. SCOPE OF EXAMINATION**

You have requested Stantons International Securities to prepare an Investigating Accountant's Report on:

- a) the results (statement of comprehensive income) of Classic for the year ended 30 June 2011;
- b) the statement of financial position of Classic as at 30 June 2011; and
- c) the pro-forma statement of financial position of Classic as at 30 June 2011 adjusted to include funds to be raised by the Prospectus and the completion of transactions referred to in note 2 of Appendix 3.

All of the financial information referred to above has not been audited however has been subject to audit review. The financial reports to 30 June 2010 were audited by Stantons International Audit and Consulting Pty Ltd a company affiliated with Stantons International. The directors of Classic are responsible for the preparation and presentation of the historical and pro-forma financial information, including the determination of the pro-forma transactions. We have however examined the financial statements and other relevant information and made such enquiries, as we considered necessary for the purposes of this report. The scope of our examination was substantially less than an audit examination conducted in accordance with Australian Auditing Standards and accordingly, we do not express such an opinion. Our examination included:

- a) discussions with directors and other key management of Classic;
- b) a review of contractual arrangements;
- c) a review of publicly available information; and
- d) a review of work papers, accounting records and other documents.

5. OPINION

In our opinion, the pro-forma statement of financial position as set out in Appendix 2 presents fairly the pro-forma balance sheet of Classic as at 30 June 2011 in accordance with the accounting methodologies required by Australian Accounting Standards on the basis of assumptions and transactions set out in Appendix 3. No opinion is expressed on the historical results and statements of financial position, as shown in Appendix 1, except to state that nothing has come to our attention which would require any further modification to the financial information in order for it to present fairly, the statement of financial position as at 30 June 2011 and the results of the period identified. To the best of our knowledge and belief, there have been no other material items, transactions or events subsequent to 30 June 2011 that have come to our attention during the course of our review which would cause the information included in this report to be misleading.

6. OTHER MATTERS

At the date of this report, Stantons International Securities does not have any material interest in Classic either directly or indirectly, or in the outcome of the offer. Stantons International Audit and Consulting Pty Ltd (trading as Stantons International) a firm that is affiliated with Stantons International Securities are the appointed as auditors of Classic. Stantons International Securities and Stantons International were not involved in the preparation of any other part of the Prospectus, and accordingly, make no representations or warranties as to the completeness and accuracy of any information contained in any other part of the Prospectus. Stantons International Securities consents to the inclusion of this report (including Appendices 1 to 3) in the Prospectus in the form and content in which it is included. At the date of this report, this consent has not been withdrawn.

Yours faithfully

STANTONS INTERNATIONAL SECURITIES



J P Van Dieren – FCA
Director

APPENDIX 1 - INVESTIGATING ACCOUNTANT'S REPORT
UNAUDITED CONDENSED STATEMENT OF COMPREHENSIVE INCOME

	Classic 1 July 2010 to 30 June 2011 \$
Interest income	3,162
Consultancy fees	(118,162)
Salaries and wages and on costs	(295,434)
Commissions	(66,550)
Insurance	(15,605)
Rental costs	(34,100)
Interest	(1,172)
Depreciation	(11,942)
Exploration costs (including rates)	(27,740)
Other costs	(49,712)
Net (loss) before tax	(617,255)
Income tax expense attributable to net loss	-
Net (loss) after tax	(617,255)
Other comprehensive income net of tax	-
Net (loss) and other comprehensive income	(617,255)

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APPENDIX 2 - UNAUDITED STATEMENTS OF FINANCIAL POSITION

		Classic 30 June 2011 \$	Proforma Classic 30 June 2011 \$
Current Assets			
Cash assets	3	87,104	3,352,336
Receivables	4	13,621	13,621
Total Current Assets		100,725	3,365,957
Non Current Assets			
Bonds		5,500	5,500
Capitalised acquisition and option costs	5	22,000	132,000
Fixed assets at WDV	6	41,481	33,481
Total Non Current Assets		68,981	170,981
Total Assets		169,706	3,636,938
Current Liabilities			
Trade payables and accruals	7	93,708	-
Hire purchase liabilities	8	6,650	6,650
Loans from associates	9	676,370	-
Total Current Liabilities		776,728	6,650
Total Liabilities		776,728	6,650
Net Assets (Liabilities)		(607,022)	3,530,288
Equity			
Issued capital	10	1,925,607	6,220,938
Reserves		-	-
Accumulated losses	11	(2,532,629)	(2,690,650)
Total Equity (Deficiency)		(607,022)	3,530,288

Notes forming part of the unaudited statement of comprehensive income and statements of financial position are set out in Appendix 3.

APPENDIX 3 - NOTES TO THE UNAUDITED STATEMENT OF COMPREHENSIVE INCOME AND STATEMENTS OF FINANCIAL POSITION

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Accounting

The unaudited Statement of Comprehensive Income and unaudited Statements of Financial Position have been prepared in accordance with applicable accounting standards, the Corporations Act 2001 and mandatory professional reporting requirements in Australia (including the Australian equivalents of International Financial Reporting Standards) and we have made such disclosures as considered necessary. They have also been prepared on the basis of historical cost and do not take into account changing money values. The accounting policies have been consistently applied, unless otherwise stated. The financial statements have been prepared on a going concern basis that is dependent on the IPO being successful and/or the Company raising additional seed capital to continue in business.

(b) Income Tax

The charge for current income tax expense is based on the profit for the year adjusted for any non assessable or disallowed items. It is calculated using tax rates that have been enacted or are substantially enacted as at balance date. Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxation profit or loss. Deferred income tax assets are recognised to the extent that it is probable that the future tax profits will be available against which deductible temporary differences will be utilised. The amount of the benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in the income taxation legislation and the anticipation that the economic unit will derive sufficient future assessable income to enable the benefits to be realised and comply with the conditions of deductibility imposed by law.

(c) Exploration, Evaluation and Development Expenditure

Exploration, evaluation and acquisition expenditure on areas of interest will normally be expensed but will be assessed on a case by case basis and may be capitalised to areas of interest and carried forward where right of tenure of the area of interest is current and they are expected to be recouped through sale or successful development and exploitation of the area of interest or, where exploration and evaluation activities in the area of interest have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves. When an area of interest is abandoned or the directors decide that it is not commercial, any accumulated acquisition costs in respect of that area are written off in the financial period the decision is made. Each area of interest is also reviewed at the end of each accounting period and accumulated costs written off to the extent that they will not be recoverable in the future. Where projects have advanced to the stage that directors have made a decision to mine, they are classified as development properties. When further development expenditure is incurred in respect of a development property, such expenditure is carried forward as part of the cost of that development property only when substantial future economic benefits are established. Otherwise such expenditure is classified as part of the cost of production or written off where production has not commenced.

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(d) Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value, less where applicable, any accumulated depreciation and impairment losses. The carrying amount of the plant and equipment is reviewed annually by the Directors to ensure it is not in excess of the recoverable amount of these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employed and their subsequent disposal. The expected net cash flows have been discounted to their present value in determining recoverable amounts.

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, is depreciated on a straight line basis over their useful lives to the Company commencing from the time the asset is held ready for use. The asset's residual value and useful lives are reviewed and adjusted if appropriate, at each balance sheet date. Motor vehicles are depreciated at 18.75% and other plant depreciation rated at between 7.5% and 100%.

An asset's carrying value is written down immediately to its recoverable amount if the asset's carrying value is greater than the estimated recoverable amount. Gains and losses on disposal are determined by comparing proceeds with the carrying amount. These gains and losses are included in the income statement.

(e) Trade and other accounts payable

Trade and other accounts payable represent the principal amounts outstanding at balance date, plus, where applicable, any accrued interest.

(f) Recoverable Amount of Non Current Assets

The carrying amounts of non-current assets are reviewed annually by directors to ensure they are not in excess of the recoverable amounts from those assets. The recoverable amount is assessed on the basis of the expected net cash flows, which will be received from the assets employed and subsequent disposal. The expected net cash flows have been or will be discounted to present values in determining recoverable amounts.

(g) Operating Revenue

Revenue represents interest received and reimbursements of exploration expenditures.

(h) Issued Capital

Ordinary Shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(i) Employee benefits

Provision is made for employee benefits accumulated as a result of employees rendering services up to the reporting date. These benefits include wages and salaries, annual leave, and long service leave. Liabilities arising in respect of wages and salaries, annual leave and any other employee benefits expected to be settled within twelve months of the reporting date are measured at their nominal amounts based on remuneration rates which are expected to be paid when the liability is settled. All other employee benefit liabilities are measured at the present value of the estimated future cash outflow to be made in respect of services provided by employees up to the reporting date. In determining the present value of future cash outflows, the market yield as at the reporting date on national government bonds, which have terms to maturity approximating the terms of the related liability, are used.

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(j) Critical accounting estimates and judgements

The Directors evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the group.

(k) Share Based Payments

The Group provides benefits to employees (including directors) of the Company in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares ("equity-settled transactions"). The cost of these equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an internal valuation using Black-Scholes or Binomial option pricing models. The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ("vesting date"). The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the number of awards that, in the opinion of the directors of the Company, will ultimately vest. This opinion is formed based on the best available information at balance date. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition. Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award.

(l) Investments and other financial assets

The Company classifies its investments in the following categories: financial assets at fair value through profit and loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and, in the case of assets classified as held-to-maturity, re-evaluates this designation at each reporting date.

Financial assets at fair value through profit and loss

Financial assets at fair value through profit and loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Assets in this category are classified as current assets.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than twelve months after the balance sheet date which are classified as non-current assets. Loans and receivables are included in trade and other receivables in the statement of financial position.

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company's management has the positive intention and ability to hold to maturity. Held-to-maturity investments are included in non-current assets, except for those with maturities less than twelve months from the reporting date, which are classified as current assets.

Stantons International Securities

Available-for-sale financial assets

Available-for-sale financial assets, comprising principally marketable equity securities, are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within twelve months of the statement of financial position date.

Recognition and derecognition

Regular purchases and sales of financial assets are recognised on trade date – the date on which the Company commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed to the statement of financial performance. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

When securities are classified as available-for-sale are sold, the accumulated fair value adjustments recognised in equity are included in the statement of financial performance as gains and losses from investment securities.

Subsequent measurement

Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method.

Available-for-sale financial assets at fair value through profit or loss are subsequently carried at fair value. Gains or losses arising from changes in the fair value of the "financial assets at fair value through profit or loss" category are presented in the income statement within other income or other expenses in the period in which they arise. Income from financial assets at fair value through profit and loss is recognised in the income statement as part of income from continuing operations when the Group's right to receive payment is established.

(m) Asset retirement obligations

The Company's mineral exploration and development activities are subject to various Australian and Senegal laws and regulations regarding the protection of the environment. As a result of these, the Company is expected to incur expenses from time to time to discharge its obligations under these laws and regulations.

Reclamation and closure costs are estimated based on the Company's interpretation of current regulatory and operating licence requirements and measured at fair value. Fair value is determined based on the net present value of future cash expenditures expected upon reclamation and closure and subsequent annual recognition of an accretion amount on the discounted liability. Reclamation and closure costs are capitalised as mine development costs and amortised over the life of the mine on a unit-of-production basis.

