

ASX Announcement

30 April 2018

MARCH 2018 QUARTERLY ACTIVITY REPORT

During the quarter, the Company completed 2 orientated diamond drill holes at Lady Magdalene and advised the market of the Phase 2 RC drill results from the Forrestania Gold Project ("FGP") in Western Australia which returned high-grade results from outside the current Scoping study pit design. These results highlighted significant potential to expand current Mineral Resource estimate at FGP.

The Company entered into a MOU with Tianye SXO Gold Mining Pty Ltd in regard to processing FGP ore at the Marvel Loch Processing Plant.

In addition, the company completed a successful capital raise via an SPP to shareholders raising in excess of \$1M AUD.

The Company is looking forward to continuing its developments at the Forrestania Gold Project and Rubys Reward during the 4th Quarter (April – June 2018) and aims to:

- Continue drilling at FGP. Particularly at Lady Magdalene, where orientated diamond holes have confirmed the presence of high grade mineralisation previously missed by prior land holders.
- Continue drilling regional exploration targets at FGP including the Van Uden West prospect and the Lady Lila and Kat Gap deposits.
- Carry out additional sampling at mapping at Rubys Reward in the Fraser Range following data review that yielded high grade cobalt rock chip samples.
- Continue to pay down debt/liabilities.

The Company closed the quarter with \$309,195 cash and following the SPP, reduced liabilities by approximately \$395,000 during the quarter.

1. PHASE 2 RC DRILL RESULTS AT FGP

Classic received assay data back for the 2017 Phase 2 RC drilling campaign at Lady Magdalene and Lady Ada.

MARC023 was a standout hole at Lady Ada which yielded very impressive, high grade gold mineralisation (76.8 g/t) at a relatively shallow depth (116m) in an area that is outside of the current optimised pit design.

Drilling at Lady Magdalene saw impressive thick zones of mineralisation including MARC052 which had an intersect of 16m @ 1.73 g/t Au from 40m in an area that is outside of the current optimised pit design.

Following promising results from MARC026, MARC024 and MARC019, the Company was pleased to see repetitions of gold bearing zones at similar depths representing a high grade zone that appears to be increasing in grade to the south (compare MARC024 to MARC023). These results confirm the geological model that the primary Lady Ada ore zone extends to the south-east of the existing ore body. The extent of the mineralisation remains open and is yet to be closed off – Classic drilled a hole (MARC039) approx. 200m along strike from MARC023 and MARC024 that is yet to be assayed but included promising zones of arsenopyrite which appears to represent ore-bearing zones.

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At both deposits, the strong results point to both an increase and an upgrade in Resources at the Forresteria Gold Project. The drilling was designed to target mineralisation outside of the current resource model as well as high-grade extensions below and adjacent to the current pit design, in line with Classic's strategy to sufficiently grow its Mineral Resources to a size that supports establishment of an on-site processing facility at FGP as contemplated in FGP scoping study (see ASX announcement released 2nd May 2017).

At Lady Magdalene, the results were also promising. The results from MARC040, MARC049 and MARC052 all confirm the geological model that the main ore zone continues to the south-east of the existing ore body.

Encouragingly, MARC040, which is the most southern hole of the Phase 2 drilling campaign at Lady Magdalene, contained some excellent assay results – 6m at 4.90g/t Au from 201m including 2m at 12.55g/t Au from 201m - which suggests that the main ore body at Lady Magdalene continues at depth and remains open as the mineralisation established in this hole is not closed off and is assumed to extend. Further drilling is required to determine the down-dip plunge extent of this high grade mineralisation at Lady Magdalene. Further drilling approvals are currently with DMIRS.

In addition, MARC052 contained a thick zone of ore at a relatively shallow depth (40m) which will improve the economics of the Scoping Study once incorporated into an updated Resource model and pit optimisation.

The Reverse Circulation (RC) drill program drilled to date comprised a total of 18 holes for 3,250m (MARC019 - MARC035 and MARC039).

