

## ASX Announcement

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17 June 2019

The Manager,  
Company Announcements Office,  
Australian Securities Exchange Limited,  
Level 40, Central Park,  
152-158 St George's Terrace,  
PERTH, WA, 6000.

Dear Sir/Madam,

### Fraser Range Project – Earn in and joint venture agreement

Classic Minerals Ltd (or the “Company”) is pleased to advise that it has signed an Earn in and Joint Venture Agreement (“Agreement”) over the Company’s Fraser Range tenements, with Independence Newsearch Pty Ltd, a 100% owned subsidiary of Independence Group NL (together “Independence”).

This is an exciting development for Classic as the agreement sees a highly regarded exploration and mining company commit significant funds towards advancing the Company’s Fraser Range Project (see Figure 1).

Under the Agreement, Independence will continue to advance the Fraser Range Project allowing Classic to focus exploration efforts on its emerging high-grade Kat Gap Gold Project located in the Forrestania area of Western Australia (see Figure 2).

Key commercial terms of the Agreement are:

- Initial cash payment to Classic of A\$300,000 (within 5 days of completion of the Condition Precedent detailed below);
- Independence can elect to earn a 51% interest in the project by expending A\$1,500,000 on exploration over two years (first earn in period);
- Minimum expenditure of A\$640,000 must be incurred prior to Independence withdrawing;
- At the end of the first earn in period, having made a further cash payment of A\$500,000, Independence can elect to:
  - form a joint venture (49% Classic / 51% Independence)
  - increase its interest to 70% by a further A\$1,000,000 of expenditure over two years

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- be granted an option to buy out Classics 49% interest for A\$2,250,000 and a 1% net smelter royalty.
- If Independence elects to earn a 70% interest in the project, Classic will be free carried to the completion of a pre-feasibility study; or
- If Independence elects to buy-out Classic, then Classic would have received aggregate value of A\$4,550,000, in cash and tenement expenditure, plus will retain a 1% net smelter royalty from this transaction.

Completion remains subject to a condition precedent which is the Ministerial consent for the transfer of tenure within the first year of grant.

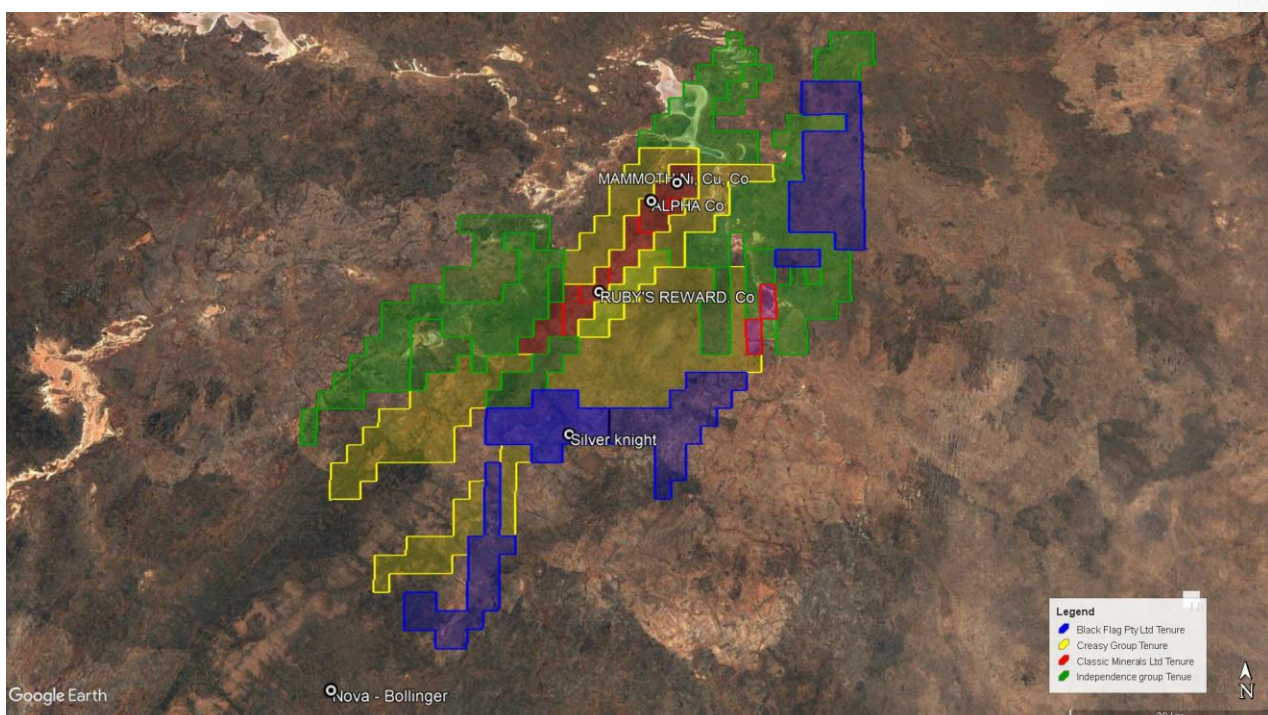
Classic will use the funds to continue drilling at the Kat Gap gold project.

