

ASX Announcement

April 26, 2019

MARCH 2019 QUARTERLY ACTIVITY REPORT

During the quarter, Classic Minerals Limited (ASX. CLZ) ("Classic", or "the Company") has exercised the Option and acquired a 100% interest in the Kat Gap Gold Project covering exploration licences E74/422 and E74/46.

The Company is looking forward to continuing its developments at the Forrestania Gold Project and Fraser Range during the 4th Quarter (April – June 2019).

Highlights

- Classic acquires 100% Kat Gap Gold project in the renowned Forrestania Area. The final payment for Kat Gap of \$ 275,000.00 (GST inclusive) was made on 03 January 2019.
- Classic have been working closely with a leading natural resource 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.
- 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.
- Classic is in the process of divesting itself of non-core assets to concentrate all its attention on its Forrestania Gold project ("FGP"). The tenements which the Company have determined are non-core, are E28/1904, E28/2703, E28/2704 and E28/2705 as these tenements are prospective for nickel. These have been known as the "Fraser Range" tenements.
 - The Company will seek to engage with external third parties to negotiate on suitable terms including but not limited to: JV, Farm-in or outright purchase or any other mutually agreed to contract which will bring shareholder value to the Company in this process.
 - The directors are not able to determine the timing for this process but hope that it would be within 3 months.
 - In the event an agreement is concluded an appropriate announcement will be made to the market

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INTRODUCTION

WA-focused gold exploration and development company Classic Minerals Limited (ASX: CLZ) ("Classic", or "the Company") has exercised the Option and acquired a 100% interest in the Kat Gap Gold Project covering exploration licences E74/422 and E74/467; subsequent to meeting all the conditions precedent.

The Kat Gap Project is strategically located approximately 70km south-south east of the Company's Forrestania Gold project containing the Lady Magdalene and Lady Ada gold resources. Kat Gap adjoins the Forrestania Nickel project currently operated by Western Areas Ltd. Classic has purchased the Kat Gap project from private company Sulphide Resources Pty Ltd for a total consideration of A\$250,000 plus GST, and a 2% NSR royalty on production from E74/422 and E74/467 (or any replacement tenements).

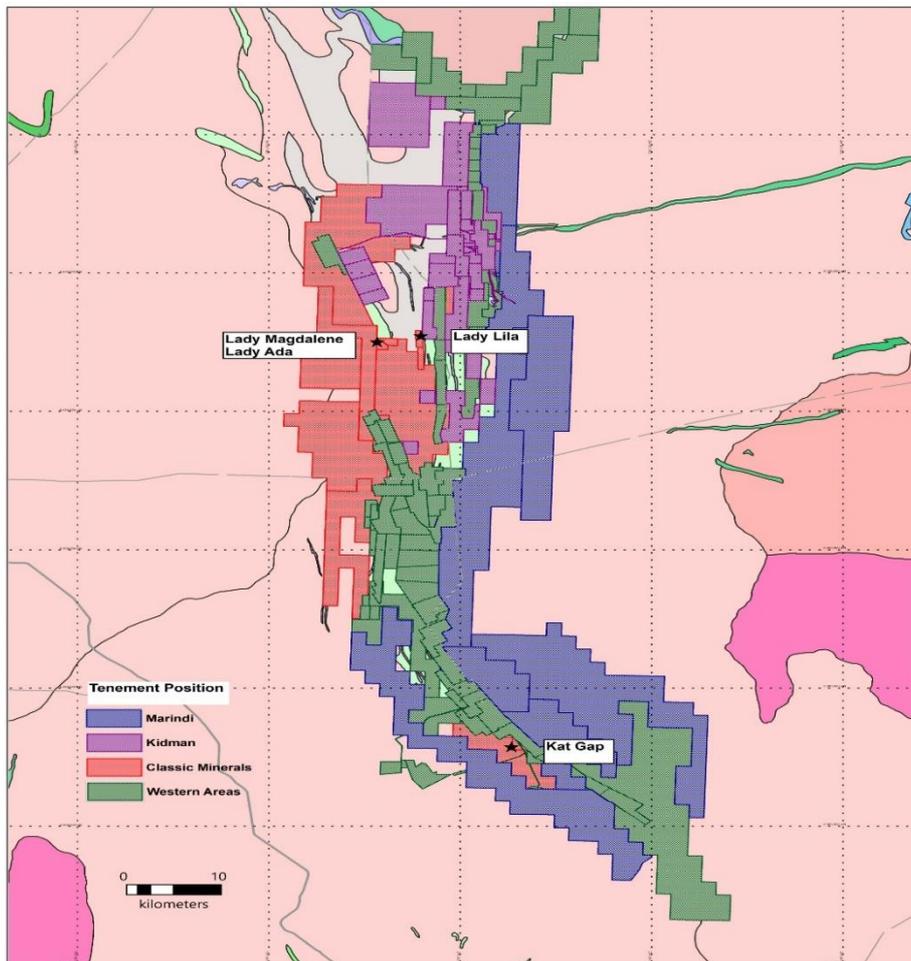


Figure 1: FGP tenure shown in red

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KAT GAP Gold project

Drilling by previously explorers returned 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 mineralisation 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; air core, RAB, RC and diamond drilling; and soil geochemical surveys.

Classic has drilled a total of 57 holes for 3891m at Kat Gap over the last 6 months from May to November 2018. The early drilling was focused on testing the up-dip and down dip projection of previous historical high-grade gold intersections along the main granite-greenstone contact adjacent to a cross-cutting Proterozoic dyke. Later drilling was then concentrated on an area north and south along strike from the cross-cutting Proterozoic dyke covering a strike length of some 200m on the granite-greenstone contact.

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

Table 1.0 – Better results returned from the 4 drilling campaigns at Kat Gap.

Classic has completed 4 drilling campaigns at Kat Gap all returning significant high-grade gold intercepts. The majority of the drilling is relatively shallow, down to approximately 60m vertical depth below surface. The main area of drilling has been focused primarily on and adjacent to the contacts of a cross-cutting Proterozoic dyke where it intersects the main granite-greenstone contact. At this location the gold mineralisation has been significantly enriched. **Better results from the first three drilling programs include:**

8m @ 19.05 g/t Au	from 32m	including 4m @ 28.80 g/t Au	in FKGRC008;
12m @ 7.52 g/t Au	from 39m	including 2m @ 20.20 g/t Au	in FKGRC006;
12m @ 5.39 g/t Au	from 30m	including 1m @ 20.80 g/t Au	in FKGRC012;
10m @ 30.78 g/t Au	from 28m	including 2m @ 116.10 g/t Au	in FKGRC018;
9m @ 8.08 g/t Au	from 95m	including 1m @ 62.30 g/t Au	in FKGRC025;
10m @ 4.18 g/t Au	from 26m	including 1m @ 15.10 g/t Au	in FKGRC022.

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Several deeper RC holes have also been drilled to approximately 120m to test the main contact zone at depth. These holes were primarily designed to test a potential plunge zone detected by the shallow RC holes. Better results from these holes include, **9m @ 8.08 g/t Au from 95m including 1m @ 62.30 g/t Au in FKGRC025** and **1m @ 18.80 g/t Au from 86m in FKGRC026**. The plunge line is wide open along strike and down dip.

