ACN 119 484 016

CLASSIC MINERALS LTD

CORPORATE STRUCTURE

ASX Code: CLZ
ABN: 77 119 484 016
Shares: 206,025,213
Share price: 14c (at 24/09/2013)

BOARD & MANAGEMENT

Justin Doutch, Managing Director
Paul Lambrecht, Non-Executive Director
Stanislaw Procak, Non-Executive Director
Kent Hunter, Company Secretary

INVESTMENT

Tenements cover an area of 380km^2 in the highly-prospective Eastern Goldfields and Fraser Range provinces of WA.

Flagship Fraser Range Project in WA is 40km from Sirius Resources' Nova and Bollinger discoveries.

Experienced board and management team.

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25 SEPTEMBER 2013 ASX ANNOUNCEMENT

Classic Completes Phase One Drilling at Fraser Range

Classic Minerals Limited (ASX: CLZ) is pleased to announce that stage one of an initial 5000m reverse circulation (RC) drilling program at the Fraser Range Project in Western Australia is complete. Phase one involved drilling 12 high and medium electromagnetic (EM) conductor targets at the company's 100%-owned E28/1904 tenement at Fraser Range.

- Drilling into 12 EM targets complete (seven high priority and five medium)
- Mineralisation intersected in high priority holes
- 1.95% Cu intersected over 1m at 103-104m in FRRC001, at Target A2.
- Anomalous zinc and copper values were present in targets A13, A8, A4, A7, A1 A17 and A6. Anomalous Zn was present in target A18.
- Anomalous nickel was present in A1, A3 and A7.
- Anomalous gold was intersected in targets A4 and A8, which also has anomalous silver.
- Mixed sulphides intersected ranging from trace (<1%) up to 5%
- Follow up Stage 2 RC holes now being drilled; 14 RC holes for 2200m.

The Stage 1 RC drilling program which includes the down hole EM survey (DHEM) has encouraged us in this early exploration stage, as we intersected 1.95% Cu at 103m to 104m in target A2. We believe Classic has an exciting time ahead leading into further exploration to capitalise on the project's prospectively Mr Doutch said.

All holes were drilled at -60 degrees dip at right angles to the strike of the conductor. Locations, hole orientations and hole depths are shown in **Table 1** below.

Table 1. Stage 1 RC Drillholes

Hole Number	Target No.	Northing MGA	Easting MGA	Dip	Azimuth ° True	Depth (m)
FRRC001	A2	6529480	550410	-60	131	170
FRRC002	A13	6516125	540080	-60	131	118m
FRRC003	A8	6523990	547245	-60	131	135m
FRRC004	A4	6526895	548505	-60	131	135m
FRRC005	A7	6526375	549705	-60	131	125m
FRRC006	A3	6528060	550800	-60	131	154m
FRRC007	A1	6531280	553515	-60	131	110m
FRRC008	A17	6530450	552305	-60	311	140m
FRRC009	A18	6529015	550945	-60	131	180m
FRRC010	A6	6526555	548885	-60	131	140m
FRRC011	A10 west	6527465	547850	-60	311	145m
FRRC012	A10 east	6527210	548155	-60	131	150m

The seven holes into high-priority targets were tested with downhole EM (DHEM) with a loop at surface, to better delineate the EM conductors, and this has shown that some conductors are in slightly different positions to that interpreted from VTEM and ground EM lines. This has resulted in some holes not intersecting the centre of the EM conductor target, being closer to the edges. Follow up Stage 2 RC holes are now being drilled and are planned to intersect the better defined targets.

Mineralisation was intersected in all the high priority holes, FRRC001-007, as shown in **Table 2** below. As expected, the analyses reported polymetallic results, but much of the highly sheared disseminated sulphides is probably pyrite as most of the copper, zinc and nickel values are less than the visually logged percentage of sulphides, which range from a trace (<1%) to 1-2% and occasionally up to 5%. The exception is the 1 metre zone at 103-104m in hole FRRC001 in target A2, where 1.95% copper was reported by analysis.

