

ASX Announcement

31 July 2018

JUNE 2018 QUARTERLY ACTIVITY REPORT

During the quarter, the Company completed two successful drill campaigns at the Forrestania Gold Project (“FGP”) in Western Australia which returned consistently high-grade results. These results highlighted significant potential to expand current Mineral Resource estimate at FGP.

The Company is looking forward to continuing its developments at the Forrestania Gold Project and Fraser Range during the 1st Quarter (July – Sept 2018) and aims to:

- Continue drilling at FGP. Particularly at Kat Gap and Lady Magdalene.
- Drilling results from Kat Gap confirms the discovery of a significant new zone of gold mineralisation within the granite which was previously thought to be barren.
- Drilling at Kat Gap also showed that high-grade gold mineralisation has effectively dammed up against a cross-cutting Proterozoic dyke. Drilling at Lady Magdalene yielded impressive results further confirming the existence of a number of high-grade, cross-cutting gold lodes previously missed due to the wide spaced drilling.
- Continue drilling regional exploration targets at FGP including the Van Uden West prospect and the Lady Lila and Kat Gap deposits.
- Continue to explore the lithium potential at Kat Gap and Classic’s 100% owned Forrestania tenements. A mapping and soil geochemistry program is being planned.
- Carry out additional sampling and mapping at Fraser Range following data review that yielded high grade cobalt rock chip samples.
- Continue to pay down debt/liabilities.

The Company closed the quarter with \$726,000 cash and reduced liabilities by approximately \$600,000 during the quarter.

1. PHASE 3 DRILL RESULTS AT FGP

Classic received assay data back for the 2018 Phase 3 RC drilling campaign at Kat Gap, Lady Lila, Lady Magdalene and Van Uden West.

The Company drilled a total of 11 holes for 750m - 2 holes for 174m at new prospect Van Uden West, 5 holes for 366m at Lady Lila, and 4 holes for 210m at Kat Gap; with the aim of uncovering a new gold system (at Van Uden West) and improving/increasing known mineralisation at Lady Lila and Kat Gap.

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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's decision to test the Van Uden West target is based upon an anomalous air core drill result from the late 1990's. The target has an excellent structural location on the contact between granite and greenstone and it is the belief of the company that the previous shallow, wide spaced air core holes inadequately tested the target.

Classic is excited to confirm that both holes drilled at Van Uden West during the Phase 3 campaign intersected significant gold mineralisation potentially striking in a north-west/south-east direction with a shallow easterly dip – mineralisation remains open. Drill highlights include: **12m at 5.75 g/t Au from 59m including 1m at 25.60 g/t Au from 59m.**

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. Drilling at Lady Lila confirmed the existence of a thick, steep east dipping ore zone warranting additional follow up.

Drilling at Lady Lila was historically on 100m - 200m spaced drill lines. Classic's recent drilling at Lady Lila was focused on extending high grade air-core/RC hits on the 6429860N line. Drilling either side of this section, Classic confirmed mineralisation extending both North and South along strike. Importantly, mineralisation remains open at depth and additional follow up drilling will be undertaken immediately to continue to grow this deposit.

During the Phase 3 campaign, five holes (FLLRC001 – FLLRC005 inclusive) for 366m were drilled at Lady Lila with all holes intersecting gold mineralisation. Drill highlights include: **14m at 3.70 g/t Au from 71m including 1m at 13.20 g/t Au from 79m.**

During the Phase 3 campaign, Classic drilled 4 holes for 210m at Kat Gap and is pleased to confirm that two holes (FKGRC001 and FKGRC002) returned gold mineralisation striking in a north-south direction – mineralisation remains open. Drill highlights include: **5m at 14.10 g/t Au from 17m including 1m at 48.40 g/t Au from 20m.**

The Phase 3 Reverse Circulation (RC) drill program drilled to date comprised a total of 11 holes for 750m with highlights shown in the table below:

Hole	Northing	Easting	From (m)	To (m)	Width (m)	Grade (g/t)	
VUWRC001	6438854	746810	32	45	13	0.41 g/t Au	
			Including	40	41	1	2.00 g/t Au
VUWRC002	6438868	746845	59	71	12	5.75 g/t Au	
			Including	59	60	1	25.60 g/t Au
			Including	67	68	1	14.10 g/t Au
FKGRC001	6372175	764794	17	22	5	14.10 g/t Au	
			Including	20	21	1	48.40 g/t Au
FKGRC002	6372192	764776	28	30	2	2.48 g/t Au	
FLLRC001	6429881	755651	46	52	6	2.69 g/t Au	
FLLRC002	6429879	755670	71	85	14	3.70 g/t Au	
			Including	79	80	1	13.20 g/t Au
FLLRC003	6429840	755650	38	39	1	6.07 g/t Au	
FLLRC004	6429840	755669	70	78	8	3.21 g/t Au	
			Including	72	73	1	11.40 g/t Au
FLLRC005	6429860	755650	43	46	3	3.18 g/t Au	

