ACN 119 484 016

CLASSIC MINERALS LTD

CORPORATE STRUCTURE

ASX Code: CLZ- CLZO
ABN: 77 119 484 016

Shares: 236,201,999
Options: 101,137,607

Share Price: $0.052 (at 24/3/2014)
Option price: $0.01 (at 24/3/2014)

BOARD & MANAGEMENT

Justin Doutch, Managing Director
Stanislaw Procak, Non-Executive Director
Kent Hunter, Company Secretary and Non-Executive Director

ABOUT CLASSIC MINERALS

Classic Minerals (ASX: CLZ) is a Perth-based mineral exploration Company focused on advancing its Fraser Range project E28/1904, in Western Australia. The Fraser Range Project is approximately 40km northeast of Sirius Resources' NL (ASX: SIR) Nova and Bollinger nickel-copper discoveries, and has historic nickel-copper-zinc soil anomalies.

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MAMMOTH PETROLOGY REPORT HIGHLIGHTS SIMILARITIES TO NOVA; LATEST DRILLING CONFIRMS CONTINUITY OF EXTENDED CONDUCTOR MODEL

Highlights:

- **Petrology undertaken on RC chips and diamond core from Mammoth Ni-Cu deposit confirms similar rocks and sulphide mineralisation to Nova Ni-Cu deposit**
- **The rocks are garnet bearing basic granulites**
- **Sulphide minerals are dominantly pyrrhotite with subordinate amounts of pentlandite and chalcopyrite.**
- **Latest RC drill results show continuity of mineralisation at depth and along strike at Mammoth**

Classic Minerals Ltd (**ASX: CLZ**) said today that the results of petrology analysis undertaken on core and rock chips from its Mammoth nickel-copper discovery have confirmed that Mammoth has similar rock types and sulphide mineralisation to the nearby Nova Ni-Cu deposit.

According to consulting mineralogist, Roger Townend, the mineralised horizons (chalcopyrite pentlandite pyrrhotite garnet pyroxene plagioclase) seem similar to the mineralised pyroxene garnet gneiss from the Nova deposit.

"The garnet bearing granulite with its pyrrhotite pentlandite chalcopyrite mineralisation appears similar to the principal mineralised host rock (PSG pyroxene garnet gneiss) described at the Nova deposit at the Fraser Range," he said.

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The presence of garnet is a phenomenon that distinguishes them from the nickel ore types of Voisey Bay. The garnets at Mammoth are red almandine garnet. In addition to the garnet, the mineralised core was also found to contain ilmenite and pentlandite that is particularly cobaltiferous.

Results from the latest RC programme at Mammoth have also been received showing the continuity of mineralisation along strike and at depth.

All six holes have continued to intersect sulphides (**Table 1**, **Figure 3**) confirming that Mammoth is intersecting Nickel Copper Cobalt mineralisation from the south west line and on every line for 240m, with mineralisation plunging to the north east. The mineralisation remains open to the north east and southwest.

The RC drill rig has now rolled on to drilling some initial test holes into eight other high priority targets along the 6km conductive target 'Hot' zone that has been identified extending south west from Mammoth.

"These findings at Mammoth are very important as they highlight that we are in the right rock types for continued nickel exploration success," said Classic Minerals Managing Director Justin Doutch.

"We have a strong programme in place that will see us continue to build a picture of the extent of the mineralised opportunity around the northern end of our Fraser Range tenement where we believe there are some exceptional target opportunities for continued discovery."

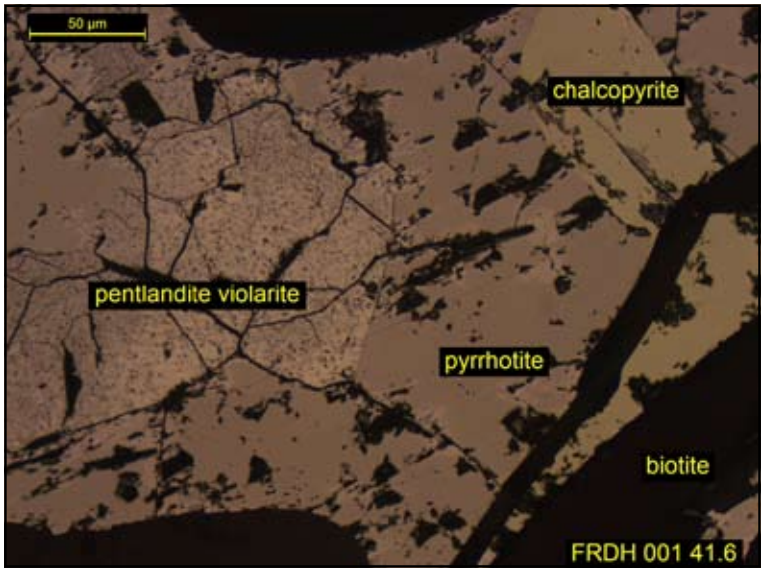
Six quarter core samples from the sulphide mineralisation zone of FRDH001 were taken for petrographic and mineragraphic identification finding the host granulites contained plagioclase and pyroxenes as well as garnets. Granulites are high metamorphic grade rocks formed at high pressure and temperature.