Stantons International Securities

2. ACTUAL AND PROPOSED TRANSACTIONS TO ARRIVE AT PRO-FORMA UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Actual and proposed transactions adjusting the 30 June 2011 unaudited Statement of Financial Position of Classic in the pro-forma Statement of Financial Position of Classic are as follows:

- (a) The issue of 700,000 shares at 10 cents each to seed investors to raise a gross \$70,000; the issue of 1,625,000 shares to promoters at a deemed \$16.25 and the issue of 500,000 shares to Stan Procak to settle a 2007 contract;
- (b) The issue of 22,500,000 shares at 20 cents each to raise a gross \$4,500,000 pursuant to the Prospectus;
- (c) The payment of 30 June 2011 accounts payable of \$93,708;
- (d) The payment of a further \$10,000 Option fees and the issue of 500,000 shares to Roger Lindsay (in lieu of a cash payment) at a deemed cost of \$100,000 (20 cents per share) as part consideration to acquire mineral tenements;
- (e) The payment of expenses of the Prospectus issue totalling an estimated \$374,690 and offset against share equity;
- (f) The incurring of additional administration and corporate expenses of approximately \$150,000 between 1 July 2011 and 31 October 2011; and
- (g) The payment of \$676,370 relating to loans from various parties; and
- (h) Depreciation of \$8,000.

	Note	Unaudited Classic 30 June 2011 \$	Unaudited Classic Proforma 30 June 2011 \$
	2		
Unaudited 30 June 2011		87,104	87,104
Seed capital raising	(a)	-	70,000
Issue of shares pursuant to the Prospectus	(b)	-	4,500,000
Payment of payables	(c)	-	(93,708)
Option fee payment	(d)	-	(10,000)
Prospectus issue costs	(e)	-	(374,690)
Administration costs	(f)	-	(150,000)
Loan repayments	(g)	-	(676,370)
		87,104	3,352,336

4. RECEIVABLES CURRENT

Receivables, GST		13,621	13,621
		13,621	13,621

Stantons International Securities

	Note 2	Unaudited Classic 30 June 2011 \$	Unaudited Classic Proforma 30 June 2011 \$
5. CAPITALISED ACQUISITION COSTS			
Capitalised option fee costs		22,000	22,000
Issue of shares	(d)	-	110,000
Capitalised exploration costs		22,000	132,000
6. FIXED ASSETS			
Motor vehicles under HP, at cost		83,348	83,348
Accumulated depreciation		(52,156)	(59,156)
		31,192	24,192
Plant, furniture and equipment, at cost		49,957	49,957
Accumulated depreciation		(39,668)	(40,668)
		10,289	9,289
Total Fixed Assets (WDV)		41,481	33,481
7. TRADE CREDITORS AND ACCRUALS			
Trade and other payables		93,708	93,708
Less: Payment of trade creditors	(c)	-	(93,708)
		93,708	-
8. HIRE PURCHASE LIABILITIES			
Owing under HP (secured over motor vehicle)		6,791	6,791
Less: Unearned interest		(141)	(141)
		6,650	6,650
9. LOANS FROM ASSOCIATES			
Due to associated entities		676,370	676,370
Less: repaid out of prospectus proceeds	(g)	-	(676,370)
		676,370	-

Stantons International Securities

	Note	Unaudited Classic 30 June 2011 \$	Unaudited Classic Proforma 30 June 2011 \$
	2		
10. ISSUED CAPITAL			
Ordinary Shares			
82,440,135 ordinary shares at 30 June 2011		1,925,607	1,925,607
700,000 shares to seed capitalists	(a)	-	70,000
500,000 shares to Stan Procak	(a)	-	5
1,625,000 shares to promoters	(a)	-	16
22,500,000 shares pursuant to the Prospectus	(b)	-	4,500,000
500,000 shares for tenements	(d)	-	100,000
		1,925,607	6,595,628
Less: estimated share issue costs	(e)	-	(374,690)
Pro-forma (108,265,135 shares)		1,925,607	6,220,938

In the event that the maximum subscription of \$6,000,000 is received, the number of shares on issue would increase to 115,765,135 as 30,000,000 ordinary shares (instead of 22,500,000 shares) would be issued under the Prospectus, the issued capital would increase to \$7,644,741 (cash capital raising costs would increase by \$76,197 to \$450,887) and cash at bank would increase to \$4,776,139.

In the event that the minimum subscription of \$3,500,000 is received, the number of shares on issue would decrease to 103,265,135 as 17,500,000 ordinary shares (instead of 22,500,000 shares) would be issued under the Prospectus, the issued capital would decrease to \$5,271,735 (cash capital raising costs would decrease by \$50,797 to \$323,893) and cash at bank would decrease to \$2,403,133.

Performance Shares

In addition, there are 112 Performance Shares on issue that may convert to a total of 56,000,000 ordinary shares if certain milestones are met as noted in the Background section to this report and sections 1.8 and 8.1.2 of the Prospectus. No value has been ascribed to the Performance Shares at the date of issue.

Other Contingent Shares

Refer paragraph 12 below for the possible future issue of shares to Ikonomou, including 500,000 shares to be issued to Ikonomou (subject to shareholder approval) on Classic achieving an ASX listing.

Share Options

It is proposed that approximately three months after commencement of trading of the Company's shares on ASX an offer will be made to all shareholders to subscribe for one new ordinary share option in Classic for every two shares held on the record date at an issue price of 1 cent per share option. Such share options will be exercisable at 20 cents each, on or before 30 June 2014.

Stantons International Securities

	Note	Unaudited Classic 30 June 2011 \$	Unaudited Classic Proforma 30 June 2011 \$
11. ACCUMULATED LOSSES			
Balance 30 June 2011		2,532,629	2,532,629
Capital costs	(a)		21
Administration and corporate costs	(f)	-	150,000
Depreciation	(h)	-	8,000
		2,532,629	2,690,650

12. CONTINGENT LIABILITIES AND COMMITMENTS

The Company may need to issue a further up to 2,500,000 ordinary shares in the event that one of the Milestones noted in the Background section of this report and the employment contract with Ikonomou is met (including 500,000 shares to be issued to Ikonomou on Classic achieving an ASX listing (subject to shareholders approval). Furthermore, the Performance Shares may be converted to 56,000,000 ordinary shares in Classic if one of the performance conditions have been met. Further payments may be payable to Guide Resources under the ATS as noted in the Background section of this report. Royalties may be payable from production of certain minerals. Based on discussions with the Directors and legal advisors, to our knowledge, the Company has no other material commitment or contingent liabilities not otherwise disclosed in this Investigating Accountant's Report (refer Background section of this report) and in the Prospectus. Investors should read the Solicitor's Report on Mining Tenements and the Independent Geologist's Report for further possible contingencies and commitments. For details on proposed exploration commitments on mineral tenements, refer to the Independent Solicitor's Report on Mining Tenements in the Prospectus and sections 1.5, 2.3 and 3 of the Prospectus.

13. EMPLOYMENT AND MANAGEMENT AGREEMENTS

The Company has entered into an employment contract with Ikonomou as Managing Director effective from 1 January 2011. A summary of the financial details on the employment agreement and other service type agreements are outlined in the Background Section of this report and/or in the Material Contracts section 8.4 of the Prospectus.

14. RENTAL OF PREMISES COMMITMENTS

The Company has entered into a lease of office premises agreement and the lease expires on 1 August 2012. The annual fee approximates \$34,000 plus variable outgoings of approximately \$6,000 per annum and GST.

SECTION 7: SOLICITOR'S REPORT ON MINING TENEMENTS

5 October 2011

My ref: RG 16291

The Directors
Classic Minerals Limited
(ACN 119 484 016)
Suite 2 , 40 Cedric Street
STIRLING WA 6021

Dear Sirs

RE: SOLICITOR'S REPORT ON MINING TENEMENTS

1. INTRODUCTION

The report is to be included in a Prospectus to be lodged by Classic Minerals with the Australian Securities and Investment Commission ("ASIC") on or about 7 October 2011, offering for subscription up to 22,500,000 ordinary fully paid shares in the Company (Shares) at an issue price of \$0.20 per Share to raise up to \$4,500,000 with a minimum subscription of 17,500,000 Shares at an issue price of \$0.20 per Share to raise \$3,500,000. Oversubscriptions of up to a further 7,500,000 Shares at an issue price of \$0.20 each to raise up to a further \$1,500,000 will be accepted. We are instructed that as at the date of this report the Company has entered into various agreements in relation to the Tenements (Contracts), the terms and conditions of which agreements are set out in section 8 of the Prospectus.

Under the Contracts, the Company is entitled, subject to exercise of the options and completion of the Contracts, to acquire an interest in various applications for the grant of mining tenements and granted mining tenements. In addition, the Company has made an application for the grant of a mining tenement in its own right (all granted mining tenements and all applications, collectively referred to as the Tenements).

A schedule of Tenements is attached to and forms part of this report (Schedule). In addition to a list of the Tenements, the Schedule contains notes in relation to the status of the Tenements, native title claims affecting the Tenements and endorsements and conditions affecting the Tenements.

All of the Tenements are located in Western Australia.

2. OPINION

As a result of my searches (referred to below) and enquiries, but subject to the assumptions and qualifications set out below, we are satisfied that, as at the date of the relevant searches:

- 2.1.1 the details of the Tenements included in this report are accurate as to the status of the Tenements and the Company's interest in the Tenements;
- 2.1.2 where title to a Tenement has not been granted or an application for extension of a term of a Tenement is pending, that fact is disclosed in the Schedule or the Notes;
- 2.1.3 all applicable rents due under the Mining Act in respect of the Tenements have been paid, unless otherwise noted in the Schedule;

- 2.1.4 all expenditure requirements under the Mining Act have been met or exemptions obtained, unless otherwise noted in the Schedule. We can not comment on the likely success of any applications for expenditure exemptions that have been applied for but not granted as at the date of this report;
- 2.1.5 under the terms and conditions of the Contracts, the Company has the right to acquire an interest in the Tenements on the terms set out in the Contracts, subject to the matters referred to in this report or the Schedule; and
- 2.1.6 Tenements granted since 23 December 1996 are valid assuming the applicable processes prescribed by the Native Title Act 1993 as amended by the Native Title Amendment Act 1998 (Cth) (which as amended is referred to as the NTA) were complied with by the State Government (which we have not checked).

The valid grant of any of the current applications for Tenements which may affect native title will require compliance with the applicable processes of the NTA.

3. QUALIFICATIONS

While the status of the Tenements is dealt with in the Schedules, we point out, by way of summary, that:

- (a) We have assumed the accuracy and completeness of all Tenement searches and other information or responses which were obtained from the relevant Department or authority. We cannot comment on any obligations of the Company that may arise from agreements that are not registered as a dealing, encumbrance or otherwise noted on the searches of the Tenements obtained from the Western Australian Department of Mines and Petroleum (DMP);
- (b) the holding of the Tenements is subject to compliance with the terms and conditions and the provisions of the Mining Act;
- (c) We have assumed the accuracy and completeness of any instructions or information which we have received from the Company or any of its officers, agents and representatives;
- (d) We have further assumed that the Company's seals and signatures on all the Contracts are authentic and that the Contracts are and were within the capacity and powers of those who executed them. We assume that all of the Contracts were validly authorised, executed and delivered by and are binding on the parties to them and comprise the entire agreements of the parties to each of them with respect to their respective subject matters. We have relied on the Company's instructions that the Contracts are the only contracts or arrangements relating to the Tenements to which it is a party or of which it is aware;
- (e) with respect to any application for the grant of a Tenement, we express no opinion as to whether such application will ultimately be granted and that reasonable conditions will be imposed upon grant, although we have no reason to believe that any application will be refused or that unreasonable conditions will be imposed;
- (f) where compliance with the requirements necessary to maintain a Tenement in good standing is not disclosed on the face of the searches referred to in this report, we express no opinion on such compliance;
- (g) references in the Schedule to any area of land are taken from details shown on searches obtained from the DMP. It is not possible to verify the accuracy of those areas without conducting a survey;
- (h) where Ministerial consent to any agreement or dealing referred to in Part II of this report is being or will be sought, we express no opinion as to whether such consent will be granted, or the consequences of consent being refused, although I have no reason to believe that any application for consent will be refused;
- (i) the Schedule of Tenements is accurate as at 6 September 2011 as it is based on searches from the DMP at that date. We cannot comment on whether any changes have occurred in respect of the Tenements between 6 September 2011 and the date of the Prospectus; and
- (j) in relation to each native title claim outlined in this report we do not express an opinion on the merits of such native title claim.

