

ASX Announcement

3 August 2018

SUCCESSFUL COMPLETION OF \$1.8 MILLION PLACEMENT

Highlights:

- \$1.8 million raised via Placement to institutional and sophisticated investors located in Australia at \$0.0045 per share
- Strong demand from new major domestic institutional and high net worth investors
- Funds will be used to progress upcoming drilling program at the Forrestania Gold Project
- Further review of Fraser Range Nickel-Copper-Cobalt project in light of the nearby discovery made by famed prospector, Mark Creasy

I. 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 a Placement ("Placement") to raise \$1.8 million before costs. The raising received significant demand from new domestic and international 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 outstanding results of our last drilling program, including multiple high-grade gold hits at Kat Gap and Lady Magdalene, we are very excited to be heading back to the FGP to undertake an aggressive follow up drill program. As you will see, this drill program is focussed more so on our 100% Kat Gap project which delivered outstanding results during the previous 2 drill campaigns and is shaping up to become a prolific shallow high-grade gold deposit with so much remaining upside potential. We have only tested 140m of 3.5km of potential strike along this granite-greenstone contact and intersected a new zone of mineralisation in the granite.

We are also very happy to be continuing the extensional drilling at Lady Magdalene and Lady Lila which remain flagship assets in our FGP portfolio.

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.

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2. PLACEMENT

The Placement comprises the issue of 400 million fully paid ordinary shares (“Placement Shares”) at an issue price of \$0.0045 to institutional and sophisticated investors in Australia and internationally, raising \$1.8 million (before costs).

The Placement will raise approximately A\$1.8m via the issue of 400m New Shares pursuant to the Company’s existing placement capacity under ASX Listing Rules 7.1 and Resolution 15 from the Company’s General Meeting dated 27 June 2018. The issue price of \$0.0045 represented a 10% discount to the last closing price of \$0.005 on Monday 30 July 2018. Placement Shares will rank equally with existing fully paid ordinary shares. Settlement of the Placement is expected to be completed before Friday, 10 August 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 24 July 2018) from its last program at Kat Gap and Lady Magdalene, the Company will be targeting these areas again with additional drilling. In addition, Classic will also be returning to Lady Lila to continue efforts to locate high grade mineralisation that has been missed by previous explorers.

The Company plans to undertake the following drilling activities during August 2018:

Table 1: Proposed Drilling

Prospect	Drill Type	No of Holes	No of Metres
Kat Gap	RC	12	1,200m
Lady Lila	RC	5	360m
Lady Magdalene	RC	5	500m
TOTAL		22	2,060m

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. Recent drill holes FKGRC006 – FKGRC010 (inclusive), FKGRC012, FKGRC013 and FKGRC015 all tested the main contact lode with hole FKGRC008 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 FKGRC008; 12m @ 7.52 g/t Au from 39m including 2m @ 20.20 g/t Au from 48m in FKGRC006; 12m @ 5.39 g/t Au from 30m including 1m @ 20.80 g/t Au from 30m in FKGRC012 and 4m @ 9.53 g/t Au from 70m including 1m @ 26.60 g/t Au from 72m in FKGRC014.**

As part of the August drilling campaign, Classic has 12 holes planned at Kat Gap for a total of 1,200m.

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 ASX announcement dated 22 March 2018). Previous diamond and RC drilling (see ASX announcement dated 24 July 2018) 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. During the most recent drill campaign 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

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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.

As part of the August drilling campaign, Classic has 5 holes planned at Lady Magdalene for a total of 500m.

4. INDICATIVE TIMETABLE

Event	Date / Time (AWST)
Announcement of the Results of the Placement and Voluntary Trading Halt lifted	Friday, 3 August 2018
Settlement of new shares issued under the Placement	Friday, 10 August 2018
Allotment and Trading of new shares issued under the Placement	Monday, 13 August 2018

1. *The above timetable is indicative only and subject to change. Classic, in conjunction with the Lead Manager (Argonaut Securities Pty Ltd), 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. RENEWED INTEREST IN THE FRASER RANGE PROJECT

The company intends to do an extensive review of its dataset for its Fraser Range project in light of the recent Nickel-Copper-Cobalt discovery made by renowned explorer Mark Creasy. Industry speculation is that the discovery could be at least one-third the size of the 2012 Nova-Bollinger discovery, acquired by IGO in its \$1.8 billion acquisition in 2015 of Mark Bennett's Sirius Resources. The map below shows the proximity of Classics tenement to Creasy's new Nickel-Copper-Cobalt discovery. **As can be seen, Classics tenement is within 8km of the new Creasy group discovery:**

