

ASX Announcement

ASX: CLZ ACN 119 484 016

15 May 2018

CLASSIC UNEARTHES BRAND NEW HIGH-GRADE GOLD DISCOVERY AT FORRESTANIA.

Highlights:

- Compelling new gold discovery at Van Uden West: **Results include 12m at 5.75 g/t Au from 59m including 1m at 25.60 g/t Au from 59m in VUWRC002**
- New discovery covered by thin veneer of transported sands and clays effectively masking the gold mineralisation from surface detection
- Kat Gap delivers significant high-grade results and remains open along strike: **Results include 5m at 14.10 g/t Au from 17m including 1m at 48.40 g/t Au from 20m**
- Lady Lila drilling returned excellent results and mineralisation remains open along strike: **Better results include 14m at 3.70 g/t Au from 71m including 1m at 13.20 g/t Au from 79m in FLLRC002 and 8m at 3.21 g/t Au from 70m including 1m at 11.40 g/t Au from 72m in FLLRC004**
- Cost-effective maiden drilling program (<\$50,000 AUD inc assays and tech work) consisting of 11 RC holes for 750 metres delivers outstanding results

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 received assays results from its recent RC drilling program at its Forrestania Gold Project (FGP) in Western Australia.

The Company drilled a total of 11 holes for 750m - 2 holes for 174m at new prospect Van Uden West, 5 holes for 366m at Lady Lila, and 4 holes for 210m at Kat Gap; with the aim of uncovering a new gold system (at Van Uden West) and improving/increasing known mineralisation at Lady Lila and Kat Gap.

Drilling results from Van Uden West confirms the discovery of a significant new zone of gold mineralisation. Preliminary interpretation suggests that the prospect is similar in geological characteristics to Kat Gap with gold mineralisation sitting adjacent to the granite/greenstone contact.

Lady Lila is a BIF hosted gold deposit that is similar in geological characteristics to Bounty and Blue Vein (held by KDR) which are prolific, high grade gold deposits in the region. Drilling at Lady Lila confirmed the existence of a thick, steep east dipping ore zone warranting additional follow up.

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Kat Gap contains a shallow unmined gold deposit discovered in the 1990s, which was the subject of resource estimations and scoping study by Sons of Gwalia in 2003. High grade RC drill intercepts 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 deposit lies within a 5 km long geochemical gold anomaly that has seen very little drill testing, and after this drill program, Classic sees great potential for the discovery of a substantial shallow high-grade gold deposit within the Kat Gap project area.

Drill/assay highlights shown in table below:

Hole	Northing	Easting	From (m)	To (m)	Width (m)	Grade (g/t)
VUWRC001	6438854	746810	32	45	13	0.41 g/t Au
	Including		40	41	1	2.00 g/t Au
VUWRC002	6438868	746845	59	71	12	5.75 g/t Au
	Including		59	60	1	25.60 g/t Au
	Including		67	68	1	14.10 g/t Au
FKGRC001	6372175	764794	17	22	5	14.10 g/t Au
	Including		20	21	1	48.40 g/t Au
FKGRC002	6372192	764776	28	30	2	2.48 g/t Au
FLLRC001	6429881	755651	46	52	6	2.69 g/t Au
FLLRC002	6429879	755670	71	85	14	3.70 g/t Au
	Including		79	80	1	13.20 g/t Au
FLLRC003	6429840	755650	38	39	1	6.07 g/t Au
FLLRC004	6429840	755669	70	78	8	3.21 g/t Au
	Including		72	73	1	11.40 g/t Au
FLLRC005	6429860	755650	43	46	3	3.18 g/t Au

Classic CEO Dean Goodwin said:

First pass regional drilling campaigns don't get any better than this. We encountered thick, high grade zones of mineralisation at each of the drill targets which all remain open along strike with high priority zones requiring urgent follow up. This is a great position for the company to be in: we don't know how big these targets are and can't wait to get stuck back into drilling. The campaign absolutely reinforces how good a project the FGP truly is – our first venture beyond the "flagship" deposits of Lady Magdalene and Lady Ada has been incredibly successful, and we look forward to heading into the next phase of the company's growth and success.

