



ACN 119 484 016

CLASSIC
MINERALS LTD

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20 October 2013

Dear Shareholder,

On behalf of my fellow Directors, it is with pleasure that I enclose Classic Minerals Limited's (**Classic**) Notice of Annual General Meeting 20 November 2013.

Our Board believes the Company is well positioned to achieve its strategic objectives even in the face of very trying times in equity markets, especially for junior exploration companies. Furthermore we believe Classic, having being listed for effectively only six months since officially listing on the Australian Securities Exchange (ASX) on the 24th May 2013 is well capitalised to take advantage of a re-emerging focus on the junior explorer sector.

The Company has successfully completed stages one and two of its maiden drilling campaign at its 100% owned Fraser Range project E28/1904. The project, in its early stages of exploration, has identified highly anomalous Copper, Nickel, Zinc and Silver mineralisation from its first pass RC drilling program, and the Company is preparing for further aggressive exploration on its projects in Western Australia in the coming year.

The Board firmly believes that with the completion the placement of the shortfall of the recent Options Entitlement issue in the next two months it will be in a secure financial position to complete its exploration programs aimed at identifying the full potential of the Fraser Range Project.

I would like to invite you to view our Annual Report for the financial year ended 30 June 2013 on our website, where you can also subscribe to receive email news of our announcements going forward.

I take this opportunity to thank all shareholders and investors who have continued to show their support for the Company over the past year and confirm that we believe Classic Minerals Limited is now positioned to move forward aggressively with the Company's projects and continue to generate shareholder value with new exploration opportunities in Australia.

The success of Classic Minerals Limited has been and continues to be a team effort and I thank my fellow directors, management, consulting geologist and our corporate advisors for their efforts and contribution to Classic Minerals Limited to date.

Yours sincerely,

Justin Douch
Managing Director
Classic Minerals Limited

CLASSIC MINERALS LIMITED

ABN 77 119 484 016

**NOTICE OF ANNUAL GENERAL MEETING AND EXPLANATORY
STATEMENT**

TIME: 11:00am WST

DATE: Wednesday 20 November 2013

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

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

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

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TIME AND PLACE OF MEETING AND HOW TO VOTE

VENUE

The Annual General Meeting of the Shareholders of Classic Minerals Limited which this Notice of Meeting relates to will be held at 11:00am WST on Wednesday 20 November 2013 at:

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

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

VOTING IN PERSON

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

VOTING BY PROXY

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

- (a) send the proxy form by post to Classic Minerals Limited, PO Box 487, Perth WA 6021; or
- (b) send the proxy form by facsimile to the Company on facsimile number (08) 9445 3008, so that it is received not later than 11.00am WST on Monday, 18 November 2013.

Proxy forms received later than this time will be invalid.

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

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

NOTICE OF ANNUAL GENERAL MEETING

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

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

Further details on these changes are set out below.

Proxy vote if appointment specifies way to vote

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

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

Transfer of non-chair proxy to chair in certain circumstances

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

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

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

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Annual General Meeting of Shareholders of Classic Minerals Limited will be held at Gershwin Room, Hyatt Regency Perth, Lower Level, 99 Adelaide Terrace at 11.00am WST on Wednesday, 20 November 2013.

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

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Annual General Meeting are those who are registered Shareholders at the close of business on 18 November 2013.

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

AGENDA

Reports and Accounts

To receive the financial report of the Company for the year ended 30 June 2013, together with the Directors' report, the Remuneration Report and the auditor's report.

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

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

“That, for the purposes of Section 250R(2) of the Corporations Act and for all other purposes, the Company adopts the Remuneration Report as contained in the Company's annual financial report for the financial year ended 30 June 2013.”

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

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

Voting Prohibition Statement:

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

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

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

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

NOTICE OF ANNUAL GENERAL MEETING

Ordinary Resolution 2 – Re-election of Mr Stan Procak

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

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

Ordinary Resolution 3 – Ratification of Prior Issue of Shares

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

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, the shareholders ratify the issue of 570,000 Shares on the terms and conditions set out in the Explanatory Statement.”

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

However the Company need not disregard a vote if:

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

Ordinary Resolution 4 – Ratification of Prior Issue of Shares

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

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, the shareholders ratify the issue of 5,000,000 Shares on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on Resolution 4 by any person who may participate in the proposed issue and any person who might gain a benefit, other than a benefit solely in the capacity of an ordinary security holder, from the passing of Resolution 4 and any associates of those persons.

However the Company need not disregard a vote if:

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

Special Resolution 5 – Approval for Additional Placement Capacity

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

“That, for the purposes of ASX Listing Rule 7.1A and all other purposes, approval is given for the issue of Equity Securities totalling up to 10% of the issued capital of the Company at the same time of issue, calculated in accordance with the formula prescribed in Listing Rule 7.1A.2; and on the terms and conditions set out in the Explanatory Statement accompanying this Notice of Meeting.”

NOTICE OF ANNUAL GENERAL MEETING

Voting Exclusion: The Company will disregard any votes cast on Resolution 5 by any person who may participate in the issue of Equity Securities under this Resolution and any person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, from the passing of Resolution 6 and any associates of those persons.

However the Company need not disregard a vote if:

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

Ordinary Resolution 6 – Appointment of Auditor to fill Vacancy

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

"That, for the purposes of section 327B of the Corporations Act and for all other purposes, Bentleys having been nominated by a Shareholder and having consented in writing to act in the capacity of auditor, be appointed as auditor of the Company with effect from the close of the Meeting."

DATED: 21 OCTOBER 2013

BY ORDER OF THE BOARD

**JUSTIN DOUTCH
MANAGING DIRECTOR
CLASSIC MINERALS LIMITED**

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of the Shareholders in connection with the business to be conducted at the Annual General Meeting of Classic Minerals Limited to be held at the Gershwin Room, Hyatt Regency Perth, Lower Level, 99 Adelaide Terrace at 11.00am WST on Wednesday, 20 November 2013.

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

FINANCIAL STATEMENTS

In accordance with the Constitution, the business of the Annual General Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2013 together with the declaration of the directors, the directors' report, the remuneration report and the auditor's report.

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

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

Under recent changes to the Corporations Act which came into effect on 1 July 2011, if at least 25% of the votes cast on Resolution 1 are voted against adoption of the Remuneration Report at the Annual General Meeting, and then again at the Company's 2014 annual general meeting, the Company will be required to put to Shareholders a resolution proposing the calling of an extraordinary general meeting to consider the appointment of directors of the Company (**Spill Resolution**).

If more than 50% of Shareholders vote in favour of the Spill Resolution, the Company must convene the extraordinary general meeting (**Spill Meeting**) within 90 days of the Company's 2014 annual general meeting. All of the Directors who were in office when the Company's 2014 Directors' report was approved, other than the managing director of the Company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting. Following the Spill Meeting those persons whose election or re-election as Directors is approved will be the Directors of the Company.

The remuneration report sets out the Company's remuneration arrangements for the Directors and senior management of the Company. The remuneration report is part of the Directors' report contained in the annual financial report of the Company for the financial year ending 30 June 2013.

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

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EXPLANATORY STATEMENT

2. Ordinary Resolution 2 – Re- election of Mr Stan Procak

Mr Stan Procak retires and seeks re-election in accordance with ASX Listing Rule 14.4. Details regarding Stan Procak are set out in the Company's 2013 Report. The Directors, other than Stan Procak, recommend that shareholder vote in favour of resolution 2. Annual by rotation at this meeting and, being eligible, offers himself for re-election.

3. Ordinary Resolutions 3 and 4 – Ratification of Prior Issues of Shares

3.1 Background

On 5 August 2013, the Company announced that it had entered into a Deed of Variation and Exercise of Option ("Deed") with Golden West Resources Limited to vary the terms of the Option Agreement and to acquire the Doherty's Project (M57/619) ("Project") and exercise the option to acquire the project.

The Company issued 570,000 Shares without prior Shareholder Approval out of its 15% annual placement capacity at an issue price of \$0.09 per Share.

On 29 August 2013, the Company announced that it had issued 5,000,000 Shares to Guide Resources Pty Ltd as part of its agreement to acquire the marketing rights over iron ore over Exploration Licence E28/2238.

The Company issued 5,000,000 Shares without prior Shareholder Approval out of its 15% annual placement capacity at an issue price of \$0.12 per Share.

Resolution 3 seeks Shareholder ratification of the issue of 570,000 Shares pursuant to ASX Listing Rule 7.4 and for all other purposes of the issue of these Shares (Share Ratification 1).

Resolution 4 seeks Shareholder ratification of the issue of 5,000,000 Shares pursuant to ASX Listing Rule 7.4 and all other purposes of the issue of these Shares (Share Ratification 2).

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

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

By ratifying the issue of the Shares the subject of Resolutions 3 and 4, the Company will retain the flexibility to issue equity securities in the future of up to the 15% annual placement capacity set out in ASX Listing Rule 7.1.

EXPLANATORY STATEMENT

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

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

- (a) 570,000 Shares (Resolution 3) and 5,000,000 Shares (Resolution 4) were issued;
- (b) The issue prices per Share were \$0.09 per Share (Resolution 3) and \$0.12 per Share (Resolution 4);
- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Shares were issued to Golden West Resources Limited and Guide Resources Pty Ltd respectively; and
- (e) no funds were raised from these issues. The Shares were issued to acquire an interest in a mining tenement and to acquire marketing rights for iron ore over a mining tenement.

4. Special Resolution 5 – Approval for Additional Placement Capacity

4.1 General

ASX Listing Rule 7.1A provides that an Eligible Entity may seek Shareholder approval to allow it to issue Equity Securities up to 10% of its issued capital over a period up to 12 months after the entity's annual general meeting (**10% Placement Capacity**).

The Company is an Eligible Entity.

If Shareholders approve Special Resolution 5, the number of Equity Securities the Eligible Entity may issue under the 10% Placement Capacity will be determined in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 (as set out in Section 4.2 below).

The effect of Resolution 5 will be to allow the Directors to issue Equity Securities up to 10% of the Company's fully paid ordinary securities on issue under the 10% Placement Capacity during the period up to 12 months after the Meeting, without subsequent Shareholder approval and without using the Company's 15% annual placement capacity granted under Listing.

Special Resolution 5 is a special resolution. Accordingly, at least 75% of votes cast by Shareholders present and eligible to vote at the Meeting must be in favour of Special Resolution 5 for it to be passed.

4.2 ASX Listing Rule 7.1A

ASX Listing Rule 7.1A came into effect on 1 August 2012 and enables an Eligible Entity to seek shareholder approval at its annual general meeting to issue Equity Securities in addition to those under the Eligible Entity's 15% annual placement capacity.

An Eligible Entity is one that, as at the date of the relevant annual general meeting:

- is not included in the S&P/ASX 300 Index; and

EXPLANATORY STATEMENT

- has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000.

The Company is an Eligible Entity as it is not included in the S&P/ASX 300 Index and has a current market capitalisation of approximately \$17,510,000.

The Equity Securities must be in the same class as an existing class of quoted Equity Securities. The Company currently has only one class of quoted Equity Securities on issue, being the Shares.

The exact number of Equity Securities that the Company may issue under an approval under Listing Rule 7.1A will be calculated according to the following formula:

$$(A \times B) - C$$

Where:

- A** = the number of Shares on issue 12 months before the date of issue or agreement:
- (i) plus the number of Shares issued in the previous 12 months under an exception in ASX Listing Rule 7.2;
 - (ii) plus the number of partly paid shares that became fully paid in the previous 12 months;
 - (iii) plus the number of Shares issued in the previous 12 months with approval of holders of Shares under ASX Listing Rule 7.1 or 7.4;
 - (iv) less the number of Shares cancelled in the previous 12 months.
- B** = 10%.
- C** = the number of Equity Securities issued or agreed to be issued under ASX Listing Rule 7.1A.2 in the 12 months before the date of issue or agreement to issue that are not issued with the approval of holders of ordinary securities under ASX Listing Rule 7.1 or 7.4.

4.3 Technical information required by ASX Listing Rule 7.1A

Pursuant to and in accordance with ASX Listing Rule 7.3A, the information below is provided in relation to this Resolution 5:

Minimum Price

The minimum price at which the Equity Securities may be issued is 75% of the volume weighted average price of Equity Securities in that class, calculated over the 15 ASX trading days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or

EXPLANATORY STATEMENT

- (ii) if the Equity Securities are not issued within 5 ASX trading days of the date in paragraph 3.3(a)(i), the date on which the Equity Securities are issued.