4. MINING TENEMENTS

(a) Exploration Licence

An exploration licence remains in force for a period of 5 years. The Minister may extend the term by a further period or periods of 1 or 2 years. An exploration licence cannot be assigned during the first year of its term without the prior written consent of the Minister.

Thereafter, there is no restriction on assignment. Pursuant to sections 67(1) and 75(7) of the Mining Act, the holder of an exploration licence may apply for and, subject to the Mining Act and the conditions of the licence, has the right to have granted one or more mining leases over any of the land within the area of the licence. Prior to the expiration of the term of any of the exploration licences set out in the Schedule, an application may be made to convert it to one or more mining leases.

(b) Mining Lease

A mining lease remains in force for a period of 21 years and may be renewed for successive periods of 21 years. It is a breach of a condition of a mining lease to assign it without the prior written consent of the Minister. In the case of a mining lease application which is a conversion from either a prospecting licence or an exploration licence, if the licence is assigned, the mining lease application continues in the name of the assignee.

(c) General Conditions

Mining tenements are granted subject to various conditions prescribed by the Mining Act including payment of rent, compliance with minimum expenditure and reporting requirements.

Certain conditions that apply to one or more of the Tenements include standard environmental conditions. Tenements are also subject to statutory requirements of certain other Acts including Aboriginal heritage legislation, environmental protection legislation and rights in water legislation. These standard conditions are not detailed in the notes to the Schedule.

(d) Specific Conditions

Specific conditions applicable to the individual Tenements are detailed in the notes to the Schedule.

(e) Encumbrances

Encumbrances and caveats applicable to the individual Tenements are mentioned in the Schedule.

(f) Compliance

The Company's interest in or right in relation to the granted Mining Tenements is subject to the holder continuing to comply with the respective terms and conditions of the respective granted Mining Tenements under the provisions of the Act, and any regulations made pursuant to that Act, together with the conditions specifically applicable to any granted Mining Tenement. We have sought and received confirmation from the Company that the various conditions in respect of each granted Mining Tenement have been met in all material respects.

5. SEARCHES

For the purposes of this report, we have conducted and reviewed searches of the Tenements in the register maintained by the DMP and made enquiries in respect of all the Tenements.

These searches were conducted on 6 September 2011.

We have obtained "Quick Appraisal" reports from the DMP, summarising information available in the "TENGRAPH" system maintained by the DMP to determine if any native title claims are registered over the area of the Tenements. These searches were conducted on 6 September 2011. We have obtained extracts from the Register of Native Title Claims maintained by the National Native Title Tribunal (NNTT) in respect of registered native title claims identified in the Quick Appraisals. This material was obtained on 6 September 2011.

6. ABORIGINAL SITES

Tenements in Western Australia are granted subject to an endorsement reminding the tenement holder of its obligation to comply with the requirements of the Aboriginal Heritage Act 1972 (WA) (Heritage Act).

The Heritage Act protects sites and areas of significance to Aboriginal persons. The Minister's consent is required where any use of land is likely to result in the excavation or other alteration of or damage to an Aboriginal site or any objects on or under that site.

There is no requirement for a site to be registered in any public manner or, indeed, be in any way acknowledged as an Aboriginal site for it to qualify as an Aboriginal site for the purposes of the Heritage Act. A register of sites is maintained by the Aboriginal Affairs Department of Western Australia. The Heritage Act applies to all Aboriginal sites and objects whether or not they are registered under the Heritage Act. For that reason, we have not conducted a search of that register for the purposes of this report.

A practical method of minimising the danger of unintentional disturbance of a site, is to undertake Aboriginal heritage surveys with local Aboriginal communities before the commencement of land disturbing activities. This is an informal process because the Heritage Act does not actually prescribe a mechanism for identifying Aboriginal sites. We are not aware of any heritage surveys of the land the subject of the Tenements having been conducted to date.

The Aboriginal and Torres Strait Islander Heritage Protection Act 1984 (Cth) (Heritage Protection Act) also affords some protection to Aboriginal sites in Western Australia. It allows declarations to be made which protect or preserve objects or areas which are of significance to Aboriginals, whether situated on private or Crown land.

Two types of declarations may be made in relation to significant Aboriginal objects or Aboriginal areas (being objects or areas of significance to Aboriginals in accordance with Aboriginal tradition) under the Heritage Protection Act:

- (a) emergency declarations of preservation which remain in force for a maximum of 60 days; and
- (b) declarations of preservation (which remain in force for the terms specified in the declarations).

Before making a permanent declaration in relation to an area, the Minister for Aboriginal Affairs must commission a report on the area, which addresses specific matters such as the significance of the area, the extent of the area to be protected and the effects of the declaration on any non-Aboriginal interests in the land.

Compensation is payable by the Minister for Aboriginal Affairs to a person who is, or is likely to be, affected by a permanent declaration of preservation.

It is an offence to contravene a declaration made under the Heritage Protection Act.

In respect of these sites and any other sites identified on any of the Tenements, the Company needs to ensure that any interference with such sites is in strict conformity with the provisions of the Heritage Act and the Heritage Protection Act.

7. NATIVE TITLE LEGISLATION

On 3 June 1992, the High Court of Australia held in *Mabo v Queensland (No.2)* (1992) 175 CLR 1 that the common law of Australia recognises a form of native title. In order to succeed in a native title claim the persons making such claim must show that they enjoy certain customary rights and privileges in respect of a particular area of land and that by these rights and privileges they have a connection with that land. Such a claim will not be recognised if the native title has been extinguished, either by voluntary surrender to the Crown, death of the last survivor of a community entitled to native title, abandonment of the land in question by that community or the granting of a wholly "inconsistent interest" in the land by the Crown.

An example of an inconsistent interest would be the granting of a freehold or some type of exclusive possession leasehold interest in the land. The granting of a lesser form of interest not conferring exclusive possession will not extinguish native title as it would not be wholly inconsistent with native title rights and interests.

The Racial Discrimination Act 1975 (Cth) (RDA) enacted by the Federal Parliament is binding on the State of Western Australia, and generally makes racial discrimination unlawful.

The Commonwealth Parliament responded to the Mabo decision by passing the Native Title Act 1993 (Cth). This Act enabled a State Parliament to validate any mining tenements granted prior to its commencement which might otherwise have been invalid by reason of the RDA. The Native Title Act 1993 (Cth) was extensively amended by the Native Title Amendment Act 1998 (Cth). These amendments include the ability of a State Parliament to validate any titles which may have been invalidly granted over pastoral leases and certain other leasehold interests during the period 1 January 1994 to 23 December 1996. The State of Western Australia has enacted the validating legislation contemplated by the NTA: the Titles (Validation) and Native Title (Effect of Past Acts) Act 1995 as amended by the Titles (Validation) and Native Title (Effect of Past Acts) Amendment Act 1999.

8. NATIVE TITLE CLAIMS

Persons claiming to hold native title may lodge an application for determination of native title with the Federal Court. The Court will then refer the application to the Native Title Registrar for the registration test.

If the Native Title Registrar is satisfied that the lodged claim meets the registration requirements set out in the NTA (Registration Test), it will be entered on the Register of Native Title Claims maintained by the National Native Title Tribunal (Register). Claimants of registered claims are afforded certain procedural rights under the NTA including the "right to negotiate".

Claims which fail to meet the Registration Test are recorded on the Schedule of Applications Received. Such claims may be entered on the Register at a later date if additional information is provided by the claimant that satisfies the Registration Test.

Some of the Tenements relate to land which is currently the subject of one or more registered native title claims. These claims are identified in the Schedule. If native title is found to exist, the nature of the native title may be such that consent to the grant of a mining tenement may be required by the native title holders but is withheld or only granted on conditions unacceptable to the Company.

We have not undertaken the considerable historical, anthropological and ethnographic work that would be required to determine the likelihood that existing claims may be successful, or the possibility of any further native title claims being made in the future.

In any event, the existence of native title is not the relevant issue for the Company. The relevant issue is the existence of a registered native title claim. That effectively requires the Company to observe the provisions of the NTA in proceeding with its applications for Tenements. The reason for this is that an act which affects native title rights such as the grant of a mining tenement may be invalid unless there has been compliance with the provisions of the NTA. Until the native title claim has been determined by the Federal Court the existence of native title will be uncertain. Prudence dictates that native title should be assumed to exist over all claimed land other than freehold, "exclusive possession" leasehold or vested reserve until the claim has been determined.

9. EFFECT OF NATIVE TITLE ON VALIDITY OF TENEMENTS

The existence of native title to an area as at the date of grant of a mining tenement may render the tenement invalid.

For example, if the provisions of the RDA or the NTA are ignored. I have reviewed the validity of each of the Mining Tenements and made notations as to their validity (from a native title perspective) in the Schedule, having regard to the following:

(a) Tenements granted since 23 December 1996

Mining Tenements granted since 23 December 1996 which affect native title rights and interests will be valid provided that the future act procedures set out in (b) below were followed by the relevant parties. I have not been instructed to analyse whether or not the relevant NTA procedures were followed in relation to each tenement, but are of the opinion that they were validly granted.

All of the Mining Tenements in which the Company has an interest were granted subsequent to 23 December 1996 and are classified as valid future acts under the NTA.

(b) Future Tenement Grants

The valid grant of any mining tenement that may affect native title requires full compliance with the provisions of the NTA. The primary procedure prescribed under the NTA is the "right to negotiate" process.

The right to negotiate process involves the publishing or advertising of a notice of the proposed grant of a tenement followed by a 6 month period of negotiation between the State Government, the tenement applicant and the relevant registered native title claimant. If agreement is not reached to enable the grant to occur, the matter may be referred to arbitration before the National Native Title Tribunal ("NNTT"), which has a further 6 months to reach a decision. The decision of the NNTT may be reviewed by the relevant Federal Minister.

The right to negotiate process is not required to be followed in respect of a proposed future act in instances where the expedited procedure applies. Under the NTA, a future act is an act attracting the expedited procedure if:

- (a) the act is not to interfere directly with the carrying on of the community or social activities of the persons who are the holders of native title in relation to the land; and
- (b) the act is not likely to interfere with areas or sites of particular significance, in accordance with their traditions, to the persons who are holders of the native title in relation to the land; and
- (c) the act is not likely to involve major disturbance to any land or waters concerned or create rights whose exercise is likely to involve major disturbance to any land.

