

# Classic Minerals Limited: Secures \$20.1 Million Institutional Funding Package

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Perth, Australia - WA-focused gold mining company, [Classic Minerals Ltd.](#) (ASX:CLZ) (FRA:2I7) (OTCMKTS:CSMRF) is pleased to provide the details of a A\$15 million equity funding package to be provided by LDA Capital Limited (LDA Capital).

Classic Minerals (CLZ) secures a total of A\$20.1 million in funding, in 2 parts, to allow for the execution of all its phase 1 project development.

- o A\$15m in equity capital signed with US institutional investment group LDA Capital via put option agreement

- o A\$5.1m in a convertible note issue

This is a significant funding milestone allowing Classic to complete its phase 1 production ramp up and to accelerate its RC and diamond drilling exploration programs across the greater Forrestania area to increase its total gold resource base.

This funding support validates the underlying value of Classic's gold projects and allows it to execute on a definitive plan to transform the Forrestania gold belt into a world class gold production region.

Classic will be able to flexibly draw down up to A\$15 million by exercising put options to LDA Capital over the duration of the three-year agreement (Put Option Agreement). Classic can access the A\$15 million at its sole discretion. The structure of the package is low cost and substantially reduces project financing risk for phase 1 of Kat Gap.

LDA Capital's low-cost funding package includes a 2% facility fee totalling A\$300,000 which is payable within 12 months of execution of the Put Option Agreement. In addition, Classic has agreed to issue to LDA Capital 59,614,678 options, exercisable at \$0.01385 (being 125% of the 5-day VWAP as at market close on 13 December 2022) and expiring 3 years from the date of issue.

More details of the terms of the Put Option Agreement are set out in Annexure A\*.

## Convertible Notes

Classic has entered into a mandate with Still Capital Pty Ltd (Mandate) for a capital raising of up to \$5.5 million by way of a proposed issue of convertible notes, each with a face value of \$5,000 (Convertible Notes). The Convertible Notes will be convertible into ordinary shares in the Company (Shares) at any time up to 18 months after the issue of the Convertible Notes - any Convertible Note not converted by that date will be redeemed. A summary of the terms of the Convertible Notes is attached at Annexure B\*.

Noteholders converting Convertible Notes will also be entitled to one (1) free attaching option for every two (2) Shares issued on conversion, exercisable at \$0.025 on or before 1 December 2025 (Conversion Options).

A summary of the terms of the Conversion Options is attached at Annexure C\*.

Pursuant to the proposed issue of Convertible Notes, as at the date of this announcement the Company has received indicative acceptances for ~\$5.1 million.

Under the terms of the Mandate, Still Capital will be entitled to 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; and
- Capital raising fee - 6% (plus GST) of the total funds received under the placement of the Convertible Notes.
- 30,000,000 options exercisable at \$0.025 on or before 1 December 2025 (Advisor Options).

The Company notes that the issue of the Convertible Notes, Conversion Options and Advisor Options is conditional on shareholder approval being obtained at a general meeting of the Company to be convened in mid-January 2023 - the Company expects to despatch a notice of meeting to shareholders during the week ended 16 December 2022.

Mr John Lester - Chairman of CLZ said;

"The Company welcomes LDA Capital's support as an international investment partner and is an outstanding achievement for Classic.

LDA Capital's support is the recognition, by a global institutional funder, of the quality of Classic's projects, its production potential, and strategic value within the emerging Forrestania region as evidenced by the pricing of the associated options package.

The cost effective and flexible funding package, coupled with the ~\$5.1 million convertible note issue, affords the Company access to immediate funding via the note plus equity funds, if required.

LDA Capital's support has enhanced our certainty and the ability to take our projects into production and to embark on a fully-funded exploration program to allow the Company to increase its resource base across the greater Forrestania area.

This is the strongest signal yet that the Kat Gap resource has moved from rural Western Australia onto the world stage where substantial, credible, and internationally renowned investors are comfortable enough to invest in [Classic Minerals Ltd.](#) We can now plan and look forward to gold production during the first quarter of 2023."

LDA Capital co-founder, Anthony Romano, said:

"LDA Capital is pleased with the quality of Classic's resource asset and production strategy for the project. We look forward to playing a key role as a source of financial support for Classic both in the short and longer-term timeframes to enable the Company to grow the full value to a potential world-class gold asset base."

#### About LDA Capital LLC

LDA Capital is a global alternative investment group with expertise in cross border transactions worldwide.

Our team has dedicated their careers to international & cross border opportunities having collectively executed over 250 transactions in both the public and private middle markets across 43 countries with aggregate transaction values of over US\$11 billion. For more information please visit: [www.ldacap.com](http://www.ldacap.com); For inquiries please email: [info@ldacap.com](mailto:info@ldacap.com).

\*To view Annexures, please visit:  
<https://abnnewswire.net/lnk/24Y0E70J>

#### About Classic Minerals Limited:

[Classic Minerals Ltd.](#) (ASX:CLZ) is an exploration and development company focused on gold deposits in Western Australia's famous Goldfields region. In March 2017, Classic acquired the Forrestania Gold Project, with seven tenements stretching across 450km<sup>2</sup>. Strategically located in a very prospective region, the FGP is an underexplored package surrounded by multimillion ounce deposits such as Bounty (2Moz) and Yilgarn Star (1.5Moz).

Source:  
[Classic Minerals Ltd.](#)

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