

June Quarterly Activity Statement

Sale of Doherty's Mining Interest Update

The Company released an announcement in June 2016 (refer to ASX release 28th June 2016) advising the market of the status of the transaction for the Sale of the Mining Interest at the Doherty's Gold project. Classic Minerals issued a Notice to Accelerated under the terms of the Agreement requesting that Accelerated settle this transaction in the next twenty business days being the 22nd July 2016. The Company received a letter from Accelerated on the 22nd July 2016 seeking an extension by 10 Business Days until the 5 August 2016 to settle the transaction. These terms were agreed by Classic Minerals Limited.

Managing Director Justin Douth said "I am positive that the Doherty's transaction will be finalised in early August 2016. Like any international or domestic funding arrangement, there are minor issues and can trigger time delays. The encouraging signs are that the funding will see the company virtually debt free and well positioned for ongoing exploration at the Fraser Range and also gives Classic Minerals a chance to be part of the global race to secure strategic future project areas with commodities in high demand".

Previous ASX release (refer to ASX announcement 31st March 2016)

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.

ASX Announcement

29th July 2016

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.*

Justin Douch
Managing Director

Classic Minerals Limited

Phone: (08) 6305 0221
Address: 71 Furniss Road, Landsdale WA 6065
Postal: PO Box 487, Osborne Park WA 6917
Website: www.classicminerals.com.au
Email: contact@classicminerals.com.au