When the proposed future act is considered to be one that attracts the expedited procedure, persons have until 3 months after the notification date to take steps to become a native title party in relation to the relevant act (for example the proposed granting of an exploration licence). The future act may be done unless, within 4 months after the notification day, a native title party lodges an objection with the NNTT against the inclusion of a statement that the proposed future act is an act attracting the expedited procedure.

If there are no native title parties or no objections lodged within the 4 month period, the act may be done. If one or more native title parties object to the statement, the NNTT must determine whether the act is an act attracting the expedited procedure. If the NNTT determines that it is, the State may do the future act (ie grant an exploration licence).

The right to negotiate process does not have to be pursued in cases where an indigenous land use agreement ("ILUA") is negotiated with the relevant Aboriginal people and registered with the NNTT. In such cases, the procedures prescribed by the ILUA must be followed to obtain the valid grant of the tenement. These procedures will vary depending on the terms of the ILUA.

We have not been provided with any information on any negotiations relating to any ILUA for any of the Mining Tenements.

10. CONSENT

This report is given solely for the benefit of the Company and the directors of the Company in connection with the issue of the Prospectus and is not to be relied on or disclosed to any other person or used for any other purpose or quoted or referred to in any public document or filed with any government body or other person without my prior written consent.

Yours faithfully

Barristers and Solicitors

Tenement Holders Name (Shares)	Area Blocks	Grant Date	Expiry Date	Rent (\$)	Minimum Expend (\$)	Notes	Endorsements and and conditions
SUNSHINE							
E38/2084 Classic Minerals Ltd	11	26 September 2008	25 September 2013	\$2,072.73	\$20,000.00	Nil	Endorsements: 1, 2, 4, 5 Conditions: 1, 2, 3, 4, 5, 6, 14, 15, 16
MOUNT MAITLAND							
E51/1267 Classic Minerals Ltd	56	9 January 2009	8 January 2014	\$10,552.08	\$56,000.00	NNTT No: WC 04/10 Federal Court No: WAD 6033/98 (Wajarri Yamatji)	Endorsements: 1, 2 Conditions: 1, 2, 3, 4, 5, 6, 17
FRASER RANGE							
E28/1904 Classic Minerals Ltd	28	22 October 2009	21 October 2014	\$3,391.08	\$28,000.00	NNTT No: WC 97/40 Federal Court No: WAD 6170/98 (Narnoobinya Family Group) NNTT No: WC 99/2 Federal Court No: WAD 6020/98 (Ngadju)	Endorsements: 1, 2 Conditions: 1, 2, 3, 4, 5, 6, 9, 10, 11, 12, 13
DOHERTYS							
M57/619 Golden West Resources Ltd	176.0 HA	29 January 2007	25 February 2028	\$2,807.20	\$17,600.00	Nil	Endorsements: 1, 3, 18 Conditions: 1, 2, 3, 4, 5, 19, 20, 21, 22
JUGLAH ROCKS							
E25/453 Guide Resources Pty Ltd	10	31 January 2011	30 January 2016	\$1,211.10	\$20,000.00	NNTT No: WC 99/30 Federal Court No: WAD 70/98 (Central Goldfields People)	Endorsements: 1, 2, 3 Conditions: 1, 2, 3, 4, 5, 6, 7, 8
E25/421 Roger Michael LINDSAY	6	1 April 2010	31 March 2015	\$726.66	\$20,000.00	NNTT No: WC 99/30 Federal Court No: WAD 70/98 (Central Goldfields People) NNTT No: WC 10/14 Federal Court No: WAD 301/10 (Strickland / Nudding)	Endorsements: 1, 2 Conditions: 1, 2, 3, 4, 5, 6
E25/435 Roger Michael LINDSAY	5	19 August 2010	18 August 2015	\$605.55	\$15,000.00	NNTT No: WC 99/30 Federal Court No:	Endorsements: 1, 2 Conditions: 1, 2, 3, 4, 5, 6

NOTES TO TENEMENT SCHEDULE**ENDORSEMENTS**

1. The Licensee's attention is drawn to the provisions of the Aboriginal Heritage Act 1972 and any Regulations thereunder.
2. The Licensee's attention is drawn to the Environmental Protection Act 1986 and the Environmental Protection (Clearing of Native Vegetation) Regulations 2004, which provides for the protection of all native vegetation from damage unless prior permission is obtained.
3. The grant of this licence does not include the land the subject of prior Exploration Licence 25/208. If the prior licence expires, is surrendered or forfeited that land may be included in this licence, subject to the provisions of the Third Schedule of the Mining Regulations 1981 titled "Transitional provisions relating to Geocentric Datum of Australia".
4. The grant of this licence does not include the land the subject of prior Exploration Licence 38/1378. If the prior licence expires, is surrendered or forfeited that land may be included in this licence, subject to the provisions of the Third Schedule of the Mining Regulations 1981 titled "Transitional provisions relating to Geocentric Datum of Australia".
5. The grant of this Licence does not include any private land referred to in Section 29(2) of the Mining Act 1978 except that below 30 metres from the natural surface of the land.
7. This Mining Lease authorises the mining of the land for all minerals as defined in section 8 of the Mining Act 1978 with the exception of:
 - Uranium ore;
 - Iron ore, unless specifically authorised under section 111 of the Act.

Conditions

1. All surface holes drilled for the purpose of exploration are to be capped, filled or otherwise made safe after completion.
2. All disturbances to the surface of the land made as a result of exploration, including costeans, drill pads, grid lines and access tracks, being backfilled and rehabilitated to the satisfaction of the Environmental Officer, Department of Mines and Petroleum (DMP). Backfilling and rehabilitation being required no later than 6 months after excavation unless otherwise approved in writing by the Environmental Officer, DMP.
3. All waste materials, rubbish, plastic sample bags, abandoned equipment and temporary buildings being removed from the mining tenement prior to or at the termination of exploration program.
4. Unless the written approval of the Environmental Officer, DMP is first obtained, the use of drilling rigs, scrapers, graders, bulldozers, backhoes or other mechanised equipment for surface disturbance or the excavation of costeans is prohibited. Following approval, all topsoil being removed ahead of mining operations and separately stockpiled for replacement after backfilling and/or completion of operations.
5. The Licensee notifying the holder of any underlying pastoral or grazing lease by telephone or in person, or by registered post if contact cannot be made, prior to undertaking airborne geophysical surveys or any ground disturbing activities utilising equipment such as scrapers, graders, bulldozers, backhoes, drilling rigs; water carting equipment or other mechanised equipment.
6. The Licensee or transferee, as the case may be, shall within thirty (30) days of receiving written notification of:
 - the grant of the Licence; or
 - registration of a transfer introducing a new Licensee;
 advise, by registered post, the holder of any underlying pastoral or grazing lease details of the grant or transfer.
8. The prior written consent of the Minister responsible for the Mining Act 1978 being obtain before commencing any exploration activities on Water Reserve 2972 and Timber Reserve TR 195.
9. No interference with the transmission line or the installations in connection therewith, and the rights of ingress to and egress from the facility being at all times preserved to the owners thereof.
10. Prior to accessing the licence area, the licensee shall consult with the Environmental Officer, DMP, and ensure that where required all vehicles and equipment entering the designated area are washed down to remove soil and plant propagules and adhering to such conditions specified for the prevention of the spread of soil- borne diseases.
11. Prior to any activity involving disturbance to vegetation and soils including:-
 - exploration access; and/or
 - exploration sampling;
 the licensee preparing a detailed program for each phase of proposed exploration for written approval of the Director, Environment, DMP. The Director, Environment, DMP to consult with the Regional/District Manager, Department of Environment and Conservation or other government agency (as relevant) prior to approval. This program to describe the environmental impacts and programs for their management and is to include:

- maps and/or aerial photographs showing the proposed locations of all ground activities and disturbances;
 - the purpose, specifications and extent of each activity and disturbance;
 - descriptions of all vegetation types (in general terms), land forms, and unusual features likely to be disturbed by such proposed disturbances;
 - details on proposals that may disturb sensitive terrestrial habitats including any declared rare flora and fauna if applicable;
 - procedures to protect the integrity of special ecosystems such as wetland systems, mangal communities and rainforests areas (and/or associated rainforest monitoring sites) if applicable;
 - techniques, prescriptions, and timetable for rehabilitation of all proposed disturbances;
 - undertaking for corrective measures for failed rehabilitation;
 - details of water requirements from within the designated area;
 - details of refuse disposal; and
 - proposals for instruction and supervision of personnel and contractors in respect to environmental conditions.
12. Access to and from and the movement of vehicles within the licence area being restricted to ground or seasonal conditions and routes approved under the program or otherwise agreed by the Environmental Officer, DMP.
13. At agreed intervals, not greater than 12 monthly, the licensee providing a brief report to the Director, Environment, DMP outlining the progress of the operation and rehabilitation program and the proposed operations and rehabilitation programs for the next 12 months.
14. Prior to the cessation of the exploration/prospecting activity in the designated area, the licensee notifying the Environmental Officer, DMP and arranging an inspection as required.
15. The rights of ingress to and egress from Miscellaneous Licence 38/92 being at all times preserved to the licensee and no interference with the purpose or installations connected to the licence.
16. No interference with Geodetic Survey Station LAVERTON 21 and mining within 15 metres thereof being confined to below a depth of 15 metres from the natural surface.
In respect to the area outlined in "red" and designated FNA 7836 in TENGRAPH (former Wongatha native title claim WC99/01) the following condition shall apply:
17. If the Goldfields Land and Sea Council (GLSC) sends a request by pre-paid post to the Licensee's address within 90 days after the grant of the Licence, the Licensee shall within 30 days of the request execute in favour of the GLSC the revised GLSC Wongatha Interim Standard Heritage Agreement.
Consent to conduct exploration activities on Stock Route Reserve 10367 granted, subject to:
18. No exploration activities being carried out on Stock Route Reserve 10367 which restrict the use of the reserve.
19. Survey.
20. The Lessee submitting a plan of proposed operations and measures to safeguard the environment to the Director, Environment, DMP for his assessment and written approval prior to commencing any developmental or productive mining or construction activity.
21. The Licensee or transferee, as the case may be, shall within thirty (30) days of receiving written notification of:
- the grant of the Lease; or
 - registration of a transfer introducing a new Lessee;
- advise, by registered post, the holder of any underlying pastoral or grazing lease details of the grant or transfer.
22. No interference with Geodetic Survey Station TOM TERRIFIC and mining within 15 metres thereof being confined to below a depth of 15 metres from the natural surface.

NATIVE TITLE CLAIMS

- A. Native Title Claim WC 04/10
- B. Native Title Claim WC 10/14
- C. Native Title Claim WC 97/40
- D. Native Title Claim WC 99/2
- E. Native Title Claim WC 99/30

SECTION 8: ADDITIONAL INFORMATION

8.1 RIGHTS ATTACHING TO SECURITIES

8.1.1 Shares

The rights, privileges and restrictions attaching to Shares can be summarised as follows:

(a) General Meetings

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with Section 249D of the Corporations Act and the Constitution of the Company.

(b) Voting Rights

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at general meetings of shareholders or classes of shareholders:

- (i) each shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (ii) on a show of hands, every person present who is a shareholder or a proxy, attorney or representative of a shareholder has one vote; and
- (iii) on a poll, every person present who is a shareholder or a proxy, attorney or representative of a shareholder shall, in respect of each fully paid share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for the share, but in respect of partly paid shares shall have such number of votes as bears the same proportion to the total of such shares registered in the shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

(c) Dividend Rights

Subject to the rights of persons (if any) entitled to shares with special rights to dividend the Directors may declare a final dividend out of profits in accordance with the Corporations Act and may authorise the payment or crediting by the Company to the shareholders of such a dividend. The Directors may authorise the payment or crediting by the Company to the shareholders of such interim dividends as appear to the Directors to be justified by the profits of the Company. Subject to the rights of persons (if any) entitled to shares with special rights as to dividend all dividends are to be declared and paid according to the amounts paid or credited as paid on the shares in respect of which the dividend is paid. Interest may not be paid by the Company in respect of any dividend, whether final or interim.

(d) Winding-Up

If the Company is wound up, the liquidator may, with the authority of a special resolution of the Company, divide among the shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the shareholders or different classes of shareholders. The liquidator may, with the authority of a special resolution of the Company, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no shareholder is compelled to accept any shares or other securities in respect of which there is any liability.

Where an order is made for the winding up of the Company or it is resolved by special resolution to wind up the Company, then on a distribution of assets to members, any shares classified as restricted securities at the time of the commencement of the winding up shall rank in priority after all other shares.

(e) Transfer of Shares

Generally, shares in the Company are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act.

(f) Variation of Rights

Pursuant to Section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of shareholders vary or abrogate the rights attaching to shares.

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up may be varied or abrogated with the consent in writing of the holders of three-quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

8.1.2 Performance Shares

The material terms and conditions of the Performance Shares as approved by ASX are set out below:

Terms of Performance Shares

- (a) Each Performance Share shall be issued for nil consideration.
- (b) Each Performance Share is a fixed share in the capital of the Company.
- (c) The Performance Shares shall confer on a holder the right to receive notices of general meetings and financial reports and accounts of the Company that are circulated to Shareholders. A holder has the right to attend general meetings of Shareholders.
- (d) A holder is not entitled to vote on any resolutions proposed at a general meeting of the Company other than in the circumstances specifically allowed for under the Corporations Act.
- (e) The Performance Shares do not entitle a holder to any dividends.
- (f) The Performance Shares do not confer on a holder any right to participate in the surplus profits or assets of the Company upon the winding up of the Company.
- (g) The Performance Shares are not transferrable.
- (h) If at any time the issued capital of the Company is reconstructed, consolidated or divided, or a return of capital, rights issue or bonus issue is made by the Company, all rights attaching to Performance Shares will be adjusted to the extent necessary:
 - i) to avoid any adverse effect on the relative values of the Performance Shares and the Company's existing Shares; and
 - ii) in any event, to comply with the Listing Rules, the Corporations Act and the Constitution.
- (i) Performance Shares will not be quoted on ASX. However, upon conversion of the Performance Shares into Shares, the Company must apply for the official quotation of the Shares arising from the conversion on ASX in accordance with the Listing Rules. ASX may require that the fully paid ordinary shares arising from the conversion be escrowed and the holders are required to enter into any agreement necessary to effect the escrow prior to the issue of the converted shares.
- (j) The Performance Shares do not confer on a holder any right other than those expressly provided by these terms and conditions and those provided at law where such rights at law cannot be excluded by these terms and conditions.
- (k) Notwithstanding anything else contained in these terms and conditions, if the Listing Rules, the Corporations Act or the Constitution prohibits an act being done, that act shall not be done.
- (l) Nothing contained in these terms and conditions prevents an act being done that any of the Listing Rules, the Corporations Act or the Constitution requires to be done.
- (m) If any of the Listing Rules, the Corporations Act or the Constitution conflicts with these terms and conditions, or these terms and conditions do not comply with any of the Listing Rules, the Corporations Act or the Constitution, the holders authorise the Company to do anything necessary to rectify such conflict or non-compliance, including but not limited to unilaterally amending these terms and conditions.

Conversion of Performance Shares to Ordinary Shares

- (a) A holder of Performance Shares will be entitled to convert the Performance Shares to Shares on the basis of 500,000 Shares per Performance Share being converted on the Company achieving the Milestone.
- (b) If the Milestone has not occurred on or prior to 3 years after the date the Company is admitted to the Official List of the ASX, every Performance Share will convert into one (1) Share.
- (c) The Shares issued on conversion of the Performance Shares will rank pari passu in all respects with existing Shares.

Definitions

- (a) **"Company"** means Classic Minerals Limited (ACN 119 484 016).
- (b) **"Company Project"** means any project in which the Company has an ownership interest (or an option to acquire an ownership interest) as at the date the Company is admitted to the Official List of the ASX.
- (c) **"Milestone"** means the first to occur of the following events:
 - i) a Company Project attains a measured JORC Code compliant inferred resource of at least 250,000 ounces of Gold;
 - ii) a Company Project attains a measured JORC Code compliant inferred resource of at least 10,000,000 tonnes contained Iron Ore;
 - iii) a Company Project (or any part of it) is sold for a value of at least \$10 million (in cash and/or assets of equivalent value which the Company will obtain such valuations from a suitably qualified independent expert who will adopt the appropriate valuation methodology based on acceptable industry principles); or
 - iv) a joint venture arrangement is entered into for a Company Project and payments of at least \$10 million (in cash and/or assets of equivalent value which the Company will obtain such valuations from a suitably qualified independent expert who will adopt the appropriate valuation methodology based on acceptable industry principles) are paid to Company as part of that arrangement.
- (d) **"Shareholders"** means the existing shareholders of the Company.
- (e) **"Shares"** means an ordinary fully paid share in the capital of the Company.

8.2 PROPOSED NON-RENOUNCEABLE ENTITLEMENTS ISSUE OF OPTIONS AFTER LISTING

As detailed in Section 1.9 of this Prospectus, it is proposed that all Shareholders registered on the share register of Classic within three months following the listing of Classic's Shares on ASX will be entitled to participate in a non-renounceable entitlements issue of 1 cent (\$0.01) Entitlement Options on the basis of 1 Entitlement Option for every 2 Ordinary Shares then held.

The Company intends to seek quotation of the Entitlement Options offered under the Proposed Non Renounceable Entitlements Issue.

A summary of the terms and conditions of the Entitlement Options is as follows:

- (a) Each Entitlement Option entitles the holder to acquire one fully paid ordinary share in the Company.
- (b) The Entitlement Options may be exercised at any time until 30 June 2014. Each Entitlement Option may be exercised by forwarding to the Company at its principal office the exercise notice, duly completed together with payment of the sum of twenty cents (\$0.20) per Entitlement Option exercised. The Entitlement Options will lapse at 5.00pm WST on 30 June 2014.
- (c) The Entitlement Option may be transferred by an instrument (duly stamped where necessary) in the form commonly used for transfer of Entitlement Option at any time until 30 June 2014. This right is subject to any restrictions on the transfer of Entitlement Option that may be imposed by ASX in circumstances where the Company is Listed on ASX. Quotation on ASX will be sought for these Entitlement Options.
- (d) Entitlement Option holders shall be permitted to participate in new issues of securities on the prior exercise of options in which case the Entitlement Option holders shall be afforded the period of at least nine (9) business days prior to and inclusive of the record date (to determine entitlements to the issue) to exercise the Entitlement Option.
- (e) Shares issued on the exercise of Entitlement Options will be issued not more than fourteen (14) days after receipt of a properly executed exercise notice and application moneys. Shares allotted pursuant to the exercise of an Entitlement Option will rank equally with the then issued ordinary shares of the Company in all respects. If the Company is listed on ASX it will, pursuant to the exercise of an Entitlement Option, apply to ASX for Quotation of the Shares issued as a result of the exercise, in accordance with the Corporations Act and the Listing Rules.
- (f) In the event of any reconstruction (including consolidation, sub-division, reduction or return) of the issued capital of the Company, all rights of the Entitlement Option holder will be changed to the extent necessary to comply with the Listing Rules applying to the reconstruction of capital at the time of the reconstruction.
- (g) If there is a bonus issue to shareholders, the number of shares over which the Entitlement Option is exercisable may be increased by the number of shares which the holder of the Entitlement Option would have received if the Entitlement Option had been exercised before the record date for the bonus issue.
- (h) In the event that a pro rata issue (except a bonus issue) is made to the holders of the underlying securities in the Company, the exercise price of the Entitlement Options may be reduced in accordance with Listing Rule 6.22.

8.3 EMPLOYEE INCENTIVE SCHEME

As an incentive to employees of Classic, the Company has adopted a scheme called the Classic Minerals Limited Employee Incentive Scheme (Scheme). At the date of this Prospectus, no options have been granted under this Scheme.

The purpose of the Scheme is to give employees, directors, executive officers and consultants of the Company an opportunity, in the form of options, to subscribe for ordinary shares in the Company. The Directors consider the Scheme will enable the Company to retain and attract skilled and experienced employees, board members and executive officers and provide them with the motivation to make the Company more successful.

Brief Overview of the Scheme

A summary of the Terms and Conditions of the Scheme is set out below:

Participants in the Scheme

The Board may offer free options to persons ("Eligible Persons") who are:

- Full-time or part-time employees; or
- Directors

Upon receipt of such an Offer, the Eligible Person may nominate an associate acceptable to the Board to be issued with the options.

Terms of Options

There is no issue price for the options. The exercise price for the options will be:

- 125% of the market value (as defined in the Terms and Conditions of the Scheme) of the Company's Shares on the date on which the options are issued;
- 20 cents; or
- any greater price determined by the Board,

whichever is the greatest.

Shares issued on exercise of options will rank equally with other ordinary shares of the Company.

Options may not be transferred without the approval of the Board. Quotation of options on ASX will not be sought. However, in the event that the Company is listed on ASX, it will apply to ASX for official quotation of shares issued on the exercise of options.

Restrictions on Issues and Exercise of Options

The Board may not offer options under the Scheme if the total number of Shares which would be issued were each option accepted, together with the number of Shares in the same class or options to acquire such Shares issued pursuant to all employee or executive share schemes during the previous five years, exceeds 5% of the total number of issued Shares in that class as at the date of the offer.

Options may only be issued or exercised within the limitations imposed by the Corporations Law and Listing Rules.

Exercise of Options

Options may be exercised at any time between 2 and 5 years after the date of grant of the options.

If an Eligible Person leaves the employment of the group:

- i. 2 years or more after options are issued; or
- ii. because of retirement at or after 55 years of age, disablement, retrenchment, death or any other circumstances approved by the Board,

the options may be exercised within 30 days (or 3 months in the case of death), or any longer period permitted by the Board. If not exercised in that time, the options lapse.

If an Eligible Person leaves the employment of the group earlier than 2 years after options are issued and (ii) above does not apply, the options lapse.

If an Eligible Person acts fraudulently, dishonestly or in breach of obligations to the Company or any subsidiary then, at the Board's discretion, options issued for that person will lapse.

Unexercised options will automatically lapse five years after they are issued.

Participation in Future Issues

The holders of options will only participate in new issues, including bonus issues, if they have exercised the options at that time and provided such exercise is permitted by the terms of the option.

If there is a bonus issue to shareholders, the number of Shares over which the option is exercisable may be increased by the number of Shares which the holder of the option would have received if the option had been exercised before the record date for the bonus issue.

In the event that a pro rata issue (except a bonus issue) is made to the holders of the underlying securities in the Company, the exercise price of the options may be reduced in accordance with Listing Rule 6.22.

