

31 July 2019

JUNE 2019 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 1st Quarter (July 2019 – September 2019) and aims to:

- Continue focused and targeted drilling 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;
- RC Drilling at Kat Gap looking for cross-cutting high-grade quartz reefs at right angles to existing NW – SE orientated gold lodes;
- Continue to raise capital & pay down debt & liabilities to improve the financial position of the Company.

1. KATGAP DRILLING

Classic drilled a total of 32 holes for 2040m at Kat Gap and is pleased to confirm that most holes returned gold mineralisation striking in a northwest-southeast direction. The drilling has now extended the strike coverage to **400m with mineralisation open in all directions.**

RC drilling was primarily focused on testing the main granite-greenstone contact gold zone a further 200m north of Classic's previous drilling down to a vertical depth of only 50m below surface. Sixteen RC holes FKGR074 - FKGR089 for a total of 1,200m were drilled north along strike on 40m spaced sections. Gold mineralisation was encountered on the northern most drill line with no historical RC drilling conducted north of this point. Better results from these holes include:

- 5m @ 3.75g/t Au from 17m including 1m @ 11.20g/t Au from 19m in FKGR074.
- 9m @ 4.48g/t Au from 42m including 1m @ 24.20g/t Au from 49m in FKGR075.
- 3m @ 3.40g/t Au from 37m in FKGR078.
- 7m @ 3.95g/t Au from 54m including 1m @ 13.50g/t Au from 55m in FKGR079.
- 3m @ 9.89g/t Au from 36m including 1m @ 20.60g/t Au from 36m in FKGR081.
- 3m @ 11.03g/t Au from 50m including 1m @ 28.04g/t Au from 50m in FKGR082.
- 1m @ 15.90g/t Au from 33m in FKGR085.
- 2m @ 15.80g/t Au from 58m in FKGR086.
- 6m @ 2.19g/t Au from 10m in FKGR087.

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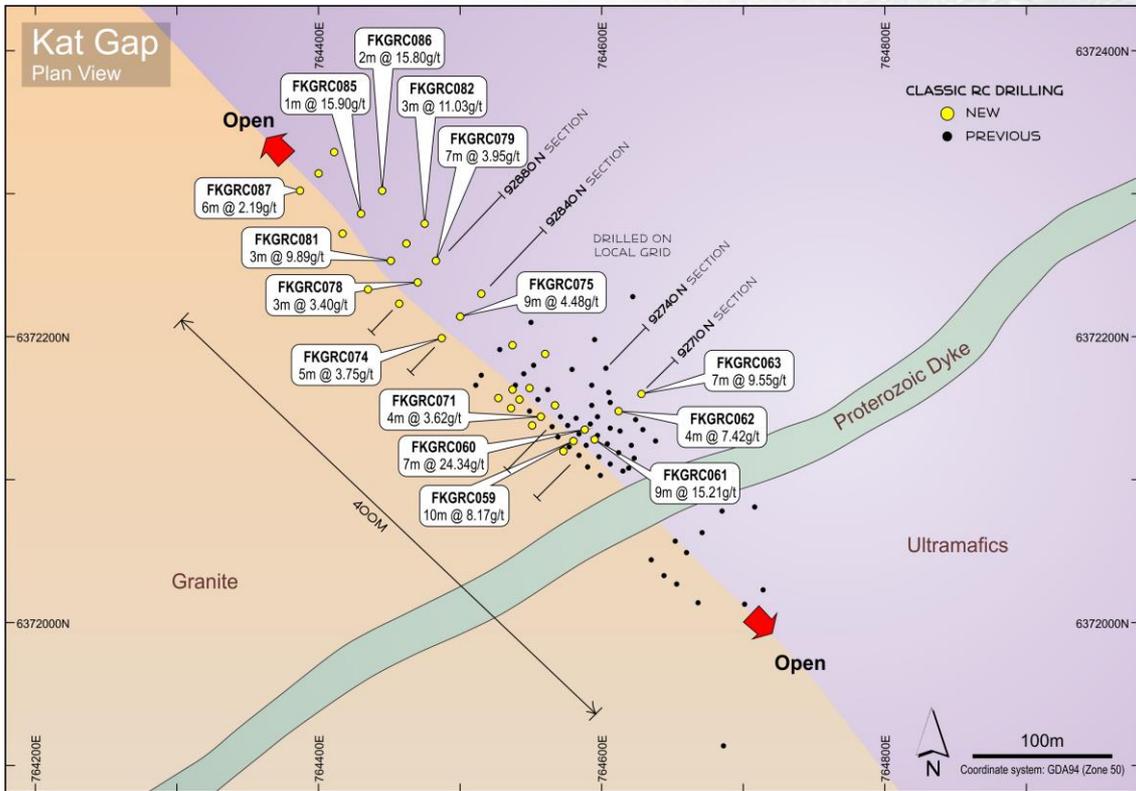


