

ASX Announcement

2 April 2019

INVESTOR UPDATE

The Board of Classic Minerals ("Classic" or the "Company") has developed a strategy that will see the company exploit its substantial gold assets in the Southern Forrestania Gold Belt.

Financing

Classic have been working closely with a leading natural resources financier regarding a mandate to advise and execute a financing program to allow for the roll out of an exploration program designed to substantially increase the understanding and size of the high-grade gold Kat Gap project.

Classic is in the process of divesting itself of non-core assets to concentrate all its attention on its Forrestania gold project ("FGP").

Exploration of Forrestania Gold Project

The major focus for the proposed exploration programs at the FGP is the high-grade Kat Gap prospect.

Kat Gap

Classic recently exercised its option to acquire 100% of Kat Gap.

Drilling in 2018 by Classic delivered some of the best shallow/high grade gold results seen in this overlooked greenstone province.

Results include:

| | | |
|--------------------------|----------|--------------|
| 5m @ 14.10g/t Au | from 17m | in FKGRC001 |
| 12m @ 7.52g/t Au | from 39m | in FKGRC006 |
| 8m @ 19.05g/t Au | from 32m | in FKGRC008, |
| 8m @ 7.14g/t Au | from 82m | in FKGRC010 |
| 12m @ 5.39g/t Au | from 30m | in FKGRC012 |
| 4m @ 9.53g/t Au | from 70m | in FKGRC014 |
| 10m @ 30.78g/t Au | from 28m | in FKGRC018 |
| 10m @ 4.18g/t Au | from 26m | in FKGRC022 |
| 9m @ 8.08g/t Au | from 95m | in FKGRC025 |
| 3m @ 8.33g/t Au | from 22m | in FKGRC039 |
| 3m @ 14.10g/t Au | from 10m | in FKGRC042 |
| 3m @ 9.64g/t Au | from 20m | in FKGRC043 |

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Classic CEO Dean Goodwin said:

Drilling campaigns by Classic over the last 6 months at Kat Gap have shown the high-grade potential of this project. We have intersected some outstanding shallow zones of gold mineralisation over a 200m strike length with gold open at depth and along strike in both directions. I think we are onto something quite special but only time will tell.

The next stage is to commence an RC drilling program extending the known mineralised zone north and south from our current 200m long drilling area. We plan to focus our attention on an 800m long section of the main granite-greenstone contact where existing historical drilling is on 100m spaced lines. Our current 200m long drilling area sits right in the middle of this 800m long section. We firmly believe that significant gold mineralisation is hiding between these old drill lines. This work will give us a pretty good idea of how good this system really is.

Lady Magdalene

As announced to the ASX 8th October 2018, recent drilling has confirmed the existence of significant gold bearing quartz veins between existing drill lines at Lady Magdalene. As with Lady Ada's high-grade sapphire shear zone, these veins are low angle reverse thrust faults that dip gently to the south.

In upcoming drill campaigns, Classic will track the quartz veins to the east and south of existing drill lines to determine how many additional lodes are located within the Lady Magdalene resource footprint.

The FGP also 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.

Board & Management

In order to maximise shareholder returns and build on the significant recent exploration results, Classic has embarked on a program to strengthen its board. The company has been approached and also reached out to a number of highly regarded corporate and gold mining executives to join the board and provide leadership and guidance to allow the Company to reach its full potential.

The existing JORC gold resources and the high-grade Kat Gap project, together with the proposed refinancing and strengthening of the board present a compelling gold story in a region that is about to undergo a renaissance of its gold prospectivity.

The Southern Forrestania goldfield is one of the few remaining undeveloped greenstone belts in WA and is less than 5 hour's drive from Perth.

The region has substantial infrastructure access including sealed roads/water/power and nearby underutilised processing plants.

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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 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.