



CLASSIC MINERALS LIMITED

71 Furniss Rd

Landsdale WA 6065

ASX: CLZ | ABN 77119484016

contact@classicminerals.com.au

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ASX ANNOUNCEMENT

FINAL APPROVAL RECEIVED FOR COMMENCEMENT OF PRODUCTION AT KAT GAP

Highlights

- **Classic Minerals has received the final Ministerial approval for its Gekko processing plant allowing for the commencement of production and cashflow at Kat Gap**
- **Mobilising construction team to site this week**
- **Bulk Sample ore stockpile (6500 tonnes at 6g per tonne)¹ ready to be processed once Gekko plant has been reassembled.**
- **Account approved with Perth Mint for the facilitation of early gold sales**
- **The low base metal content of the ore results in a very low reagent consumption, thus the operating cost will be lower than many other gold processing operations.**
- **Ability to beneficiate low grade ores to reject uneconomic waste materials and minimise cost per tonne processed**
- **High gold recovery at relatively coarse grind size**
- **Low energy requirement due to coarse grind minimises greenhouse gases and operating cost**

Final Approval For The Commencement Of Production

WA-focused gold mining company, Classic Minerals Limited (ASX. CLZ) ("Classic", or "the Company") is pleased to announce that the final major milestone to begin production has been achieved, with the grant of the Ministerial approval for the installation and use of the Gekko processing plant.

The approval of the Company's processing proposal by the Department Industry, Mines, Regulation, and Safety ("DMIRS") ("the Approval"), in combination with recently approved mining approval (extractive), Mine Closure Plan (MCP), Project Management Plan (PMP) and Native Vegetation Clearing Permit (NVCP), allows Classic to commence full scale mining and processing at its Kat Gap Gold Project.

¹ ASX Announcement 17 Oct 2022



The approval includes installation and operations of a gold circuit, gold room, product sampling, dewatering, crushing circuit, Gekko gravity circuit, CIL circuit (to be confirmed), tailings storage facility, fuel systems, processing control systems and high voltage power among others.

Classic's Chairman John Lester said, *"the Ministerial approval was the final remaining hurdle required and the Company was now poised to begin full scale mining and processing gold ore using its own on-site facilities."*

"Classic Minerals Ltd is very pleased to be progressing this important project to establish a processing facility in Forrestania, Classic expects to be the only other gold processing plant in the region apart from Marvel Loch gold mine," Mr Lester said.

He emphasised that Classic has adhered to the strict environmental conditions of Western Australian regulators.

"The Company would like to thank its approvals team for the efforts working through this complex approval process which is consistent with our environmental, social and governance (ESG) approach, also our commitment to operating in a way that is safe for our people, our communities, and the environment with an objective to contribute positively to the communities in which we operate."

The new plant will process gold ore from the Company's Kat Gap mine, generating approximately 10 construction and 50 ongoing jobs in the region, he said.

Mr Lester emphasised that Classic's mining and processing provides a low capex pathway forward whilst retaining a solid proportion of the profits and avoiding dilution. He said *it has always been the Company's strategy to retain control of the project and ensure greatest shareholder benefits.*

Processing of Bulk Sample Ore

The processing of the bulk sample gold ore will be undertaken onsite at the Kat Gap gold project. With new data received, optimisation of the Company's financial modelling, mine plan, processing plant and pit designs can be undertaken.

The Bulk Sample ore is expected to have an average head grade up to 6.0 g/t². Classic plans to produce a gold bar of dore and have it refined at the Perth Mint to generate early cash flow within 12 weeks.

Recent metallurgical and processing test work on of the Kat Gap ore highlighted the high amenability to a traditional gravity, then cyanide leach plant with approximately 98% overall recoveries feasible³.

² ASX Announcement 17 Oct 2022

³ ASX Announcement 17 Oct 2022



Operational Optimisation

The potential gold recovery (recoverability) is in the region of 98% for all samples tested, and this trend is likely to continue; however Classic will implement a diagnostic testing laboratory onsite to rapidly respond to changes in mineralogy and metallurgical characteristics.

The operating plan is for geo-metallurgical and diagnostic analyses to be carried out on a weekly basis to assess the ore and tailings for trends in recovery, allowing Classic to rapidly respond to changes in orebody characteristics and tune operating parameters accordingly.

Recent metallurgical test work programs on the Kat Gap ore has highlighted the high amenability of the presented ore to a traditional gravity then cyanide leach plant with ~98% overall recoveries feasible. The ore can be considered free milling, displaying no refractory behaviour, and containing minimal concentration of deleterious minerals commonly observed in the greater Goldfields⁴.

Classic Transitioning from Exploration to Production

Over the coming months Classic will move into a new phase from a **pure explorer to gold producer**. With the successful extraction of the bulk sample ore several months ago and the successful pilot run of the Gekko gravity treatment plant, the Company is ready for its next stage in its evolution. It intends to take a staged approach to mining at Kat Gap aiming to reduce early overhead costs and mitigate risk.

Final staged pit design work has commenced, as it's the Company's intention to reduce overheads where possible to maximise profits and minimise risk to the operation.