Date of Issue

The Equity Securities may be issued under the 10% Placement Capacity commencing on the date of the Annual General Meeting and expiring on the first to occur of the following:

- (i) 12 months after the date of the Annual General Meeting; and
- (ii) the date of approval by Shareholders of any transaction under ASX Listing Rules 11.1.2 (a significant change to the nature or scale of the Company's activities) or 11.2 (disposal of the Company's main undertaking),
- (iii) or such longer period if allowed by ASX (10% Placement Capacity Period).

Risk of voting dilution

Any issue of Equity Securities under the 10% Placement Capacity will dilute the interests of Shareholders who do not receive any Shares under the issue.

If Special Resolution 5 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 10% Placement Capacity, the economic and voting dilution of existing Shares would be as shown in the table below.

The table below shows the dilution of existing Shareholders calculated in accordance with the formula outlined in ASX Listing Rule 7.1A(2), on the basis of the current market price of Shares and the current number of Equity Securities on issue as at the date of this Notice.

The table also shows the voting dilution impact where the number of Shares on issue (variable A in the formula) changes and the economic dilution where there are changes in the issue price of Shares issued under the 10% Placement Capacity.

EXPLANATORY STATEMENT

Number of Shares on Issue	Dilution			
	Number of Shares issued under 10% Placement Capacity	Funds raised based on issue price of \$0.0425 (50% decrease in current share price)	Funds raised based on issue price of \$0.085 (Current share price)	Funds raised based on issue price of \$0.17 (100% increase in current share price)
206,025,213 (Current)	20,602,521	\$875,607	\$1,751,214	\$3,502,429
309,037,819 (50% increase)*	30,903,782	\$1,313,411	\$2,626,821	\$5,253,643
412,050,426 (100% increase)*	41,205,043	\$1,751,214	\$3,502,429	\$7,004,857

*The number of Shares on issue (variable A in the formula) could increase as a result of the issue of Shares that do not require Shareholder approval (such as under a pro-rata rights issue or scrip issued under a takeover offer) or that are issued with Shareholder approval under Listing Rule 7.1.

The table above uses the following assumptions:

1. The current shares on issue are the Shares on issue as at 15 October 2013.
2. The issue price set out above is the closing price of the Shares on the ASX on 14 October 2013.
3. The Company issues the maximum possible number of Equity Securities under the 10% Placement Capacity.
4. The Company has not issued any Equity Securities in the 12 months prior to the Annual General Meeting that were not issued under an exception in ASX Listing Rule 7.2 or with approval under ASX Listing Rule 7.1.
5. The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
6. This table does not set out any dilution pursuant to approvals under ASX Listing Rule 7.1.

Shareholders should note that there is a risk that:

- (i) the market price for the Company's Shares may be significantly lower on the issue date than on the date of the Annual General Meeting; and
- (ii) the Shares may be issued at a price that is at a discount to the market price for those Shares on the date of issue.

EXPLANATORY STATEMENT

Purpose of Issue under 10% Placement Capacity

The Company may issue Equity Securities under the 10% Placement Capacity for the following purposes:

- (i) as cash consideration, in which case the Company intends to use funds raised for exploration on its Fraser Range Project and potentially the funding for any suitable acquisition opportunities identified by the Board; or
- (ii) as non-cash consideration for the acquisition of new resources assets and investments, in such circumstances the Company will provide a valuation of the non-cash consideration as required by listing Rule 7.1A.3.

Allocation under the 10% Placement Capacity

The allottees of the Equity Securities to be issued under the 10% Placement Capacity have not yet been determined. However, the allottees of Equity Securities could consist of current Shareholders or new investors (or both), none of whom will be related parties of the Company.

The Company will determine the allottees at the time of the issue under the 10% Placement Capacity, having regard to the following factors:

- (i) the purpose of the issue;
- (ii) alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue or other offer where existing Shareholders may participate;
- (iii) the effect of the issue of the Equity Securities on the control of the Company;
- (iv) the Company's circumstances, including, but not limited to, its financial position and solvency;
- (v) prevailing market conditions; and
- (vi) advice from corporate, financial and broking advisers (if applicable).

