

ASX Announcement

18 June 2019

DRILLING RIG HEADS BACK TO KAT GAP

Highlights:

- 1300m of RC drilling underway at Kat Gap after highly successful campaign in November 2018
- Assay results expected mid-July
- Drilling to extend strike to the north and test up-dip extensions of Kat Gap high grade mineralization both on the contact and within the granite
- Recent RC drilling by Classic at Kat Gap has returned outstanding high-grade gold intercepts from shallow depths including:

5m @ 14.10g/t Au	from 17m	in FKGRC001
12m @ 7.52g/t Au	from 39m	in FKGRC006
8m @ 19.05g/t Au	from 32m	in FKGRC008,
8m @ 7.14g/t Au	from 82m	in FKGRC010
12m @ 5.39g/t Au	from 30m	in FKGRC012
4m @ 9.53g/t Au	from 70m	in FKGRC014
10m @ 30.78g/t Au	from 28m	in FKGRC018
10m @ 4.18g/t Au	from 26m	in FKGRC022
9m @ 8.08g/t Au	from 95m	in FKGRC025
3m @ 8.33g/t Au	from 22m	in FKGRC039
3m @ 14.10g/t Au	from 10m	in FKGRC042
3m @ 9.64g/t Au	from 20m	in FKGRC043

Classic CEO Dean Goodwin said:

*Following the fantastic results of our last drilling program, including multiple high-grade gold hits close to the surface at Kat Gap, we are very excited to be heading back to the FGP to undertake further follow up drilling. This latest round will be focused solely on our Kat Gap project which delivered outstanding results over the previous 4 drill campaigns. Drilling will again focus on the main granite – greenstone contact of which **only 200m of a total 3.5km of potential strike has been tested** by the Company.*

We are planning to drill 100m north along strike and also test for high grade gold mineralisation up-dip from previous bonanza intersections to see how close the gold gets to the surface. This information will be extremely important in any future mine planning and pit design work.

*Future drilling programs at Kat Gap will focus on testing an 800m long section of the main granite – greenstone contact where current drill line spacings are 100m apart and also within the granite itself where previous geochemical surveying detected high grade gold near the surface. **The granite has been pretty well much overlooked by previous explorers. We are of the firm belief that significant gold mineralisation is lurking out in the granite.***

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INTRODUCTION

WA-focused gold exploration and development company Classic Minerals Limited (ASX. CLZ) ("Classic", or "the Company") is pleased to announce that it has exercised the Option and acquired a 100% interest in the Kat Gap Gold Project covering exploration licences E74/422 and E74/467; subsequent to meeting all the conditions precedent.

The Kat Gap Project is strategically located approximately 70km south-south east of the Company's Forrestania Gold project containing the Lady Magdalene and Lady Ada gold resources. Kat Gap adjoins the Forrestania Nickel project currently operated by Western Areas Ltd.

Classic has purchased the Kat Gap project from private company Sulphide Resources Pty Ltd for a total consideration of A\$250,000 plus GST, and a 2% NSR royalty on production from E74/422 and E74/467 (or any replacement tenements).

