

Sale of Mining Interest Announcement

Classic Minerals Limited (“Classic” or “the Company”) is pleased to announce that it has entered into an agreement with Western Australian Perth based private company Accelerated Mining Pty Ltd on the Doherty’s Gold Project.

Summary

Classic Minerals has signed and executed the sale of mining interest Agreement with Accelerated Mining Pty Ltd. By signing this agreement it will give Accelerated Mining the right to explore, mine, process and sell the gold ore from the Doherty’s Gold Project M57/619.

Terms outlined in the Agreement;

- *Classic will receive a total consideration of \$4 million cash (GST inclusive), tranche 1 being \$500,000 on signing and followed by a second tranche of \$3.5 million on or before 23rd June 2016;*
- *Classic will retain a net smelter royalty of 7.5% on ore mined by Accelerated Mining;*
- *Classic will retain 100% ownership of the tenement M57/619*
- *Accelerated Mining will provide and assist Classic with the appropriate information to meet the reporting obligations under the Mining Act 1978 (WA);*
- *Accelerated Mining Pty Ltd will be responsible to maintain commitments on all Rents, Expenditure and Rehabilitation as per the agreement and requirements of the Western Australian Department of Mines and Petroleum;*
- *Classic will pay an agreed commercial introductory fee of 7.5% of the total consideration on settlement, and will also pass on 2.5% of the retained net smelter royalty to the introductory party.*
- *Classic will issue 26 million shares (subject to shareholder approval), to the introduction party.*



ASX Announcement

31st March 2016

Managing Director Justin Douth said “it’s an exciting time for both Classic Minerals and Accelerated Mining. The gold market is presently stimulated and with the Doherty’s project being a very high grade historical mine, it is a great time to head into gold mining”

“The management at Accelerated Mining has shown us that they have the experience and capabilities to take the Doherty’s Gold Project into production. We understand that works on the project are scheduled to start immediately”.

Mr Douth continued on by saying” ...that on the conclusion of this transaction, Classic will be in a cash strong position and this will see the company virtually debt free. This transaction is of strategic importance to our company and the Fraser Range still has our attention...”

The Board of Accelerated Mining stated “...It is excited with its strategic acquisition of the Doherty’s Gold Project and looks forward to developing a beneficial relationship with Classic Minerals for the benefit of both companies’ shareholders...”

Justin Douth
Managing Director

Classic Minerals Limited

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