

ASX Announcement

26 October 2018

SEPTEMBER 2018 QUARTERLY ACTIVITY REPORT

During the quarter, the Company completed another very successful drill campaign at the Forrestania Gold Project (“FGP”) in Western Australia returning consistently high-grade results. The results of this and previous campaigns, is providing increasing confidence for the Company to expand the 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 2nd Quarter (Oct – Dec 2018) and aims to:

- Continue focussed and targeted drilling at FGP, particularly at Kat Gap and Lady Magdalene.
- Further advance interpretation and discovery of significant new zones of gold mineralisation within the granite at Kat Gap, previously thought to be barren.
- Advance understanding of how overprinting Lady Ada – style gold mineralisation can be used to upgrade the resource at Lady Magdalene, having demonstrated 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 Forrestania tenements.
- 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.

1. PHASE 4 DRILL RESULTS AT FGP

The Company drilled a total of 28 rotary percussion holes for 2408m - 18 holes for 1588m at Kat Gap, 5 holes for 454m at Lady Magdalene and 5 holes for 366m at Lady Lila ; with the aim to infill or extend known gold mineralisation across the project.

Significant intersections are tabulated in Table I.

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Hole	Northing	Easting	From (m)	To (m)	Width (m)	Grade (g/t)
FKGRC017	6372280	764725	16	21	5	4.85 g/t Au
	Including		16	17	1	19.10 g/t Au
			43	45	2	13.44 g/t Au
FKGRC018	6372279	764738	28	38	10	30.78 g/t Au
	Including		31	33	2	116.10 g/t Au
FKGRC019	6372284	764747	46	55	9	1.50 g/t Au
FKGRC022	6372291	764723	26	36	10	4.18 g/t Au
	Including		31	32	1	15.10 g/t Au
FKGRC024	6372309	764746	74	75	1	8.32 g/t Au
FKGRC025	6372346	764736	95	104	9	8.08 g/t Au
	Including		101	102	1	62.30 g/t Au
FKGRC026	6372326	764744	81	82	1	4.40 g/t Au
			86	87	1	18.80 g/t Au
FKGRC029	6372211	764812	59	61	2	4.48 g/t Au
FKGRC030	6372226	764826	81	86	5	2.11 g/t Au
FKGRC031	6372229	764849	99	107	8	1.19 g/t Au
FKGRC032	6372161	764842	47	48	1	15.20 g/t Au
			68	69	1	14.60 g/t Au
FKGRC034	6372062	764827	32	33	1	4.24 g/t Au
FLLRC006	6429819	755649	26	32	6	9.57 g/t Au
	Including		26	27	1	54.50 g/t Au
FLLRC007	6429820	755671	65	70	5	3.07 g/t Au
FLLRC009	6429899	755654	52	64	12	1.50 g/t Au
FLLRC010	6429900	755670	74	88	14	2.15 g/t Au
MARC065	6430545	751222	42	54	12	1.64 g/t Au
MARC066	6430500	751220	47	59	12	1.33 g/t Au
MARC067	6430463	751215	34	52	18	2.87 g/t Au
	Including		46	47	1	23.70 g/t Au
MARC068	6430420	751219	45	59	14	1.08 g/t Au

Table 1: Drill Highlights

2. KAT GAP DRILLING

Drilling results from Kat Gap continued to impress with significant zones of gold mineralisation.

Drilling was focussed at Kat Gap over 160m of strike, located to infill widely-spaced drilling on the main granite-greenstone contact, historically identified as the zone of interest. Beyond the zone of interest, drilling has identified the presence of high-grade gold mineralisation up against both contacts of a cross-cutting Proterozoic dyke.

Several holes were also drilled deeper to test the interpreted plunge of the main mineralisation. Drill holes FKGRC017 - FKGRC019, FKGRC022 – 024 and FKGRC028 – 033 (inclusive) all tested the main contact lode and holes FKGRC020 – 021 and FKGRC027 were drilled close to the Proterozoic dyke. Holes FKGRC025 and FKGRC026 were drilled deeper to test the potential plunge of the main system.