Capital Reconstruction

In the event of any reconstruction (including consolidation, subdivision, reduction or return) of the issued capital of the Company, all rights of the option holder will be changed to the extent necessary to comply with the Listing Rules applying to the reconstruction of capital, at the time of the reconstruction.

8.4 SUMMARY OF MATERIAL CONTRACTS

Set out below is a summary of the contracts to which the Company is a party that may be material or otherwise may be relevant to a potential investor in the Company.

The whole of the provisions of the agreements below are not repeated in this Prospectus and any intending Applicant who wishes to gain a full knowledge of the content of the agreements should inspect the same at the registered office of the Company.

Option Agreement – Golden West

- 1.1 On 1 May 2009, the Company entered into an Option Agreement (“**Golden West Agreement**”) with Golden West Resources Pty Ltd (“**Golden West**”) whereby the Company was granted the exclusive option (“**Option**”) to acquire a 90% interest in Mining Lease M57/619 (WA) (“**Interest**”) from Golden West, free from encumbrances.
- 1.2 The material terms of the Golden West Agreement are as follows:
 - (a) The exercise of the Option and settlement of the acquisition of the Interest is subject to approval of the Minister for Mines pursuant to Section 82(1)(d) of the *Mining Act 1978 (WA)*.
 - (b) The Company must pay an option fee of \$2,000 to Golden West in consideration of granting the Option.
 - (c) During the term of the Option the Company must expend \$200,000 on:
 - (i) exploration work as the Company elects;
 - (ii) ensure all minimum expenditure commitments are met in accordance with the Mining Act; and
 - (iii) pay all rates, rents and taxes, to maintain M 57/619 in good standing.
 - (d) The Company may exercise the Option by notice in writing within 3 years of the Golden West Agreement being signed, subject to the Company having expended the \$200,000 on exploration work as outlined above.
 - (e) Settlement of the transfer of the Interest to the Company will take place within 21 days of the exercise of the Option by the Company.
 - (f) At or before settlement the Company will pay the purchase price of \$80,000 plus GST (if applicable) for the Interest. If the Company fails to pay the purchase price on the settlement date, Golden West may require payment to be made within 14 days. If payment is not made within this timeframe Golden West may rescind the Golden West Agreement.
 - (g) On and from the Company’s acquisition of the Interest, the Company and Golden West will be associated in an unincorporated joint venture the material terms of which are to be as follows:
 - (i) the joint venture is to be substantially in the form of the AMPLA Model Exploration Joint Venture Agreement (Minerals), supplemented by the terms contained in the Golden West Agreement, such agreement is to be negotiated and formalised on request by either party;
 - (ii) the object of the joint venture is to explore for and develop minerals from M 57/619 if commercially viable;
 - (iii) the interests in the joint venture shall be:
 - (A) 90% to the Company; and
 - (B) 10% to Golden West.
 - (h) During the Option’s term the Company has an exclusive licence to prospect and explore for all minerals on M57/619 provided that the Company:
 - (i) complies with all terms and conditions of M57/619, maintains insurances, meets environmental rehabilitation requirements and complies with safety requirements; and
 - (ii) indemnifies Golden West for loss or damage arising from the Company’s operations on M57/619 during the Option’s term.
 - (i) Golden West provides warranties in favour of the Company which are considered standard for an agreement of this type.
 - (j) The Company may withdraw from the Golden West Agreement during the Option term.
 - (k) The Golden West Agreement otherwise contains provisions which are considered standard for an agreement of this type.

Employment Agreement – Mr Angelo Ikonomou

- 1.1 On 10 December 2010, the Company entered into an Employment Agreement with Mr Angelo Ikonomou (“**Mr Ikonomou**”) to employ Mr Ikonomou as Managing Director of the Company (“**Employment Agreement**”).
- 1.2 The material terms of the Employment Agreement are as follows:
- (a) Mr Ikonomou is employed for an initial term of 1 year from the date of ASX listing. The parties may agree to extend the term for subsequent periods of 12 months either on the same terms and conditions as those set out in the Employment Agreement or as otherwise agreed.
 - (b) Mr Ikonomou will receive remuneration as follows:
 - (i) prior to listing on ASX, an annual salary of \$120,000 plus 9% superannuation payable monthly;
 - (ii) following listing on ASX, an annual salary of \$150,000 plus 9% superannuation;
 - (c) The Company will provide Mr Ikonomou with short-term incentives whilst employed or retained by the Company in any formal capacity, being the following, subject to approval of the Company’s shareholders, as required:
 - (i) issue of 500,000 fully paid ordinary shares in the Company, for no consideration, within 14 days of listing on the ASX.
 - (ii) issue of 500,000 fully paid ordinary shares in the Company, for no consideration, within 14 days of the release of First JORC Resource.
 - (iii) issue of 500,000 fully paid ordinary shares in the Company, for no consideration, within 14 days of release of the Bank Feasibility Study.
 - (iv) issue of 1,000,000 fully paid ordinary shares in the Company, for no consideration, within 14 days of commencement of production.
 - (d) The Company will provide Mr Ikonomou with long-term incentives whilst employed or retained by the Company in any formal capacity, being the following (subject to approval of the Company’s shareholders, as required):
 - (i) a once off bonus payment of \$20,000 within 14 days of the Company share price reaching and staying above \$0.30 for 5 consecutive days;
 - (ii) a once off bonus payment of \$50,000 within 14 days of the Company share price reaching and staying above \$0.50 for 5 consecutive days;
 - (iii) a once off bonus payment of \$75,000 within 14 days of the Company share price reaching, and staying above \$1.00 for 5 consecutive days;
 - (e) The Employment Agreement otherwise contains provisions that are considered standard for agreements of this type.

Agreement for Sourcing Tenements

- 1.1 On 23 May 2011, the Company entered into an agreement for sourcing tenements ("**Sourcing Agreement**") with Guide Resources Pty Ltd ("**Guide Resources**").
- 1.2 The material terms of the Sourcing Agreement are as follows:
- (a) Guide Resources may identify and provide details to the Company of mineral tenements which are available for purchase and/or areas that are available for mining tenement application.
 - (b) If the Company acquires or has granted to it a tenement referred by Guide Resources ("**Relevant Tenement**"), Guide Resources will be entitled to explore for and exploit minerals other than uranium, gold and silver under specific co-operation principles ("**Co-operation Principles**"), including:
 - (i) the legal title to the Relevant Tenements will be held by the Company;
 - (ii) the Company will be required to maintain the Relevant Tenements in good standing, including meeting all minimum expenditure commitments or obtain exemptions;
 - (iii) if the Company decides to surrender a Relevant Tenement, it must first offer to transfer it to Guide Resources for no consideration;
 - (iv) the Company will bear all the rents and rates for Relevant Tenements provided that Guide Resources will reimburse the Company for 25% of such;
 - (v) the parties will be responsible for the rehabilitation of any area disturbed by them;
 - (vi) the parties will each be liable for any loss or damage to property or personal injury caused by their respective activities on the Relevant Tenements, and they each indemnify the other in respect of such liability;
 - (vii) the Company will be responsible for any native title negotiations provided that Guide Resources must pay for the costs associated with native title specifically affecting Guide Resources' activities;
 - (viii) if Guide Resources identifies and wishes to mine a resource other than gold, silver or uranium on a Relevant Tenement it can direct the Company to apply for a mining lease over the area required for mining operations at Guide Resources' cost.
 - (c) If the Company proceeds with mining on a Relevant Tenement Guide Resources will be entitled to a royalty on ore mined at the rate of \$2.50 per wet tonne. This royalty will continue to apply where all or part of a Relevant Tenement is transferred to a third party.
 - (d) Guide Resources' rights in a Relevant Tenement continue for the life of the tenement.
 - (e) If the Company acquires an interest in a mining tenement ("**New Tenement**"), any part of which is within a distance of 20km from any Relevant Tenement, then the New Tenement is deemed to be a Relevant Tenement subject to the terms of the Sourcing Agreement. This provision does not have successive application to the Company's acquisition of a further mining tenement which is within a distance of 20km from the New Tenement. This clause will continue even after termination of the Sourcing Agreement.
 - (f) Guide Resources may direct the Company to apply for iron ore rights over a Relevant Tenement at Guide Resources' cost.
 - (g) The Sourcing Agreement may be terminated by notice from either party, provided that Guide Resources will retain interests in any Relevant Tenements to that date.
 - (h) An introduction fee of a mutually agreed value must be paid by the Company to Guide Resources for each Relevant Tenement acquired by the Company, but failing agreement, such fee will be \$10,000.
 - (i) The Sourcing Agreement otherwise contains provisions considered standard in agreements of such nature.

Heads of Agreement – Juglah Rocks Prospect

- 1.1 On 1 October 2010, the Company entered into a Heads of Agreement (“**HoA**”) with Roger Michael Lindsay (“**Lindsay**”) where Lindsay granted the Company the option to acquire Exploration Licenses EL25/435 and EL25/421 (“**Option**”).
- 1.2 The material terms of the HoA are as follows:
 - (a) The Company may exercise the Option during the 12 month period commencing from the later of 1 October 2010 or the date that EL25/421 was granted.
 - (b) On execution of the HoA an option fee of \$10,000 was payable by the Company to Lindsay.
 - (c) The Company may exercise the Option by way of either:
 - (i) cash payment of \$100,000; or
 - (ii) issue of shares in the Company to the value of \$100,000.
 - (d) From the exercise of the Option, the Company is required to pay Lindsay a royalty calculated on the following basis:
 - (i) \$5.00 for each ounce of gold derived from the Tenements;
 - (ii) 1% of net smelter return in respect of all other metals derived from the Tenements.
 - (e) The Option term may be extended by a further period of 12 months upon payment of an additional \$10,000.
 - (f) The HoA may be replaced by a more formal agreement to be prepared by the Company’s legal representatives.
 - (g) The HoA otherwise contains provisions considered standard in agreements of this nature.