Figure 1: Kat Gap plan view showing recent and previous Classic RC drilling plus significant gold intersections



Figure 2: June 2019 Drilling campaign at Kat Gap

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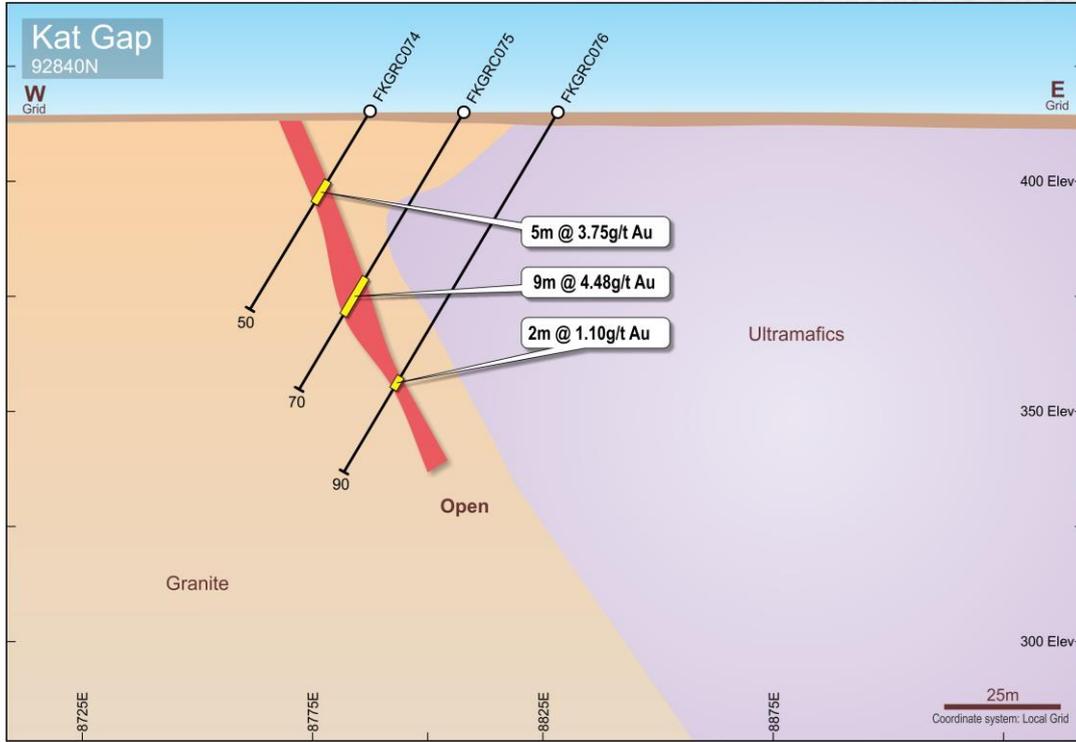