Better results from these holes included: **10m @ 30.78 g/t Au from 28m including 2m @ 116.10 g/t Au from 31m in FKGRC018; 9m @ 8.08 g/t Au from 95m including 1m @ 62.30 g/t Au from 101m in FKGRC025; 10m @ 4.18 g/t Au from 26m including 1m @ 15.10 g/t Au from 31m in FKGRC022 and 5m @ 4.85 g/t Au from 16m including 1m @ 19.10 g/t Au from 16m in FKGRC017.**

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Holes FKGR025 and FKGR026 were drilled deeper than previous holes to test the potential down plunge extent of the main granite-greenstone contact lode. Both holes intersected significant gold mineralisation supporting the interpretation of a seventy-degree plunge to the north. Results from these holes include: **9m @ 8.08 g/t Au from 95m including 1m @ 62.30 g/t Au from 101m in FKGR025 and 1m @ 18.80 g/t Au from 86m in FKGR026.** The plunge line is wide open both along strike and down dip. Follow-up drilling will target this area.

Historical RC drilling is currently on 100m – 200m line spacings. There is strong potential for additional mineralisation to be identified up-dip, down-dip and along strike, both outside of and within the existing RC drill coverage. **Only about half of the 5 km long >50 ppb Au gold-in-soil anomaly has been tested by RC drilling** along the granite/greenstone contact.

There is at least a further 3.5 km of strike of prospective granite-greenstone contact along-strike from the Kat Gap zone within E74/467 that has seen little or no exploration, see Figure 1.

Classic will follow-up with RC drilling in October and expect diamond holes will follow next year.

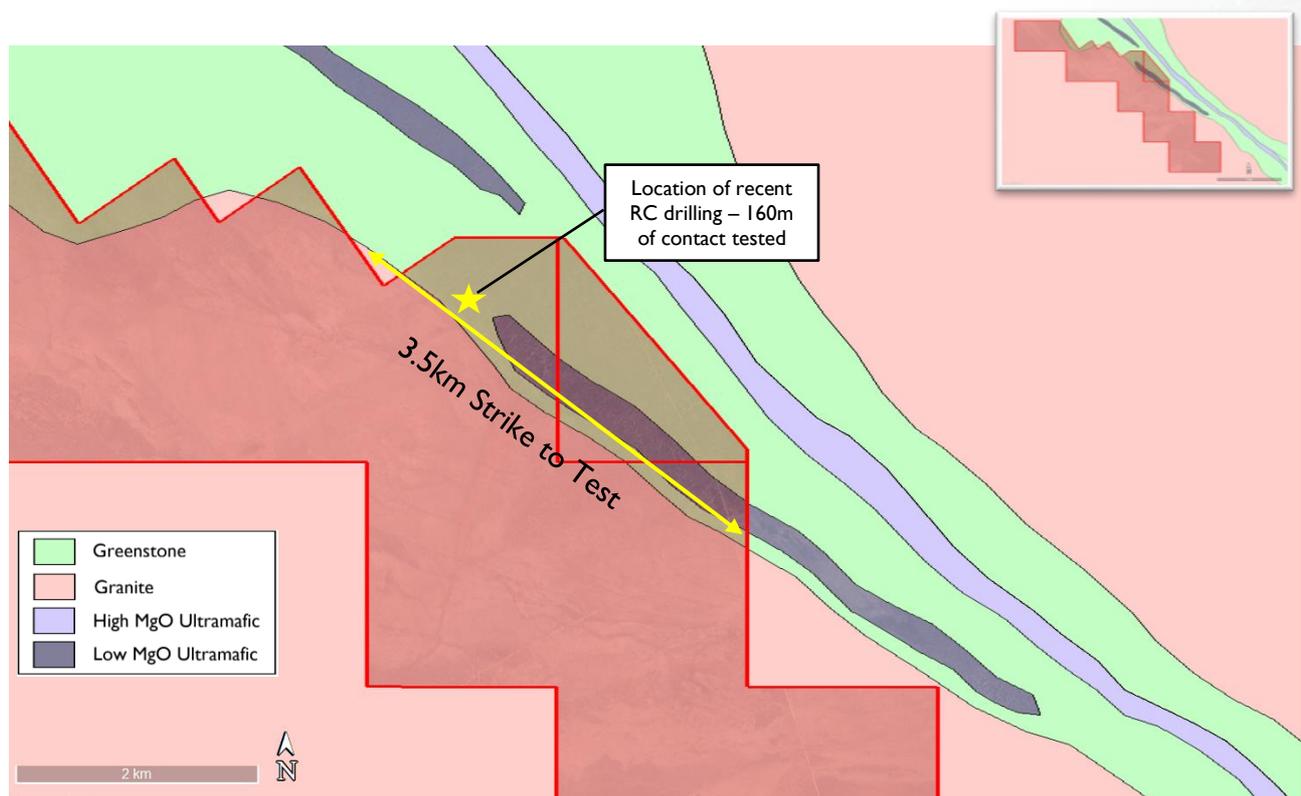


Figure 1: Kat Gap plan view showing strike length to be tested in follow up drilling

3. DRILLING AT LADY MAGDALENE

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Drilling at Lady Magdalene yielded further impressive results, confirming the interpretation of high-grade, cross-cutting gold lodes previously missed due to wide spaced drilling.