Analysis of the samples found the mineralisation varies from disseminated sulphides to blebby to massive sulphides (**Figure 1**)

The pentlandite (nickel iron sulphide) occurs at the edges of the pyrrhotite grains or as exsolved crystals within the pyrrhotite grains, as shown in **Figure 2**.

Figure 1: Core hole FRDH001
Massive -blebby Sulphides in FRDH001 at 41.7m downhole. Core is 50mm wide.The pale grey is pyrrhotite and the yellow is pentlandite and chalcopyrite

Figure 2:
Microphotograph of Polished Section of Sulphide Minerals from core hole FRDH001, at 41.6m downhole. The pyrrhotite includes exsolution structures of pentlandite.



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The pentlandite was determined by Scanning Electron Microscope (SEM) to have the composition Ni 35%, Fe 26%, Co 2.5% and S 36.5%. The Chalcopyrite (copper iron sulphide) occurs as inclusions ranging from 100 to 500microns within the coarser pyrrhotite meaning they should easily be concentrated during processing. It also extends as narrow veins through plagioclase. There is a notable association of sulphides with the biotite which often appears to cross cut the sulphides.

The partly cored hole FRDH001 was drilled as a twin hole for RC hole FRRC039, both drilled at -60 degrees to 311 degrees true azimuth. The twin hole was cored from 38.7m to 52.05m. Immediately below the basic granulite at 44.7m depth downhole is a silicified felsic granulite, with numerous quartz veins.