Figure 3: Kat Gap Cross Section 92840N (local grid) Looking North

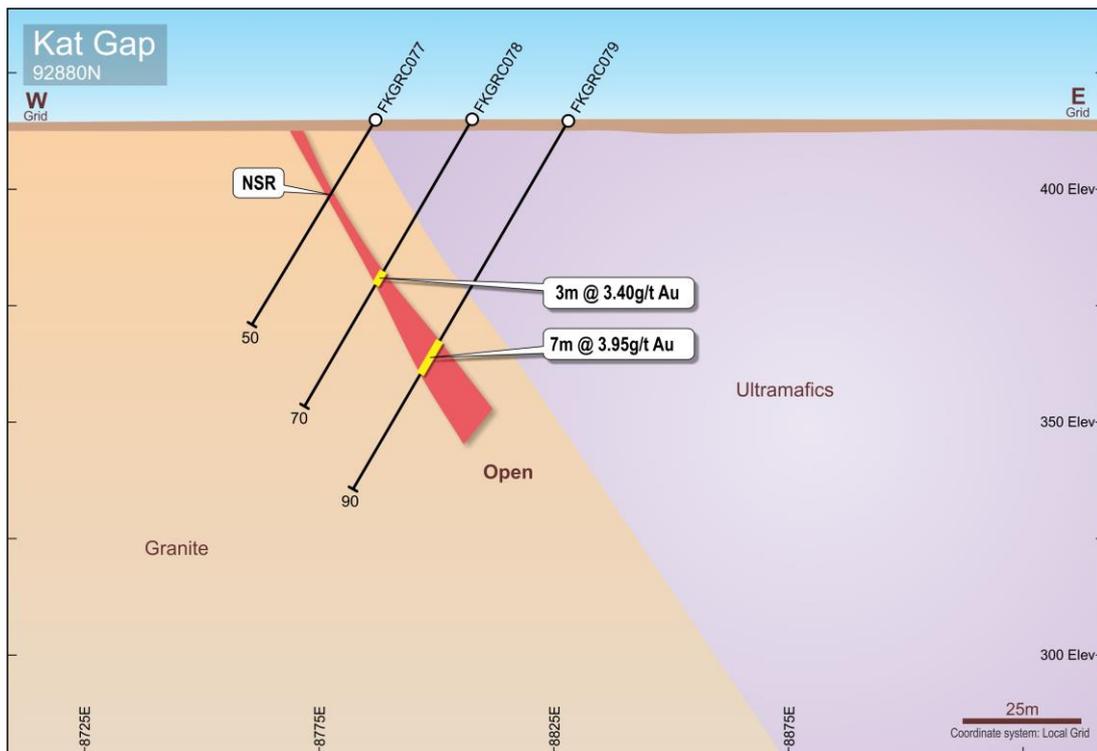


Figure 4: Kat Gap Cross Section 92880N (local grid) Looking North

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Sixteen RC holes FKGR058 - FKGR073 for a total of 840m were also drilled testing the up-dip and down-dip projection of the main granite-greenstone contact lode in the vicinity of the cross-cutting Proterozoic dyke. This closer spaced drilling was designed to test grade continuity up and down dip and along strike. It was also conducted to provide enhanced detail around gold lode structural orientation including potential plunge direction. Better results from these holes include:

- 10m @ 8.17g/t Au from 7m including 1m @ 66.20g/t Au from 12m in FKGR059
- 7m @ 24.34g/t Au from 24m including 1m @ 78.50g/t Au from 25m in FKGR060
- 9m @ 15.21g/t Au from 22m including 1m @ 58.30g/t Au from 27m in FKGR061
- 4m @ 7.42g/t Au from 66m including 1m @ 13.40g/t Au from 69m in FKGR062
- 7m @ 9.55g/t Au from 89m including 1m @ 42.40g/t Au from 95m in FKGR063
- 4m @ 3.62g/t Au from 18m in FKGR071

The closer spaced drilling has shown the main granite – greenstone contact is rolling in the up dip and down dip projection. Where the contact is steep the gold lode tends to narrow and weaken in grade. As the contact rolls to a flatter angle both the width and grade of the gold lode increases (see sections 92710N and 92740N).