Classics Chairman – John Lester and CEO – Dean Goodwin jointly commented:

*“This is an exciting development for Classic shareholders. The Agreement we have reached with Independence demonstrates the highly prospective nature of our Fraser Range tenements. Independence is a highly regarded exploration and mining company and we look forward to working with them for both parties’ mutual benefit. **Their commitment to inject cash and tenement expenditure to a maximum of A\$4,550,000 and providing a 1% NSR gives the Company confidence in the value of these tenements.**”*

*This Agreement helps to simplify our company and allows the Company’s exploration team to focus its efforts on the emerging high-grade Kat Gap Gold Project in the Forrestania region of WA”*

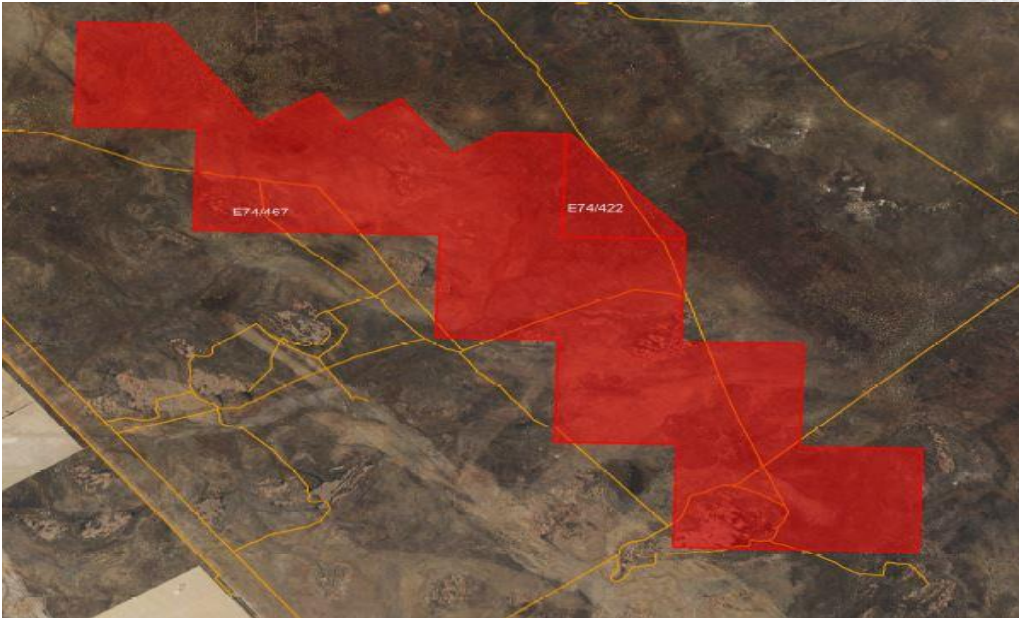
Figure 1: Fraser Range Project tenure (in red).



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Figure 2: Kat Gap Gold Project location map



ENDS:

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