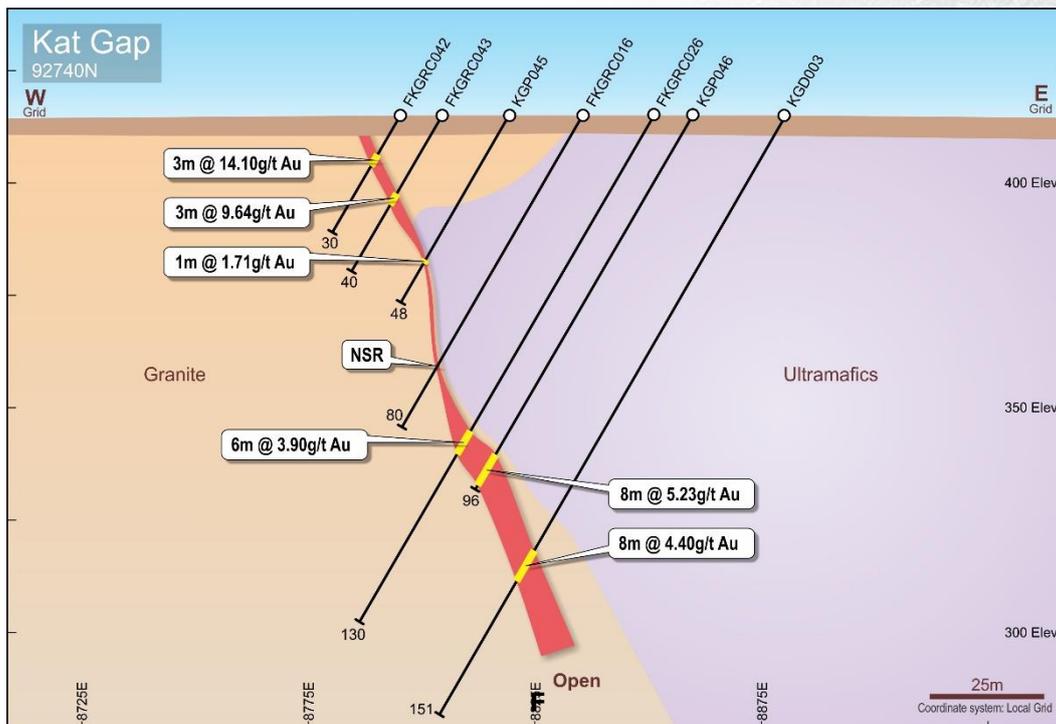


Figure 2: Kat Gap Cross Section 92740 (local grid) Looking North

The last drilling program in November incorporated a series of holes testing the up-dip potential of previous high-grade gold intersects together with a few holes testing further along strike to the north following up on previous historical RAB and RC holes. Better results from the shallow up-dip drill holes included: **3m @ 38.33 g/t Au from 21m including 1m @ 111.00 g/t Au in FKGRC039**; **5m @ 5.61 g/t Au from 6m including 1m @ 12.00 g/t Au in FKGRC040**; **2m @ 7.86 g/t Au from 19m in FKGRC041**; **3m @ 14.10 g/t Au from 10m including 1m @ 37.40 g/t Au in FKGRC042** and **3m @ 9.64 g/t Au from 20m including 1m @ 25.10 g/t Au in FKGRC043**.

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All RC Holes drilled along strike to the north testing the extent of the main granite-greenstone contact lode intersected gold mineralisation with the best result of **5m @ 4.07 g/t Au from 66m including 1m @ 11.50 g/t Au coming from FKGR051**. The next closest historical RC hole is some 100m further along strike to the north.

Future drilling programs at Kat Gap will focus mainly on testing an 800m long section of the main granite – greenstone contact where current drill line spacings are 100m apart. Current drilling is located right in the middle of this 800m long section. Interpretation suggests that significant gold mineralisation exists between these sections similar to what has been identified in the last 4 drilling programs. Several deep orientated diamond holes to probe the system to 300m vertical below surface have also been designed.

Historical RC drilling at Kat Gap 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 has planned follow up RC and diamond holes with drilling scheduled for late May 2019.

