

12th September 2022

ASX Announcement

APPROVAL TO COMMENCE MINING OPERATIONS

Highlights:

- DMIRS has approved the Project Management Plan for the Kat Gap Gold mining project paving the way for Mining Operations to commence.
- The notification of “Approval to Commence Mining Operations” for Kat Gap pursuant to the PMP is a key regulatory approval required to commence mining at the Project.
- The PMP provides confirmation that the Kat Gap Gold Mine site occupational health and safety management systems satisfy the requirements under WA mines safety legislation.
- A major condition precedent for the Goldvalley financing – satisfied.



INTRODUCTION

Classic Minerals Limited (ASX:CLZ) (Classic) is pleased to announce that it has received notification from the Department of Mines, Industry, Regulation and Safety (DMIRS) of an "**Approval To commence extractive Mining Operations**" for the Kat Gap gold Mine (Project), following confirmation by DMIRS that the Project Management Plan (PMP) previously submitted by the Company satisfies the requirements under section 42 of the Mines Safety and Inspection Act 1994(WA) and Regulations 3.12 and 3.13 of the Mines Safety and Inspection Regulations 1995 (WA).

This approval clears Classic of the key regulatory requirements for advancement of the Project and the Company is continuing to work with DMIRS and other agencies to secure the necessary remaining approvals required to commence on-site processing operations. The Classic team continues to investigate the mining schedule to accommodate any potential resource increase and production increases.

Recent work has included a major infill drilling program to facilitate final pit design work, processing plant layout, TSF design and metallurgical gold recoveries to update project modelling. Onsite development is well advanced with clearing completed for major infrastructure ahead of PMP approval including mine administration offices, workshop areas, laydown yards, main access roads, camp site, mine construction and all surface development.

Applications for related Works Approval regarding the processing facility and TSF licencing have also been submitted to the Department of Water and Environmental Regulation (DWER) for approval, pursuant to environmental legislation and regulations, and are pending departmental approvals. The processing submission includes installation and operations of a gold circuit, gold room, product sampling, dewatering, crushing circuit Gekko gravity circuit, tailings storage facility, fuel systems, processing control systems and high voltage power among others. Remaining required approvals to deliver the processing facility and remaining infrastructure are expected in November 2022.

Figure 1: Kat Gap Bulk Sample Pit



Figure 2: Kat Gap Bulk Sample Pit



“Chairman John Lester said, the completion of the extensive health, safety, and environmental approvals process by the DMIRS is significant milestone for the Company, securing the necessary approvals to enable full-scale mining activities to commence.

In conjunction with the recent announcement of funding from Goldvalley Brown Stone Pty Ltd (ASX Announcement 09 Sept 2022) Classic can complete major construction milestones on site and move into extractive mining at Kat Gap

“Classic would like to again thank its key staff member Jacob Douch and his team for the outstanding efforts working through this complex approval process. “

ABOUT THE FORRESTANIA GOLD PROJECT

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 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 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 1 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	257,000	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	257,000	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*

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.

This announcement has been approved by the Board.

ENDS: