

December 2016 Quarterly Statement

ASX: CLZ ACN 119 484 016

25th January 2017

CLASSIC MINERALS LIMITED 2016 DECEMBER QUARTERLY ACTIVITY STATEMENT

Highlights

- Assignment of 100% Mining Rights to Accelerated Mining
- Classic Deal tracking for new projects
- Classic shows off Fraser Range project for a Joint Venture partner

Classic Minerals Limited (“Classic” or “the Company”) (ASX Code: CLZ) is pleased to announce the following developments relating to the Company’s projects, in particular the Mining Interest agreement on the Doherty’s Project and the Fraser Range Copper Nickel Project.

Classic Minerals Limited and Accelerated Mining (AccMin) have agreed to vary the terms of the original agreement (refer to **ASX Announcement dated 31 March 2016**).

The parties have agreed on the following:

1. Classic will assign the Mining Rights to the Doherty’s Project M57/619 to AccMin for \$500,000
2. AccMin shall be entitled to 100.00% of the Mining Rights of the Doherty’s Project M57/619.
3. Classic will sell and AccMin will purchase 100% of the Tenement for the purchase price of \$2,200,000 (Tenement Purchase) with the Settlement due 24th March, 2017.
4. All Royalties pursuant to the AccMin and Classic Agreement dated 24th March 2016 remain in place.
5. AccMin will have the right to undertake limited exploration works prior to Classic receiving the Tenement Purchase payment of \$2,200,000. For the avoidance of doubt, the exploration is to be limited to 6 (six) drill holes on the Tenement until the balance of the purchase price has been paid.

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Managing Director, Mr Justin Douth said:

“Classic is mandated to deliver value to its shareholders. With this in mind, the Doherty’s transaction is an excellent deal in that it delivers immediate cash to facilitate future growth. At the same time, the Company can carry out ongoing exploration at Frasers Range and assess other M&A opportunities. The Doherty’s transaction will provide Classic with a long-term income stream through the attractive royalty (7.5% NSR).”

We recognise the terms of the deal have changed over time, and we commend Accelerated Mining’s efforts to raise capital in a tough market (particularly for private entities), however we are pleased with the variation as it delivers certainty and lowers any completion risk for CLZ.”

Acquisitions on the Horizon

At the Company’s Annual General Meeting on 30 November 2016, Classic’s shareholders approved the issue of up to 100M shares to professional and sophisticated groups to assist with its growth strategy. Since this time, Classic has been looking locally for growth opportunities primarily in the gold and lithium sectors. Classic’s strategy is to keep developing its flagship Fraser Range Copper Nickel Project, while continuing to develop and acquire new projects.

Fraser Range Project

The Company is currently seeking a joint venture partner to assist with further exploration and development of the company’s Fraser Range Nickel Copper Project, located 160 km ESE of Kambalda and in the Fraser-Albany Mobile Belt. To the north, the Tropicana gold mine hosts the 6.4 million ounce gold deposit and 38 km to the south hosts the highly significant Independence Group NL- Nova Nickel/Copper sulphide deposit.

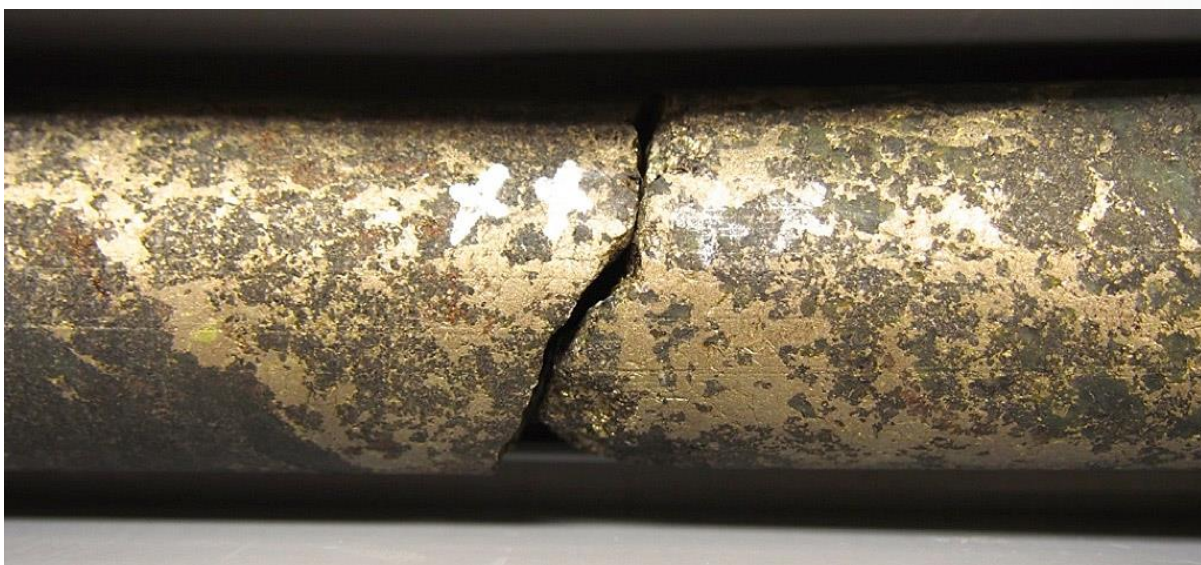


Image 1: FRDC001 42.2m, Mammoth Ni, Cu Deposit- Semi Massive and veined mixed sulphides in sheared mafic host rock. Note: Image is from Company website www.classicminerals.com.au

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For more information, please call the company on details below

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