We should also point out that this drilling program, along with all associated assays and additional technical work cost less than \$50,000 AUD. This is a great testament to CLZ's "new" approach to exploration planning and spending at FGP – we carefully plan all exploration activities and keep a tight control on costs to ensure shareholder funds are wisely spent with the goal of delivering value to all shareholders.

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The following map shows the drill sites:

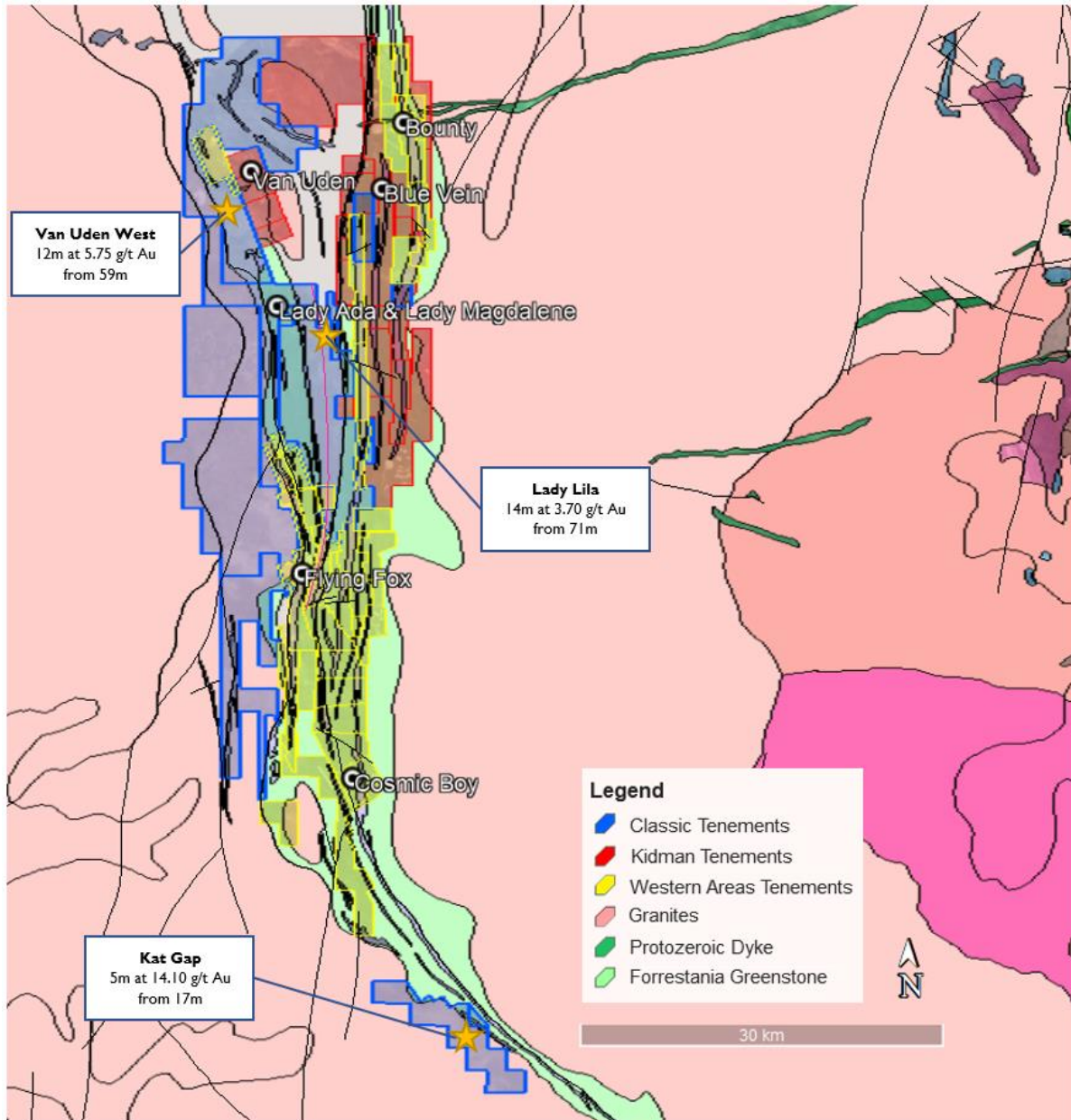


Figure 1: FGP tenure shown in blue. Drill sites & surrounding mines.

