

ASX Announcement

6 August 2018

CLASSIC CONTINUES HUNT FOR HIGH GRADE GOLD WITH COMMENCEMENT OF RC DRILLING PROGRAM

Highlights:

- ~2000m of RC drilling underway at Kat Gap, Lady Lila, Lady Magdalene after highly successful campaign in June/July 2018
- Assay results expected early September
- Extending strike and dip of Kat Gap high grade mineralisation
- Targeting additional high-grade cross-cutting lodes at Lady Magdalene
- Testing Lady Lila extensions at depth and along strike

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 commenced RC drilling at its Forrestania Gold Project (FGP) in Western Australia.

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.

Over the past 12 months, the Company has been busy gaining a thorough understanding of the local geology and controls on mineralisation. All of the drill programs undertaken at FGP by Classic have yielded high grade gold hits. There is no doubt in my mind that this is a major gold camp containing significant undiscovered resources and we are on the right path to discover and delineate these ore bodies.

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2. DRILLING PROGRAM

Following the encouraging results (see ASX announcements dated 24 May 2018 and 15 May 2018) from its last programs at Kat Gap, Lady Magdalene and Lady Lila, the Company will be targeting these areas again with additional drilling.

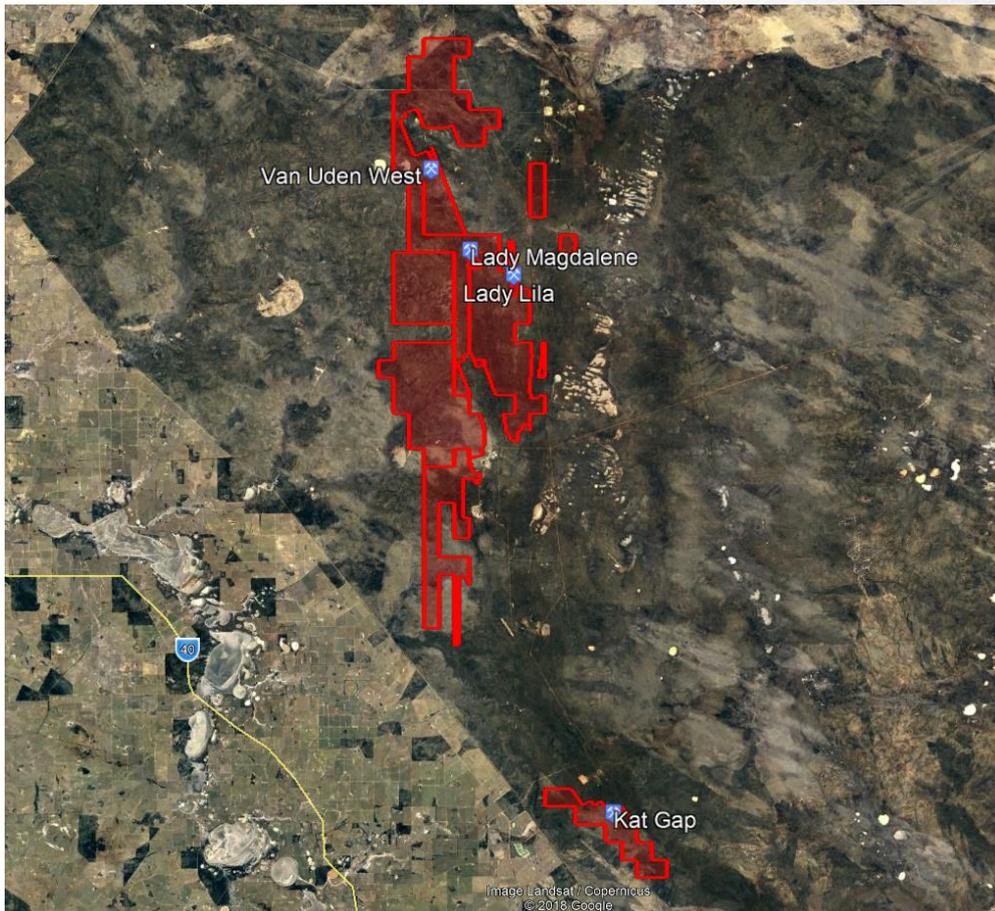


Figure 1: FGP tenure shown in red and drill targets

The Company plans to undertake the following drilling activities in early 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

3. KAT GAP DRILLING – 3.5KM OF HIGH GRADE STRIKE TO TEST

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 FKGR006 – FKGR010 (inclusive),

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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 – these holes will test a further 100m – 200m extent of the 3.5km contact zone. In addition, the drilling will continue to probe the extent of high-grade mineralisation up against the Proterozoic dyke.

