

DECEMBER 2018 QUARTERLY ACTIVITY REPORT

During the quarter, the Company completed another successful drill campaign 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 Projects during the 3rd Quarter (Jan 2019 - March 2019) and aims to:

- Continue focused and targeted drilling at FGP, particularly at Kat Gap;
- Further advance interpretation and discovery of significant new zones of gold mineralisation within the granite at Kat Gap, 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;
- Commence drilling regional exploration targets at FGP including the Van Uden West, Lady Lila and Lady Magdalene prospects;
- Continue to raise capital & pay down debt & liabilities to improve the financial position of the Company.

KATGAP DRILLING

Classic drilled 23 holes for 1155m at Kat Gap and is pleased to confirm that 18 holes returned gold mineralisation striking in a northwest-southeast direction, see Table 1. The drilling has now extended the strike coverage to 200m with mineralisation open in all directions.

Most of the drilling was focused on testing the up-dip projection of recent high-grade gold intersections along the main granite-greenstone contact adjacent to the cross-cutting Proterozoic dyke. A few holes were also drilled 60m further along strike to the north following up on previous historical RAB and RC holes. Drill holes FKGR035- FKGR050 and FKGR054 (inclusive), all tested the up-dip projection of the main contact lode. Holes FKGR051 and FKGR055- FKGR057 were drilled north along strike.

Better results from the shallow holes included: **3m @ 38.33 g/t Au from 21m including 1m @ 111.00 g/t Au in FKGR039; 5m @ 5.61 g/t Au from 6m including 1m @ 12.00 g/t Au in FKGR040; 2m @ 7.86 g/t Au from 19m in FKGR041; 3m @ 14.10 g/t Au from 10m including 1m @ 37.40 g/t Au in FKGR042 and 3m @ 9.64 g/t Au from 20m including 1m @ 25.10 g/t Au in FKGR043.**

Hole	Northing	Easting	From (m)	To (m)	Width (m)	Grade (g/t)
FKGRC039	6372271	764718	21	24	3	38.33 g/t Au
	<i>Including</i>		22	23	1	111.00 g/t Au
FKGRC040	6372278	764710	6	11	5	5.61 g/t Au
	<i>Including</i>		8	9	1	12.00 g/t Au
FKGRC041	6372286	764717	19	21	2	7.86 g/t Au
FKGRC042	6372285	764706	10	13	3	14.10 g/t Au
	<i>Including</i>		11	12	1	37.40 g/t Au
FKGRC043	6372292	764712	20	23	3	9.64 g/t Au
	<i>Including</i>		22	23	1	25.10 g/t Au
FKGRC044	6372296	764690	19	22	3	7.73 g/t Au
	<i>Including</i>		19	20	1	13.00 g/t Au
FKGRC050	6372264	764739	17	18	1	17.90 g/t Au
FKGRC051	6372358	764691	66	71	5	4.07 g/t Au
	<i>Including</i>		69	70	1	11.50 g/t Au
FKGRC053	6372325	764720	71	74	3	2.44 g/t Au
	<i>Including</i>		89	90	1	9.01 g/t Au

Table 1 : Drilling Highlights

Holes FKGRC051 and FKGRC055-FKGRC057 were drilled along strike to the north testing the extent of the main granite-greenstone contact lode. All holes intersected gold mineralisation with the best result of **5m @ 4.07 g/t Au from 66m including 1m @ 11.50 g/t Au from FKGRC051**. The next closest historical RC hole is some 100m further along strike to the north. Figure 1 illustrates new drilling on section 92740N.

Future drilling programs at Kat Gap will focus mainly on testing an 800m long section of the main granite – greenstone contact where current drill line spacings are 100m apart. 2018 drilling was concentrated in the center of this 800m long section (see Figure 2). Interpretation suggests that significant gold mineralisation exists between these sections, as demonstrated in the last 4 drilling programs. To advance structural understanding of the mineralisation, several deep orientated diamond holes have been designed to probe the system up to 300m below surface.

Previous drilling campaigns by Classic at Kat Gap have returned significant high-grade gold intercepts over approximately 140m of strike along the main granite-greenstone contact. Most of the drilling is relatively shallow, down to approximately 60m vertical depth below surface. The main area of drilling has been focused primarily on and adjacent to the contacts of a cross-cutting Proterozoic dyke where it intersects the main granite-greenstone contact. At this location the gold mineralisation has been significantly enriched.