Figure 3: Mammoth Significant Cu Ni intervals

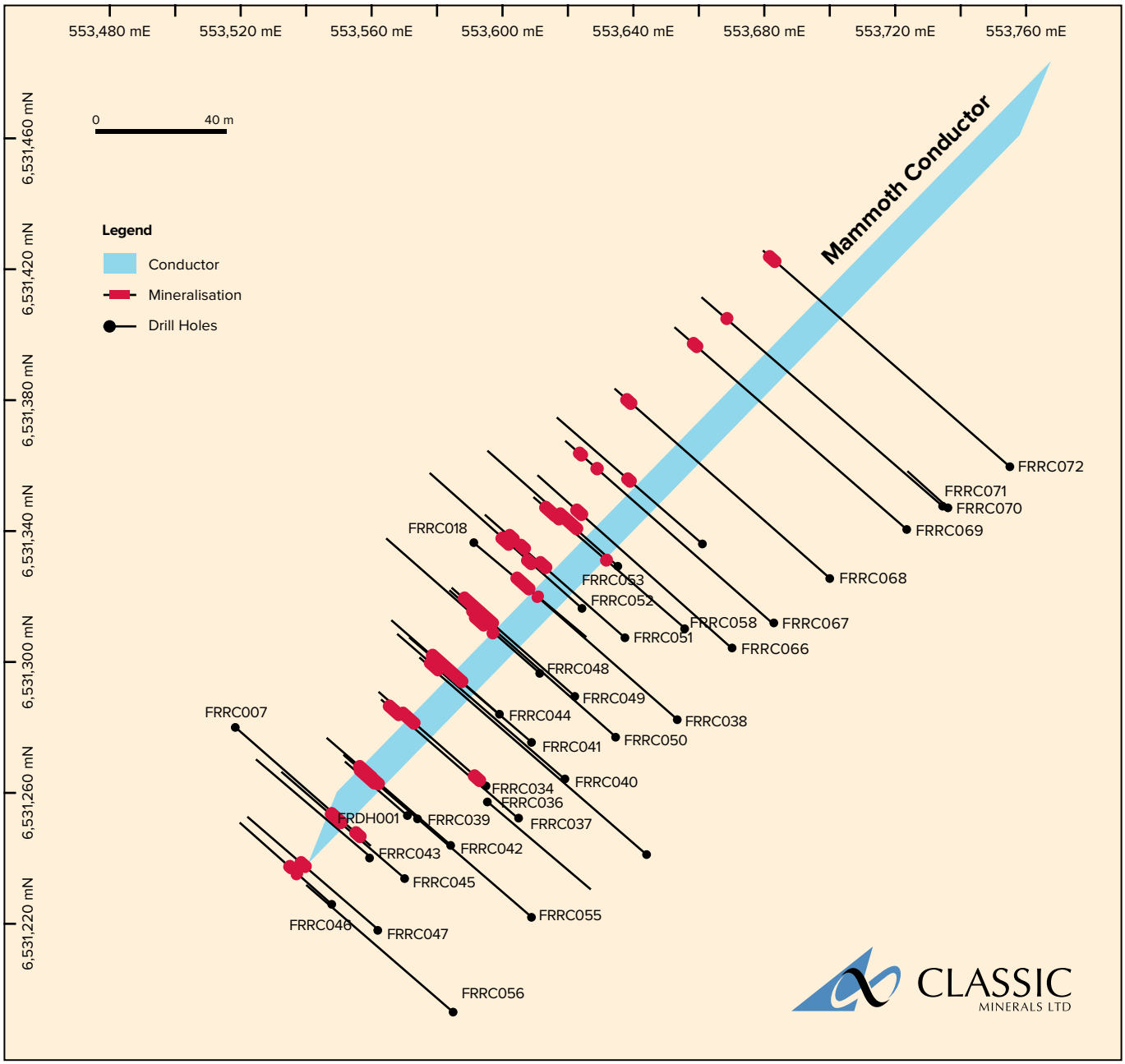

Table 1: Mammoth Significant intersections

Hole ID	From metre	To metre	Interval metre	Ni %	Cu %	Co ppm
FRRC066	122	126	4m at	0.40%	0.35%	272
including	124	125	1m at	0.86%	0.70%	545
including	125	126	1m at	0.45%	0.33%	306
FRRC067	143	144	1m at	0.67%	0.20%	433
	156	158	2m at	0.34%	0.12%	231
FRRC068	161	165	4m at	0.26%	0.15%	189
including	163	164	1m at	0.42%	0.23%	290
FRRC069	169	172	3m at	0.52%	0.35%	358
including	169	170	1m at	0.57%	0.39%	385
including	170	171	1m at	0.71%	0.48%	475
FRRC071	173	174	1m at	0.44%	0.08%	348
FRRC072	190	195	5m at	0.14%	0.07%	107

Table 2: Mammoth Hole locations

Hole ID	East MGA94	North MGA94	RL AHD (m)	EOH Depth (m)	Dip	Azimuth (true)
FRRC066	553670	6531305	238	158	-60	311
FRRC067	553683	6531312	238	170	-60	311
FRRC068	553700	6531326	238	176	-60	311
FRRC069	553723	6531341	238	188	-60	311
FRRC070	553736	6531347	238	34	-60	311
FRRC071	553734	6531348	238	194	-60	311
FRRC072	553755	6531360	238	200	-60	311

Note: Hole 70 abandoned when drill bit broke.

Background to exploration on the Fraser Range

Exploration for nickel in the Albany Fraser range was undertaken in the late 60s by several companies forming a joint-venture. Consultants from Newmont Canada had suggested an analogy between the Thompson nickel belt in Manitoba and the Proterozoic rocks from this region.

The results of this exploration program found low grade nickel and copper sulphide mineralisation (pentlandite pyrrhotite chalcopyrite) at Gnama South in rocks that range from peridotite to anorthositic norites. (Tyrwhitt and Orridge, p.405, Economic geology of Australia, and Papua New Guinea volume 1, 1975). It was noted, that these ultramafic rocks were associated with high-grade pyroxene granulites that also included garnet bearing biotite gneiss and garnet amphibolite gneiss. The nickel mineralisation was classified under the gabbroid associated deposits rather than the Archean komatiite ores. It was not apparently present in garnet bearing rocks.

