



Announcement Summary

Entity name

CLASSIC MINERALS LTD

Announcement Type

New announcement

Date of this announcement

6/6/2022

The Proposed issue is:

A placement or other type of issue

Total number of +securities proposed to be issued for a placement or other type of issue

ASX +security code	+Security description	Maximum Number of +securities to be issued
New class-code to be confirmed	CLZOB	4,000,000,000
CLZ	ORDINARY FULLY PAID	8,000,000,000

Proposed +issue date

8/7/2022

Refer to next page for full details of the announcement



Part 1 - Entity and announcement details

1.1 Name of +Entity

CLASSIC MINERALS LTD

We (the entity named above) give ASX the following information about a proposed issue of +securities and, if ASX agrees to +quote any of the +securities (including any rights) on a +deferred settlement basis, we agree to the matters set out in Appendix 3B of the ASX Listing Rules.

If the +securities are being offered under a +disclosure document or +PDS and are intended to be quoted on ASX, we also apply for quotation of all of the +securities that may be issued under the +disclosure document or +PDS on the terms set out in Appendix 2A of the ASX Listing Rules (on the understanding that once the final number of +securities issued under the +disclosure document or +PDS is known, in accordance with Listing Rule 3.10.3C, we will complete and lodge with ASX an Appendix 2A online form notifying ASX of their issue and applying for their quotation).

1.2 Registered Number Type

ABN

Registration Number

77119484016

1.3 ASX issuer code

CLZ

1.4 The announcement is

New announcement

1.5 Date of this announcement

6/6/2022

1.6 The Proposed issue is:

A placement or other type of issue



Part 7 - Details of proposed placement or other issue

Part 7A - Conditions

7A.1 Do any external approvals need to be obtained or other conditions satisfied before the placement or other type of issue can proceed on an unconditional basis?

Yes

7A.1a Conditions

Approval/Condition	Date for determination	Is the date estimated or actual?	** Approval received/condition met?
+Security holder approval	8/7/2022	<input checked="" type="checkbox"/> Estimated	

Comments

The Company requires shareholder approval for the issue of shares and options relating to issue of Convertible Notes.

Part 7B - Issue details

Is the proposed security a 'New class' (+securities in a class that is not yet quoted or recorded by ASX) or an 'Existing class' (additional securities in a class that is already quoted or recorded by ASX)?

Existing class

Will the proposed issue of this +security include an offer of attaching +securities?

Yes

Details of +securities proposed to be issued

ASX +security code and description

CLZ : ORDINARY FULLY PAID

Number of +securities proposed to be issued

8,000,000,000

Offer price details

Are the +securities proposed to be issued being issued for a cash consideration?

Yes



In what currency is the cash consideration being paid?

AUD - Australian Dollar

What is the issue price per +security?

AUD 0.00050

Will these +securities rank equally in all respects from their issue date with the existing issued +securities in that class?

Yes

Attaching +Security

Is the proposed attaching security a 'New class' (+securities in a class that is not yet quoted or recorded by ASX) or an 'Existing class' (additional +securities in a class that is already quoted or recorded by ASX)?

New class

Attaching +Security - New class (+securities in a class that is not yet quoted or recorded by ASX)

Details of attaching +securities proposed to be issued

ISIN Code (if Issuer is a foreign company and +securities are non CDIs)

Have you received confirmation from ASX that the terms of the proposed +securities are appropriate and equitable under listing rule 6.1?

Yes

Will the entity be seeking quotation of the 'new' class of +securities on ASX?

Yes

ASX +security code

New class-code to be confirmed

+Security description

CLZOB

+Security type

Options

Number of +securities proposed to be issued

4,000,000,000

Offer price details

Are the +securities proposed to be issued being issued for a cash consideration?

No

Please describe the consideration being provided for the +securities

Options issued are free attaching options in the ratio of 1 option for every 2 shares issued, as part of the capital raising by Convertible Note.

Please provide an estimate of the AUD equivalent of the consideration being provided for the +securities



Will all the +securities issued in this class rank equally in all respects from their issue date?

Yes

Options details

+Security currency

AUD - Australian Dollar

Exercise price

AUD 0.0012

Expiry date

1/6/2025

Details of the type of +security that will be issued if the option is exercised

CLZ : ORDINARY FULLY PAID

Number of securities that will be issued if the option is exercised

One Fully Paid Ordinary Share (ASX:CLZ)

Please provide a URL link for a document lodged with ASX setting out the material terms of the +securities proposed to be issued or provide the information by separate announcement.

Part 7C - Timetable

7C.1 Proposed +issue date

8/7/2022

Part 7D - Listing Rule requirements

7D.1 Has the entity obtained, or is it obtaining, +security holder approval for the entire issue under listing rule 7.1?

Yes

7D.1a Date of meeting or proposed meeting to approve the issue under listing rule 7.1

8/7/2022

7D.2 Is a party referred to in listing rule 10.11 participating in the proposed issue?

No



7D.3 Will any of the +securities to be issued be +restricted securities for the purposes of the listing rules?

No

7D.4 Will any of the +securities to be issued be subject to +voluntary escrow?

No

Part 7E - Fees and expenses

7E.1 Will there be a lead manager or broker to the proposed issue?

Yes

7E.1a Who is the lead manager/broker?

Still Capital Pty Ltd

7E.1b What fee, commission or other consideration is payable to them for acting as lead manager/broker?

As consideration for Still Capital's services, the Company has agreed to pay the following fees:

Sign on fee - \$100,000 to cover shareholder management, documentation drafting and associated development costs and expenses to be paid post completion of the issue of Convertible Notes;

Success fee \geq 2.5 million Shares (on a post-Consolidation basis) (Advisor Shares) and 5.0 million Options (Advisor Options) (together, Advisor Securities) on completion of \$2,500,000 injected into the Company by way of the issue of the Convertible Notes; and

Capital raising fee - 3% (plus GST) of the total funds received under the placement of the Convertible Notes .

7E.2 Is the proposed issue to be underwritten?

No

7E.4 Details of any other material fees or costs to be incurred by the entity in connection with the proposed issue

Part 7F - Further Information

7F.01 The purpose(s) for which the entity is issuing the securities

To raise funds for the Kat Gap project.

7F.1 Will the entity be changing its dividend/distribution policy if the proposed issue proceeds?

No

7F.2 Any other information the entity wishes to provide about the proposed issue

- (a) The Conversion Price is the lesser of:
- (i) \$0.075 per Share (on a post-Consolidation basis); and
 - (ii) a 20% discount to the 15-day VWAP of Shares as at the day immediately preceding the date on which the Convertible Note(s) is/are converted.

Based on the above metrics, the maximum number of Securities (on a post-Consolidation basis) that may be issued on conversion of Convertible Notes is as follows:



Conversion Price	Conversion Shares	Conversion Options
\$0.075	53,333,333	26,666,667
\$0.06	66,666,667	33,333,333
\$0.045	88,888,889	44,444,444

The Directors note that, as there is no floor to the Conversion Price, the issue of Conversion Shares could be highly dilutive if the market price of Shares falls substantially over the period between when the Convertible Notes are issued and when they are converted.

7F.3 Any on-sale of the +securities proposed to be issued within 12 months of their date of issue will comply with the secondary sale provisions in sections 707(3) and 1012C(6) of the Corporations Act by virtue of:

The publication of a cleansing notice under section 708A(5), 708AA(2)(f), 1012DA(5) or 1012DAA(2)(f)