Better results from this drilling include, 8m @ 19.05 g/t Au from 32m including 4m @ 28.80 g/t Au in FKGR008; 12m @ 7.52 g/t Au from 39m including 2m @ 20.20 g/t Au in FKGR006; 12m @ 5.39 g/t Au from 30m including 1m @ 20.80 g/t Au in FKGR012; 10m @ 30.78 g/t Au from 28m including 2m @ 116.10 g/t Au in FKGR018; 9m @ 8.08 g/t Au from 95m including 1m @ 62.30 g/t Au in FKGR025; 10m @ 4.18 g/t Au from 26m including 1m @ 15.10 g/t Au in FKGR022.

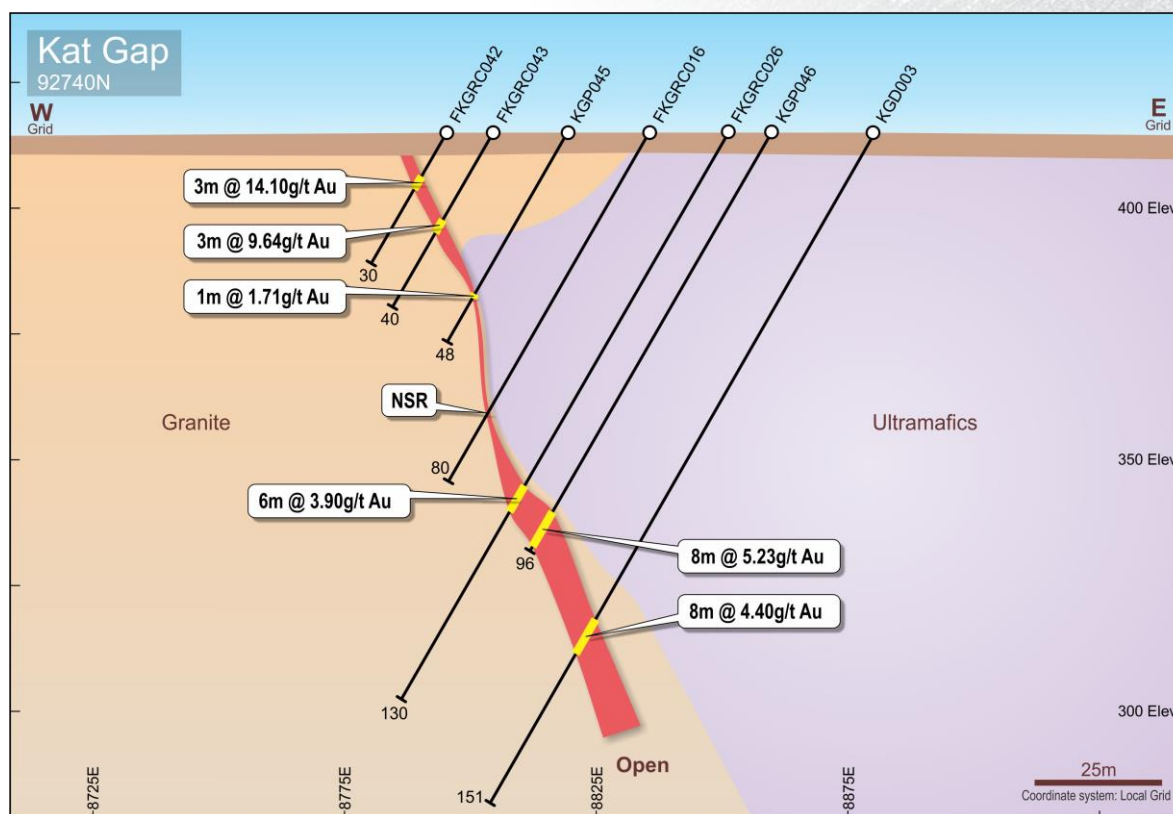


Figure 1: Kat Gap Cross Section 92740 (local grid) Looking North

Several deeper RC holes have also been drilled to approximately 120m to test the main contact zone at depth. These holes were primarily designed to test a potential plunge zone detected by the shallow RC holes. Better 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 along strike and down dip.

Historical RC drilling at Kat Gap 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.

Classic has planned follow up RC and diamond holes with drilling scheduled for the first quarter of 2019.

