

ASX Announcement

12 June 2018

CLASSIC CONTINUES HUNT FOR HIGH GRADE GOLD WITH COMMENCEMENT OF RC DRILLING PROGRAM

Highlights:

- ~3000m of RC drilling underway at Kat Gap, Lady Lila, Lady Magdalene and Van Uden West
- Assay results expected early July
- Targeting high grade cross-cutting lodes at Lady Magdalene
- Follow up drilling targeting high grade zones at Kat Gap, Lady Lila and Van Uden West after successful campaign in April 2018

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 commenced RC drilling at its Forrestania Gold Project (FGP) in Western Australia.

Classic CEO Dean Goodwin said:

Following the fantastic results of our last drilling program, including a brand-new discovery at Van Uden West and multiple high grade gold hits at Kat Gap and Lady Lila, we are very excited to be heading back to the FGP to undertake an aggressive follow up drill program. I am also thrilled to be heading back to Lady Magdalene to hopefully unlock major high-grade lodes which will bolster the resource with quality oz.

Over the past 12 months, the Company has been busy gaining a thorough understanding of the local geology and controls on mineralisation. All of the drill programs undertaken at FGP by Classic have yielded high grade gold hits. There is no doubt in my mind that this is a major gold camp containing significant undiscovered resources and we are on the right path to discover and delineate these ore bodies.

2. DRILLING PROGRAM

Following the encouraging results (see ASX announcement dated 15 May 2018) from its last program at Kat Gap, Van Uden West and Lady Lila, the Company will be targeting these areas again with additional drilling. In addition, Classic will also be returning to Lady Magdalene to continue efforts to locate high grade mineralisation that has been missed by previous explorers.

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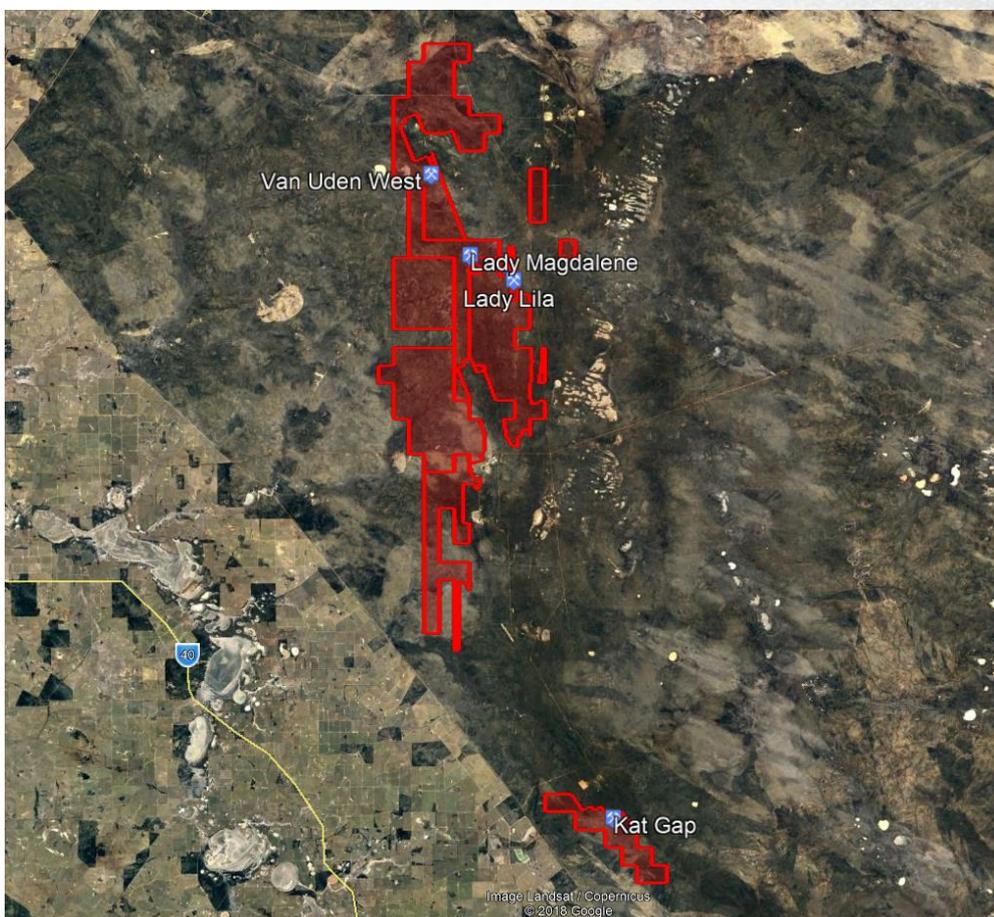