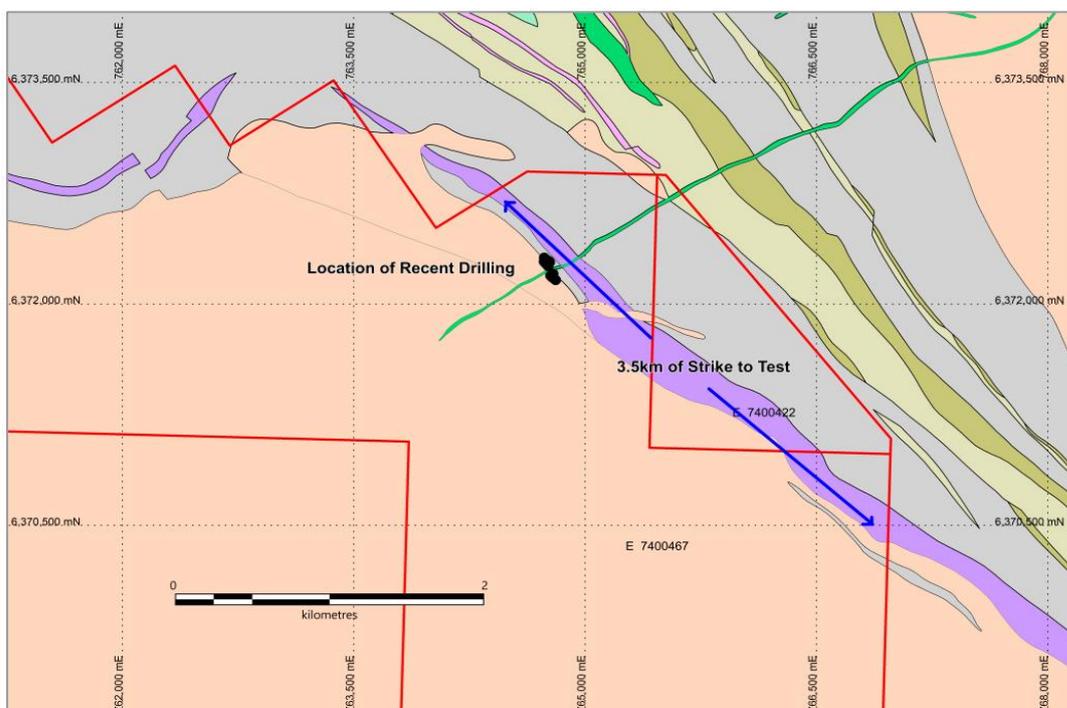


Figure 3: Kat Gap plan view showing strike length to be tested in follow up drilling.

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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 Geoscientist (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.

Schedule of Mineral Tenements as at 31 March 2019		
TENEMENT	AREA	INTEREST HELD BY CLASSIC MINERALS LIMITED
E74/422	Forrestania	100%
E74/467	Forrestania	100%
P77/4291	Forrestania	80%
P77/4290	Forrestania	80%
E77/2207	Forrestania	80%
E77/2219	Forrestania	80%
E77/2220	Forrestania	80%
E77/2239	Forrestania	80%
E77/2303	Forrestania	80%
P77/4325	Forrestania	100%
P77/4326	Forrestania	100%
E77/2472	Forrestania	100%
E77/4271	Forrestania	100%
E77/2470	Forrestania	100%
E28/1904	Fraser Range	100%
E28/2705	Fraser Range	100%
E28/2704	Fraser Range	100%
E28/2703	Fraser Range	100%

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

Classic Minerals Limited

ABN

77 119 484 016

Quarter ended ("current quarter")

31 March 2019

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(366)	(2,193)
(b) development	-	-
(c) production	-	-
(d) staff costs	(3)	(197)
(e) administration and corporate costs	(258)	(552)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	1
1.5 Interest and other costs of finance paid	(68)	(519)
1.6 Income taxes paid	-	(11)
1.7 Research and development refunds	-	1,278
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(695)	(2,193)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	(45)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	-	(45)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares & options	104	2,417
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	(30)	(138)
3.5	Proceeds from borrowings	360	985
3.6	Repayment of borrowings	-	(1,713)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other	-	-
3.10	Net cash from / (used in) financing activities	434	1,551

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	300	726
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(695)	(2,193)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	(45)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	434	1,551
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	39	39

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	35	300
5.2 Call deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	35	300

6. Payments to directors of the entity and their associates	Current quarter \$A'000
6.1 Aggregate amount of payments to these parties included in item 1.2	-
6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

7. Payments to related entities of the entity and their associates	Current quarter \$A'000
7.1 Aggregate amount of payments to these parties included in item 1.2	-
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

Mining exploration entity and oil and gas exploration entity quarterly report

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities		
8.2 Credit standby arrangements	5,000	-
8.3 Other (please specify)		
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

On 19 September 2017, the Company by mutual agreement amended the terms of its Standby Subscription Agreement with Stock Assist Group Pty Ltd. The Facility arrangement has been increased from \$1,000,000 to \$5,000,000. Under the Facility the Investor agrees to subscribe for shares if requested by the Company subject to the terms and conditions of this Facility. There were no drawings under this facility as at 31 March 2019.

9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	250,000.00
9.2 Development	-
9.3 Production	-
9.4 Staff costs	40,000.00
9.5 Administration and corporate costs	30,000.00
9.6 Other (provide details if material)	-
9.7 Total estimated cash outflows	340,000.00

10. Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced				
10.2 Interests in mining tenements and petroleum tenements acquired or increased	E74/467 E74/422	Acquisition of Kat Gap tenements completed during quarter.		100%
	E28/2703 E28/2704 E28/2705	100% granted tenements		100%

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.



Sign here:
Company Secretary

Date: 26 April 2019

Print name: Madhukar Bhalla

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.