

ASX Announcement

14 July 2020

Kat Gap metallurgical studies demonstrate outstanding recoveries.

Highlights:

- Conventional gravity test-work has yielded exceptional recoveries of ~75 % with leach recoveries from the concentrate above 95% indicating that acceptable economic recoveries are possible with simple processing techniques;
- **Conventional Leach test-work has yielded overall recoveries of between 95 and 96%;**
- Kat Gap gold mineralisation is present from surface allowing reduced mining costs due to minimal pre-strip and lower strip ratios. This combined with the metallurgical test work results suggest that cost effective gold recoveries are possible with a relatively simple low cost processing facility.

1. INTRODUCTION

WA-focused gold exploration and development company Classic Minerals Limited (ASX: CLZ) ("Classic", or "the Company") is pleased to announce that it has completed its preliminary metallurgical test work program on drill samples collected from drilling at Kat Gap. The test work has been conducted by the metallurgical laboratory **Nagrom**, located in Kelmscott WA of oxide and fresh mineral samples from the Kat Gap program. The tests completed covered both conventional gravity and leach testing on the samples provided. The results have been particularly encouraging for Classic Minerals as the material tested indicated that the **majority of the gold could be recovered by traditional gravity separation techniques** and with the mineralisation located from near surface this has the potential to provide a low processing cost option for the material.

The conventional gravity separation process has delivered up to 75% gold recovery from the oxide samples with the conventional cyanide leach process provided 95% - 96% recovery from both fresh and oxide samples. These results are extremely positive, and the next stage of testing focussing on variability across the mineralisation and firming up the process options to deliver the indicated recoveries consistently.

The preliminary results indicate that Classic has the potential for **early revenue generation** through either toll treatment or self-processing of the material from Kat Gap. The toll treating provides rapid cash flow while the onsite processing provide greater profitability as Classic can control all mining and processing costs.

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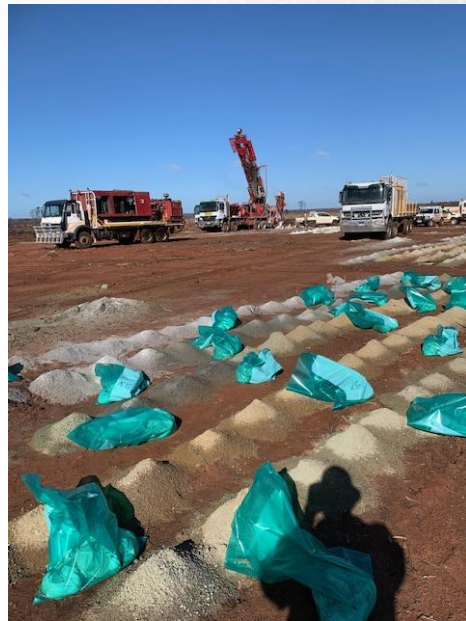


Figure 1: Recent drilling and gold panning at Kat Gap

Classic CEO Dean Goodwin said:

We are fortunate to have, after conducting detailed research, found that the metallurgical results confirm that the ore, when processed using traditional gravity and leach processes provide an outstanding gold recovery.

The recent results (ASX announcement 09 July 2020) gives great hope that there is the possibility of gold deposits to augment and further enhance the gold resources already determined at Kat Gap.

We will be working on extending the resource with more infill drilling and then expanding the resource with extensional drilling along strike as well as in the granite.

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2. ABOUT THE FORRESTANIA GOLD PROJECT (FGP)

The FGP Tenements (excluding Kat Gap) 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 the gold rights on the Kat Gap Tenements and also non-gold rights including but not limited to nickel, lithium and other metals.

Classic has a Global Mineral Resource of **8.24 Mt at 1.52 g/t for 403,906 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 Kat Gap is tabulated below.

Additional technical detail on the Mineral Resource estimation is provided, further in the text below and in the JORC Table I as attached to ASX announcements dated 18th December 2019, 21st January 2020, and 20 April 2020.

Prospect	Indicated			Inferred			Total		
	Tonnes	Grade (Au g/t)	Ounces Au	Tonnes	Grade (Au g/t)	Ounces Au	Tonnes	Grade (au)	Ounces
Lady Ada	257	2.01	16,600	1,090,800	1.23	43,100	1,348,100	1.38	59,700
Lady Magdalene				5,922,700	1.32	251,350	5,922,700	1.32	251,350
Kat Gap				975,722	2.96	92,856	975,722	2.96	92,856
Total	257	2.01	16,600	7,989,222	1.50	387,306	8,246,522	1.52	403,906

Notes:

1. The Mineral Resource is classified in accordance with JORC, 2012 edition
2. The effective date of the mineral resource estimate is 20 April 2020.
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

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.

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