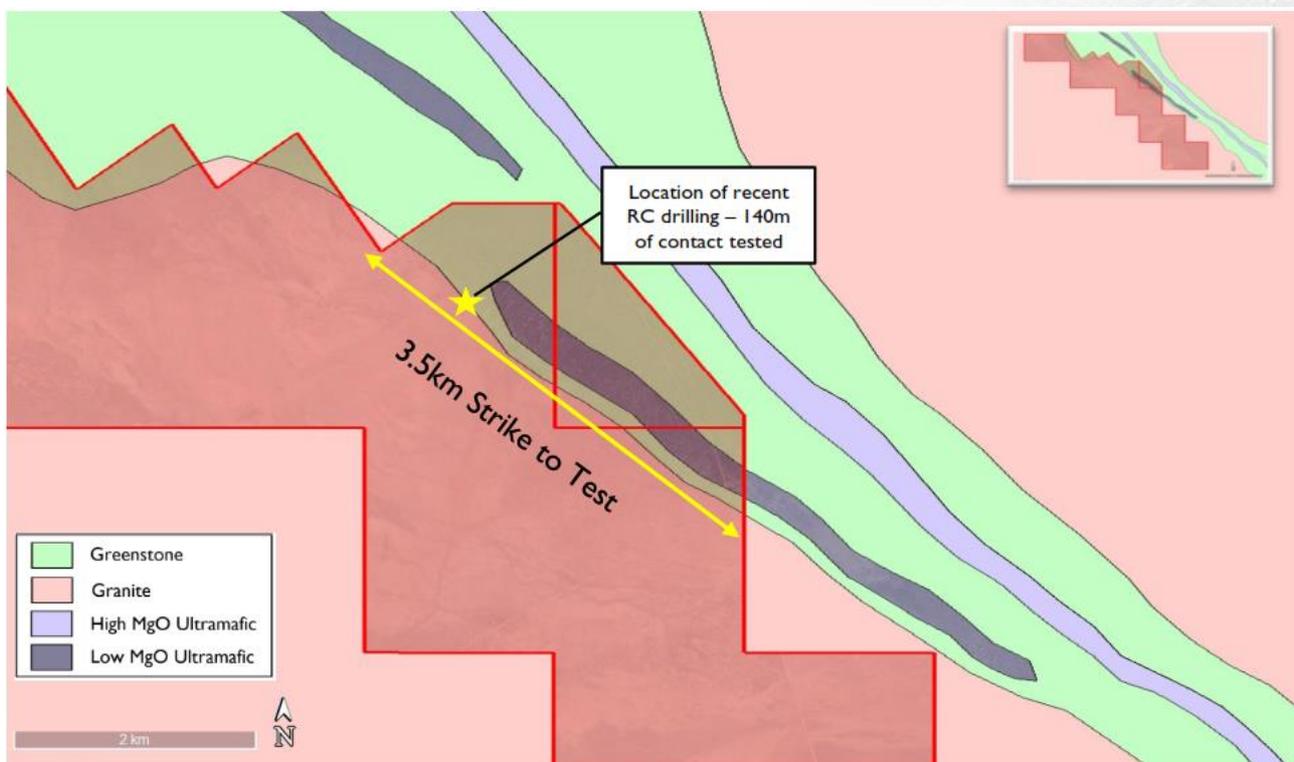


Figure 2: Plan view showing strike to be tested at Kat Gap

4. DRILLING AT LADY MAGDALENE – CHASING ADDITIONAL HIGH-GRADE MINERALISATION

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 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.

