

10 October 2022

ASX Announcement

6.06 g/t Au AVERAGED IN FIRST BULK SAMPLE ORE THROUGH GEKKO

- Assay Results from recent Gekko Pilot plant test work confirms average head grade of 6.06 g/t.
- Pilot head grade much higher than average inferred resource grade calculated in April 2020
- Gravity recovery 73.2% into a mass pull of 4.6% of the feed
- Compares well against previous bench scale metallurgical testwork of 65-75% gravity gold recoveries into a mass pull of 5%.
- Gekko plant, followed by a grinding and leaching circuit confirms 98% gold recovery in metallurgical test work.

Classic Minerals Limited (ASX: CLZ) (**Company**) advises that it has received assay results from the recent pilot plant test-work¹. **The average head grade for the first portion of the bulk sample ore from Kat Gap is confirmed at 6.06 g/t.** The mining of the bulk sample combined with the lab studies of 29 Sept 2020 and processing ore through the Gekko pilot plant gives a large degree of confidence to the Company. The original JORC resource was calculated to be “1Mt @ 3gpt Au for 93koz (0gpt lower cutoff)”². The actual grade calculated from the pilot plant run of 6.06 g/t Au is **much higher than the average inferred resource grade calculated in April 2020.**

¹ ASX Announcement 29 Sept 2022

² ASX Announcement 20 April 2020

The gravity gold recovery is once again in line with expectations, with a **recovery of 73.2% into a mass pull of 4.6% of the feed**. This compares very well against previous bench scale metallurgical test work of 65-75% gravity gold recovery in approximately 5% mass pull³. These results clearly demonstrate that the Gekko plant is perfectly suited to Kat Gap style ore capable of extracting high levels of gravity gold at relatively low cost. The gravity concentrate produced at a low cost with no chemical reagents provides confidence of the viability of the milling process.

The concentrate contained crushed material with a top size of 2.5mm, which was predominantly quartz with minor fractions of iron oxide and other base metal minerals. Gold was present as both freely liberated gold (38% of the concentrate gold) and as binary gold/gangue particles. Examination of the concentrate with a loupe evidenced gold particles partially liberated within quartz particles, as well as fully liberated gold particles. (Base metal scan currently underway to determine minerals/metals present in the concentrate).

The Pilot run demonstrates that **the Gekko flowsheet effectively concentrates the gold ore to produce a high-grade concentrate**, whilst discarding a proportion of the gold into a low-grade tailings stream. In this instance the concentrate assayed approximately 90 g/t Au, with a tailings grade of 1.62 g/t Au giving an overall head grade of 6.06 g/t Au.

By controlling the mass pull to an optimal value, the project financials may be maximised based on the gold price, and ore feed grade, and three configurations may be entertained with the current plant flowsheet.

- (a) Low grade feed upgraded to an economic grade at a high throughput rate.
- (b) Upgrade High grade ore to discard most of the mill feed as a 'low grade' tail which may be economic to process at a later date when there are sufficient tonnes.
- (c) High grade ore processed through the Gekko Plant to produce a gravity concentrate at low cost and reagent usage; with gravity tail leached.

The Gekko plant offers a versatile gold processing plant that will allow Classic to optimise recovery at the Kat Gap plant, depending on market conditions, ore competency, ore grade, and gold price.

³ ASX Announcement 10 August 2020

The Gekko plant, followed by a grinding and leaching circuit has been shown to **demonstrate 98% gold recovery in metallurgical testwork**. The ore type is a typical free milling non-refractory ore type that is common in the eastern goldfields; with recoveries ranging from 95% and higher for most of these ore types when milled with reasonable diligence.

The ore material put through the Gekko Pilot plant test run was sourced from the last material mined from the base of the bulk sample pit. This material, from flitch/bench 376-374m RL had an average resource block model grade of 5.12 g/t Au. The Gekko pilot test run returned an average head grade of 6.06 g/t Au for the same material which is 16% higher than the predicted block model grade. **These early results are very encouraging and bode well for future open pit mining operations.**

Dean Goodwin said “The higher grades returned from the Gekko pilot run are not surprising to me given most of the open pits I’ve worked on in the Forrestania area returned positive reconciliations meaning we got more gold out of them than we originally thought we would get. So, seeing these higher-than-expected results from Kat Gap albeit exciting are not surprising to me. Let’s look at Lady Ada (formally Blue Haze) for instance. It’s pre mining block model resource was 154,374t at 4.57 g/t for contained 22,536 ounces but when Sons of Gwalia mined it back in 2003, they ended up mining 95,865t at 8.81 g/t Au for 27,154 ounces, substantially higher grade and more ounces than predicted. **There is no geological reason why Kat Gap won’t preform in a similar manner, maybe a few less tonnes but at a higher grade and more ounces”**

Chairman John Lester said The company is ecstatic about the high grades coming from the metallurgical reports. We were aware that there was a high degree of gravity recovery from the Kat Gap ore but the **73.2% is admirable**. Furthermore, the met test results showing a **98% recovery of gold from Kat Gap ore** will mean that this extent of recovery can be repeated during any toll milling that may be undertaken while we are waiting for all our processing licenses. **I believe that the Kat Gap Plant will be in the lower cost quartile due to the beneficiation of the ore prior to gold recovery.** All this bodes extremely well for the future revenue generation for Classic.

Figure 1: Gold from Kat Gap ore across Met shaker table Figure 2: Kat Gap Gold from Gekko spinner concentrate



**Figure 3: Gold from Kat Gap ore
in panning dish.**



**This announcement has been
approved by the Board.
ENDS:**



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, 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 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

Competent Persons Statement

The information contained in this report that relates to Metallurgy is based on information compiled by Mark Hargreaves, a Competent Person who is a Member of the Australian Institute of Mining and Metallurgy (AusIMM). Mr Hargreaves is a consultant metallurgist and consults to Classic Minerals Ltd. Mr. Hargreaves 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. Hargreaves consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

The Company confirms that it is not aware of any new information or data that materially affects the information included in this market announcement and, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.