Table 1: Significant Phase 3 drill results received during June quarter

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2. PHASE 4 FOLLOW UP DRILLING AT KAT GAP AND LADY MAGDALENE

In the Phase 4 round of drilling, the Company drilled a total of 22 holes for 1,990m - 12 holes for 1052m at Kat Gap and 10 holes for 938 metres at Lady Magdalene with the aim of improving/increasing known mineralisation at Lady Magdalene and Kat Gap. Drilling results from Kat Gap confirmed the discovery of a significant new zone of gold mineralisation within the granite which was previously thought to be barren. Drilling at Kat Gap also showed that high-grade gold mineralisation has effectively dammed up against a cross-cutting Proterozoic dyke. Drilling at Lady Magdalene yielded impressive results further confirming the existence of a number of high-grade, cross-cutting gold lodes previously missed due to the wide spaced drilling.

The Phase 4 Reverse Circulation (RC) drill program drilled to date comprised a total of 22 holes for 1,990m with highlights shown in the table below:

Hole	Northing	Easting	From (m)	To (m)	Width (m)	Grade (g/t)	
FKGRC005	6372273	764745	72	74	2	1.13 g/t Au	
FKGRC006	6372282	764754	39	51	12	7.52 g/t Au	
			Including	48	50	2	20.20 g/t Au
FKGRC007	6372290	764765	70	72	2	15.39 g/t Au	
FKGRC008	6372256	764760	32	40	8	19.05 g/t Au	
			Including	32	36	4	28.80 g/t Au
FKGRC009	6372267	764753	36	37	1	11.50 g/t Au	
FKGRC010	6372272	764762	42	47	5	2.34 g/t Au	
			82	90	8	7.14 g/t Au	
			Including	82	83	1	21.10 g/t Au
FKGRC011	6372283	764770	92	96	4	7.44 g/t Au	
FKGRC012	6372287	764733	30	42	12	5.39 g/t Au	
			Including	30	31	1	20.80 g/t Au
			69	72	3	10.70 g/t Au	
			Including	69	70	1	23.10 g/t Au
FKGRC013	6372292	764738	49	58	9	1.86 g/t Au	
FKGRC014	6372302	764747	70	74	4	9.53 g/t Au	
			Including	72	73	1	26.60 g/t Au
FKGRC015	6372181	764785	12	14	2	4.28 g/t Au	
MARC054	6430583	751249	42	46	4	1.23 g/t Au	
			59	63	4	3.16 g/t Au	
MARC055	6430544	751251	65	66	1	6.32 g/t Au	
MARC056	6430499	751248	43	53	10	2.10 g/t Au	
			Including	46	50	4	3.90 g/t Au
MARC057	6430461	751247	36	51	15	1.41 g/t Au	
			62	66	4	1.82 g/t Au	
MARC058	6430420	751248	55	67	12	2.12 g/t Au	
			Including	64	65	1	13.40 g/t Au
MARC059	6430401	751200	38	49	11	2.39 g/t Au	
			Including	44	45	1	9.36 g/t Au
MARC060	6430361	751200	58	62	4	2.61 g/t Au	
MARC061	6430319	751200	65	75	10	1.51 g/t Au	
MARC062	6430279	751200	87	91	4	1.81 g/t Au	
MARC063	6430240	751201	71	72	1	2.96 g/t Au	

Table 2: Significant Phase 4 drill results received during June quarter

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During the Phase 4 campaign, Classic drilled 12 holes for 1052m at Kat Gap and is pleased to confirm that eleven holes returned gold mineralisation striking in a north-south direction. The drilling was conducted over approximately 140m of strike with mineralisation open in all directions.

The majority of the drilling was focused on testing the main granite-greenstone contact which has been the sole focus of drilling since the prospect was discovered by previous holders. A few holes were also drilled up against a cross-cutting Proterozoic dyke where high-grade gold mineralisation is believed to have concentrated. Drill holes FKGR006 – FKGR010 (inclusive), FKGR012, FKGR013 and FKGR015 all tested the main contact lode with hole FKGR008 drilled close to the Proterozoic dyke. Better results from these holes included: **8m @ 19.05 g/t Au from 32m including 4m @ 28.80 g/t Au from 32m in FKGR008; 12m @ 7.52 g/t Au from 39m including 2m @ 20.20 g/t Au from 48m in FKGR006; 12m @ 5.39 g/t Au from 30m including 1m @ 20.80 g/t Au from 30m in FKGR012 and 4m @ 9.53 g/t Au from 70m including 1m @ 26.60 g/t Au from 72m in FKGR014.**

It should be noted that holes FKGR006 – FKGR009 (inclusive), FKGR010 and FKGR011 were also drilled relatively close to the Proterozoic dyke to test CEO Dean Goodwin's theory that gold is concentrated up against the dyke. With the promising high-grade results returned from these holes, Classic will continue to track mineralisation against the dyke and follow it down plunge. It is currently believed that two high grade gold shoots exist either side of the Proterozoic dyke contact. The strike and down-plunge extent of these shoots is currently unknown.

Holes FKGR010 – FKGR012 (inclusive) all drilled into a **newly discovered footwall lode** located approximately 30m west of the main granite-greenstone contact lode hosted within the granite. Better results from these holes included: **8m @ 7.14 g/t Au from 82m including 1m @ 21.10 g/t Au from 82m in FKGR010; 4m @ 7.44 g/t Au from 92m in FKGR011 and 3m @ 10.70 g/t Au from 69m including 1m @ 23.10 g/t Au from 69m in FKGR012.** This new position is totally open along strike and down dip. Previous explorers in the area have assumed that the granite surrounding deposits/prospects is barren. The discovery of granite-hosted gold at Kat Gap is significant as the same geological setting may be repeated elsewhere throughout Classic's significant >500km² landholding. Classic will continue to track this unexpected high-grade granite-hosted gold mineralisation in its upcoming drill program at Kat Gap and elsewhere throughout the project area.

At Lady Magdalene, Classic drilled 10 RC holes for 938m on two north-south oriented traverses, as opposed to all historical drilling which is east-west, in an attempt to locate east-west striking Lady Ada style high-grade cross-cutting quartz veins. Of the 10 holes completed, 3 intersected quartz veining in a potential east-west orientation. These holes returned high-grade results including: **1m @ 13.40 g/t Au from 64m in MARC058; 1m @ 9.36 g/t Au from 44m in MARC059 and 4m @ 3.90 g/t Au from 46m in MARC056.** The 3 new cross-cutting quartz veins initially appear narrow but have the potential to thicken rapidly over short strike lengths similar to Lady Ada.

RC drilling also intersected thick zones of lower grade gold mineralisation similar to that intersected previously during the recent resource definition drilling. Typically, Lady Magdalene alteration assemblage consists of strong biotite alteration, silicification with fine disseminated sulphides arsenopyrite and pyrite. These lower grade mineralised zones are typified by the absence of quartz veining. Results received from within the Lady Magdalene ore zone include: **11m @ 2.39 g/t Au from 38m in MARC059; 12m @ 2.12 g/t Au from 55m in MARC058; 10m @ 2.10 g/t Au from 43m in MARC056; 15m @ 1.41 g/t Au from 36m in MARC057 and 10m @ 1.51 g/t Au from 65m in MARC061.**

The latest drilling confirms the existence of significant gold-bearing quartz veins between existing drill lines. As with Lady Ada's high-grade sapphire shear zone, these veins are low angle reverse thrust faults that dip gently to the south. In upcoming drilling, Classic will track the quartz veins from east to west and will also drill south of the existing lines to determine how many additional lodes are located within the Lady Magdalene resource footprint. This is a very important development for the company as the drilling confirms that the current large, modestly graded Lady Magdalene deposit hosts high grade cross cutting zones of gold mineralisation which are analogous to the high-grade Lady Ada mine.

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3. LITHIUM PROSPECTIVITY

With the Forrestania belt hosting world class LCT-Pegmatites (KDR/SQM's Earl Grey deposit and multiple Li prospects), Classic embarked on a lithium orientation sampling program of previous historical RC holes at Kat Gap. 12 holes were selected based on pegmatites being logged in the hole. No previous assays had been undertaken for lithium.

2 composite RC chip samples were collected from the 12 holes containing pegmatites, 6 holes approximately 300m north and 6 holes approximately 300-500m south of the current gold drilling. The northern composite sample (355150) returned no significant values but the composite sample (355149) collected from the southern 6 RC holes returned anomalous lithium results.

Results of the composite sample 355149 include:

Element	Assay (ppm)
Lithium Oxide (Li ₂ O)	2,260 ppm
Tantalum	58 ppm
Titanium	100 ppm
Caesium	123 ppm
Tin	20 ppm

A number of pegmatites were mapped during Dean Goodwin's targeting and mapping project completed in the early 2000's. Classic plans to continue field work to test these pegmatites and identify more potentially li-bearing pegmatites at its 100% owned Kat Gap project. This will involve ongoing field mapping and soil geochemical sampling. The company will keep the market apprised of any meaningful updates but sees exciting potential for Li mineralisation at Kat Gap, particularly as the Li anomaly is along strike from Western Area's (ASX: WSA) recently announced lithium exploration results – 50m @ 0.95% Li₂O including 9m @ 2.85% Li₂O (SID017) as spodumene.

4. 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. For the avoidance of doubt Classic Ltd owns a 100% interest in non-gold rights on the Kat Gap and Lady Lila 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

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On behalf of the board,



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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.