The Thompson nickel ores in Canada are present in ultramafic rocks classified as komatiites but of Proterozoic age. The nickel copper sulphide bearing bodies are hosted by a series of meta sediments and volcanics, that range from amphibolite to granulite grade. The nickel deposits appear to be associated with a particular stratigraphic unit described as a biotite rich paragneiss (Ospwagan Group) that are rich in barren sulphides. The juxtaposition of the nickel bearing ultramafics and the sulphide rich metasediments is regarded as important in locating new ore occurrences. This has been used as a model for Fraser Range deposits, but these lack

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COMPETENT PERSONS STATEMENT

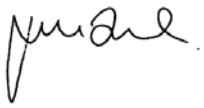
The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Sheldon Coates, who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Sheldon Coates is employed by Iron Resources Pty Ltd who is a consultant to Classic Minerals Ltd. Mr Sheldon Coates has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Sheldon Coates is a shareholder in Classic Minerals and consents to the inclusion in the report of the matters based on his information in the form and context in which it appears

ultramafics to date.

Several nickel ore occurrences have recently been reported by Sirius Resources from the Albany Fraser range area. An earlier drilling program found (near The Eye) non economic mineralisation (pyrrhotite pentlandite chalcopyrite) in mafic granulites. Subsequent further drilling in the location detected significant mineralisation of a nickel, copper sulphide ore, being pyrrhotite pentlandite chalcopyrite showing exsolution texture in a hypersthene augite garnet hornblende labradorite quartz gneiss. This was concluded to be a new type of nickel ore for Western Australia i.e. pyroxene garnet gneiss (PXG). A second discovery allied to the Nova deposit (Bollinger) shows some differences but is essentially of a similar type.

As reported by Eagle Research (June 2013), Sirius considers that the Nova deposit resembles the nickel belt mineralisation of Thompson and also possibly Voiseys Bay. The Santa Rita nickel ore occurrence from Bahia Brazil is also quoted as a possible analogous deposit. The Norilsk nickel deposits are also a possible model.

The sulphide mineralisation in all these deposits are consistently pyrrhotite pentlandite and chalcopyrite whether in basic or ultrabasic host rocks. There can be some minor differences in the ores.



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JORC Table

Section 1

Criteria	JORC Code explanation	Commentary
Drilling techniques	• Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).	• Reverse Circulation (RC) drilling with face sampling hammer bit accounts for most of Classic's current drilling at the Fraser Range prospect. One partly cored hole (NQ) FRDC001 has been completed at Mammoth deposit, cored from 39m to 51m. Not oriented.
Drill sample recovery	• Method of recording and assessing core and chip sample recoveries and results assessed. • Measures taken to maximise sample recovery and ensure representative nature of the samples. • Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.	• RC recoveries are logged visually as a volume percentage. Core recoveries measured, and expressed as a percentage. • RC samples all dry to avoid smearing. Each RC bag was split into 1'8 and 7/8 representative samples through a triple tier splitter.. • N/A
Logging	• Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. • Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography. • The total length and percentage of the relevant intersections logged.	• RC drilling has been geologically logged to a level of detail to be appropriate for mineral resource estimation. • Logging of RC drilling records lithology, mineralogy, mineralization, weathering, colour and other appropriate features. • All logging is quantitative. All core trays photographed. • All 6 drill holes reported were logged in full
Sub-sampling techniques and sample preparation	• If core, whether cut or sawn and whether quarter, half or all core taken. • If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry. • For all sample types, the nature, quality and appropriateness of the sample preparation technique. • Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. • Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling. • Whether sample sizes are appropriate to the grain size of the material being sampled.	• Core cut with diamond saw blade. Half core taken for analysis. Quarter core used for petrology. • RC samples were cyclone split. Samples were collected mostly dry except for 5 meters from 130m to 136m in hole FRRC040. • The sample preparation of RC samples follows industry best practice. All samples are pulverized to -106microns. • RC samples are collected at 1m intervals from a cyclone and split into 1/8 and 7/8 representative samples. 1m samples of equal volume composited from 1/8 bags into 5m samples using a cup. Certified Reference Materials (CRM) and/or house controls, blanks, splits and replicates are analysed with each batch of samples. • Field duplicates have been taken as 1 in 20. • Samples sizes are appropriate to the size of the RC chips.