2. VAN UDEN WEST – A BRAND NEW GOLD DISCOVERY

After extensive field work and reviewing of historic exploration records, the Company deemed its new target, Van Uden West as being a priority. It is surrounded by historic gold mines Van Uden and Teddy Bear and is situated 11km NW along strike from Lady Magdalene and Lady Ada.

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The geological setting of Van Uden West is similar to Kat Gap but it has transported cover masking the top 10-20 metres of the potential gold mineralisation. Classics decision to test the Van Uden West target is based upon an anomalous air core drill result from the late 1990's. The target has an excellent structural location on the contact between granite and greenstone and it is the belief of the company that the previous shallow, wide spaced air core holes inadequately tested the target.

Classic is excited to confirm that both holes drilled at Van Uden West intersected significant gold mineralisation potentially striking in a north-west/south-east direction with a shallow easterly dip – mineralisation remains open. Drill highlights include: **12m at 5.75 g/t Au from 59m including 1m at 25.60 g/t Au from 59m.**

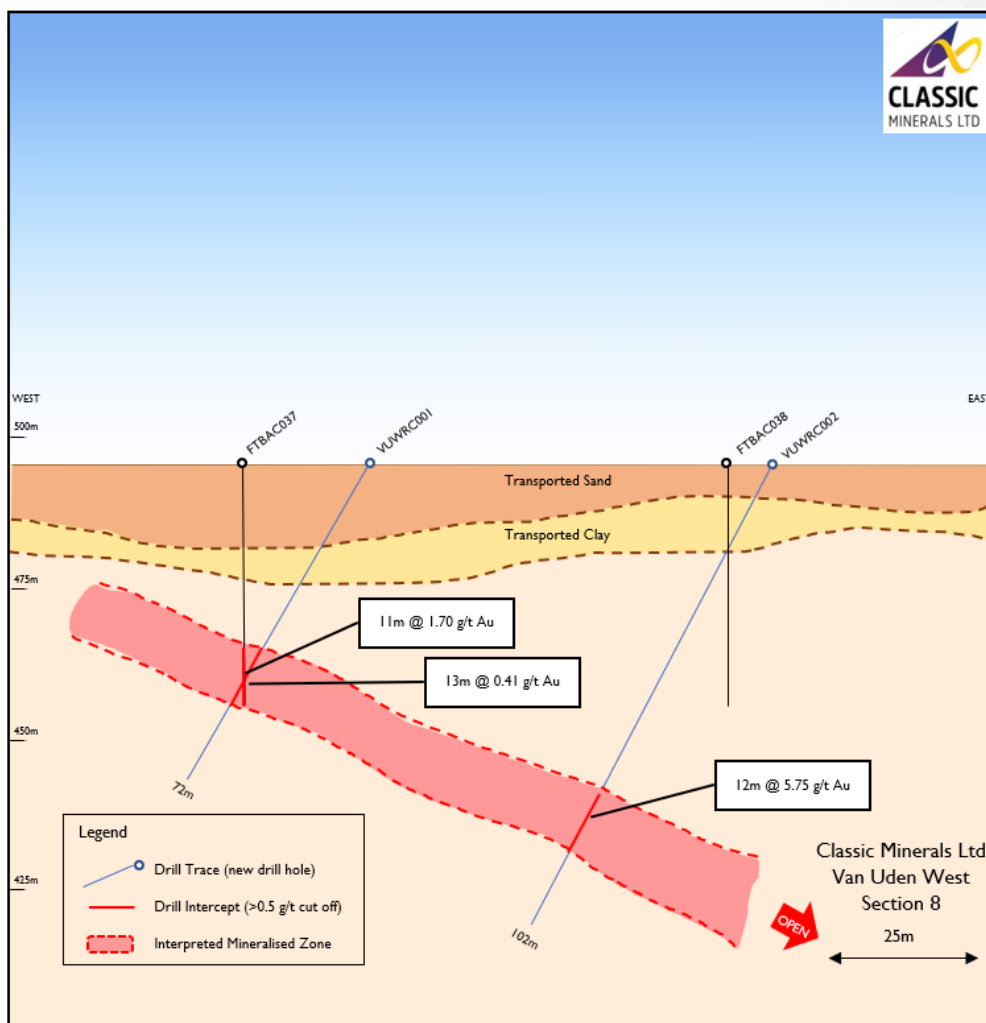


Figure 2: Cross Section Looking North – Van Uden West

Classic postulated that the anomalous mineralisation identified in historic air-core drill hole FTBAC037 represented an undiscovered gold zone shallowly dipping to the east. This has been confirmed by the mineralised zone in VUWRC001 which is then shown to continue down-dip into VUWRC002. With the previous aircore drill spacing at least 250m apart, Classic sees excellent potential to build on this zone with follow up drilling planned around the end of June 2018.

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The newly discovered gold mineralisation at Van Uden West is completely blind, covered by a thin veneer of transported sands and clays.

3. KAT GAP DRILLING – SHALLOW, HIGH GRADE AND UNDER-EXPLORED

Classic drilled 4 holes for 210m at Kat Gap and is pleased to confirm that two holes (FKGRC001 and FKGRC002) returned gold mineralisation striking in a north-south direction – mineralisation remains open. Drill highlights include: **5m at 14.10 g/t Au from 17m including 1m at 48.40 g/t Au from 20m.**

Two holes (FKGRC003 and FKGRC004) were barren – hitting a cross-cutting proterozoic dyke. However, these provide useful information in terms of better understanding local geology and the controls on mineralisation. After this drilling program, Classic's CEO Dean Goodwin believes that the gold is concentrated against the dyke so follow up drill spacings will be relatively close with the aim of getting hard up against the dyke as possible to test that particular theory.