⁴ ASX Announcement 17 Oct 2022

About Classic Minerals Ltd

Expanding its focus from exploration to mining, West Australian-based, minerals house Classic Minerals Ltd holds a pipeline of projects and continues to examine new opportunities both cyclic and counter-cyclic. Currently, ASX-listed Classic holds approximately 578 km² of tenements across two major regional exploration areas in minerals-rich West Australia. Classic’s ground is in areas with identified high grade gold and base metal targets. Classic’s flagship Kat Gap Gold Project has been the recent focus of its exploration, mining and processing efforts and is strategically located some 170 km south of Southern Cross and some 50 km south of the Company’s Forrestania Gold Project. With strong grades and near-surface mineralisation Kat Gap is soon to attain full scale production.

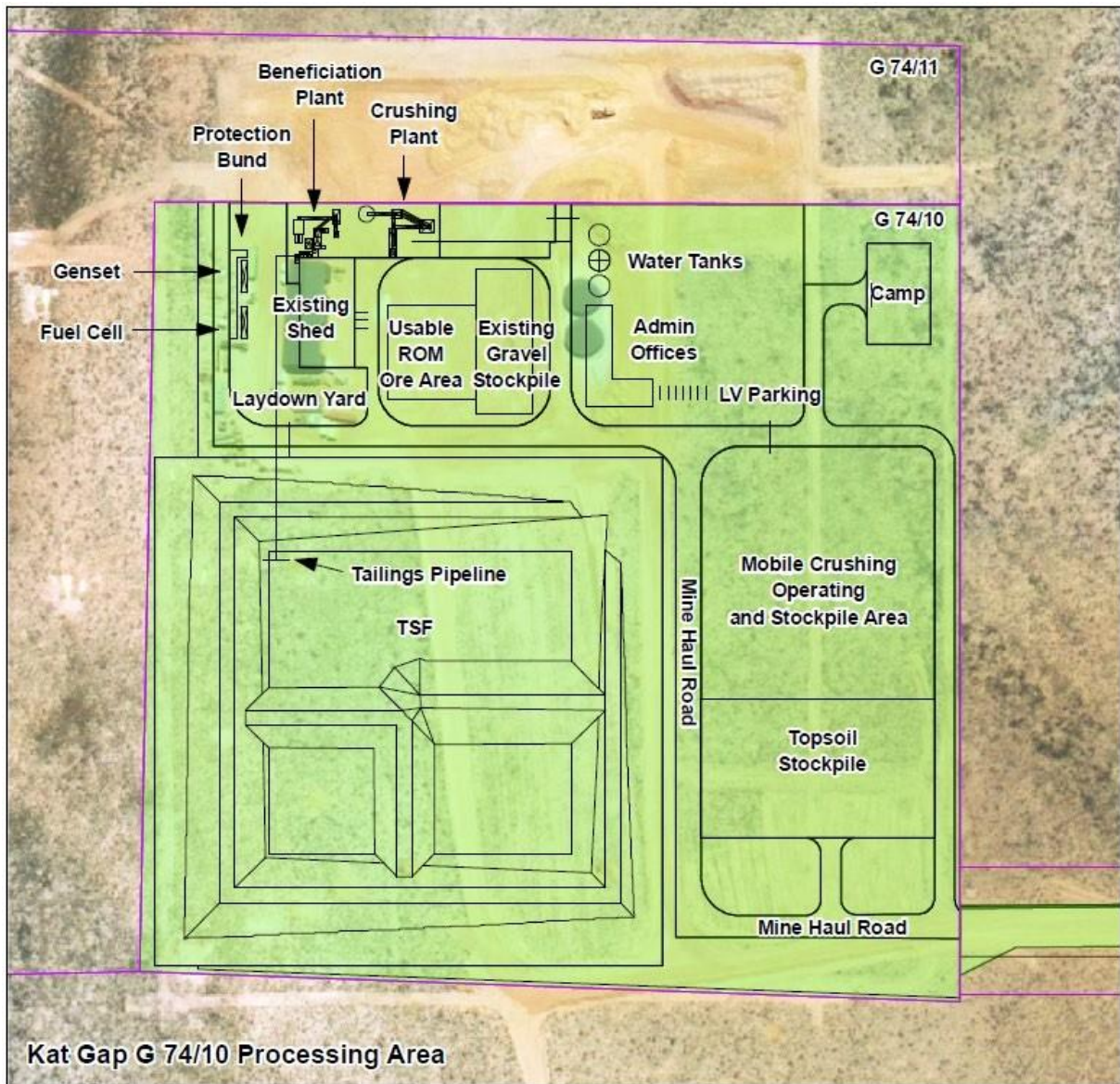


FIGURE 1: Site Layout of Kat Gap Processing Facility



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FIGURE 2: Gekko plant components ready for construction at KAT GAP



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FIGURE 3: Gekko Pilot used at Classic's yard



FIGURE 4: Aerial view of Kat Gap Processing Site

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 inferred and indicated mineral resources 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 18 December 2019, 21 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	257,300	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	257,300	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*

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.



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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 Statements

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.

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.