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Criteria	JORC Code explanation	Commentary
Quality of assay data and laboratory tests	• The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. • For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. • Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.	• The analytical technique used mixed acid digest and OHM, and is considered nearly total. • No geophysical tools were used to determine any element concentrations in this report. • Sample preparation checks for fineness were carried out by the laboratory as part of internal procedures. Duplicate samples submitted as 1 in 20. Duplicate sample results closely match original results.
Verification of sampling and assaying	• The verification of significant intersections by either independent or alternative company personnel. • The use of twinned holes. • Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. • Discuss any adjustment to assay data.	• Significant intersections of the RC drilling have been visually verified by the Managing Director and independent technical consultants. • There has been one twinned hole to date. • Primary data was collected by excel templates using flat files. • No Adjustments or Calibrations were made to the assay data reported.
Location of data points	• Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. • Specification of the grid system used. • Quality and adequacy of topographic control.	• Drillhole collars were located by GPS. Elevation values were in AHD. Expected accuracy is +/- 3m for northing and easting and C+/-10m for elevation coordinates. • The grid system is GDA94(MGA), zone 51 • The GPS is +/- 5m, and an estimated RL is used from the 1:250,000 regional map for Zanthus sheet. A digital terrain model has been derived from data collected during the VTEM survey of the whole tenement.
Data spacing and distribution	• Data spacing for reporting of Exploration Results. • Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. • Whether sample compositing has been applied.	• The nominal drill line spacing of 20m on northings and 15m on easting section south east section lines (311/131 True) at Mammoth deposit. Holes at other anomalies are widely separated. • The drilling indicates that there is sufficient data to establish the degree of geological and grade continuity needed for Inferred Resource • There has been no compositing applied to the exploration results.
Orientation of data in relation to geological structure	• Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. • If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.	• The orientation of structures has been identified, and the drilling is at right angles to strike, and nearly to the dip. Drill intersections are not true widths.

Criteria	JORC Code explanation	Commentary
Sample security	• The measures taken to ensure sample security.	• Chain of custody is managed by Classic. Samples are stored on site and either delivered by Classic personnel to a Kalgoorlie laboratory or alternatively to a transport company to a laboratory in Perth.
Audits or reviews	• The results of any audits or reviews of sampling techniques and data.	• No audits or reviews have been set up at this stage.

Section 2 Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. • The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.	• The drilling is located wholly within Exploration Licence E28/1904, The tenement is 100% owned by Classic Minerals Ltd • The tenement is in good standing and no known impediments exist.
Exploration done by other parties	• Acknowledgment and appraisal of exploration by other parties.	• Soil sampling, Auger sampling by Homestake Gold Australia
Geology	• Deposit type, geological setting and style of mineralisation.	• Geological setting is in Fraser Zone of Albany Fraser Mobile Belt consisting of gneiss , mafic rocks including gabbro with significant garnet in the metamorphic rocks. • This appears to be a magmatic type of deposit, further information is required to fully assess the style of mineralisation. More mineralogy and petrology are planned.
Drill hole Information	• A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: » easting and northing of the drill hole collar » elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar » dip and azimuth of the hole » down hole length and interception depth » hole length • If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.	• Refer to Table1; Hole Locations. • Refer to Table 2; Significant Analyses

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Criteria	JORC Code explanation	Commentary
Data aggregation methods	• In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated. • Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. • The assumptions used for any reporting of metal equivalent values should be clearly stated.	• All reported assays are a result of 1/8th sample of 1 meter in mineralised zones or 5 meter composite samples aggregated as equal volume from the individual 1/8th samples in non mineralised zone . No top-cuts or cutoffs have been applied. • Higher grade nickel and copper intervals internal to broader zones of nickel and copper are reported as included intervals. • No use of metal equivalents has been used in this report.
Relationship between mineralisation widths and intercept lengths	• These relationships are particularly important in the reporting of Exploration Results. • If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. • If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').	• The geometry of the primary mineralization is variable, and intercepts are of holes drilled at -60 dip. These are not true thicknesses. • Downhole lengths only are reported. These are not true widths.
Diagrams	• Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.	• Refer to plan figure in the body of text. Cross-sections previously published.
Balanced reporting	• Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.	• All significant results are reported. • Background levels for Ni are below 200ppm, below 200ppm for Cu, and below 50ppm for Cobalt.
Other substantive exploration data	• Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.	• Several drillholes across the tenement have intersected groundwater which is brackish, with TDS up to 11000ppm. • Downhole EM has been used to determine the orientation of the EM conductors, and if the EM conductor has been intersected,
Further work	• The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling). • Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.	• At this stage, mineralisation at Mammoth and Alpha deposits is only broadly understood and requires further DHEM and ground EM surveys, as well as step out RC drilling down to 200m depth of mineralisation then deeper core drilling will be undertaken to extend the deposits at depth