In addition, drill confirmation of the dyke supports geophysical datasets available to the company, meaning that future exploration programs can be planned - making more effective use of modern exploration targeting techniques.

Drilling has shown that primary gold mineralisation is associated with quartz veining developed in granitic rocks at or near to the western granite-greenstone contact of the Forrestania Greenstone Belt. Historical RC drilling is currently 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. Only about half of the 5 km long >50 ppb Au gold-in-soil anomaly has been tested by RC drilling along the granite/greenstone contact.

Classic announced in March (see announcement dated 3 March 2018) that it had secured processing rights at Tianye/Minjar's Marvel Loch Processing Plant located ~100km north of the FGP. With this option to monetise its assets in the near term, the company's strategy is to prove near-surface/high-grade gold mineralisation that may present straightforward mining opportunities. The recent drilling at Kat Gap (4 RC holes for total of 210 metres) shows strong potential to prove up a significant high-grade gold zone less than 20m from surface.

There is a further 5 km of strike of prospective granite-greenstone contact along-strike from the Kat Gap zone within E74/467 that has seen little or no exploration.

4. LADY LILA DRILLING – ANOTHER BOUNTY GOLD MINE?

Lady Lila is situated 4km east of Lady Ada and is hosted by a chert/banded iron formation within the younger metasedimentary central zone. Previous drilling is shallow (approx. 50m depth testing) and generally intercepts the mineralised zone only two-three times per section. Additional drilling is strongly recommended and is required to test the orientation, and down dip extension of the mineralisation. The mineralisation at its strongest is 10m wide, over 400m long, and grades between 2.0-5.0g/t Au.

Drilling at Lady Lila was historically on 100m - 200m spaced drill lines. Classic's recent drilling at Lady Lila was focused on extending high grade air-core/RC hits on the 6429860N line. Drilling either side of this section, Classic confirmed mineralisation extending both North and South along strike. Importantly, mineralisation remains open at depth and additional follow up drilling will be undertaken immediately to continue to grow this deposit.