Figure 1: FGP tenure shown in red and drill targets

The Company plans to undertake the following drilling activities in early June 2018:

Table 1: Proposed Drilling

Prospect	Drill Type	No of Holes	No of Metres
Kat Gap	RC	12	1,100m
Lady Lila	RC	5	360m
Lady Magdalene	RC	12	1,060m
Van Uden West	RC	5	480m
TOTAL		34	3000m

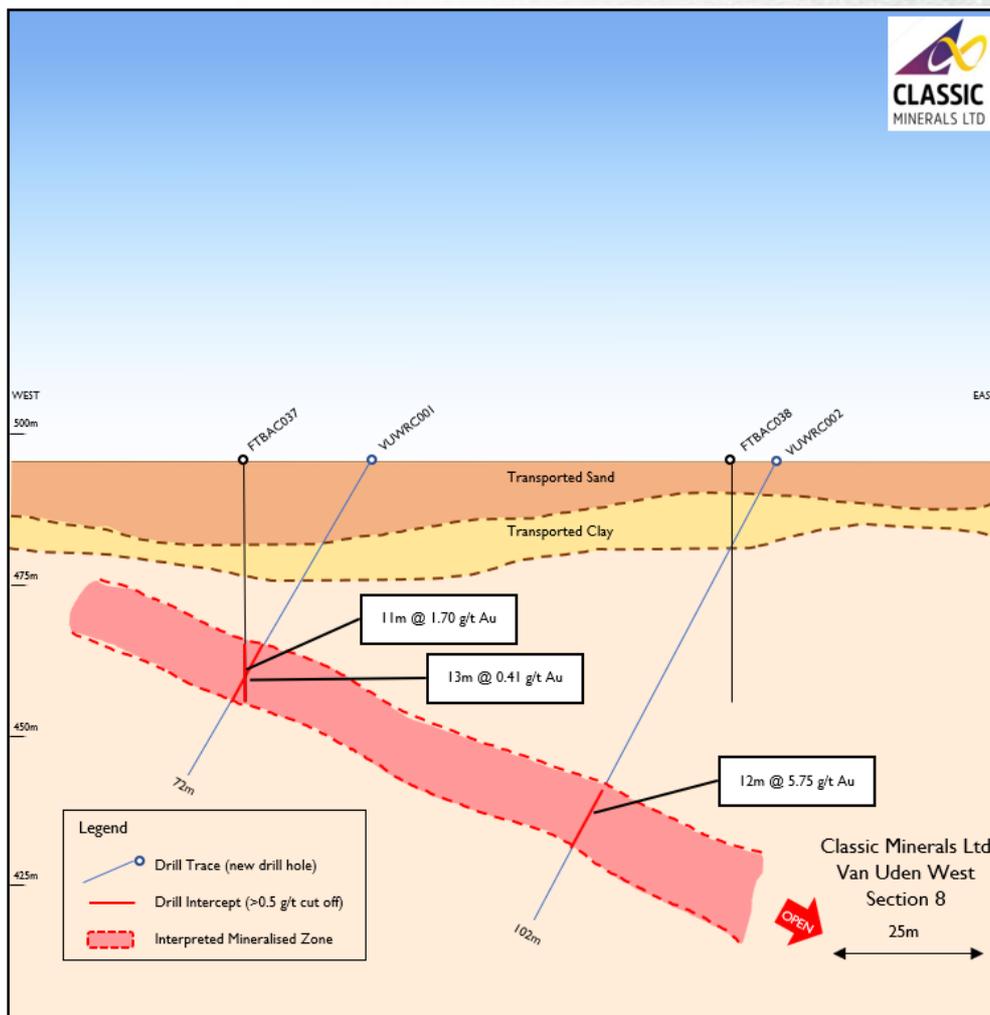
3. VAN UDEN WEST – A BRAND NEW GOLD DISCOVERY

Previous 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. Classic has planned 5 holes for 480m total to test strike/depth potential of the new discovery.

Previous drilling (May 2018) 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.

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4. LADY LILA DRILLING – ANOTHER BOUNTY GOLD MINE?

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. Previous drilling by Classic at Lady Lila confirmed the existence of a thick, steep east dipping ore zone warranting additional follow up. The upcoming drill program (5 RC holes for 360m total) will focus on extending the mineralisation along strike and at depth. 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.