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The upcoming RC drilling program is designed to further delineate the east-west strike extent of the new high-grade quartz veins recently discovered within Lady Magdalene.

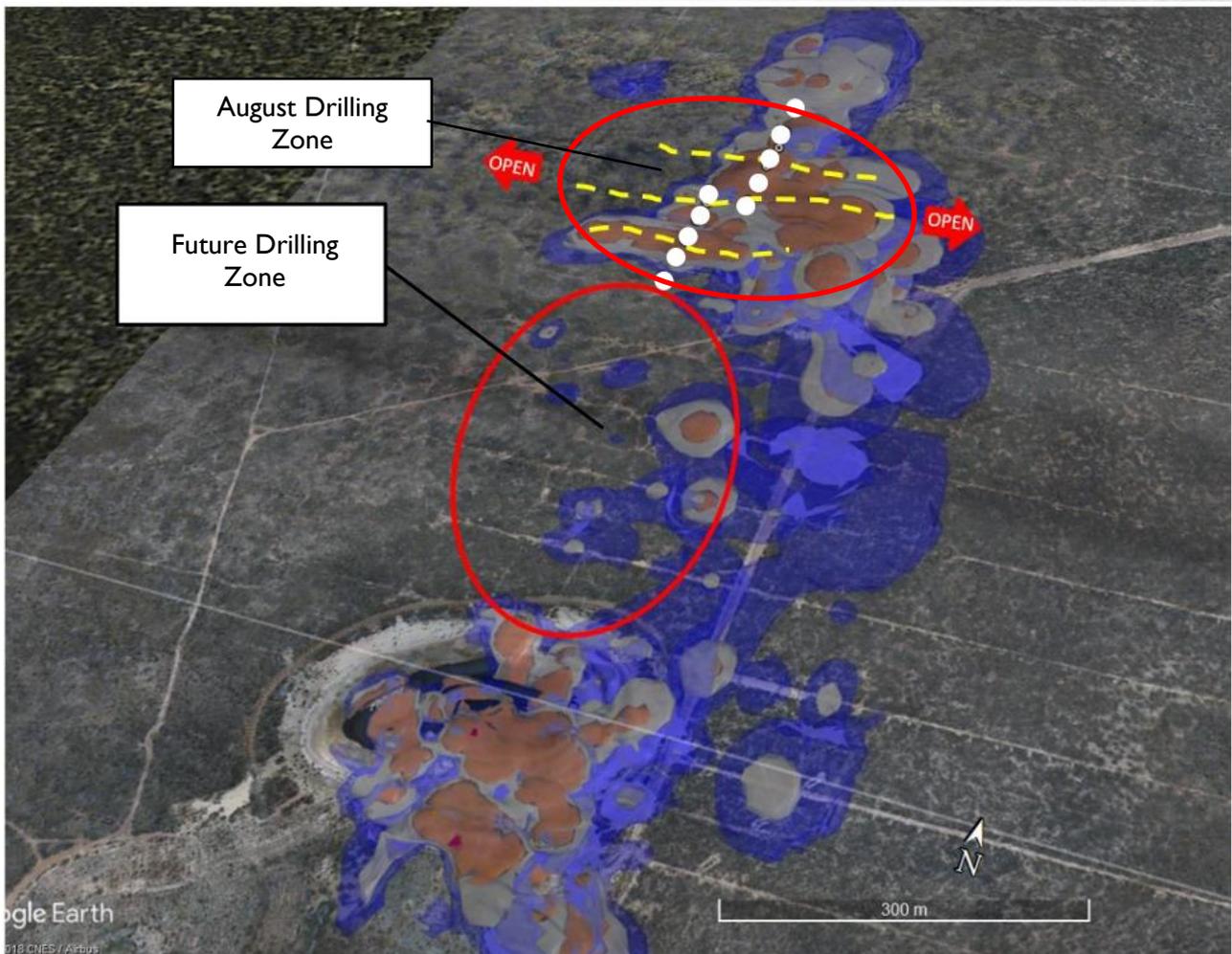


Figure 3: Map showing implicit resource model of Lady Magdalene as well as July drilling locations (white) and the zone to be tested over August and subsequent drill campaigns (red outline)

5. LADY LILA DRILLING – ANOTHER BOUNTY GOLD MINE?

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. 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.

