

ASX Announcement

10 April 2018

FORRESTANIA GOLD PROJECT - MAJOR TENURE INCREASE

Highlights:

- Classic Minerals secures strategic land holding in proven gold and lithium region
- New tenements add ~50 km² to existing ~450 km² holding bringing total area to ~500 km²
- New tenements host to gold exploration targets identified by Classic Minerals
- Classic Minerals to test for lithium on new tenements
- Regional exploration drilling to commence 16th April 2018

1. INTRODUCTION

WA-focused gold exploration and development company Classic Minerals Limited (ASX: CLZ) ("Classic", or "the Company") is pleased to announce that it has been granted 1 tenement (E77/2472) and has won the ballot process for 2 tenement applications (E77/2470 and E77/2471) at its Forrestania Gold Project (FGP) in Western Australia.

Upon grant of E77/2470 and E77/2471, which is expected in the coming weeks, Classic's tenure will exceed 500 km², making it a major land/rights holder in the highly prospective Forrestania Region.

Classic CEO Dean Goodwin said:

We are very happy to be securing additional tenure in the highly prospective Forrestania region. We see the belt as being underexplored in terms of gold and lithium and the new tenements host attractive greenfields targets which will be followed up in due course.

We see the potential for multiple examples of gold mineralisation in the region – fortuitously, the eastern applications host existing exploration targets identified as part of the large-scale review carried out in the early 2000's (see announcement dated 16 November 2017). These tenements are also along strike from Kidman/SQR's major Earl Grey lithium discovery, which explains why there was competition for the ground resulting in a ballot being drawn in the Wardens Court to determine priority.

2. CLZ – A MAJOR PLAYER IN FORRESTANIA

The following map shows the new tenements alongside CLZ's existing FGP:

ASX Announcement

10 April 2018

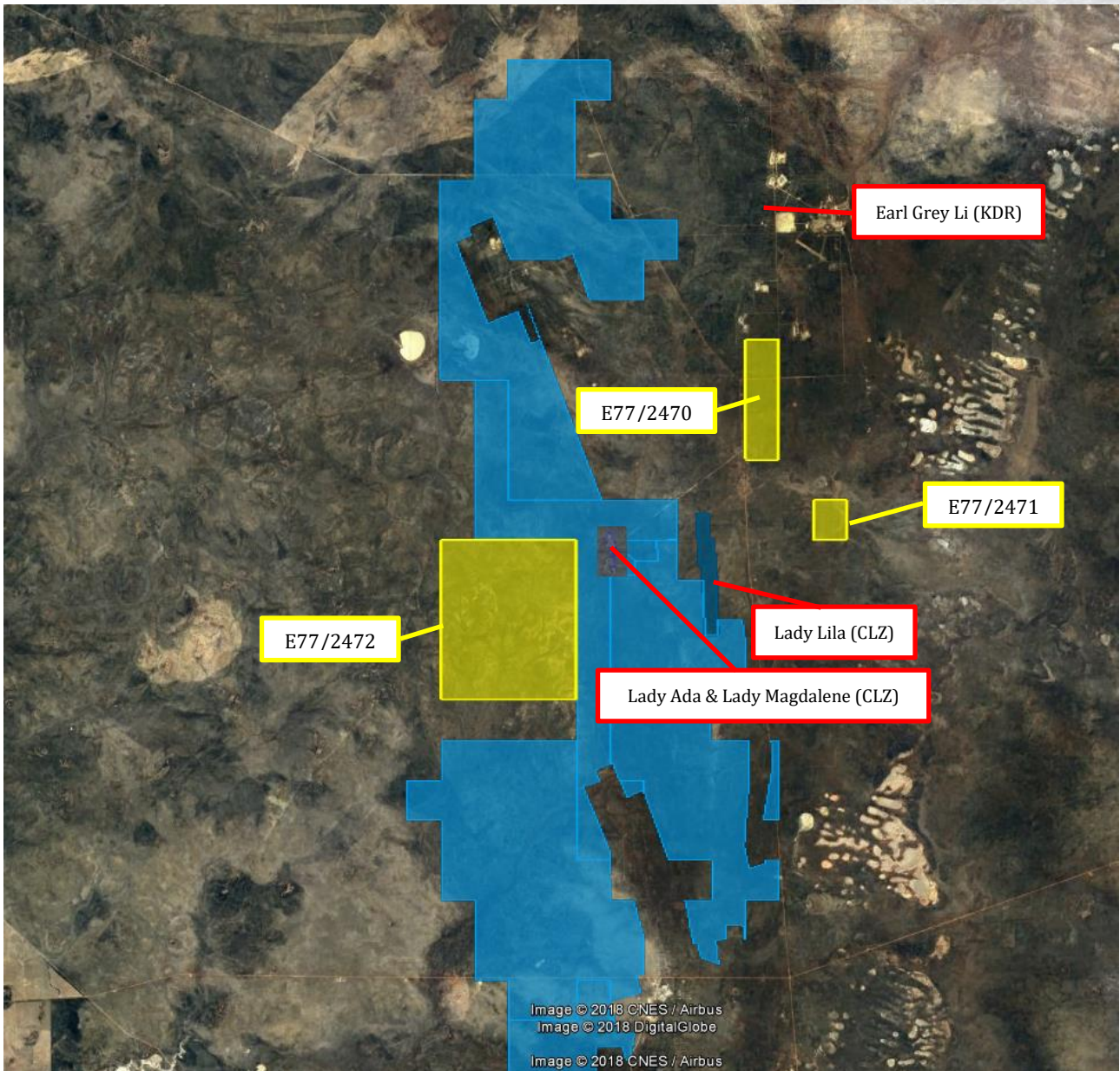


Figure 1: Existing FGP tenure shown in blue and new tenements in yellow – mineral deposits of note in red boxes

3. DRILLING & EXPLORATION ACTIVITIES

In addition to the new tenements, Classic is also pleased to announce that it has completed necessary site works to facilitate commencement of drilling to start on the 16th April 2018.