In May 2018, 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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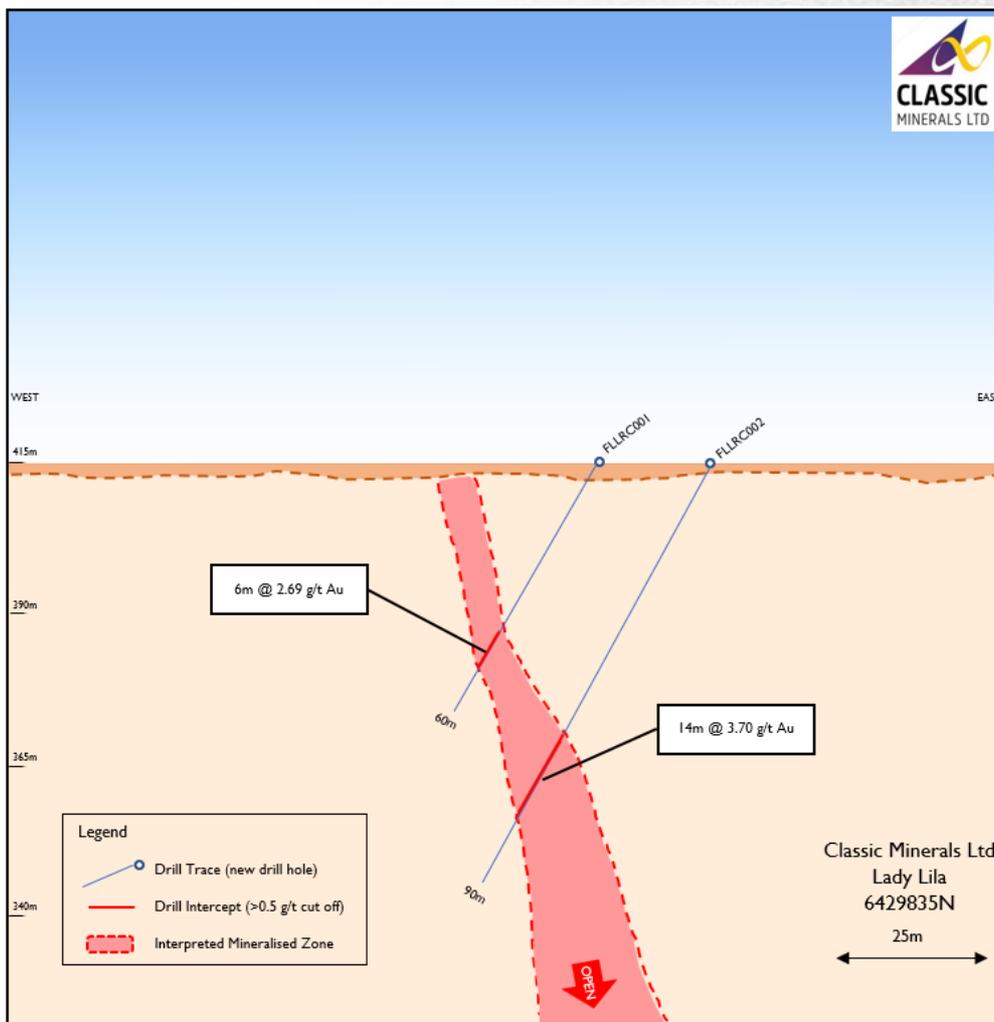


Figure 3 Cross Section 6429880N Looking North – Lady Lila

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

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 the previous drill program just completed, Classic sees great potential for the discovery of a substantial shallow high-grade gold deposit within the Kat Gap project area and the upcoming program will be testing for extensions of the high grade system. Classic has 12 holes planned at Kat Gap for a total of 1,100m.

In May 2018, 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.**

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

Lady Magdalene is a large, modestly graded deposit which appears to host high-grade, cross-cutting gold lodes within existing drill lines that are 100-200m apart (see announcement dated 22 March 2018). Previous diamond drilling

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successfully confirmed the existence of such lodes and the planned drilling will further test the extent of strike, dip and grade of these high grade cross-cutting lodes. Classic has 12 holes planned at Lady Magdalene for a total of 1,060m.

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.

The upcoming RC drilling program is designed 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.

7. 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 Classic Ltd owns a 100% interest in non-gold rights on the Kat Gap and Lady Lila 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

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.