

ASX Announcement

12 September 2017

HIGH-GRADE GOLD AT FORRESTANIA

PHASE 2 DRILLING PROGRAM SHIFTS TO FURTHER DELINEATING LADY MAGDALENE DEPOSIT – SAMPLING IDENTIFIES VISIBLE GOLD AT FGP

Highlights:

- Gap Zone drilling complete targeting potential delineation of a continuous 1.7km ore body between existing Lady Magdalene and Lady Ada deposits
- Drilling program now focused on Lady Magdalene deposit with a further ~10,000m planned to be undertaken Q2 2018
- Visible gold at nearby Lady Ada deposit with Phase 2 drilling to follow up high priority targets
- Phase 2 drilling program targeting high-grade extensions along strike and down dip at both Lady Ada and Lady Magdalene deposits – potential for mineralisation to continue along strike from the current FGP resource
- Assay results expected in September - with Lady Ada Mineral Resource estimate to be updated in October, followed by an updated Lady Magdalene Mineral Resource estimate in November



Figure 1: Example of visible gold in rock samples taken from around the Lady Ada deposit

ASX Announcement

12 September 2017

1. INTRODUCTION

Classic Minerals Ltd (“Classic” or the “Company”) is pleased to announce that it has completed the Phase 2 reverse circulation (“RC”) drilling program at the Gap Zone – a priority target situated between the Lady Magdalene and Lady Ada deposits within the Forrestania Gold Project in Western Australia.

In addition, on-ground geological work has included mapping and prospecting, particularly around the Lady Ada deposit, which has yielded high grade gold samples (in the form of visible gold in quartz samples).

2. GAP ZONE DRILLING COMPLETE

After extensive geological review and interpretation (including use of data generated from the Company’s Phase 1 drill campaign), Classic believes there is significant potential to uncover a repetition of the Lady Ada/Lady Magdalene ore bodies between the existing deposits. Furthermore, Classic has identified analogous characteristics between Lady Ada and Lady Magdalene (ore body starting off with a flat structure and then deepening on an SE trend whilst increasing in grade).

This area between the Lady Ada/Lady Magdalene ore bodies has previously only been subjected to very shallow drilling, with some near surface hits indicative of the flat lying feature shared by both Lady Ada and Lady Magdalene respectively. The potential identification of an additional ore body linking both the Lady Ada and Lady Magdalene deposits would result in a significant increase to the existing Mineral Resource base – unlocking a gold system that is approximately 1.7km in length (or longer if mineralisation continues to extend to the south of Lady Ada).