Five holes (FLLRC001 – FLLRC005 inclusive) for 366m were drilled at Lady Lila with all holes intersecting gold mineralisation. Drill highlights include: **14m at 3.70 g/t Au from 71m including 1m at 13.20 g/t Au from 79m.**

A cross section of Lady Lila is displayed in Figure 3. The present gold mineralisation models indicate a steep easterly dip; future drilling will be to test a possible vertical dip, as gold deposits in the area have been known to steepen at depth (e.g., Bounty and Blue Vein (>1M oz Au) held by Kidman Resources).

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Lady Lila contains a significant strike extent, high and low-grade intercepts, is broadly drilled on 100m – 200m spaced lines and requires additional exploration. Classic aims to re-commence drilling at Lady Lila by the end of the June quarter.

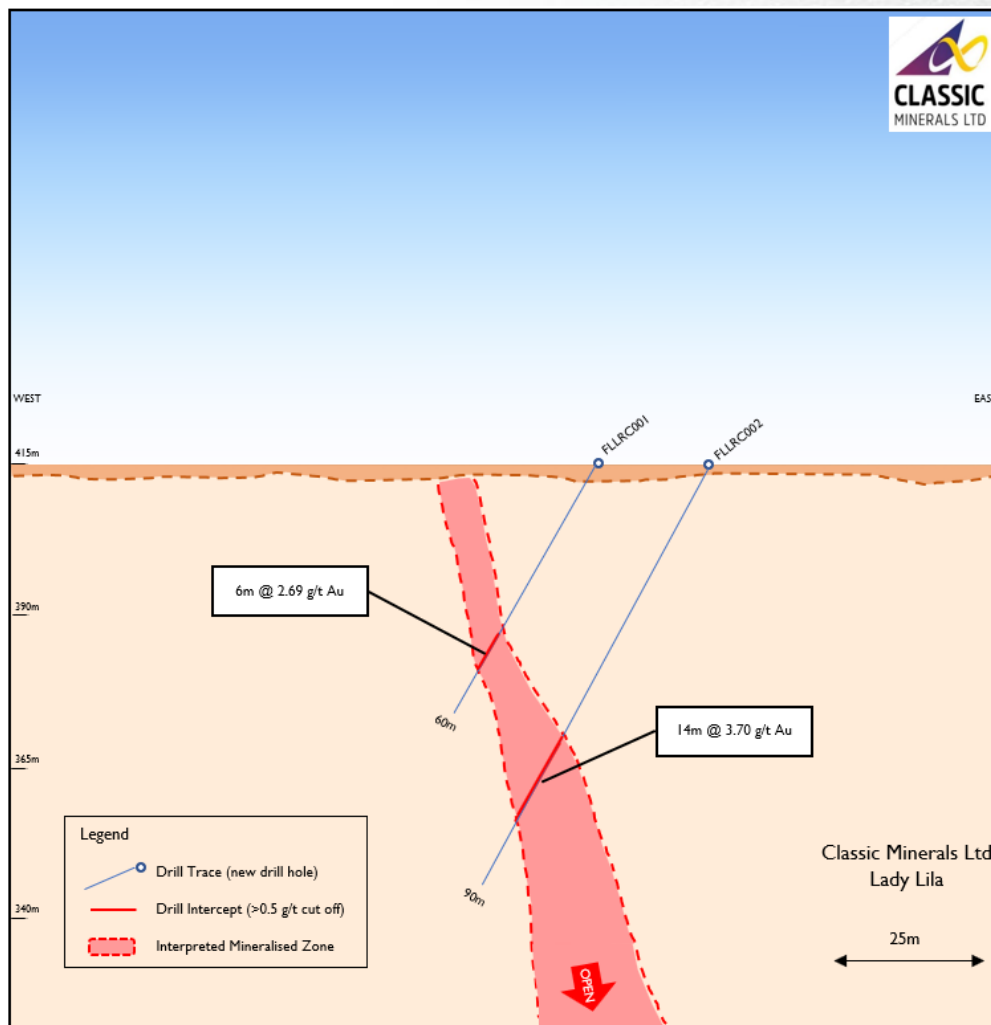


Figure 3 Cross Section 6429880N Looking North – Lady Lila

5. DRILLING AT LADY MAGDALENE – CHASING TRANSFORMATIVE HIGH-GRADE MINERALISATION

Structural readings taken from recent orientated diamond holes MADD003 and MADD004 (see ASX announcement dated 22 March 2018) revealed several quartz veins and narrow shear zones exhibiting similar orientation characteristics to Lady Ada.