Table 2. Surveys of RC Holes

Hole Number	Target No.	Nothing	Easting	Down hole EM	Resistivity	Directional
FRRC001	A2	6529480	550410	yes	yes	yes
FRRC002	A13	6516125	540080	yes	yes	yes
FRRC003	A8	6523990	547245	yes	yes	yes
FRRC004	A4	6526895	548505	yes	yes	yes
FRRC005	A7	6526375	549705	yes	yes	yes
FRRC007	A1	6532180	553515	yes	yes	yes
FRRC008	A17	6530450	552305	nil	yes	yes

EM conductor targets were interpreted by consultant geophysicists using the airborne EM survey (VTEM) data flown at 200m line spacing over the whole 82sq km tenement, and also using the follow up ground EM with one line over most targets, except target A13 which is well defined by VTEM (ASX release 5th June 2013). The drilling of one initial RC hole into the centre of each target was undertaken as a more efficient and economical way of exploration, rather than grid drilling, as it would eliminate targets without any economic minerals. Follow up drilling would then follow for targets with indications of economic minerals such as copper, zinc and nickel. However, it was not expected that one initial hole would intersect the best zone, and that any anomalous values would require follow up drilling.

Conductor 1

The DHEM interpretation of FRRC001 at target A2, which the geophysicists consider a potential basement massive sulphide target, indicated that the hole had intersected the EM conductor at about 103m, where the copper sulphide above was intersected. This is also confirmed by the spike in conductivity as detected by the resistivity log, and shown in the graphic conductivity log below. However, the hole intersected towards the north end of the EM conductor, which extends for at least 200m south west, and step out RC holes are planned at 100m and 200m to the southwest to further delineate any mineralization, and the latter hole will have DHEM conducted to further define the extent to the southwest. The host rock is sheared gneiss with abundant garnets, which indicate a high metamorphic grade.

Conductor 2

At target A13, 1000m long as defined by VTEM, hole FRRC002 intersected minor highly sheared disseminated mixed sulphides, which were also detected by the resistivity probe as conductive zones. Anomalous zinc and copper values were present in these zones, as shown in Table 2, Anomalous Analysis Results in Stage 1 RC Drilling. The nickel values are shown for comparison, and are not significant. The DHEM interpretation showed the EM conductor was intersected, but the interpretation is limited to 200m distance. Therefore step out holes 200m along strike to the NE and SW will be drilled and further DHEM undertaken. The host rock is highly sheared mafic gneiss.

Conductor 3

At target A8, hole FRRC003 is shown by the DHEM interpretation to have narrowly missed the top of the SW corner of the EM conductor, which is now interpreted to extend for 200m to the NE. However, the hole still intersected anomalous gold, silver, zinc and copper values, which are highly encouraging, especially as background levels for gold are less than 5ppb. A follow up RC hole is planned 100m NE to intersect the middle of the better defined EM conductor. The host rock is highly sheared gabbro.

Conductor 4

At target A4, hole FRRC004 is shown by DHEM to have intersected the EM conductor off centre and the hole intersected minor sulphides within a 32m zone from 74m to 96m downhole, with supporting conductivity measurements at 90-96m from the resistivity log. The analyses reported anomalous zinc and copper values, and a few weakly anomalous gold values which had low silver values associated. The host rocks are gneiss. No follow up holes are requested.

Conductor 5

At target A7, FRRC005 is shown by DHEM to have intersected the northern edge of the EM conductor and intersected disseminated minor sulphides at 80-83m and this is supported by a strong conductivity peak at this downhole depth. The analyses reported anomalous copper, zinc, nickel, molybdenum and cobalt, as shown in Table 2. However the revised geophysical interpretation

shows the target as a conductor with a fault in the middle, and the southern area offset west a short distance. A new RC hole is planned into the centre of the northern block of the conductor, and if this hole intersects significant mineralization, then a second RC hole will be drilled into the centre of the southern part of the conductor. The host rock is gabbro.

Conductor 6

At target A3, FRRC006 intersected anomalous nickel values to 464ppm from 110m to 122m. Zinc and copper values are at background levels. This hole caved in at shallow depth after drilling, and will be cleaned out, PVC tubing inserted to end of hole to allow DHEM and downhole directional logging to occur. Resampling of the two 5m composite samples as 1m samples will be done to better identify the anomalous nickel zones. The host rocks are metagabbro with garnets.