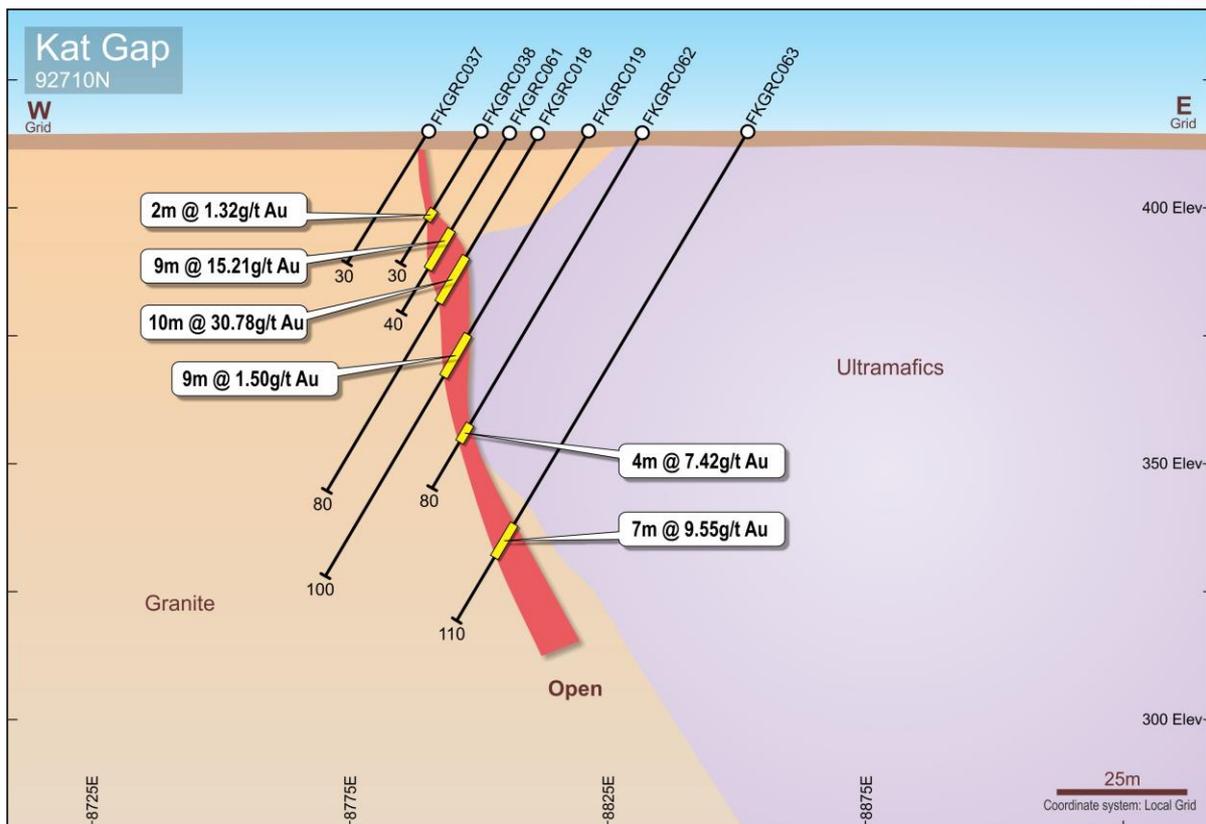


Figure 5: Kat Gap Cross Section 92710N (local grid) Looking North

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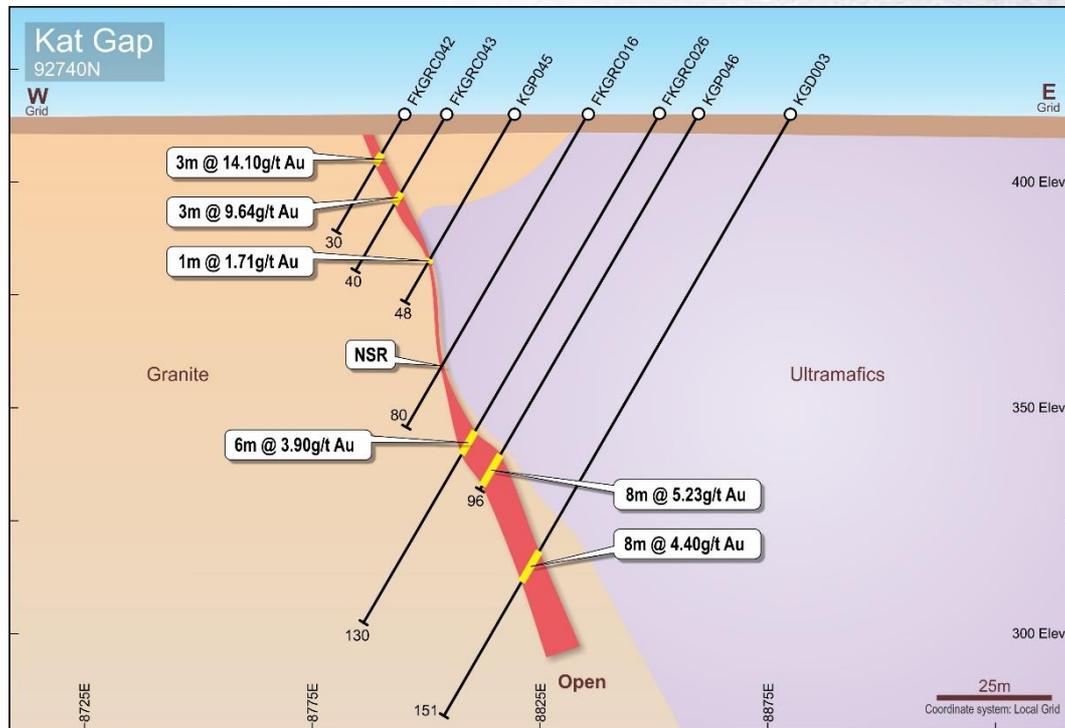


Figure 6: Kat Gap Cross Section 92740 (local grid) Looking North

2. PREVIOUS RC DRILLING AT KAT GAP BY CLASSIC

Previous historical high-grade RC drill intercepts prior to Classic's drilling 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 mineralisation 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 completed 4 separate drilling campaigns at Kat Gap prior to the most recent RC drilling program. A total of 57 holes for 3891m was completed between May and November 2018 all returning significant high-grade gold intercepts. The majority of the drilling is relatively shallow, down to approximately 60m vertical depth below surface and covered a strike length of the granite – greenstone contact of approximately 200m. The main area of drilling has been focused primarily on and adjacent to both 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 four 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;
- 10m @ 4.18 g/t Au from 26m including 1m @ 15.10 g/t Au in FKGR022;
- 9m @ 8.08 g/t Au from 95m including 1m @ 62.30 g/t Au in FKGR025;
- 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;
- 3m @ 14.10 g/t Au from 10m including 1m @ 37.40 g/t Au in FKGR042;
- 3m @ 9.64 g/t Au from 20m including 1m @ 25.10 g/t Au in FKGR043.

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3. FUTURE DRILLING PLANNED FOR KAT GAP

Future drilling programs at Kat Gap will focus mainly on testing the main granite – greenstone contact further north and south along strike from the current drilling area. The next RC drilling program will test the northerly extensions for another 200-300m along strike. RC Drilling will also probe at depth below the current shallow holes along the entire 400m of strike delineated by Classic to date. Several deep orientated diamond holes designed to collect valuable structural data will probe the system to 300m vertical below surface.

Aircore and RC drilling programs will also be conducted out into the granite to test the large 5 km long geochemical anomaly identified in historical auger soil sampling. The initial program will focus around the cross-cutting Proterozoic dyke where high auger values were returned along with a dilational site located in the north-eastern most area of the geochemical anomaly.

Historical RC drilling at Kat Gap is mostly 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.

Classic has planned follow up RC and diamond holes with drilling scheduled for early in August.