Previous Approval under ASX Listing Rule 7.1A

The Company has not previously obtained approval under ASX Listing Rule 7.1A.

Voting Exclusion

A voting exclusion statement is included in this Notice. As at the date of this Notice, the Company has not invited any existing Shareholder to participate in an issue of Equity Securities under ASX Listing Rule 7.1A. Therefore, no existing Shareholders will be excluded from voting on Special Resolution 5.

EXPLANATORY STATEMENT

5. Resolution 6 – Appointment of Auditor to fill Vacancy

Stantons International Audit and Consulting Pty Ltd, which is the Company's current auditor, has given notice of its intention to resign as auditor of the Company to ASIC (under section 329(5) of the Corporations Act).

Upon receipt of ASIC's consent to their resignation, Stantons international Audit and Consulting Pty Ltd has advised that it will submit a notice of resignation to the Company in accordance with section 329(5) of the Corporations Act, such resignation to take effect from the date of the Meeting.

In accordance with section 328B(1) of the Corporations Act, the Company has sought and obtained a nomination from a Shareholder for Bentleys to be appointed as the Company's auditor. A copy of this nomination is attached to this Explanatory Statement as Annexure A.

Bentleys has given its written consent to act as the Company's auditor, subject to Shareholder approval and the resignation of Stantons International.

If Resolution 6 is passed, the appointment of Bentleys as the Company's auditors will take effect from the close of the Annual General Meeting.

GLOSSARY

10% Placement Capacity has the meaning given in Section 4.

10% Placement Capacity Period has the meaning given in Section 4.

2013 Annual Report means the Company's annual report including the reports of the Directors and auditor and the financial statements of the Company for the year ended 30 June 2013, which can be downloaded from the Company's website at www.classicminerals.com.au

ASX means ASX Limited (ACN 008 724 791).

Annual General Meeting means the Annual General Meeting of the Company to be held on Wednesday 20 November 2013.

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

Board means the Board of Directors.

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

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

Constitution means the constitution of the Company.

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

Director means a director of the Company.

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

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

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

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

Proxy Form means the proxy form attached to the Notice.

Remuneration Report means that section of the Directors' Report under the heading "Remuneration Report" set out in the 2013 Annual Report.

Resolution means a resolution contained in the Notice.

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

Shareholder means a shareholder of the Company.

Special Resolution is a Resolution that requires 75% of the votes cast on the resolution to be cast in favour before the resolution can be passed.

Spill Resolution has the meaning given in Section 2.

WST means Western Standard Time

ANNEXURE A – NOMINATION OF AUDITOR LETTER

15 October 2013

The Board of Directors

I, Brian Wilson, representing Murano Holdings Pty Ltd, being a member of Classic Minerals Limited (ACN 119 484 016) (**Company**), nominate Bentleys in accordance with section 328B(1) of the Corporations Act 2001 (Cth) (**Act**) to fill the office of auditor of the Company.

Please distribute copies of this notice of this nomination as required by section 328B(3) of the Act.

Signed and dated 15 October 2013:

For and on behalf of Murano Holdings Pty Ltd

PROXY FORM

**APPOINTMENT OF PROXY
CLASSIC MINERALS LIMITED
ABN 77 119 484 016**

ANNUAL GENERAL MEETING

I/We
of

being a member of Classic Minerals Limited entitled to attend and vote at the Annual General Meeting, hereby appoint

Name of
Proxy:

OR the Chair of the Annual General Meeting as your proxy

or failing the person so named or, if no person is named, the Chair of the Annual General Meeting, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, as the proxy sees fit, at the Annual General Meeting to be held at the Gershwin Room, Hyatt Regency Perth, Lower Level, 99 Adelaide Terrace, Perth Western Australia at 11:00am WST on Wednesday, 20 November 2013, and at any adjournment thereof.

The Chair intends to vote undirected proxies in favour of all Resolutions in which the Chair is entitled to vote.