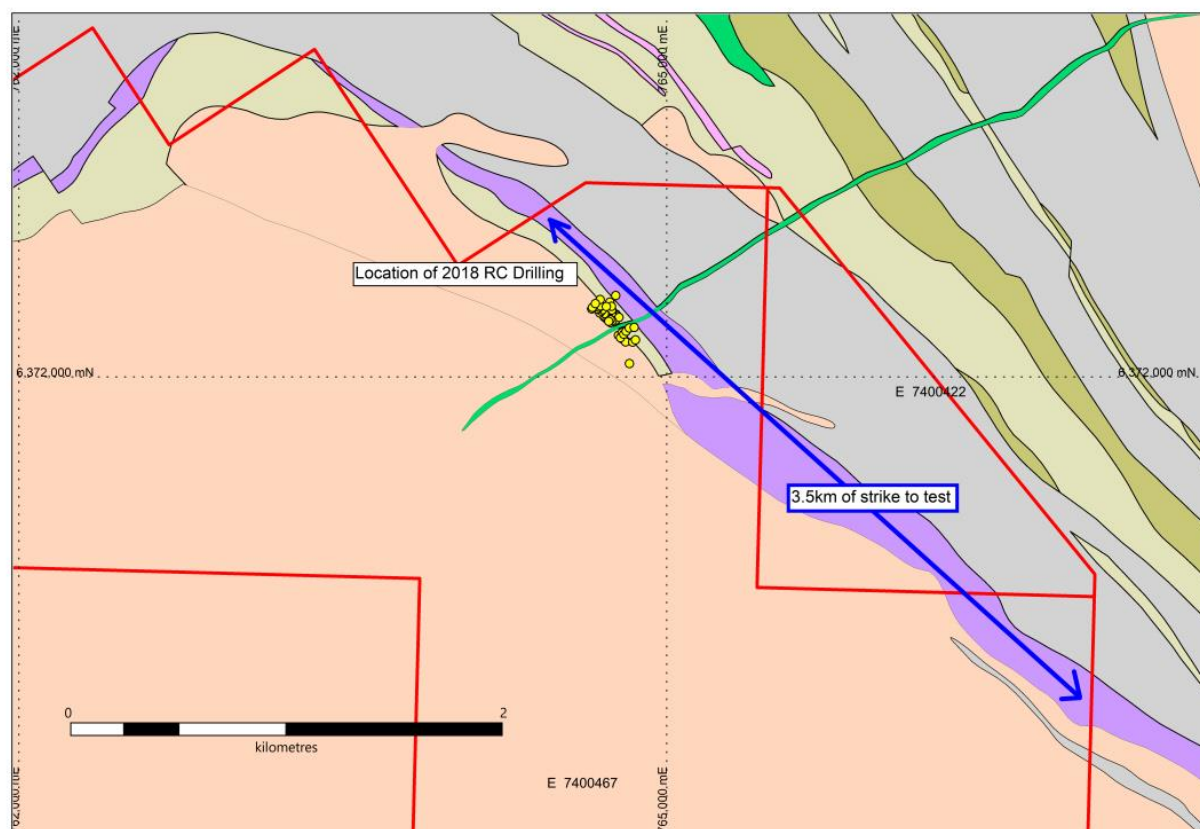


Figure 2: *Kat Gap plan view showing strike length to be tested in follow up drilling*

VAN UDEN WEST PROSPECT

Van Uden West prospect is surrounded by historic gold mines. Van Uden and Teddy Bear are located 11km NW along strike from Lady Magdalene and Lady Ada.

The geological setting of Van Uden West is similar to Kat Gap but transported overburden masks the top 10-20 metres of the potential gold mineralisation. The decision to test the Van Uden West target last year was based upon anomalous air core drill result from the late 1990's. The target is structurally well-positioned on the contact between granite and greenstone. It is the company's belief that previous shallow, wide spaced air core holes inadequately tested the target.

Classic successfully drilled two RC holes in April 2018 intersecting significant gold mineralisation potentially striking in a north-west/south-east direction with a shallow easterly dip and found the mineralisation remains open (see Figure 3). Drill highlights included: **12m at 5.75 g/t Au from 59m including 1m at 25.60 g/t Au.**