Re-interpretation of Lady Magdalene confirms the potential for high-grade cross-cutting lodes in a similar orientation to Lady Ada (located 600m to the south). The Company drilled 5 rotary percussion holes for 454m on a single north-south oriented traverse to advance interpretation of high-grade quartz veins in the previous drilling campaign.

These holes were designed in this way to locate east-west striking Lady Ada style high-grade cross-cutting quartz veins. Of the 5 holes completed, two intersected quartz veining that can be traced in an east-west orientation. The best result was recorded in MARC067 which returned **1m @ 23.70 g/t Au from 46m**. This result is significant as it appears to link up with recently drilled holes MARC059 which returned **1m @ 9.36 g/t Au from 44m** and MARC058 which returned **1m @ 13.40 g/t Au from 46m**. The 3 holes when linked up cover a strike length of approximately 70m orientated in an east-west direction.

Interpretation of the results and associated geology suggest the recent holes were drilled on the western margin of the corridor where the linking high-grade quartz veins are thought to be propagating. Further north-south orientated drilling will be conducted in the next reporting period east of the recent RC drilling where it is thought thicker zones of mineralisation may exist. This easterly target area, where drilling is planned, corresponds to the structural location of the high-grade Lady Ada deposit. These 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 confirmed thick zones of lower grade gold mineralisation reinforcing results of the resource definition drilling conducted last year. 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: **18m @ 2.87 g/t Au from 34m in MARC067; 12m @ 1.64 g/t Au from 42m in MARC065 and 12m @ 1.33 g/t Au from 47m in MARC066.**

The latest drilling confirms the existence of significant gold-bearing quartz veins between existing drill lines. Reflecting 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 planned for October, the company expects to further track high-grade quartz veins to the east and track drilling south of the existing lines to locate additional lodes within the Lady Magdalene resource footprint, see Figure 2.

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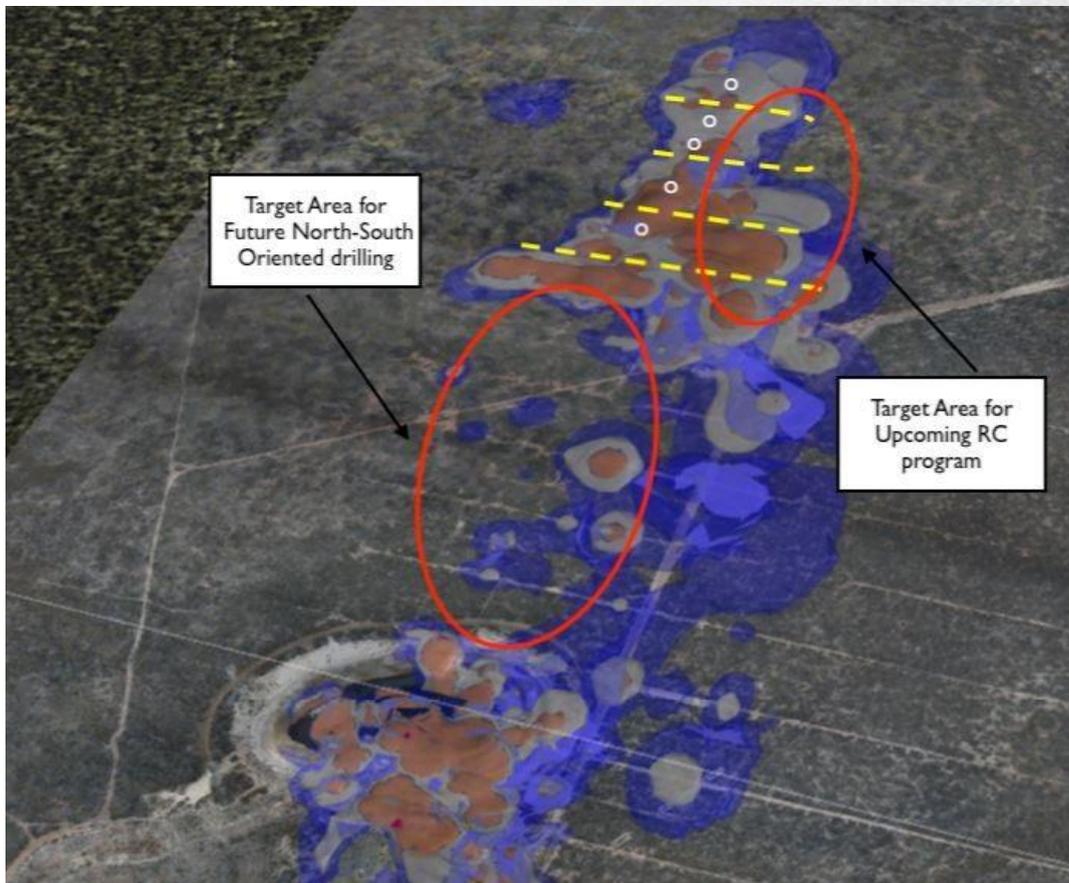