Conductor 7

At target A1, FRRC007 is shown by DHEM to have narrowly missed the southwest end of the revised EM conductor, having passed about 15m below. However the hole intersected a minor zone of 2m of anomalous zinc to 746ppm at 77-79m, and this zone has a good conductivity peak. More significantly, there is a 7m wide zone from 95m to 102m downhole of anomalous nickel, with values up to 1780ppm. Background nickel values are less than 200ppm in this rocktype in this area. The revised EM conductor target now dips 81 degrees SE, instead of steeply to the northwest, and the hole drilled to the south east at -60 degrees would have intersected the projection of the modeled conductor at an acute angle, giving a false thickness. A new RC hole is planned to intersect the centre of the revised conductor, and this may intersect higher nickel values. The host rock is sheared gneiss with moderate garnets.

Conductor 8,9 and 10

Targets A17, A18, and A6 lie along a major 5km long EM conductor, and this was considered unlikely to be due to the presence of sulphides but more likely due to a conductor such as graphite or banded magnetite. One hole was drilled at each of the targets to identify the conductor minerals, and as expected FRRC008 at A17 and FRRC009 at A18 intersected graphite. However both holes also intersected minor sheared sulphide zones with anomalous zinc and copper values at A17, and anomalous zinc at A18 , as shown in **Table 2**. Hole FRRC010 at A6 also intersected minor zinc values within a shallow zone from 20-40m, and within 96 to 125m downhole, but with gaps in these zones as shown in **Table 2**. Follow up holes will be drilled at a future date. The host rocks were mainly sheared gneiss with garnets, and minor quartz garnet rocks, possibly metasediments

Target A15

Target A15 lies adjacent to the 'Eye' structure and south west along strike from the largest rock chip polymetallic anomaly in the south of the tenement. Two planned RC holes have now been relocated to shorten the hole lengths to 190m and 210m, which is achievable by RC, rather than having to drill the lower part as expensive diamond coring.

The "EYE"

The 'Eye' structure has an strong aeromagnetic anomaly in the centre, and this is not an EM conductor. Magnetic modeling by the consultant geophysicists suggests that the oval anomaly, which is 500m long and 230m wide and 50m thick from 73m depth, is sub horizontal and not thick for the size. The magnetic anomaly is associated with a dome-type structure, and the source material is probably magnetite, and may represent the serpentinised portion of a mafic-ultramafic intrusion. If so it has potential for a orthomagmatic nickel sulphide prospect. One RC hole is planned at -70 degrees to 160m downhole depth, and if the target model above is correct, will be followed by DHEM surveying to detect deeper conductors at the base of the intrusion which might be pooled nickel sulphides.