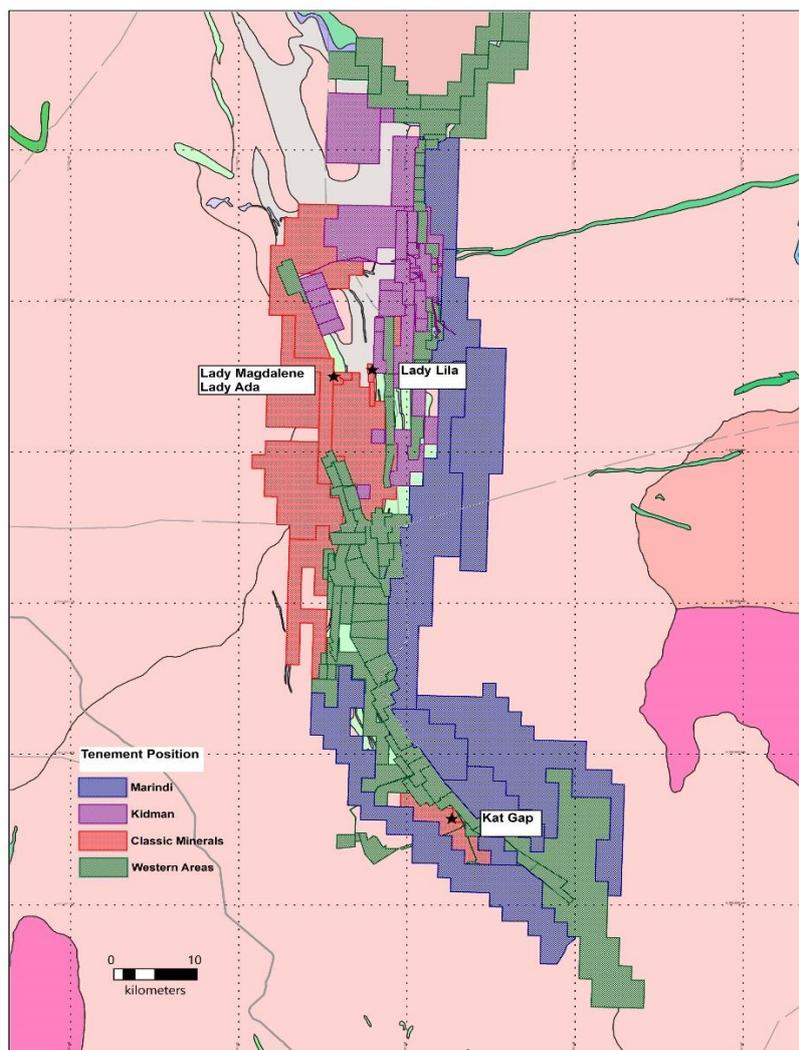


Figure 1: FGP tenure shown in red

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KAT GAP PROJECT

Historically the project 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. Resources were estimated at 283,000t @ 3.9g/t for 36,000 ounces at a 1.5g/t cut-off grade. This resource estimate was not reported in compliance with the JORC Code (2012). Previous 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 there is potential for the discovery of a substantial gold deposit within the project area. Previous exploration work includes airborne geophysical surveys; aircore, RAB, RC and diamond drilling; and soil geochemical surveys.

Classic has drilled a total of 57 holes for 3891m at Kat Gap over the last 6 months from May to November 2018. The early drilling was focused on testing the up-dip and down dip projection of previous historical high-grade gold intersections along the main granite-greenstone contact adjacent to a cross-cutting Proterozoic dyke. Later drilling was then concentrated on an area north and south along strike from the cross-cutting Proterozoic dyke covering a strike length of some 200m on the granite-greenstone contact.

Classic has completed 4 drilling campaigns at Kat Gap all returning significant high-grade gold intercepts. The majority 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 the first three drilling programs 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.

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 in FKGR025 and
- 1m @ 18.80 g/t Au from 86m in FKGR026.

The plunge line is wide open along strike and down dip.

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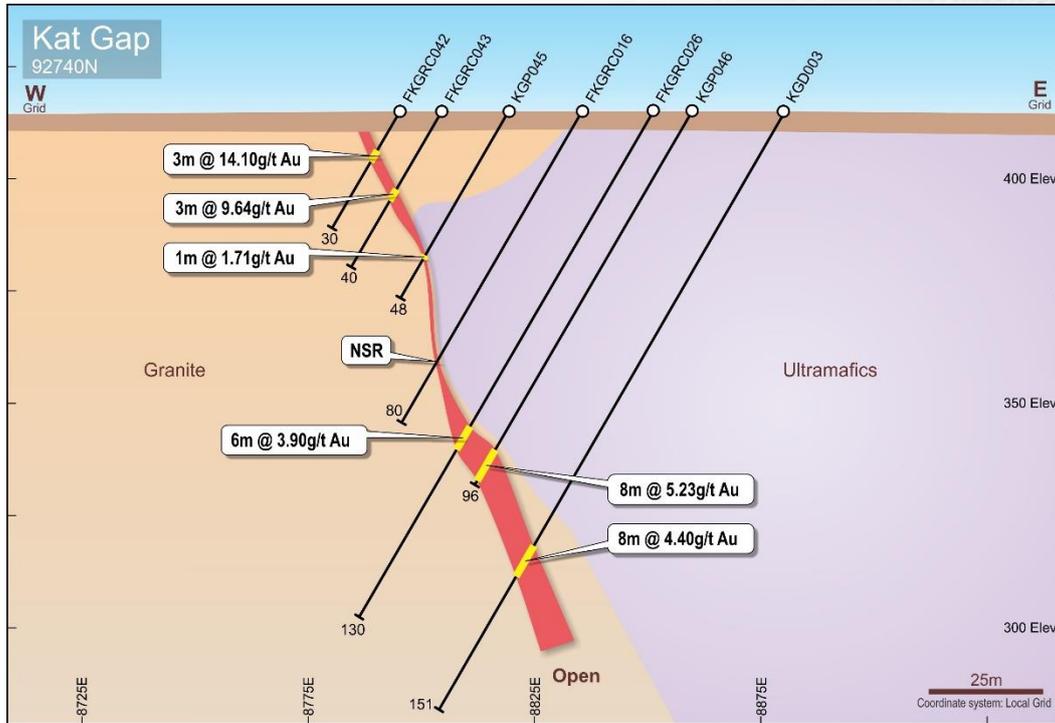


Figure 2: Kat Gap Cross Section 92740 (local grid) Looking North

The last drilling program in November incorporated a series of holes testing the up-dip potential of previous high-grade gold intersects together with a few holes testing further along strike to the north following up on previous historical RAB and RC holes.