Once the logging and structural work was completed, the core was assayed and returned promising gold intercepts in those zones identified as having similar orientation to Lady Ada including 6.5m @ 3.30 g/t Au from 56.5m (including 1m @ 9.52 g/t Au from 60m). This is a very significant development for the company as the current large, modestly graded Lady Magdalene deposit appears to host high grade cross cutting zones of gold mineralisation which are analogous to the high grade Lady Ada mine.

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Classic is now in the process of finalising approvals for a close-spaced RC drilling program to further delineate the dip, plunge and general direction of the high grade structures within Lady Magdalene. The follow up program is designed to confirm the existence of high-grade cross cutting lodes as suggested by relevant orientation data and start to delineate grade, size and extent of the Lady Ada analogue zones within Lady Magdalene. It is expected that the RC drilling will commence in the June quarter.

6. 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. Hannans' 20% interest is free-carried, meaning Hannans is not required to fund any activities on the FGP until a decision to mine has been made. For the avoidance of doubt Hannans Ltd owns a 100% interest in non-gold rights on the FGP 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 I 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
- 7.

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 Australasian Institute of Mining and Metallurgy (AusIMM). 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.

Drill Hole Details:

HOLE ID	Northing	Easting	RL	Dip	Azi	Depth
FLLRC001	6429881	755651	411	-60	270	60
FLLRC002	6429879	755670	411	-60	270	96
FLLRC003	6429840	755650	411	-60	270	60
FLLRC004	6429840	755669	411	-60	270	90
FLLRC005	6429860	755650	411	-60	270	60
FKGRC001	6372175	764794	397	-60	222	40
FKGRC002	6372192	764776	397	-60	222	40
FKGRC003	6372205	764793	397	-70	222	90
FKGRC004	6372162	764809	397	-60	222	40
VUWRC001	6438854	746810	415	-60	250	72
VUWRC002	6438868	746845	415	-60	250	102

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Appendix 1: JORC (2012) Table1

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> • <i>Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.</i> • <i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i> • <i>Aspects of the determination of mineralisation that are Material to the Public Report.</i> • <i>In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.</i> 	<ul style="list-style-type: none"> • The samples were taken by a RC face sampling hammer drill. All RC holes were sampled at one-metre intervals. • Care was taken to control metre delineation, and loss of fines. • The determination of mineralisation was done via industry standard methods, including RC drilling, followed by splitting, crushing and fire assaying
Drilling techniques	<ul style="list-style-type: none"> • <i>Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).</i> 	<ul style="list-style-type: none"> • All drilling was completed using reverse circulation method, using a Hydco 350 model rig and 6m Remet Harlsen 4 ½ inch rods. The rig mounted Airtruck has 1150 cfm 500 psi auxiliary couples with a hurricane 7t Booster 2400 cfm /1000 psi booster. The bit size was 5 5/8,
Drill sample recovery	<ul style="list-style-type: none"> • <i>Method of recording and assessing core and chip sample recoveries and results assessed.</i> • <i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i> 	<ul style="list-style-type: none"> • Recoveries from the drilling are not known, as sample weights were not recorded at this stage of exploration, but visual inspection of