In May 2018, 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.**

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A cross section of Lady Lila is displayed in Figure 4. The present gold mineralisation models indicate a steep easterly dip; future drilling will be to test a possible vertical dip, as gold deposits in the area have been known to steepen at depth (e.g., Bounty and Blue Vein (>1M oz Au) held by Kidman Resources).

The upcoming drill program (5 RC holes for 360m total) will focus on extending the mineralisation along strike and at depth.

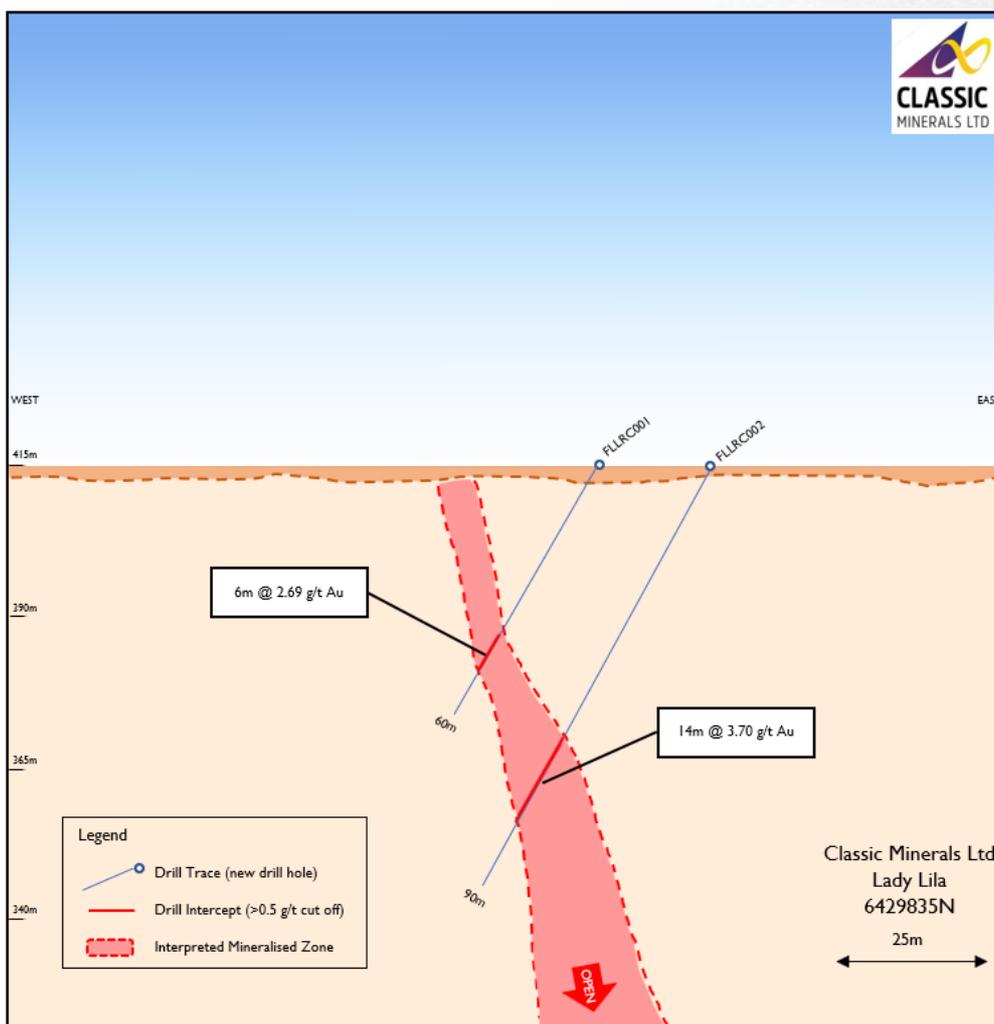


Figure 4 Cross Section 6429880N Looking North – Lady Lila

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. 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 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

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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

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.