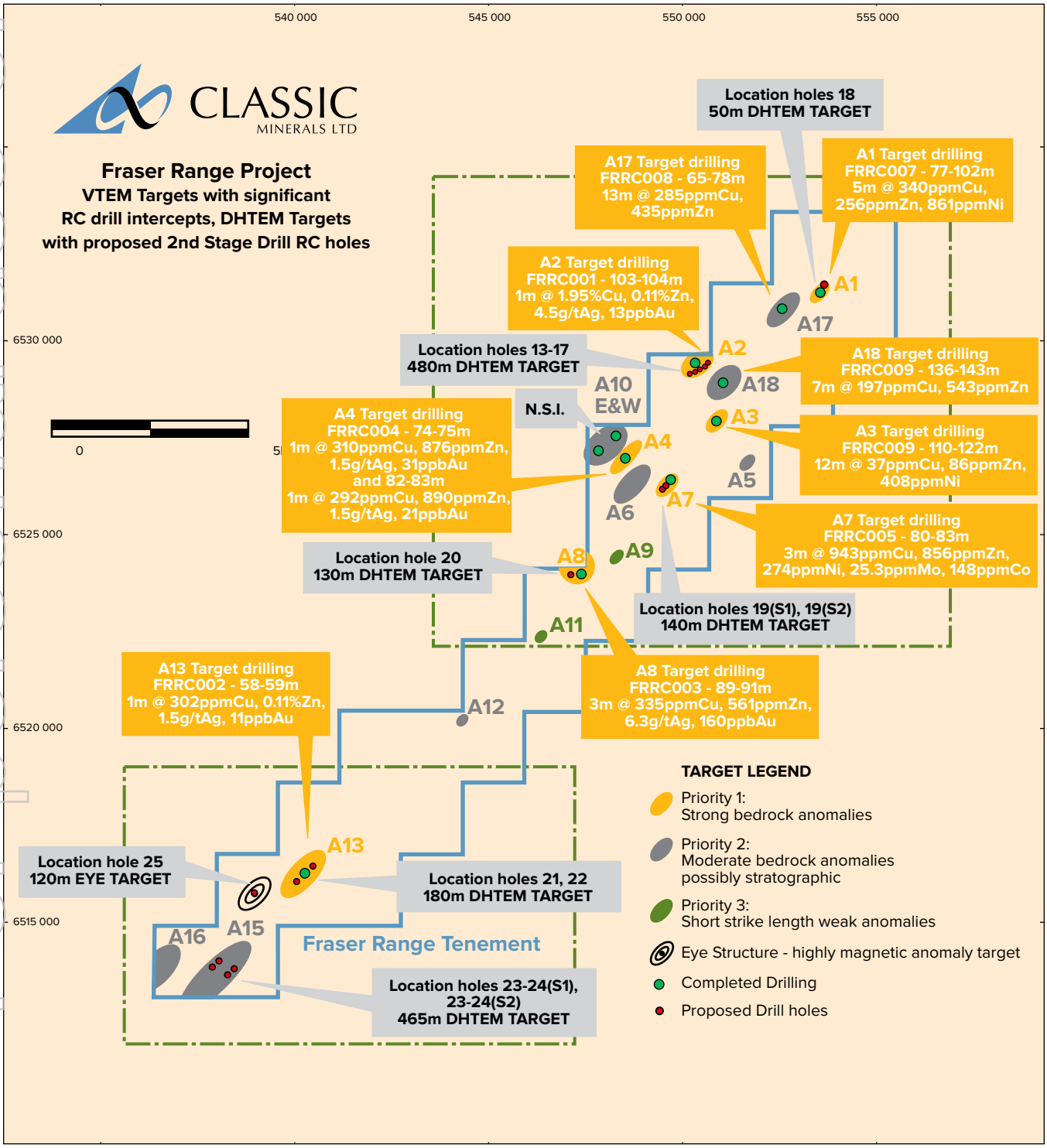
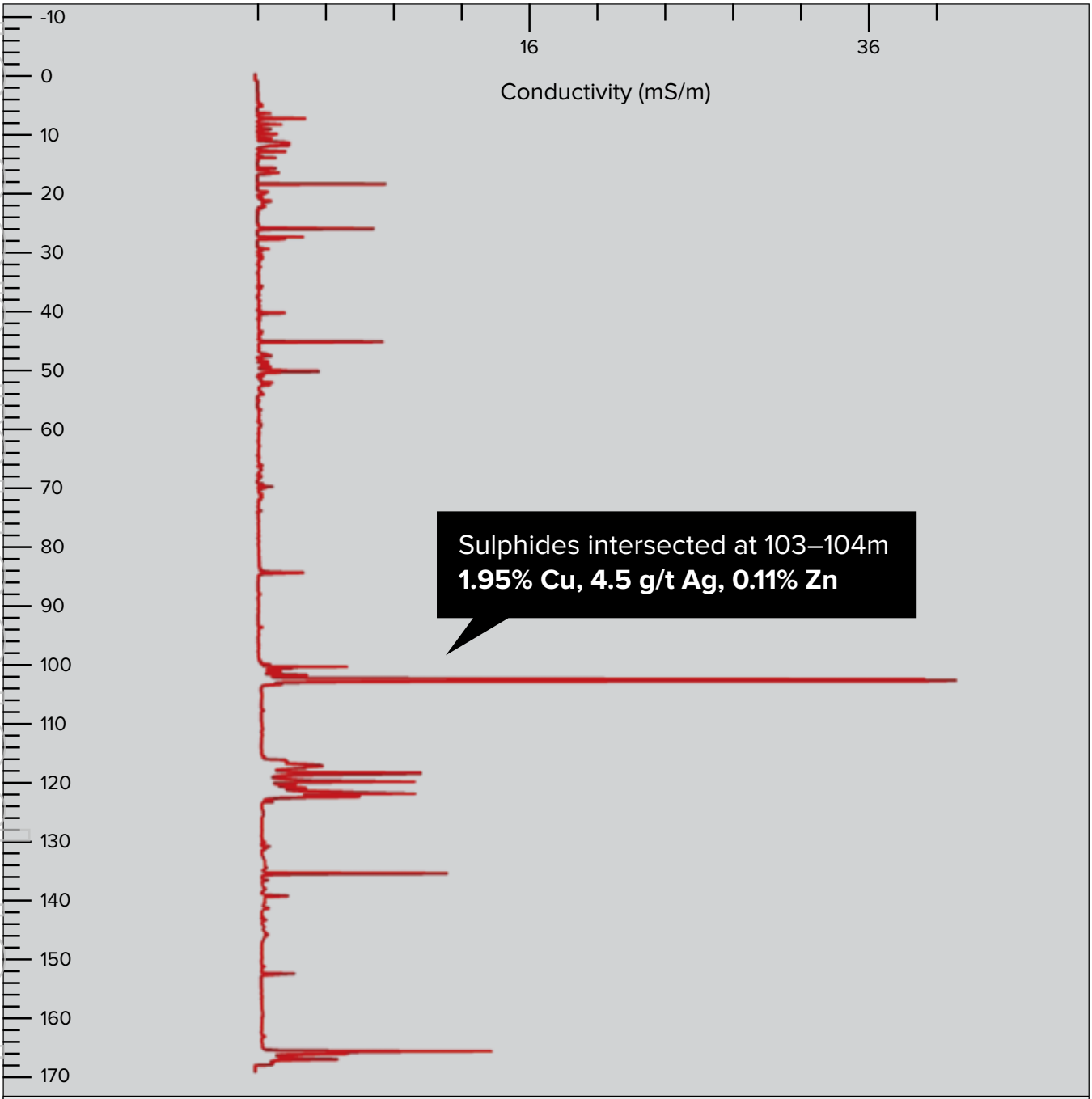
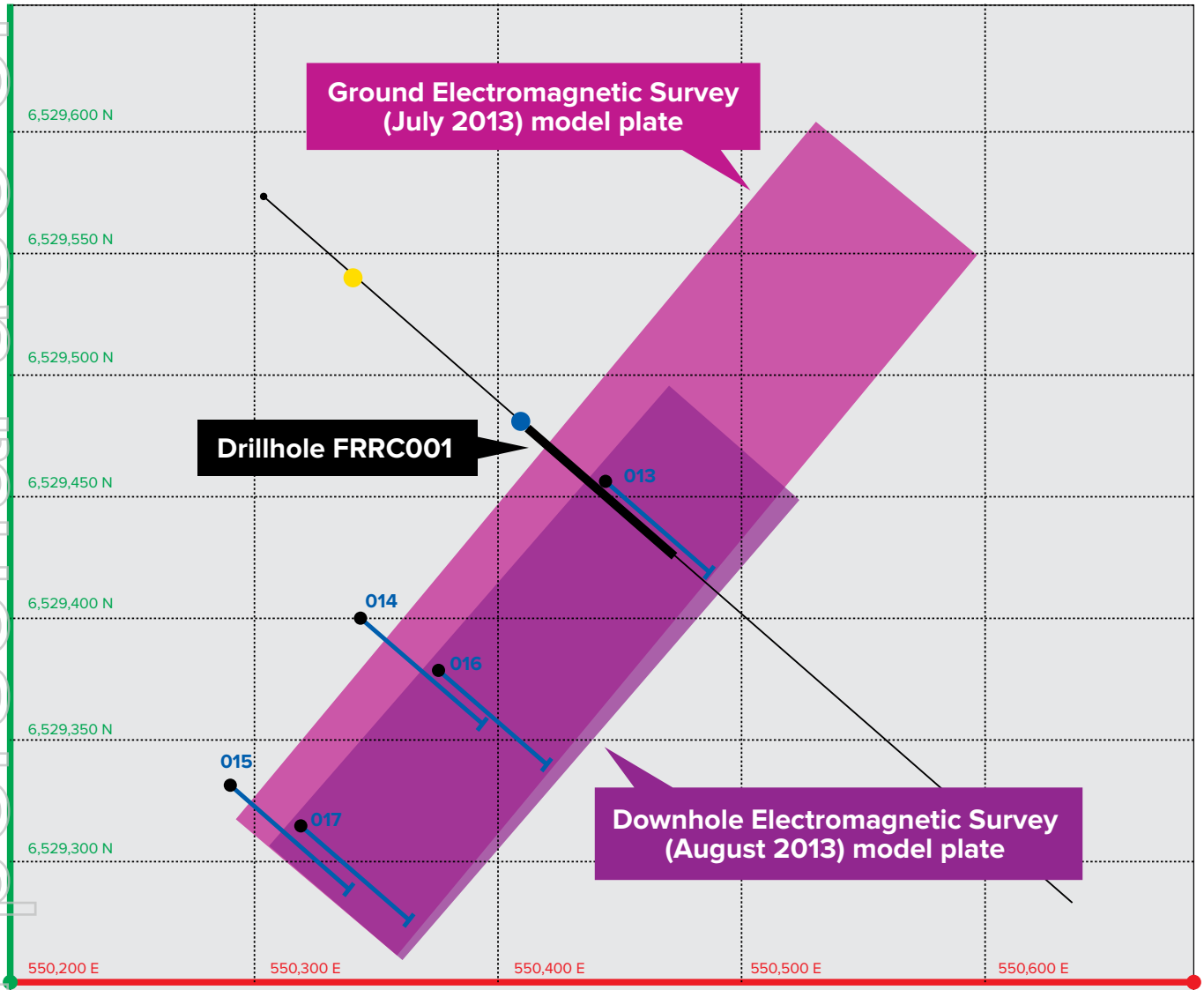