The Company has planned its maiden drill programs at Lady Lila, Kat Gap and a new target Van Uden West. Lady Lila is a BIF hosted gold deposit that is very similar in geological characteristics to Bounty and Blue Vein (held by KDR) which are prolific, high grade gold deposits in the region. Kat Gap contains a shallow unmined gold deposit discovered in the 1990s, which was the subject of resource estimations and scoping study by Sons of Gwalia in 2003. High grade RC drill intercepts include 15 m @ 15.1 g/t Au from 39 m depth and 6 m @ 19.1 g/t from 17 m depth. The open-ended

ASX Announcement

10 April 2018

deposit lies within a 5 km long geochemical gold anomaly that has seen very little drill testing, and there is potential for the discovery of a substantial gold deposit within the project area.

We expect that the drilling sequence will be as follows: Van Uden West, Lady Lila, Kat Gap, and then Lady Magdalene. Drilling at Lady Magdalene is scheduled after the regional targets due to the need to undertake environmental surveys (botanists onsite at present). Drilling will start on the 16th of April and the Company will keep the market informed of results and developments.

4. ABOUT THE FORRESTANIA GOLD PROJECT

The FGP Tenements are registered in the name of Reed Exploration Pty Ltd, a wholly owned subsidiary of ASX listed Hannans Ltd (ASX:HNR). Classic has acquired 80% of the gold rights on the FGP Tenements from a third party, whilst Hannans has maintained its 20% interest in the gold rights. Hannans' 20% interest is free-carried, meaning Hannans is not required to fund any activities on the FGP until a decision to mine has been made. For the avoidance of doubt Hannans Ltd owns a 100% interest in non-gold rights on the FGP Tenements including but not limited to nickel, lithium and other metals.

The FGP contains an existing Mineral Resource of 5.3 Mt at 1.39 g/t for 240,000 ounces of gold, classified and reported in accordance with the JORC Code (2012), with a recent Scoping Study (see ASX Announcement released 2nd May 2017) suggesting both the technical and financial viability of the project. The current post-mining Mineral Resource for Lady Ada, Lady Magdalene and Lady Lila is tabulated below.

Additional technical detail on the Mineral Resource estimation is provided, further in the text below and in the JORC Table I as attached to ASX announcements dated 14th March 2017 and 21st March 2017.

Prospect	Indicated			Inferred			Total		
	Tonnes	Grade (Au g/t)	Ounces	Tonnes	Grade (Au g/t)	Ounces Au	Tonnes	Grade (au)	Ounces
Lady Ada	283,500	1.78	16,200	260,000	2.2	18,750	543,500	1.99	34,950
Lady Magdalene	1,828,500	1.08	63,700	2,450,000	1.5	118,000	4,278,500	1.32	181,700
Lady Lila				541,000	1.38	24,000	541,000	1.38	24,000
Sub-Total	2,112,000	1.17	79,900	3,251,000	1.53	160,750	5,363,000	1.39	240,650

Notes:

1. The Mineral Resource is classified in accordance with JORC, 2012 edition
2. The effective date of the mineral resource estimate is 31 December 2016.
3. The mineral resource is contained within FGP tenements
4. Estimates are rounded to reflect the level of confidence in these resources at the present time.
5. The mineral resource is reported at 0.5 g/t Au cut-off grade
6. Depletion of the resource from historic open pit mining has been taken into account



Image 1: Classic CEO Dean Goodwin on site at FGP conducting exploration field work

ASX Announcement

10 April 2018

On behalf of the board,



Dean Goodwin
CEO

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



Forward Looking Statements

This announcement may contain certain "forward-looking statements" which may not have been based solely on historical facts, but rather may be based on the Company's current expectations about future events and results. Where the Company expresses or implies an expectation or belief as to future events or results, such expectation or belief is expressed in good faith and believed to have reasonable basis. However, forward looking statements are subjected to risks, uncertainties, assumptions and other factors, which could cause actual results to differ materially from future results expressed, projected or implied by such forward-looking statements. Such risks include, but are not limited to Resource risk, metals price volatility, currency fluctuations, increased production costs and variances in ore grade or recovery rates from those assumed in mining plans, as well as political and operational risks in the Countries and States in which we operate or sell product to, and governmental regulation and judicial outcomes. For a more detailed discussion of such risks and other factors, see the Company's annual reports, as well as the Company's other filings. Readers should not place undue reliance on forward looking information. The Company does not undertake any obligation to release publicly any revisions to any "forward-looking statements" to reflect events or circumstances after the date of this announcement, or to reflect the occurrence of unanticipated events, except as may be required under applicable securities laws.