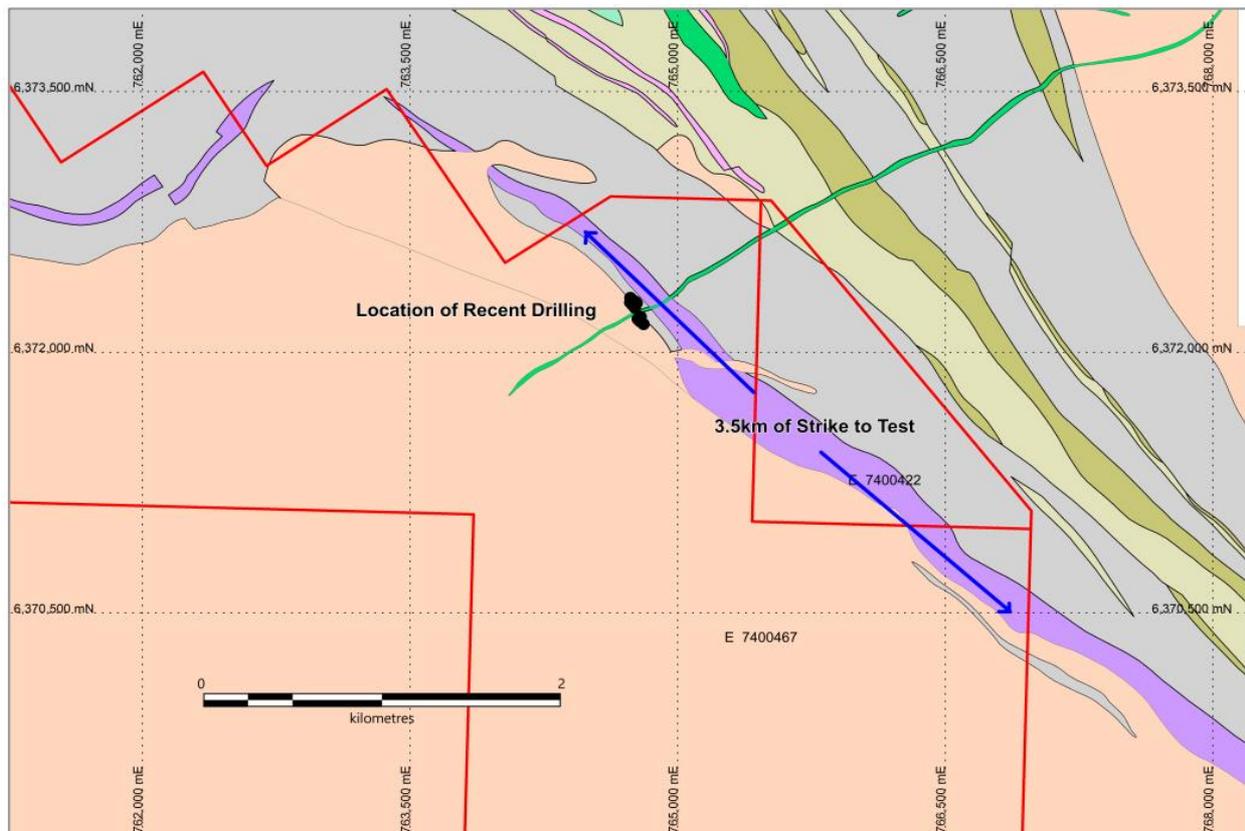


Figure 7: Kat Gap plan view showing strike length to be tested in follow up drilling

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4. 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.

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
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 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 30 June 2019		
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 June 2019

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(54)	(2,247)
(b) development	-	-
(c) production	-	-
(d) staff costs	(11)	(208)
(e) administration and corporate costs	(125)	(680)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	1
1.5 Interest and other costs of finance paid	(11)	(530)
1.6 Income taxes paid	-	(11)
1.7 Research and development refunds	-	1,278
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(201)	(2,397)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	(45)

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
2.2 Proceeds from the disposal of:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(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 & options	307	2,724
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	-	(138)
3.5 Proceeds from borrowings	164	1,149
3.6 Repayment of borrowings	(171)	(1,884)
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other	-	-
3.10 Net cash from / (used in) financing activities	300	1,851

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	35	726
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(201)	(2,397)
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)	300	1,851
4.5 Effect of movement in exchange rates on cash held	-	-
4.6 Cash and cash equivalents at end of period	135	135

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	135	300
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)	135	300

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

Current quarter \$A'000
-
-

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

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

Current quarter \$A'000
-
-

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

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 for the quarter ended 30 June 2019.

9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	250,000.00
9.2 Development	-
9.3 Production	-
9.4 Staff costs	40,000.00
9.5 Administration and corporate costs	30,000.00
9.6 Other (provide details if material)	-
9.7 Total estimated cash outflows	340,000.00

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			No Changes	
10.2 Interests in mining tenements and petroleum tenements acquired or increased			No Changes	

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:

Date: 31 July 2019
Company Secretary

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.