Figure 1: Fraser Range Target map. Additional Planned Hole



Target A2 – Hole FRRC01
Down Hole Resistivity Survey



Target A2

Downhole and Ground EM survey model plate comparison

Plan View

Table 3. Significant Analysis Results

A2 Target – FRRC001

Depth	Cu ppm	Zn ppm	Ni ppm
102-103m	920	398	6
103-104m	19500	1100	20
Range	30-19500	86-1100	4-70

A13 Target – FRRC002

Depth	Cu ppm	Zn ppm	Ni ppm
57-58m	332	610	150
58-59m	302	1090	118
62-63m	298	576	128
64-65m	470	544	178
89-90m	180	832	60
95-96m	284	530	108
98-99m	258	672	88
99-100m	260	504	98
100-101m	224	505	83
Range	26-470	62-1090	4-178

A8 Target – FRRC003

Depth	Au ppb	Ag ppm	Cu ppm	Zn ppm
88-89m	83	5.5	371	464
89-90m	135	7	349	532
90-91m	263	6.5	284	688
92-93m	50	3	170	686
93-94m	156	2	54	350
Range	1-263	0.5-7	12-371	98-688

A4 Target – FRRC004

Depth	Au ppb	Ag ppm	Cu ppm	Zn ppm
74-75m	31	1.5	310	876
75-76m	4	1	205	634
81-82m	4	1	163	546
82-83m	21	1.5	292	890
89-90m	3	1.5	313	582
90-91m	4	1.5	291	594
91-92m	2	2.5	432	654
92-93m	4	2	337	412
93-94m	10	1.5	354	582
94-95m	7	1	246	566
95-96m	13	2	328	484
Range	1-31	0.5-2.5	28-432	82-890

A7 Target – FRRC005

Depth	Cu ppm	Zn ppm	Ni ppm	Mo ppm	Co ppm
80-81m	1100	360	488	33.5	174
81-82m	1330	556	464	32	171
82-83m	399	556	170	10.5	98
Average	943	491	374	25.3	148
Range	20-1330	146-556	28-488	2-33.5	20-65

A3 Target – FRRC006

Depth	Cu ppm	Zn ppm	Ni ppm	
110-115m	61	134	362	5m composite sample
115-120m	33	110	404	5m composite sample
120-121m	30	102	404	
121-122m	24	120	464	
Range	11-234	82-208	8-464	