Voting on Business of the Annual General Meeting

		FOR	AGAINST	ABSTAIN
Resolution 1	Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Re-election of Director – Stan Procak	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Ratification of Prior Issue of Shares – Doherty's	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Ratification of Prior Issue of Shares – Guide Resources	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Special Resolution 5	Approval for Additional Placement Capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Appointment of Auditor to fill vacancy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Please note: If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not to be counted in computing the required majority on a poll.

If two proxies are being appointed, the proportion of voting rights this proxy represents is _____%

Important for Resolution 1

If you have not directed your proxy how to vote as your proxy in respect of Resolution 1 and the Chair is, or may by default be, appointed your proxy, you must mark the box below.

I/we direct the Chair to vote in accordance with his/her voting intentions (as set out above) on Resolution 1 (except where I/we have indicated a different voting intention above) and expressly authorise that the Chair may exercise my/our proxy even though Resolutions 1 is connected directly or indirectly with the remuneration of a member of the Key Management.

If the Chair is, or may by default be, appointed your proxy and you do not mark this box and you have not directed the Chair how to vote, the Chair will not cast your votes on Resolution 1 and your votes will not be counted in calculating the required majority if a poll is called on Resolutions 1.

Signature of Member(s): _____ **Date:** _____

Individual or Member 1

Sole Director/Company Secretary

Member 2

Director

Member 3

Director/Company Secretary

Contact Name: _____ **Contact Ph (daytime):** _____

E-mail Address: _____ **Consent for contact by e-mail YES** **NO**

Instructions for Completing 'Appointment of Proxy' Form

1. **(Appointing a proxy):** A Shareholder entitled to attend and cast a vote at the Meeting is entitled to appoint a proxy to attend and vote on their behalf at the Meeting. If a Shareholder is entitled to cast 2 or more votes at the Meeting, the Shareholder may appoint a second proxy to attend and vote on their behalf at the Meeting. However, where both proxies attend the Meeting, voting may only be exercised on a poll. The appointment of a second proxy must be done on a separate copy of the Proxy Form. A Shareholder who appoints 2 proxies may specify the proportion or number of votes each proxy is appointed to exercise. If a Shareholder appoints 2 proxies and the appointments do not specify the proportion or number of the Shareholder's votes each proxy is appointed to exercise, each proxy may exercise one-half of the votes. Any fractions of votes resulting from the application of these principles will be disregarded. A duly appointed proxy need not be a Shareholder.
2. **(Direction to vote):** A Shareholder may direct a proxy how to vote by marking one of the boxes opposite each item of business. The direction may specify the proportion or number of votes that the proxy may exercise by writing the percentage or number of Shares next to the box marked for the relevant item of business. Where a box is not marked the proxy may vote as they choose subject to the relevant laws. Where more than one box is marked on an item the vote will be invalid on that item.
3. **(Signing instructions):**
 - **(Individual):** Where the holding is in one name, the Shareholder must sign.
 - **(Joint holding):** Where the holding is in more than one name, all of the Shareholders should sign.
 - **(Power of attorney):** If you have not already provided the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Form when you return it.
 - **(Companies):** Where the company has a sole director who is also the sole company secretary, that person must sign. Where the company (pursuant to Section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone. Otherwise, a director jointly with either another director or a company secretary must sign. Please sign in the appropriate place to indicate the office held. In addition, if a representative of a company is appointed pursuant to Section 250D of the Corporations Act to attend the Meeting, the documentation evidencing such appointment should be produced prior to admission to the Meeting. A form of a certificate evidencing the appointment may be obtained from the Company.
4. **(Attending the Meeting):** Completion of a Proxy Form will not prevent individual Shareholders from attending the Meeting in person if they wish. Where a Shareholder completes and lodges a valid Proxy Form and attends the Meeting in person, then the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the Meeting.
5. **(Return of Proxy Form):** To vote by proxy, please complete and sign the enclosed Proxy Form and return by:
 - (a) post to Classic Minerals Limited, PO Box 487, Osborne Park WA 6917; or
 - (b) facsimile to the Company on facsimile number +61 8 9242 8295; or
 - (c) email to the Company at admin@classicminerals.com.au,

so that it is received not less than 48 hours prior to commencement of the Meeting.

Proxy Forms received later than this time will be invalid.