Hole	From	To	Length	Results	Comment
MARC040	201	206	6	6m @ 4.90 g/t Au from 201m	Including 2m @ 12.55 g/t Au from 201m
MARC049	109	114	6	6m @ 1.43 g/t Au from 109m	
MARC049	241	242	1	1m @ 1.73 g/t Au from 40m	
MARC052	40	55	16	16m @ 1.73 g/t Au from 40m	
MADD001	24.85	27	2.15	2.15m @ 5.27 g/t Au from 24.85m	
MADD001	54	64.5	10.50	10.50m @ 1.10 g/t Au from 54m	
MARC019	58	68	10	10m @ 3.10 g/t Au from 58m	Including 2m @ 7.04 g/t Au from 58m
MARC020	37	42	5	5m @ 1.30 g/t Au from 37m	
MARC023	116	119	4	4m @ 37.30 g/t Au from 116m	Including 1m @ 76.8 g/t Au from 116m Including 2m @ 70.05 g/t Au from 116m
MARC024	40	46	6	6m @ 2.22 g/t Au from 40m	Including 1m @ 8.20 g/t Au from 40m
MARC024	117	120	3	3m @ 10.37 g/t Au from 117m	Including 1m @ 30.50 g/t Au from 117m
MARC026	47	51	4	4m @ 1.74 g/t Au from 47m	
MARC026	67	73	6	6m @ 8.67 g/t Au from 67m	Including 1m @ 38.10 g/t Au from 68m
MARC028	65	67	2	2m @ 1.32 g/t Au from 65m	

Table 1: Significant Lady Ada and Lady Magdalene Phase 2 drill results received during March quarter

2. ORIENTATED DIAMOND DRILLING AT LADY MAGDALENE

Both diamond holes targeting Lady Ada style high grade cross cutting gold structures returned encouraging gold intercepts – **these assays comprehensively support previous structural observations and confirm that Lady Ada style high grade cross cutting mineralisation exists within Lady Magdalene.**

Importantly, these 2 diamond holes, the first designed by Dean Goodwin since assuming the role of CEO of Classic, have intercepted gold mineralisation in the zones of interest – validating his theory regarding the likelihood of additional Lady Ada analogues within the current drill lines at Lady Magdalene.

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The diamond drill holes were primarily designed to collect structural data – allowing Classic to accurately determine the orientation of any high-grade zones that have been missed by previous explorers. This methodology was employed by Classic's CEO, Mr Dean Goodwin, when he discovered the high-grade zones at Lady Ada in 1999. Prior to Dean's theory at Lady Ada being tested, it was considered a low-grade deposit like Lady Magdalene is today.

Structural readings taken from both orientated diamond holes MADD003 and MADD004 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. 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.

Classic is now in the process of finalising 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 will be to confirm the existence of high-grade cross cutting lodes as suggested by 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.

Hole	Northing	Easting	From (m)	To (m)	Width (m)	Grade (g/t)
MADD003	751252	6430480	32	38	6	1.72 g/t Au
			56.5	63	6.5	3.30 g/t Au
			Including	60	61	1
MADD004	751482	6430330	77	78	1	1.62 g/t Au
			182.4	193	10.6	1.96 g/t Au
			Including	192	193	1

Table 2: Lady Magdalene Diamond Drill results received to date

3. MOU SIGNED TO ENABLE ORE PROCESSING AT MARVEL LOCH

The Company entered into a non-binding MOU with Tianye SXO Gold Mining Pty Ltd (Tianye SXO Gold Mining) concerning treatment of ore extracted from the Company's FGP.

Tianye SXO Gold Mining is the owner of the Southern Cross Operations including the recently refurbished Marvel Loch Processing Plant ("Marvel Loch Plant") located approximately 80km from the FGP. Minjar Gold operates the SXO and Marvel Loch Plant under an arms-length management agreement with Tianye SXO Gold Mining.