A1 Target – FRRC007

Depth	Cu ppm	Zn ppm	Ni ppm
77-78m	272	516	102
78-79m	352	746	112
95-96m	183	180	432
96-97m	278	174	774
97-98m	423	140	1200
98-99m	188	144	826
99-100m	426	134	1780
100-101m	571	140	1590
101-102m	368	136	934
Range	47-571	132-746	54-1780

A17 Target – FRRC008

Depth	Cu ppm	Zn ppm
55-56m	200	518
65-66m	576	182
72-73m	119	995
73-74m	349	256
74-75m	325	470
75-76m	355	238
76-77m	254	276
77-78m	303	542
Range	22-576	46-995

A18 Target – FRRC009

Depth	Cu ppm	Zn ppm
136-137	180	594
137-138	240	569
138-139	273	518
139-140	157	448
140-141	227	536
141-142	120	492
142-143	185	646
Range	19-273	116-646

A6 Target – FRRC010

Depth	Cu ppm	Zn ppm	
20-25m	147	594	5m composite sample
25-30m	260	528	5m composite sample
35-40m	273	500	5m composite sample
96-97m	226	590	
97-98m	323	564	
108-109m	391	296	
109-110m	213	512	
110-111m	238	498	
111-112m	217	508	
112-113m	214	462	
113-114m	210	516	
114-115m	170	458	
115-120m	282	680	5m composite sample
120-125m	220	518	5m composite sample
Range	36-391	86-680	

ABOUT CLASSIC MINERALS

Classic Minerals (ASX: CLZ) is a Perth-based mineral exploration Company focused on advancing its Fraser Range project E28/1904, in Western Australia. The Fraser Range Project is approximately 40km northeast of Sirius Resources' NL (ASX: SIR) Nova and Bollinger nickel-copper discoveries, and has historic nickel-copper-zinc soil anomalies. Other projects include Doherty's Gold Project in the East Murchison region of WA, Mt Maitland Project in the Murchison region, which is prospective for uranium, and Cowarna Rocks near Kalgoorlie, which has detrital iron ore potential. The company listed on the ASX in May 2013 and is focused on increasing shareholder value through exploration success at its West Australian projects. Further details of the company's projects can be found at www.classicminerals.com.au

COMPETENT PERSONS STATEMENT

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Sheldon Coates, who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Sheldon Coates is employed by Iron Resources Pty Ltd who is a consultant to Classic Minerals Ltd. Mr Sheldon Coates has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Sheldon Coates consents to the inclusion in the report of the matters based on his information in the form and context in which it appears

Sampling and Analysis Procedures

A10 West – FRRC011

No significant intersections

A10 East – FRRC012

No significant intersections

The RC holes were drilled with a face sampling hammer to minimize contamination, and the one metre samples were split in a splitter to give representative 1/8 and 7/8 samples.

Samples considered to be mineralized were sampled as 1 metre samples with the whole 1/8 sample submitted for analysis for copper, zinc, lead, silver, cobalt, molybdenum, bismuth, tungsten, and arsenic. The last four elements are considered indicator elements as they may occur in greater quantities than valuable elements such as gold. The samples which were not mineralised were composited as 5m metre composites, with an equal volume from each 1/8 split composited .Samples were sent to Bureau Veritas in Perth for analysis by pulverizing the whole sample to below 75 microns, splitting out 200g, and mixed acid digest with ICP analysis.

Gold and platinum group elements were analysed by aqua regia digest, with OES-ICP finish.

One sample in 20 was duplicated as a check on the laboratory precision, and the laboratory also used internal standard samples and blank samples for quality control. Comparison of the analyses of the original and duplicate samples indicated a close correlation.

As the holes were drilled as one RC hole into the centre of the interpreted electromagnetic (EM) conductor as estimated by the geophysical consultants. Each target was at least 500m apart and some were several kilometers apart, and therefore each target has a different geological setting, and different background levels of various elements. Anomalous values are considered to be above the following values for the economically important elements; Zinc 500ppm, copper 300ppm, nickel 400ppm, silver 5ppm, and gold 15ppb.

Mr Doutch concluded "the Company considers the initial phase of exploration very positive and sets the scene for an agressive and more targeted second phase of drilling to fully dedlineate the prospectivity of our flagship Fraser Range Project."

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