Option Agreement – Share Dam Prospect

- 1.1 On 25 May 2011 the Company entered into an Option Agreement (“**the Option Agreement**”) with Guide Resources Pty Ltd (“**Guide Resources**”) whereby the Company was granted an option to acquire 100% interest in Exploration License 25/453 (“**Tenement**”), subject to Guide Resources’ retained rights in relation to the exploration and mining of all minerals except for gold, silver and uranium from the Tenement (“**Retained Rights**”).
- 1.2 The material terms of the Option Agreement are as follows:
- (a) The Option Agreement is subject to the parties obtaining any necessary approvals from the Minister or under the *Mining Act (1978) (WA)*.
 - (b) The Option Agreement is subject to the Company being admitted to the Official List of the ASX within 6 months of the date of the Option Agreement.
 - (c) The Company must pay an option fee of \$10,000 to Guide Resources within 10 days of the Company being admitted to the official list of ASX.
 - (d) The Company may exercise the Option, by notice in writing to Guide Resources, within the period commencing 31 January 2012 and ending 30 April 2012 (“**Option Term**”).
 - (e) During the Option Term, the Company is granted an exclusive right to prospect and explore for gold, silver and uranium on the Tenement.
 - (f) On exercise of the Option, the Company must:
 - (i) pay to Guide Resources \$10,000 within 10 days; and
 - (ii) deliver to Guide Resources all documents necessary to effect transfer of 100% of the legal title in the Tenement to the Company.
 - (g) On and from the exercise of the Option:
 - (i) the Company has the exclusive right to explore for and mine gold, silver and uranium on the Tenement;
 - (ii) the Company must pay a royalty equal to \$2.50 per wet tonne of gold bearing ore mined from the Tenement; and
 - (iii) Guide Resources shall be entitled to the Retained Rights.
 - (h) The Company and Guide Resources both provide warranties and indemnities in favour of each other which are considered standard for an agreement of this type.
 - (i) On exercise of the Option the Company is required to maintain the Tenement in good standing by:
 - (i) ensuring all minimum expenditure commitments are met in accordance with the Mining Act; and
 - (ii) paying all rates, rents and taxes.
 - (j) During the four year period commencing on the date of exercise of the Option (“**Exploration Activity Period**”), the Company is required to expend a minimum of \$250,000 on exploration activities on the Tenement (“**Minimum Expenditure**”) and:
 - (i) Not less than \$100,000 must be expended within the first 12 months of the Exploration Activity Period; and
 - (ii) If the Minimum Expenditure is not achieved within the Exploration Activity Period the Company shall be required to pay any shortfall to Guide Resources.
 - (k) If the Company exercises the Option, the “Co-operation Principles”, as outlined in the Sourcing Agreement between the Company and Guide Resources dated 23 May 2011 will apply to the Tenement as a “Relevant Tenement” from the date of exercise of the Option.
 - (l) The Company may withdraw from the Option Agreement either:
 - (i) During the Option Term, by written notice to Guide Resources; or
 - (ii) Following exercise of the Option, provided that not less than \$100,000 of the Minimum Expenditure has been expended.
 - (m) Neither the Company or Guide Resources shall dispose of its interest in the Tenement without first offering such interest to the other party.
 - (n) The Company is responsible for all costs associated with the satisfactory completion of obligations under the Option Agreement, including stamp duty payable.
 - (o) The Option Agreement otherwise contains provisions considered standard in agreements of such nature.

Deed of Variation – Share Dam Prospect

- 1.1 The Company entered into an undated Deed of Variation with Guide Resources Pty Ltd (“**Guide Resources**”) varying the terms of the Option Agreement between the Company and Guide Resources dated 25 May 2011 in respect to EL25/453. The Deed of Variation varies the rights granted pursuant to the Option Agreement (“**the Option Agreement**”).
- 1.2 The material terms of Deed of Variation are as follows:
- The Company is entitled to retain a 70% interest in Exploration Licence 25/453 (“**Tenement**”) insofar as it relates to gold, silver and uranium (“**Minerals Interest**”).
 - Guide Resources is entitled to retain 30% of the Minerals Interest (“**Guide Resources Interest**”).
 - The Guide Resources Interest endures until the commencement of commercial production.
 - The royalty payable to Guide, pursuant to the terms of the Option Agreement, is no longer payable.
 - The Deed of Variation otherwise contains provisions considered standard in agreements of this nature.

8.5 INTERESTS OF DIRECTORS OF THE COMPANY

Except as disclosed in this Prospectus, no director holds, or during the last two years has held any interest in:

- the formation or promotion of Classic;
- property acquired or proposed to be acquired by Classic in connection with its formation or promotion of the Offer; or
- the Offer,

and no amounts of any kind (whether in cash, Shares or otherwise) have been paid or agreed to be paid to any Director to induce him to become or to qualify as a Director or otherwise for services rendered by him in connection with the formation or promotion of the Company or the offer of Shares under this Prospectus.

Directors’ Shareholdings

The Directors are not required under the Constitution to hold any shares.

At the date of this Prospectus the relevant interests of each of the Directors in the Shares of the Company is as follows:

Director	No. of Shares	No. of Performance Shares
Kevin Robertson	600,000	2
Angelo Ikonomou	1,000,000	2
Justin Douth	1,000,000	4
Stanislaw Procak	1,650,000	2

Notes:

Nothing in this Prospectus will be taken to preclude Directors, officers or employees of Classic from applying for Shares under this Prospectus.

Directors' Remuneration

The Constitution of the Company provides that the remuneration of non-executive Directors will be not more than the aggregate fixed sum determined by a general meeting. The aggregate remuneration for non-executive Directors has been set at an amount not to exceed \$500,000 per annum.

The remuneration of executive Directors will be fixed by the Directors and may be paid by way of fixed salary or consultancy fee.

The annual remuneration (exclusive of superannuation) payable to each of the Directors as the date of this Prospectus is as follows:

Angelo Ikonomou - \$120,000 (increased to \$150,000 effective date of ASX listing).

Kevin Robertson, Justin Douth and Stanislaw Procak – Formal employment agreements will be executed subsequent to the Company's admission to the official list of the ASX. The terms of the agreements will be made with regard to market practice, relativities, and the duties and accountabilities of directors. Independent advice may be obtained to confirm that remuneration is in line with market practice and is reasonable in the context of Australian reward practices.

Directors will also be entitled to be repaid the costs of reasonable expenses derived on behalf of the Company.

Deeds of Indemnity and Access

The Company intends to enter into a deed of indemnity, insurance and access with each of its appointed officeholders. Under those deeds, the Company will agree to indemnify the officer to the extent permissible by the Corporations Act against any liability arising as a result of that officer acting in the capacity as an officer of the Company.

8.6 INTERESTS OF PERSONS NAMED

Other than as set out below or elsewhere in this Prospectus, no person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus has, or has had within the two years before lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of Classic;
- (b) property acquired or proposed to be acquired by Classic in connection with its formation or promotion of the Offer; or
- (c) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of those persons for services rendered by them in connection with the formation or promotion of the Company or the offer of Shares under this Prospectus.

CoxsRocks Pty Ltd has acted as the Independent Geologist and has prepared an Independent Geologist's Report which has been included in Section 5 of this Prospectus. The Company estimates that it will pay CoxsRocks Pty Ltd approximately \$10,000 (excl. GST) for the provision of these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, CoxsRocks Pty Ltd has not received any other fees from the Company.

Stantons International has acted as Auditor and Stantons International Securities has acted as Investigating Accountant and has prepared an Investigating Accountant's Report which has been included in Section 6 of this Prospectus. The Company estimates that it will pay Stantons International Securities approximately \$10,000 (excl. GST) for the provision of these services. Subsequent fees will be charged in accordance with normal charge out rates. During the 24 months preceding lodgement of this Prospectus with the ASIC, Stantons International Securities has not received any other fees from the Company.

Lawton Gillon Lawyers has acted as Solicitors to the Company in relation to the Offer and has prepared a Solicitor's Report on Tenements which has been included in Section 7 of this Prospectus. The Company estimates that it will pay Lawton Gillon Lawyers approximately \$15,000 (excl. GST) for the provision of these services. Subsequent fees will be charged in accordance with normal charge out rates. During the 24 months preceding lodgement of this Prospectus with the ASIC, Lawton Gillon Lawyers has not received any other fees from the Company.

Mining Corporate Pty Ltd has acted as IPO Compliance Manager in relation to the Offer and this Prospectus. The Company estimates that it will pay Mining Corporate Pty Ltd approximately \$30,000 (excl. GST) for the provision of these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Mining Corporate Pty Ltd has not received any other fees from the Company.

Advanced Share Registry Services have been appointed as Classic's share registry and will be paid for these services on normal commercial terms.

8.7 CONSENTS

The following persons have each consented to being named in the Prospectus and to the inclusion of the following statements and statements identified in this Prospectus as being based on statements made by those persons, in the form and context in which they are included, and have not withdrawn that consent before lodgement of this Prospectus with the ASIC:

- CoxsRocks Pty Ltd – Independent Geologist's Report;
- Stantons International Securities – Investigating Accountant's Report; and
- Lawton Gillon Lawyers – Solicitors Report on Tenements.

To the maximum extent permitted by law, each of the persons referred to above expressly disclaims and takes no responsibility for any part of this Prospectus other than the statements referred to above and the statements identified in this Prospectus as being based on statements made by those persons.

The following persons have consented to being named in this Prospectus but have not made any statements that are included in this Prospectus or statements identified in this Prospectus as being based on any statements made by those persons, and have not withdrawn their consent before lodgement of this Prospectus with ASIC:

- Lawton Gillon Lawyers as legal advisors to Classic;
- Stantons International as auditors of Classic;
- CoxsRocks Pty Ltd as Independent Geologist to Classic;
- Advanced Share Registry Services as Share Registrar; and
- Mining Corporate Pty Ltd as IPO Compliance Managers to Classic.

To the maximum extent permitted by law, each of the persons referred to above expressly disclaims and takes no responsibility for any part of this Prospectus other than the references to their name.

8.8 EXPENSES OF THE OFFER

It is estimated that Classic Minerals will pay the following costs (exclusive of GST) in connection with the preparation and issue of this Prospectus:

	Minimum Subscription (\$3.5M)	Full Subscription (\$4.5M)	Full Oversubscription (\$6.0M)
ASIC and ASX Fees	\$53,893	\$54,690	\$55,887
Broker Commission	\$175,000	\$225,000	\$300,000
Compliance Manager Fee	\$30,000	\$30,000	\$30,000
Investigating Accountant Report	\$10,000	\$10,000	\$10,000
Independent Solicitor Report	\$15,000	\$15,000	\$15,000
Independent Geologist Report	\$10,000	\$10,000	\$10,000
Printing/Typesetting	\$20,000	\$20,000	\$20,000
Miscellaneous	\$10,000	\$10,000	\$10,000
Total	\$323,893	\$374,690	\$450,887

8.9 TAXATION

The acquisition and disposal of Shares in Classic will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in Classic are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation viewpoint and generally.

To the maximum extent permitted by law, Classic, its officers and each of their respective advisors accept no liability or responsibility with respect to the taxation consequences of subscribing for Shares under this Prospectus.

8.10 EXPOSURE PERIOD

This Prospectus will be circulated during the Exposure Period. The purpose of the Exposure Period is to enable this Prospectus to be examined by market participants prior to the raising of funds. Potential investors should be aware that this examination may result in the identification of deficiencies in the Prospectus and, in those circumstances, any Application that has been received may need to be dealt with in accordance with Section 724 of the Corporations Act. Applications for Shares under this Prospectus will not be accepted by the Company until after the expiry of the Exposure Period. No preference will be conferred on persons who lodge Applications prior to the expiry of the Exposure Period.

8.11 LITIGATION

Other than as disclosed elsewhere in this Prospectus, the Company is not involved in any material litigation or arbitration proceedings, nor, so far as the Directors are aware, are any such proceedings pending or threatened against the Company.

8.12 ELECTRONIC PROSPECTUS

Pursuant to Class Order 00/044 the ASIC has exempted compliance with certain provisions of the Corporations Act to allow distribution of an electronic prospectus and electronic application form on the basis of a paper prospectus lodged with ASIC, and the publication of notices referring to an electronic prospectus or electronic application form, subject to compliance with certain conditions.

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Form. If you have not, please email the Company at admin@classicminerals.com.au and the Company will send you, for free, either a hard copy or a further electronic copy of the Prospectus or both. Alternatively, you may obtain a copy of the Prospectus from the Company's website at: www.classicminerals.com.au

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

8.13 CONTINUOUS DISCLOSURE OBLIGATIONS

On being admitted to ASX, the Company will be a "disclosing entity" for the purposes of Part 1.2A of the Corporations Act. As such, it will be subject to regular reporting and disclosure obligations which require it to disclose to ASX any information which it is, or becomes aware of concerning the Company and which a reasonable person would expect to have a material effect on the price or value of the securities of the Company. These documents will also be made available on the Company's website.

