

ASX Announcement

28 May 2018

SUCCESSFUL COMPLETION OF \$1 MILLION PLACEMENT

Highlights:

- \$1.0 million raised via a Two Tranche Placement to institutional and sophisticated investors located in Australia at \$0.004 per share
- Oversubscribed with strong demand from new major domestic investors
- Funds will be used to progress upcoming drilling program at the Forrestania Gold Project

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 successfully completed the first stage of the Two Tranche Placement ("Placement") to raise \$1.0 million before costs. The raising received significant demand from new domestic shareholders and was managed by leading Perth and Sydney-based stock broking firms.

The Placement leaves Classic well positioned to commence an aggressive exploration and resource delineation drill program at its Forrestania Gold Project ("FGP").

Classic CEO Dean Goodwin said:

Following the fantastic results of our last drilling program, including a brand-new discovery at Van Uden West and multiple high grade gold hits at Kat Gap and Lady Lila, we are very excited to be heading back to the FGP to undertake an aggressive follow up drill program. I am also thrilled to be heading back to Lady Magdalene to hopefully unlock major high-grade lodes which will bolster the resource with quality oz.

The sustained exploration work at FGP would not be possible without the support and belief of our new shareholders and existing shareholders. We are pleased to note the participation of three leading stockbroking firms from Perth and Sydney.

2. PLACEMENT

The Placement comprises the issue of 250 million fully paid ordinary shares ("Placement Shares") at an issue price of \$0.004 to institutional and sophisticated investors in Australia, raising \$1.0 million (before costs).

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The Placement will be completed in two tranches as follows:

- Tranche 1 of the Placement will raise approximately A\$0.66m via the issue of approximately 165m New Shares pursuant to the Company's existing placement capacity under ASX Listing Rules 7.1 and Resolution 3 from the Company's General Meeting dated 9 April 2018 ("Tranche 1").
- Tranche 2 of the Placement will raise approximately A\$0.34m via the issue of approximately 85m New Shares subject to shareholder approval to be sought at a general meeting of the Company, expected to be held on or around Friday, 29 June 2018.

The issue price of \$0.004 represented a 20% discount to the last closing price of \$0.005 on Wednesday, 23 May 2018 and a 20% discount to the 5 - day VWAP up to and including that date of \$0.005.

Placement Shares will rank equally with existing fully paid ordinary shares. Settlement of Tranche 1 of the Placement is expected to be completed before Friday, 1 June 2018.

3. USE OF FUNDS - DRILLING PROGRAM

Funds raised from the Placement will be used to fund exploration activities at the FGP and for general working capital.

Following the encouraging results (see ASX announcement dated 15 May 2018) from its last program at Kat Gap, Van Uden West and Lady Lila, the Company will be targeting these areas again with additional drilling. In addition, Classic will also be returning to Lady Magdalene to continue efforts to locate high grade mineralisation that has been missed by previous explorers.

The Company plans to undertake the following drilling activities in early June 2018:

Table 1: Proposed Drilling

Prospect	Drill Type	No of Holes	No of Metres
Kat Gap	RC	12	1,100m
Lady Lila	RC	5	360m
Lady Magdalene	RC	12	1,060m
Van Uden West	RC	5	480m
TOTAL		34	3000m

Previous drilling results from Van Uden West confirms the discovery of a significant new zone of gold mineralisation. Preliminary interpretation suggests that the prospect is similar in geological characteristics to Kat Gap with gold mineralisation sitting adjacent to the granite/greenstone contact. Classic has planned 5 holes for 480m total to test strike/depth potential of the new discovery.

Lady Lila is a BIF hosted gold deposit that is similar in geological characteristics to Bounty and Blue Vein (held by KDR) which are prolific, high grade gold deposits in the region. Previous drilling by Classic at Lady Lila confirmed the existence of a thick, steep east dipping ore zone warranting additional follow up. The upcoming drill program (5 RC holes for 360m total) will focus on extending the mineralisation along strike and at depth.

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 deposit lies within a 5 km long geochemical gold anomaly that has seen very little drill testing, and after the previous drill program just completed, Classic sees great potential for the discovery of a substantial shallow high-grade gold deposit within the Kat Gap project area and the upcoming program will be testing for extensions of the high grade system. Classic has 12 holes planned at Kat Gap for a total of 1,100m.

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Lady Magdalene is a large, modestly graded deposit which appears to host high-grade, cross-cutting gold lodes within existing drill lines that are 100-200m apart (see announcement dated 22 March 2018). Previous diamond drilling successfully confirmed the existence of such lodes and the planned drilling will further test the extent of strike, dip and grade of these high grade cross-cutting lodes. Classic has 12 holes planned at Lady Magdalene for a total of 1,060m. The Placement comprises the issue of 250 million fully paid ordinary shares ("Placement Shares") at an issue price of \$0.004 to institutional and sophisticated investors in Australia, raising \$1.0 million (before costs).

4. INDICATIVE TIMETABLE

Table 2 shows the proposed key dates for the Placement:

Table 2: Indicative Timetable

Event	Date / Time (AWST)
Announcement of the Results of the Placement and Trading Halt lifted	Monday, 28 May 2018
Settlement of new shares issued under Tranche 1 of the Placement	Friday, 1 June 2018
Allotment and Trading of new shares issued under Tranche 1 of the Placement	Monday, 4 June 2018
Notice of General Meeting Dispatched	Friday, 1 June 2018
Anticipated General Meeting	Friday, 29 June 2018
Settlement of new shares issued under Tranche 2 of the Placement	Friday, 6 July 2018
Allotment and Trading of new shares issued under Tranche 2 of the Placement	Monday, 9 July 2018

- The above timetable is indicative only and subject to change. Classic reserves the right to amend any or all of these events, dates and times subject to the Corporations Act 2001 (Cth), the ASX Listing Rules and other applicable laws.

5. ABOUT THE FORRESTANIA GOLD PROJECT

The FGP Tenements (excluding Kat Gap and Lady Lila) 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.

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 1 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:

- The Mineral Resource is classified in accordance with JORC, 2012 edition
- The effective date of the mineral resource estimate is 31 December 2016.
- The mineral resource is contained within FGP tenements
- Estimates are rounded to reflect the level of confidence in these resources at the present time.
- The mineral resource is reported at 0.5 g/t Au cut-off grade

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On behalf of the board,



Dean Goodwin CEO

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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.

Competent Persons Statement

The information contained in this report that relates to Mineral resources and Exploration Results is based on information compiled by Dean Goodwin, a Competent Person who is a Member of the Australasian Institute of Mining and Metallurgy (AusIMM). Mr Goodwin is a consultant exploration geologist with Reliant Resources Pty Ltd and consults to Classic Minerals Ltd. Mr. Goodwin has sufficient experience that is relevant to the style of mineralisation and the type of deposit under consideration, and to the activity being undertaken 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. Goodwin consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.