Figure 2 : Lady Magdalene – Showing latest drill holes (white) and interpreted high grade quartz veins (yellow)

4. LADY LILA DRILLING

Lady Lila is situated 4km east of Lady Ada and is hosted by a chert/banded iron formation within the younger metasedimentary central zone. Previous drilling is shallow (approx. 50-60m depth testing) and generally intercepts the mineralised zone only two-three times per section. Additional drilling is required to test the orientation, and down dip extension of the mineralisation. The mineralisation at its strongest is 10m wide, over 400m long, and grades between 2.0-5.0g/t Au.

Historically, drilling at Lady Lila was on 100m - 200m spaced drill lines. Classic's recent drilling was focused on extending either side of high-grade aircore/ RC hits on the 6429860N line on 20m spaced lines. Drilling either side of this section has confirmed mineralisation extends both North and South along strike for up to 100m. Importantly, mineralisation remains open at depth and additional follow up drilling will be undertaken to continue to grow this deposit.

Five holes for 366m were drilled at Lady Lila with all holes intersecting gold mineralisation. Drill highlights include: **6m at 9.57 g/t Au from 26m including 1m at 54.50 g/t Au from 26m in FLLRC006, 5m at 3.07 g/t Au from 65m in FLLRC007, 12m at 1.50 g/t Au from 52m in FLLRC009 and 14m at 2.15 g/t Au from 74m in FLLRC010.**

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A typical cross section of Lady Lila is displayed in Figure 3. The present gold mineralisation models indicate a steep easterly dip; future drilling will be to test a potential 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).

Classic will re-commence drilling at Lady Lila at end of October.