SECTION 9: GLOSSARY

Applicant means a person who submits an Application.

Application means a valid application to subscribe for Shares.

Application Form means the application form attached to and forming part of this Prospectus.

Application Monies means monies received by Classic from Applicants.

ASIC means the Australian Securities and Investments Commission.

ASTC means ASX Settlement Pty Ltd (ACN 008 504 532).

ASX means ASX Limited (ACN 008 624 691) trading as the Australian Securities Exchange.

Auditors means Stantons International.

Board means the board of Directors unless the context indicates otherwise.

Business Day means a day other than a Saturday or Sunday on which banks are open for business in Perth, Western Australia.

CHESS means ASX Clearing House Electronic Subregistry System.

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

Closing Date means the date on which the Offer closes, being 18 November 2011.

Corporations Act means the Corporations Act 2001 of Australia.

Directors means the directors of the Company from time to time.

Dollars or **\$** means Australian dollars unless otherwise stated.

Entitlement Option means an option to be offered under the proposed non renounceable entitlements offer of options as detailed in section 1.9.

Exposure Period means the period of seven (7) days after the date of lodgement of this Prospectus, which period may be extended by the ASIC by not more than seven (7) days pursuant to Section 727(3) of the Corporations Act 2001.

Glossary means this glossary.

GST means goods and services tax

Independent Geologist means CoxsRocks Pty Ltd (ACN 111 457 231).

Independent Geologist's Report means the report contained in Section 5 of this Prospectus.

Investigating Accountant means Stantons International Securities.

Investigating Accountant's Report means the report contained in Section 6 of this Prospectus.

Listing Rules means the official Listing Rules of the ASX.

Offer means the offer of up to 22,500,000 Shares at \$0.20 each pursuant to this Prospectus with the ability to accept oversubscription for up to an additional 7,500,000 Shares.

Offer Period means the period commencing on the Opening Date and ending on the Closing Date.

Official List means the Official List of the ASX.

Opening Date means the date on which the Offer opens, being 17 October 2011.

Option means an option to acquire one Share.

Option Agreements means those agreements between the Vendors and the Company in relation to the Projects referred to at Section 8.4 of this Prospectus.

Ordinary Share means a fully paid ordinary share in the capital of Classic.

Performance Share means a performance share in the capital of Classic which converts to 500,000 Ordinary Shares upon the achievement a milestone as detailed in section 8.1.2.

Projects means the mineral exploration projects in which the Company has acquired or will acquire an interest, as detailed in this Prospectus including the Independent Geologist's Report and the Solicitor's Report on Tenements.

Prospects means the Prospects the subject of the Projects, as described in the Solicitor's Report on Tenements.

Prospectus means this Prospectus dated 7 October 2011 for the issue of up to 22,500,000 Shares at \$0.20 each with the ability to accept oversubscription for up to an additional 7,500,000 Shares at \$0.20 each.

Quotation means quotation of the Shares on ASX.

Share means a fully paid ordinary share in the capital of Classic.

Shareholder means a holder of Shares.

Share Registrar means Advanced Share Registry Limited.

Solicitor's Report on Mining Tenements means the report contained in Section 7 of this Prospectus.

Tenements means the Tenements the subject of the Projects, as described in the Solicitor's Report on Tenements.

Vendors mean the vendors of the Projects to the Company, as detailed in Section 8.4.

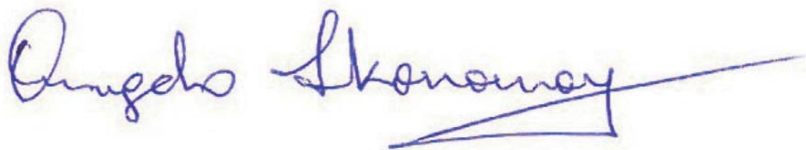
WST means Western Standard Time, Perth, Western Australia.

SECTION 10: CONSENT BY THE DIRECTORS

The Directors state that they have made all reasonable enquiries and on that basis have reasonable grounds to believe that any statements made by the Directors in this Prospectus are not misleading or deceptive and that in respect to any other statements made in this Prospectus by persons other than Directors, the Directors have made reasonable enquiries and on that basis have reasonable grounds to believe that persons making the statement or statements were competent to make such statements, those persons have given their consent to the statements being included in this Prospectus in the form and context in which they are included and have not withdrawn that consent before lodgement of this Prospectus with the ASIC, or to the Directors' knowledge, before any issue of Shares pursuant to this Prospectus.

Each of the Directors of Classic Minerals Limited has consented to the lodgement of this Prospectus in accordance with Section 720 of the Corporations Act 2001 and has not withdrawn that consent.

Dated the 7 October 2011.



Signed for and on behalf of

CLASSIC MINERALS LIMITED

By

Angelo Ikonou
Managing Director

BROKER/DEALER STAMP

APPLICATION FORM

SHARE REGISTRAR USE ONLY

Before completing this Application Form, you should read the Prospectus dated 7 October 2011 and the instructions overleaf. No Shares will be issued pursuant to the Prospectus later than 13 months after the date of the Prospectus.

PLEASE READ CAREFULLY ALL INSTRUCTIONS ON THE REVERSE OF THIS FORM.

I/We apply for Shares in **CLASSIC MINERALS LIMITED** at \$0.20 cents per Share or such lesser number of Shares which may be allocated to me/us by the Directors.

I/We lodge full application monies of \$

First Name (PLEASE PRINT)

Surname (PLEASE PRINT)

Joint Applicant #2 or <designated account>

Joint Applicant #3 or <designated account>

Postal Address (PLEASE PRINT)

Street Number

Street

Suburb/Town

State

Post code

Contact Name

Telephone number – Business hours

Telephone number – Business hours

CHESS HIN (where applicable)

E-mail address

Tax File Number or Exemption

Applicant #2

Applicant #3

CHEQUE DETAILS

Drawer

Bank

BSB

Amount of cheque

Cheques should be marked '**Not Negotiable**' and make payable "**Classic Minerals Limited - Share Account**".

(Declarations, Statements and Instructions overpage)

DECLARATION AND STATEMENTS:

By lodging this Application Form:

I/We declare that all details and statements made by me/us are complete and accurate;

I/We agree to be bound by the terms and conditions set out in the Prospectus and by the Constitution of the Company;

I/We acknowledge that the Company will send me/us a paper copy of the Prospectus free of charge if I/we request so during the currency of the Prospectus;

I/We authorise the Company to complete and execute any documentation necessary to effect the issue of Shares to me/us; and

I/We acknowledge that returning the Application Form with the application monies will constitute my/our offer to subscribe for Shares in Classic Minerals Limited and that no notice of acceptance of the application will be provided.

TO MEET THE REQUIREMENTS OF THE CORPORATIONS ACT 2001, THIS FORM MUST NOT BE HANDED TO ANY PERSON UNLESS IT IS ATTACHED TO OR ACCOMPANIED BY THE PROSPECTUS DATED 7 OCTOBER 2011.

HOW TO COMPLETE THE APPLICATION FORM

Applications must be made on the Application Form attached to this Prospectus. Please complete all relevant parts of the Application Form using BLOCK LETTERS.

- A) Enter the NUMBER OF SHARES you wish to apply for. The application must be for a minimum of 10,000 Shares and thereafter in multiples of 1,000 Shares.
- B) Enter the TOTAL AMOUNT of application money payable. To calculate the amount, multiply the number of Shares applied for by \$0.20.
- C) Enter the FULL NAME(S) of all legal entities that are to be recorded as the registered holder(s). Use correct forms of registrable name (see below). Applications using the wrong form of name may be rejected.
- D) Enter the POSTAL ADDRESS for all communications from the Company. Only one address can be recorded.
- E) Enter a CONTACT NAME and TELEPHONE NUMBER(S) of a person the share registry can speak to regarding any queries they may have on the Application.
- F) The Company will become an Issuer Sponsored participant in the Australian Stock Exchange CHESS System. This enables a holder to receive a statement of their shareholdings from the Company's Share Registrar. If you are already a Broker Sponsored participant in this system, enter your Holder Identification Number (HIN). Otherwise, leave this box blank and your Shares will automatically be issued sponsored on allotment.
- G) Enter the TAX FILE NUMBER(S) of the Applicant(s). Collection of Tax File Numbers is authorised by taxation laws. Quotation of Tax File Number(s) is not compulsory and will not affect the Application.
- H) Enter the details of cheque(s) accompanying the Application Form in payment of application monies.

DECLARATION AND STATEMENTS

Before completing the Application Form the Applicant(s) should read the Prospectus dated 7 October 2011. The Applicant(s) agree(s), upon and subject to the terms of the Prospectus, to take any number of Shares equal to or less than the number of Shares indicated on the Application Form that may be allotted to the Applicants pursuant to the Prospectus and declare(s) that all details of statements made are complete and accurate.

No notice of acceptance of the Application will be provided by the Company prior to the allotment of Shares. Applicants agree to be bound upon acceptance by the Company of the Application.

If your Application Form is not completed correctly, it may still be treated as valid. The Company's decision as to whether to treat your Application as valid, and how to construe, amend or complete it, shall be final.

There is no requirement to sign the Application Form.

PAYMENT

Applications for Shares must be accompanied by the application money of \$0.20 per Share (in Australian currency). Cheques should be made payable to "Classic Minerals Limited – Share Account" and crossed 'Not Negotiable'.

LODGING OF APPLICATIONS

Completed Application Forms and accompanying application monies must be:

Posted to:	OR	Delivered to:
Classic Minerals Limited		Classic Minerals Limited
C/- Advanced Share Registry Services		C/- Advanced Share Registry Services
PO Box 1156		150 Stirling Highway
NEDLANDS WA 6909		NEDLANDS WA 6009

Applications must be received by no later than **5.00pm WST on the Closing Date, currently 18 November 2011** (unless varied by the Company).

CORRECT FORM OF REGISTRABLE TITLE

Note that only legal entities are allowed to hold Shares. Applications must be in the name(s) of a natural person(s), companies or other legal entities acceptable to Classic Minerals Limited. At least one full given name and the surname is required for each natural person. The name of the beneficiary or any other non-registrable name may be included by way of an account designation if completed exactly as described in the example of the correct forms of registrable names below:

TYPE OF INVESTOR	CORRECT FORM OF REGISTRABLE TITLE	INCORRECT FORM OF REGISTRABLE TITLE
Individual <i>Use given names, not initials</i>	Peter David Jones	PD Jones
Company <i>Use Company title, not abbreviations</i>	AAA Pty Ltd	AAA P/L AAA Co
Trusts <i>Use trustee(s) personal name(s), Do not use the name of the trust</i>	Michelle Jones <Michelle Jones Family A/C>	Michelle Jones Family Trust
Deceased Estates <i>Use executor(s) personal name(s)</i>	James Jones <Est James Jones A/C>	Estate of late James Jones
Partnerships <i>Use partners' personal names, do not use the name of the partnership</i>	James Jones and Peter Jones <James Jones and Son A/C>	James Jones and Son
Clubs/Incorporated Bodies /Business Names <i>Use office bearer(s) personal name(s), Do not use the names of the clubs etc.</i>	Michael Jones <BBB Cricket Association A/C>	BBB Cricket Association
Superannuation Funds Use of name of trustee of fund, do not use the name of the fund.	Lisa Jones Pty Ltd <Super Fund A/C>	Lisa Jones Pty Ltd Superannuation Fund