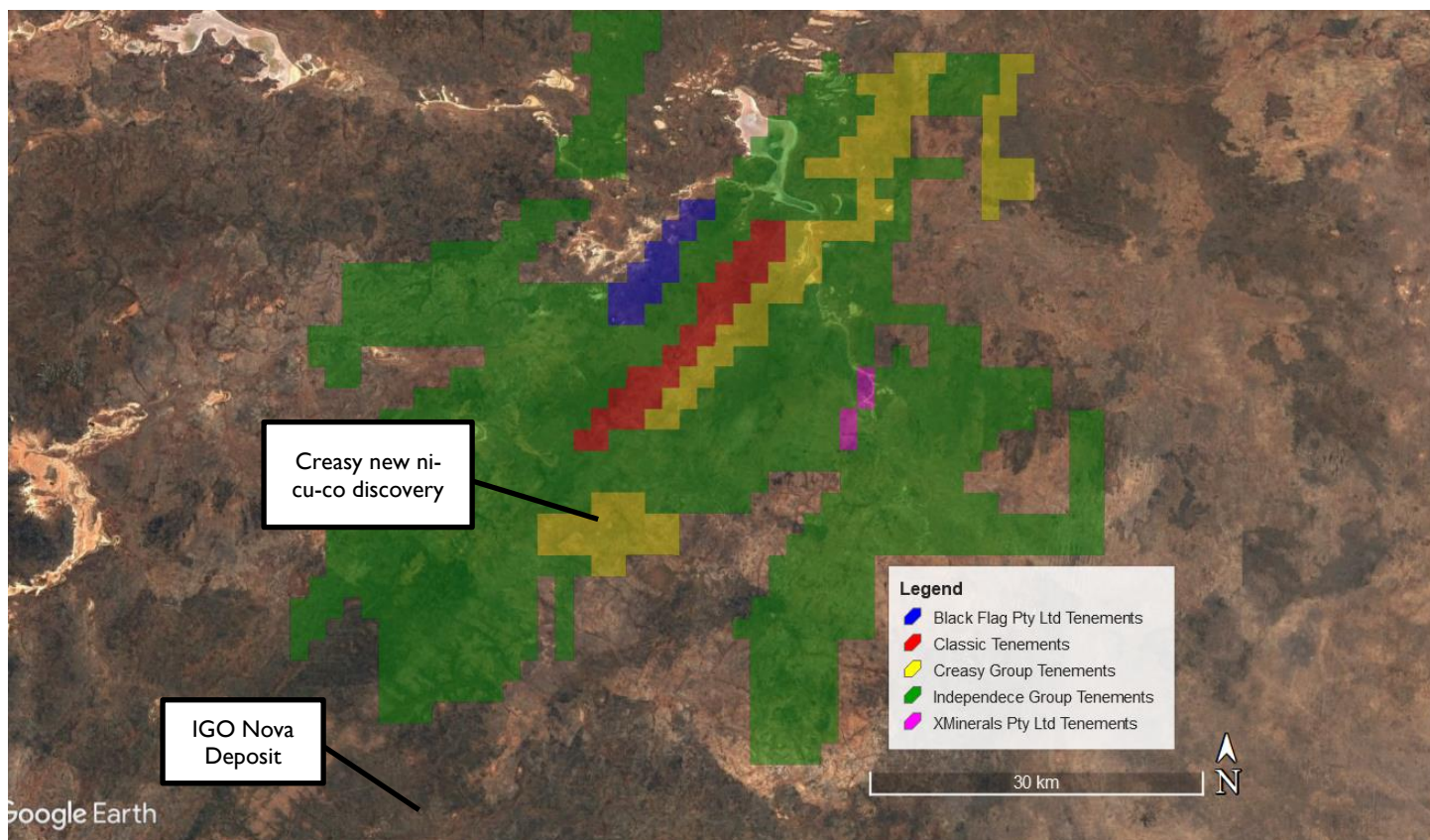


Figure 1: Tenure map showing IGO, Creasy and CLZ tenement in relation to Creasy's new discovery and Nova

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Classic's previous results at Fraser Range include.

- Securing 28km strike across 84km² on the Fraser-Albany complex belt
- Located 40km North-East of Sirius' Nova -Bollinger Discovery
- Shallow Drilling at Mammoth prospect intersected thick zones of mixed sulphides, Including visible nickel and copper sulphides
- Disseminated, Blebby, Vein and Semi-Massive styles of sulphides.
- Thickness up to 24m down-hole
- Close to surface – from 25m to ~100m so far including
 - FRRC040; 2m @ 1.025 Ni from 106m
 - FRRC039; 1m @ 1.4% Cu from 42m; and
 - FRRC036; 5m @ 0.1 co from 10m
- DHEM and ground loop work has helped determine strike, depth extension and potential feeder structures at Mammoth
- Conductor now drilled to over 240m in length and open
- Mineralisation is sub vertical and plunges to the north east

The Fraser Range tenement also includes the Alpha Copper Deposit Located 3km South West of Mammoth Ni discovery Including:

- 1m of 1.95% Cu from 104m (FRRC001) (Discovery Hole)
- 1m of 1.04% Cu from 27m (FRRC016) Within 5m at 0.47% Cu
- 5m thick zone of 0.57% Cu (FRRC013)
- 1m of 1.27% Cu from 36m (FRRC024) Within 2m at 0.795 Cu
- Thicker zones from 2m-8m of copper mineralisation from 0.2% Cu to 0.70%
- Copper occurs throughout the deposit and is open at North and South.

In addition, Classic recently identified 300m of continuous surface cobalt mineralisation at its Rubys Reward prospect, 160km east-southeast of Kambalda in the Fraser Range region of Western Australia (see ASX announcement dated 18 April 2018).

The assay results up to 0.14% cobalt were discovered following a review of the company's historical reports and data sets.

A closed spaced geochemical sampling program will be undertaken at Rubys Reward in the near term. Classic will also undertake geological mapping and reconnaissance. Classic is excited about the potential of the Fraser Range tenement and the renewed exploration interest in the region.

6. [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.

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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

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.