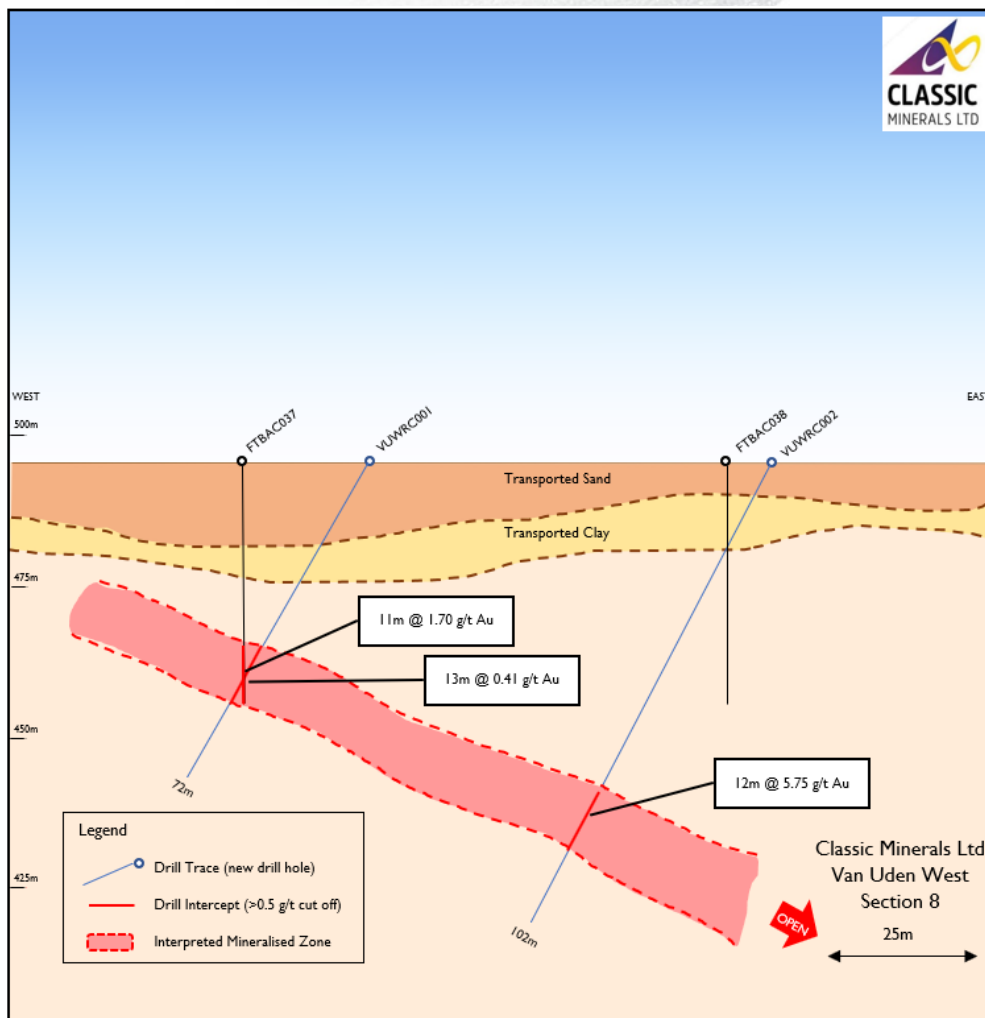


Figure 3: Cross Section Looking North – Van Uden West

Classic postulated that the anomalous mineralisation identified in historic air-core drill hole FTBAC037 represented an undiscovered gold zone shallowly dipping to the east. This was confirmed by the mineralised zone in VUWRC001 which is then shown to potentially continue down-dip into VUWRC002. With the previous aircore drill spacing at least 250m apart, Classic sees excellent potential to build on this zone with follow up drilling planned for this upcoming quarter.

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 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.

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

Corporate

During the quarter ended 31 December 2018, the Company successfully applied to the Federal Court to rectify the errors made during 2016, 2017 and 2018 with respect to the cleansing statement requirements of the Listing Rules. The orders were granted on 12th December 2018 and the Company's shares reinstated for trading on the ASX platform. In addition, a new Company Secretary was appointed.

The Company has continued to pay down its debts and improve its financial position generally.

On Behalf of the Board,



Dean Goodwin

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 Australian Institute of Geoscientist (AIG). 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.

Schedule of Mineral Tenements as at 31 December 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")

31 December 2018

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(780)	(1,827)
(b) development	-	-
(c) production	-	-
(d) staff costs	(52)	(194)
(e) administration and corporate costs	(60)	(294)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	1
1.5 Interest and other costs of finance paid	(242)	(451)
1.6 Income taxes paid	-	(11)
1.7 Research and development refunds R&D Tax Rebate 2017/18	-	1,278
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(1,133)	(1,498)
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 (6 months) \$A'000
(c) investments	-	-
(d) other non-current assets	-	(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)

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	252	2,313
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)
3.5 Proceeds from borrowings	325	625
3.6 Repayment of borrowings	(713)	(1,713)
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	(136)	1,117

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	1,569	726
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(1,133)	(1,498)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	-	(45)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	(136)	1,117

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.5	Effect of movement in exchange rates on cash held		-
4.6	Cash and cash equivalents at end of period	300	300

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	300	1,569
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)	300	1,569

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Current quarter \$A'000
12
-

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

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

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

Current quarter \$A'000
Nil
-

Mining exploration entity and oil and gas exploration entity quarterly report

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 31 December 2018.

9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	200
9.2 Development	
9.3 Production	
9.4 Staff costs	50
9.5 Administration and corporate costs	
9.6 Other (provide details if material)	
9.7 Total estimated cash outflows	250

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:
(Director/Company Secretary)

Date: 29 January 2019

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.