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	<ul style="list-style-type: none"> • <i>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</i> 	<p>samples in the field indicate that recoveries were sufficient.</p> <ul style="list-style-type: none"> • The shroud tolerance was monitored, and metre delineation was kept in check. Loss of fines was controlled through mist injection. • It is not clear whether a relationship between recovery and grade occurs as recovery data was not collected (e.g. bag weights).
Logging	<ul style="list-style-type: none"> • <i>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</i> • <i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i> • <i>The total length and percentage of the relevant intersections logged.</i> 	<ul style="list-style-type: none"> • Core and chips were logged to a level of detail to support the Mineral Resource estimation. • Logging was qualitative in nature. • All intersections were logged
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> • <i>If core, whether cut or sawn and whether quarter, half or all core taken.</i> • <i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i> • <i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i> • <i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i> • <i>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</i> • <i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i> 	<ul style="list-style-type: none"> • The nature and quality of the sampling suits the purpose, being exploration. The laboratory preparation is standard practice and has not been further refined to match the ore. • QC in the lab prep stage was limited to taking pulp duplicates (e.g. no coarse crush duplicates were submitted) • The sample split sizes (4-5 kg are regarded as more than adequate for the nature and type of material sampled.
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> • <i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i> • <i>For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</i> • <i>Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.</i> 	<ul style="list-style-type: none"> • Standard 50g fire assays with an AAS finish were used to get assay results. This is a total technique, and considered appropriate for this level of exploration. • Quality control was carried out by inserting blanks and standards into the sampling chain and 5% intervals. These all showed acceptable levels of accuracy and precision.

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Verification of sampling and assaying	<ul style="list-style-type: none"> • <i>The verification of significant intersections by either independent or alternative company personnel.</i> • <i>The use of twinned holes.</i> • <i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i> • <i>Discuss any adjustment to assay data.</i> 	<ul style="list-style-type: none"> • Significant intersections have not been validated by independent or alternative personnel. • No twin holes were included in this programme, as it is not relevant to the stage of exploration and purpose of this drilling. • All primary data was collected on spread sheets which have been validated for errors and included into an Access database. • Assay data has not been adjusted
Location of data points	<ul style="list-style-type: none"> • <i>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</i> • <i>Specification of the grid system used.</i> • <i>Quality and adequacy of topographic control.</i> 	<ul style="list-style-type: none"> • Drill hole locations were determined by GPS in the field in UTM zone 50. • Topographic control is available through a detailed satellite-derived DTM.
Data spacing and distribution	<ul style="list-style-type: none"> • <i>Data spacing for reporting of Exploration Results.</i> • <i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i> • <i>Whether sample compositing has been applied.</i> 	<ul style="list-style-type: none"> • Holes were not drilled on a pattern and there was no specific drill hole spacing. In general holes are drilled within 50m from previous intersections. • The data spacing is considered sufficient to demonstrate geological and grade continuity for estimation procedures. • Samples were not composited.
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> • <i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i> • <i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i> 	<ul style="list-style-type: none"> • The orientation of sampling has achieved unbiased sampling of structures, with drilling perpendicular to the dip and strike of the mineralised zones • The relationship between the drilling orientation and the orientation of key mineralised structures is not considered to have introduced a sampling bias.
Sample security	<ul style="list-style-type: none"> • <i>The measures taken to ensure sample security.</i> 	<ul style="list-style-type: none"> • Samples were immediately dispatched to the laboratory and have at all times been in possession of CLM or its designated contractors. Chain of custody was maintained throughout.
Audits or reviews	<ul style="list-style-type: none"> • <i>The results of any audits or reviews of sampling techniques and data</i> 	<ul style="list-style-type: none"> • No audits of any of the data have been carried out.

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Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	<ul style="list-style-type: none"> Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area. 	<ul style="list-style-type: none"> The FGP Tenements (containing the Van Uden West prospect) are registered in the name of Reed Exploration Pty Ltd, which is a wholly owned subsidiary of ASX-listed Hannans Ltd (ASX code: HNR). Classic has acquired 80% of the gold rights only, with the remaining 20% of the gold rights held free-carried by Hannans Ltd until a decision to mine. Hannans Ltd also holds all of the non-gold rights on the FGP tenements including but not limited to nickel, lithium and other metals The acquisition includes 80% of the gold rights (other mineral rights retained by tenement holder) in the following granted tenements: E77/2207; E77/2219; E77/2239; P77/4290; P77/4291; E77/2303; E77/2220. Lady Lila is situated upon 100% owned CLZ tenements P77/4325 and P77/4326 (details in announcement dated 21 March 2017) Kat Gap is situated upon E74/467, held by Sulphide Resources Pty Ltd. CLZ has an option to acquire 100% of this tenement (details in announcement dated 13 July 2017)
Exploration done by other parties	<ul style="list-style-type: none"> Acknowledgment and appraisal of exploration by other parties. 	<ul style="list-style-type: none"> All exploration was carried out by previous owners of the tenements (Aztec Mining, Forrestania Gold NL, Viceroy Australia, Sons of Gwalia, Sulphide Resources Pty Ltd)
Geology	<ul style="list-style-type: none"> Deposit type, geological setting and style of mineralisation. 	<ul style="list-style-type: none"> The deposit is a Archean shear-zone hosted gold deposit. Geological interpretation indicates that the general stratigraphy consists of metasediments, BIF's and cherts to the east of the tenement, overlying an older sequence of metamorphosed komatiitic and high-magnesian basalts to the west. Black shales/pelites occur as small interbedded units throughout the stratigraphy, which dips gently to the east (10-35°) and strikes N-S, bending in a NNW