Better results from the shallow up-dip drill holes included:

- **3m @ 38.33 g/t Au** from 21m including 1m @ 111.00 g/t Au in FKGRC039;
- **5m @ 5.61 g/t Au** from 6m including 1m @ 12.00 g/t Au in FKGRC040;
- **2m @ 7.86 g/t Au** from 19m in FKGRC041;
- **3m @ 14.10 g/t Au** from 10m including 1m @ 37.40 g/t Au in FKGRC042;
- **3m @ 9.64 g/t Au** from 20m including 1m @ 25.10 g/t Au in FKGRC043;
- **3m @ 38.33 g/t Au** from 21m including 1m @ 111.00 g/t Au in FKGRC039.

All RC Holes drilled along strike to the north testing the extent of the main granite-greenstone contact lode intersected gold mineralisation with the best result of **5m @ 4.07 g/t Au from 66m including 1m @ 11.50 g/t Au coming from FKGRC051**. The next closest historical RC hole is some 100m further along strike to the north.

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. Current drilling is located right in the middle of this 800m long section. Interpretation suggests that significant gold mineralisation exists between these sections similar to what has been identified in the last 4 drilling programs. Several deep orientated diamond holes to probe the system to 300m vertical below surface have also been designed.

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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 late this month.

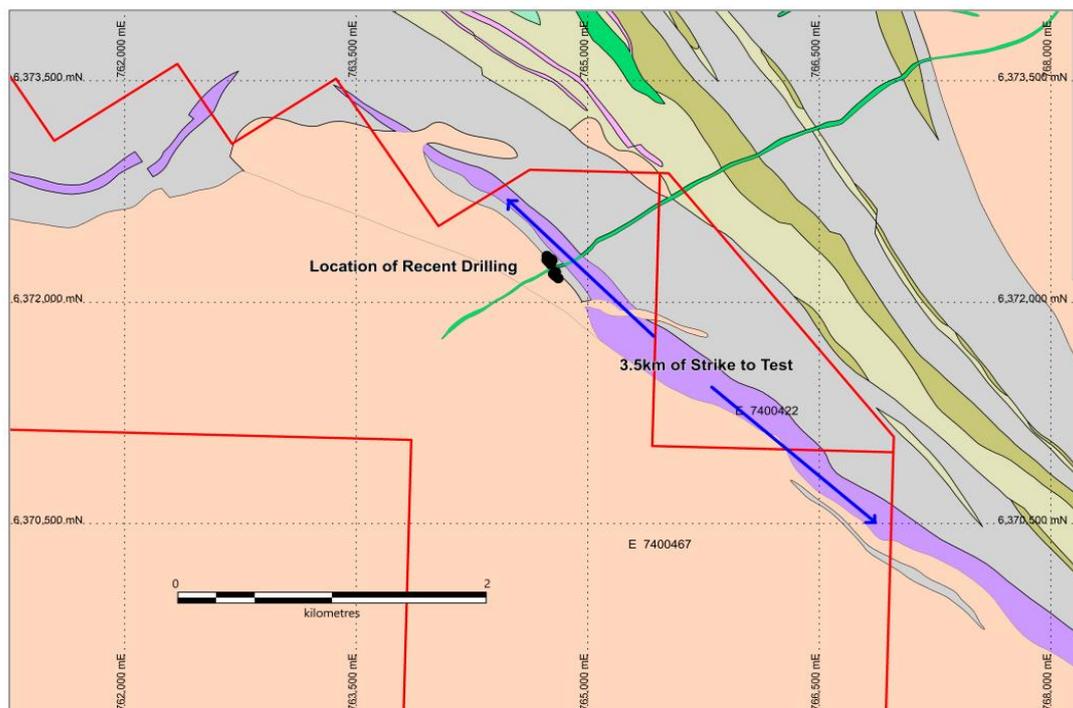


Figure 3: Kat Gap plan view showing strike length to be tested in follow up drilling

I. 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.

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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 considered

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 Australian Institute of Geoscientists (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.