The MOU sets the framework for Classic and Tianye SXO Gold Mining to delineate, study and mine gold deposits at FGP and process at Tianye SXO Gold Mining's 100% owned Marvel Loch Processing Plant.

The MOU is predicated on the assumption that the parties will agree to either a profit sharing or ore sales arrangement for gold-bearing ore produced from the FGP.

Under the MOU, Classic will be responsible for drilling deposits to a JORC 2012 level, carrying out initial metallurgical work, securing necessary approvals and completing economic analysis of the deposit of interest.

Once the aforementioned work is completed, the deposit will be submitted to Tianye SXO Gold Mining for review and the opportunity to carry out its own economic analysis. Following this, Tianye SXO Gold Mining will be entitled to make an offer to process the ore under either a profit share or ore purchase scenario.

Should Tianye SXO Gold Mining decline to make an offer, Classic may elect to wholly fund the mining, haulage and processing of the ore, with processing being undertaken under an ore-purchase agreement with commercial terms yet to be negotiated between parties.

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If mining does occur, Tianye SXO Gold Mining will pay Classic either its profit share or ore purchase proceeds on a monthly basis.

Favourably the ore will not be blended with other parties' ore, which is significant and will enable Classic to prove the quality of the ore reinforcing the quality of our deposits combined with certainty around processing the ore which will yield significant metallurgical and processing data to feed into Classic's feasibility studies, combined with possible positive cashflow to support growth.

In addition, the MOU allows for monthly parcels of 20,000 – 30,000 for a period of 36 months.

Classic also identified two sources of near-term ore, being the high grade "Switchback Pocket" at Lady Ada and the near-surface mineralisation at Kat Gap.

As part of the review of technical data that underpinned the Scoping Study completed by Classic and Auralia (see CLZ announcement 20th March 2017), a pocket of high grade (4 – 6.6g/t) ore was identified in an easily accessible area within the existing Lady Ada open pit mine.

Auralia has designed a trial mining "pocket" on the NW 373RI of the Lady Ada mine. This was originally the "switchback" area of the mine but, due to a wall slip that occurred during the 2003 mining campaign, the ore in the area of the mine was neglected in favour of the higher grade (~8g/t) sapphire shear ore which is located in the lower E/SE area of the pit.

The current trial mining pocket design at Lady Ada envisages removal of ~18,000 tonnes of ore at an average grade of 7.00 g/t Au for 4,100 oz Au extracted with a strip ratio of less than 1:1. This figure doesn't account for recovery factor at the processing plant.

The Kat Gap Project is strategically located approximately 50km south-south east of the Company's FGP (see CLZ announcement 12th March 2017), and adjoins the Forrestania Nickel project currently operated by Western Areas Ltd.

It 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 there is potential for the discovery of a substantial gold deposit within the project area. Previous exploration work includes airborne geophysical surveys; Aircore, RAB, RC and diamond drilling; and soil geochemical surveys.

Resources estimated for Kat Gap by Sons of Gwalia (SOG) in 2003 totalled 56,000oz grading 1.4g/t Au at zero grade cut-off and 36,000oz grading 3.9g/t Au at 1.5g/t Au grade cut-off.

The purpose of the study was to identify resources that could be trucked to SOG's treatment plant at Marvel Loch 150 km NNW of Kat Gap. SOG conducted a scoping level optimisation using various assumptions but, given the extreme trucking distance and the low (\$800/oz) gold price at the time, the pit optimisation study identified only modest resources above 50 m depth. Many higher-grade drill intercepts lay outside of the SOG pit shells. A revised resource estimate of 440,000t @ 2.9g/t Au (42,000 contained ounces) was reported in 2003, but no details of the estimation can be located.

Reviewing the 2000 SOG resource table at Kat Gap, the Company believes that there is potential for ~10,000 oz Au located in the upper 40 metres (~100kt) of the resource.

4. [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

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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.

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

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 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.