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direction in the far north of the tenement.

- An Archaean-aged quartz dolerite unit (informally the 'Wattle Rocks Dolerite') is emplaced along a contact between high-MgO basalt to the west and low-MgO ultramafic to the east, in the western part of the tenement and is the host rock for the Lady Ada (and Lady Magdalene) mineralisation. Strongly magnetic Proterozoic dolerite dykes cross-cut the stratigraphy in an east-west direction, splaying to the ENE, following fault directions interpreted from the aeromagnetics. A number of narrow shear zones lie subparallel to the shallow-dipping metasediment-mafic contact within the host stratigraphy and are important sites and conduits for the observed mineralisation. The Sapphire shear zone strikes approximately ENE, dipping to the SE at about 25°, and appears to crosscut all lithologies. This shear zone and associated shears host the bulk of the gold mineralisation at Wattle Rocks. Similar flat-dipping shears are known to crosscut the Lady Magdalene area. Approximately 8-12 metres of transported sands and a gold depleted weathering profile of saprolitic clays overly the Lady Ada and Lady Magdalene mineralisation.
- Structurally, the Wattle Rocks area is quite complex and is positioned near the intersection of several major breakages and flexures in the regional stratigraphy in this part of the Forrestania Greenstone belt. Numerous shear zones are evident throughout the area, particularly at changes of rock stratigraphy where there are rheological differences. Narrow, stacked, flat-dipping shear zones are evident within the quartz dolerite unit and may have resulted from thrusting of the younger sedimentary sequence over the mafic package from east to west. A similar model is predicted for Van Uden (10 km northwards) where mineralised quartz veins appear to 'stack' through a host ferruginous metasediment.

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Drill hole Information	<ul style="list-style-type: none"> • A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: <ul style="list-style-type: none"> ○ easting and northing of the drill hole collar ○ elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar ○ dip and azimuth of the hole ○ down hole length and interception depth ○ hole length. • If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case. 	<ul style="list-style-type: none"> • This information is provided in attached tables
Data aggregation methods	<ul style="list-style-type: none"> • In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated. • Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. • The assumptions used for any reporting of metal equivalent values should be clearly stated. 	<ul style="list-style-type: none"> • High grades were not cut in the reporting of weighted averages in this Report. • Summary drill hole results as reported in figures and in the appendix 2 to this Report are reported on a 2m internal dilution and 0.5 g/t Au cuto-off.
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> • These relationships are particularly important in the reporting of Exploration Results. • If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. • If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known'). 	<ul style="list-style-type: none"> • In almost all cases, the drill holes are perpendicular to the mineralisation. The true width is not expected to deviate much from intersection width.
Diagrams	<ul style="list-style-type: none"> • Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views. 	<ul style="list-style-type: none"> • Appropriate images have been provided in the Report.
Balanced reporting	<ul style="list-style-type: none"> • Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to 	<ul style="list-style-type: none"> • Figures represent specific selected drill intervals to demonstrate the general trend of high grade trends. Cross sections show all relevant result in a balanced way.

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	avoid misleading reporting of Exploration Results.	
Other substantive exploration data	<ul style="list-style-type: none">Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.	<ul style="list-style-type: none">No other relevant data is reported
Further work	<ul style="list-style-type: none">The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.	<ul style="list-style-type: none">Further RC drilling is being considered.Figures clearly demonstrate the areas of possible extensions