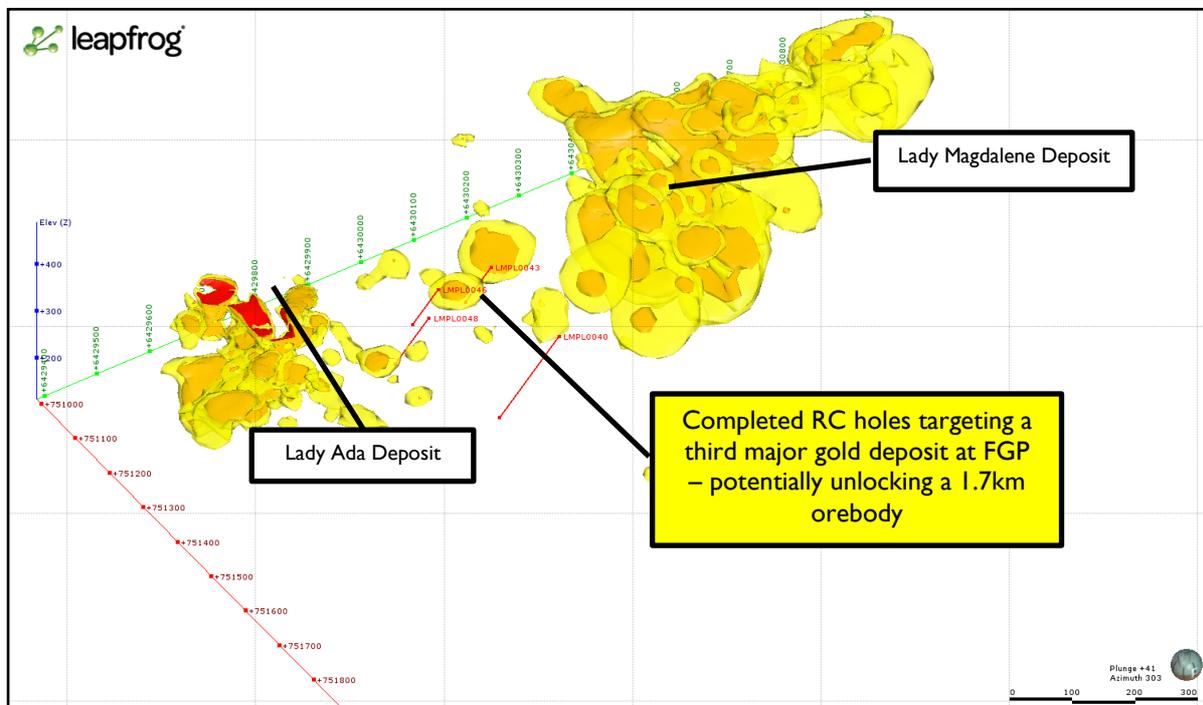


Figure 2: Completed Drill Holes Between the Existing Lady Ada and Lady Magdalene Ore Bodies (high grade +1.5 g/t shells shown)

ASX Announcement

12 September 2017

There are additional holes planned to be drilled at Lady Magdalene over the coming weeks. The program, which is expected to be completed in Q2 2018, has been designed to further test high-grade extensions of both the Lady Magdalene and Lady Ada deposits identified during the recently completed Phase I drilling program.

Phase 2 drilling will assist with improving the confidence in the existing Mineral Resource at the Lady Magdalene and Lady Ada deposits respectively, and has the potential to add significant ounces to the Company's existing resource base at the FGP.

3. VISIBLE GOLD IN GRAB SAMPLES FROM LADY ADA

Classic's geology team spent some time mapping and sampling around the FGP with a view to obtaining examples of the quartz hosted gold mineralisation. The focus of the geological reconnaissance was at Lady Ada which is a high-grade quartz hosted gold deposit (Sons of Gwalia mined the deposit in 2002-2003 at an average grade of 8.81 g/t Au).

The team has collected a number of samples showing clearly visible gold - reaffirming the deposit's high-grade nature and potential.



Figure 3: Example of visible gold in rock samples taken from around the Lady Ada deposit

ASX Announcement

12 September 2017

4. ONGOING WORK AT THE FORRESTANIA GOLD PROJECT

Following the completion of phase 2, Classic will be focused on building its resources inventory and improving the JORC classification. Upcoming activities will include:

- Exploration Target Generation and Testing
- Preparation of new JORC Resource estimations following Phase2 drilling
- Incorporation of any increased JORC Resource into revised scoping study/PFS
- Drill Program at Lady Lila to increase resource size and improve confidence with eventual goal of incorporation into FGP mine plan/scoping study
- Drill Program at Kat Gap to increase resource size and improve confidence with eventual goal of incorporation into FGP mine plan/scoping study
- Further Research and Data Review
- Mapping and Surveying
- Rock Chipping, Soil Sampling and RAB Drilling

5. ABOUT THE FORRESTANIA GOLD PROJECT

The FGP Tenements 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 5.9 Mt at 1.25 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		
	Tonnes	Grade (Au g/t)	Ounces Au	Tonnes	Grade (Au g/t)	Ounces Au
Lady Ada	283,500	1.78	16,200	260,000	2.2	18,750
Lady Magdalene	1,828,500	1.08	63,700	2,450,000	1.5	118,000
Lady Lila				541,000	1.38	24,000
Total	2,112,000	1.17	79,900	3,251,000	1.53	160,750

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

ASX Announcement

12 September 2017

On behalf of the board,

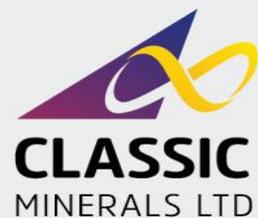
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Forward Looking Statements

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 Edward S. K. Fry, a Competent Person who is a Member of the Australasian Institute of Mining and Metallurgy (AusIMM). Mr Fry is a consultant exploration geologist with BGM Investments Pty Ltd and consults to Classic Minerals Ltd. Mr. Fry 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. Fry consents to the inclusion in this report of the matters based on his information in the form and context in which it appears