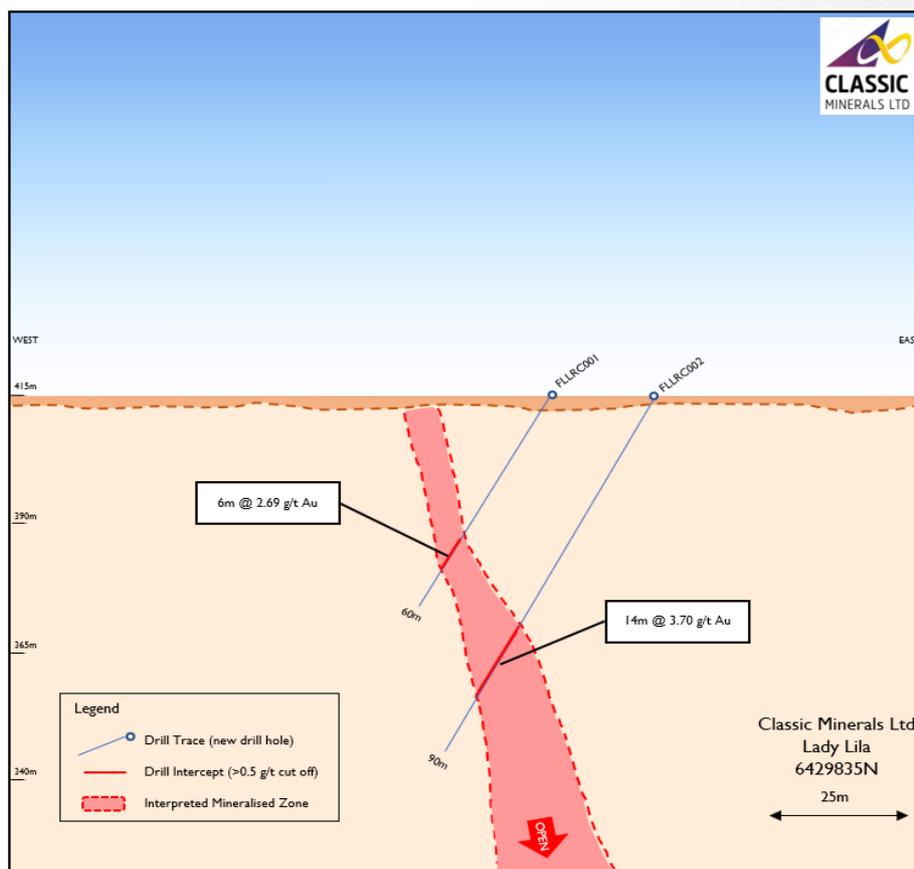


Figure 3 Cross Section 6429880N Looking North – Lady Lila

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. 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 1 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
6. Depletion of the resource from historic open pit mining has been taken into account

On behalf of the board,



Dean Goodwin
CEO

Classic Minerals Limited

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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.

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Schedule of Mineral Tenements as at 22 October 2018		
TENEMENT	AREA	INTEREST HELD BY CLASSIC MINERALS LIMITED
E74/422	Forrestania	100%
E74/467	Forrestania	100%
P77/4291	Forrestania	80%
P77/4290	Forrestania	80%
E77/2207	Forrestania	80%
E77/2219	Forrestania	80%
E77/2220	Forrestania	80%
E77/2239	Forrestania	80%
E77/2303	Forrestania	80%
P77/4325	Forrestania	100%
P77/4326	Forrestania	100%
E77/2472	Forrestania	100%
E77/4271	Forrestania	100%
E77/2470	Forrestania	100%
E28/1904	Fraser Range	100%
E28/2705	Fraser Range	100%
E28/2704	Fraser Range	100%
E28/2703	Fraser Range	100%

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

Classic Minerals Limited

ABN

77 119 484 016

Quarter ended ("current quarter")

30 September 2018

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(1,047)	(1,047)
(b) development	-	-
(c) production	-	-
(d) staff costs	(142)	(142)
(e) administration and corporate costs	(234)	(234)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	(209)	(209)
1.6 Income taxes paid	(11)	(11)
1.7 Research and development refunds R&D Tax Rebate 2017/18	1,278	1,278
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(365)	(365)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
(c) investments	-	-
(d) other non-current assets	(45)	(45)
2.2 Proceeds from the disposal of:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10.1)	-	-
(c) investments	-	-
(d) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details if material)	-	-
2.6 Net cash from / (used in) investing activities	(45)	(45)

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	2,061	2061
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options	-	-
3.4 Transaction costs related to issues of shares, convertible notes or options	(108)	(108)
3.5 Proceeds from borrowings	300	300
3.6 Repayment of borrowings	(1,000)	(1,000)
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
3.10 Net cash from / (used in) financing activities	1,253	1,253

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	726	726
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(365)	(365)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(45)	(45)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	1,253	1,253

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.5	Effect of movement in exchange rates on cash held		-
4.6	Cash and cash equivalents at end of period	1,569	1,569

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	1,569	726
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,569	726

6. Payments to directors of the entity and their associates

	Current quarter \$A'000
6.1	27
6.2	-

6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

6.1 includes directors' fees paid to two non-executive directors.

7. Payments to related entities of the entity and their associates

	Current quarter \$A'000
7.1	Nil
7.2	-

7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

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8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities		
8.2 Credit standby arrangements	5,000	-
8.3 Other (please specify)		
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

On 19 September 2017, the Company by mutual agreement amended the terms of its Standby Subscription Agreement with Stock Assist Group Pty Ltd. The Facility arrangement has been increased from \$1,000,000 to \$5,000,000. Under the Facility the Investor agrees to subscribe for shares if requested by the Company subject to the terms and conditions of this Facility. There were no drawings under this facility as at 30 September 2018.

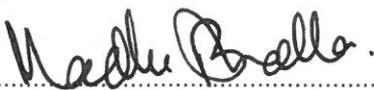
9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	500
9.2 Development	
9.3 Production	
9.4 Staff costs	100
9.5 Administration and corporate costs	
9.6 Other (provide details if material)	
9.7 Total estimated cash outflows	600

10. Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	Nil		Nil	Nil
10.2 Interests in mining tenements and petroleum tenements acquired or increased	Nil		Nil	Nil

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here:

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(Director/Company secretary)

Date: 26 October 2018

Print name: Madhukar Bhalla

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

