ACN 119 484 016

CLASSIC MINERALS LTD

CORPORATE STRUCTURE

ASX Code: CLZ- CLZO
ABN: 77 119 484 016

Shares: 239,301,999
Options (listed): 101,137,607
Options (unlisted): 12,500,000

Share Price: $0.04 (at 30/4/2014)
Option price: $0.01 (at 30/4/2014)

BOARD & MANAGEMENT

Justin Doutch, Managing Director
Stanislaw Procak, Non-Executive Director
Kent Hunter, Non-Executive Director
Jeffrey Nurse, Company Secretary

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.

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ASX ANNOUNCEMENT 1 MAY 2014

DRILLING CONFIRMS NEW TWIN CONDUCTORS SOUTH OF MAMMOTH; NEW DEEP GROUND EM SURVEY COMMENCES

Highlights:

- **Visual sulphide intercepts at A17 twin conductor target**
- **Verifies continued mineralised horizon south west from Mammoth**
- **New Ground EM Survey Commences on 6km conductive target Hot Zone and EYE structure.**

Summary

Classic Minerals (ASX:CLZ) has started to confirm the continuity of mineralisation along its 6km conductive target zone intercepting visual sulphides from drilling at a twin conductor target 1km to the south west of Mammoth.

Mineralisation has been intercepted from eight holes drilled at target A17, targeting twin conductors running parallel over 700m that had been interpreted from earlier VTEM work.

Visual sulphides have been recorded from drilling extending along strike and at depth, with anomalous copper and zinc values

As foreshadowed, a new ground EM programme has also commenced today.

The programme will use a deep search, Sub Audio Magnetics Fixed loop EM survey (SAM-FLEM) which uses high powered EM transmitter technology. Sirius Resources NL reported a trial of this system which has confirmed that it can detect the Bollinger deposit (which was invisible to conventional EM) at 450 metres.

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"We are driving hard, through a systematic exploration programme, towards the next important discovery along our Fraser range tenement," said Classic Minerals Managing Director Justin Doutch.

"These first few holes into A17 have confirmed iron zinc copper sulphide mineralisation in both the conductors and it is our view that Mammoth is therefore not an isolated nickel copper sulphide discovery but part of a bigger potential system such as the clusters of sulphide deposits in Canada and Russia".

"By undertaking the SAM survey programme we will be able to detect sulphide deposits at a far greater depth than we have been able to achieve so far, which may provide deeper conductor targets for the next programme of drilling."

The A17 twin conductor target is one of ten EM and TMI targets identified along a 6km conductive target zone running south west from Mammoth. A17 lies 1km to the south west of Mammoth. An initial exploratory RC hole in August 2013 missed the target and a subsequent review earlier this year refined the conductor position whilst identifying a second parallel conductor.

The SAM survey will initially be undertaken on a portion of the 6km conductive target zone and also around the EYE structure on the southern end of Classic's Fraser range tenement.

Figure 1. A17 Visual Fe Zn Cu sulphides in latest drilling program. Chips are from FRRC075 at 61-62 metres downhole. Chips are 20mm to 3mm in size.

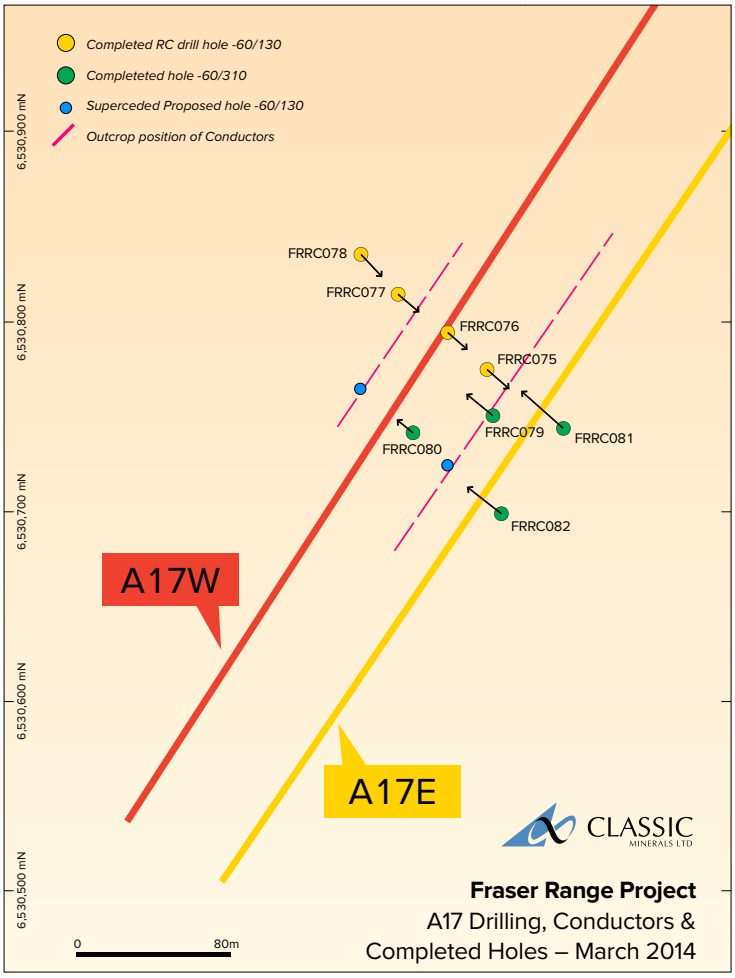

Figure 2. A17 Plan view of drill collars

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About Sub-Audio Magnetics (SAM) Fixed Loop EM surveys

SAM is a unique survey system developed and operated by Gap Geophysics Australia Pty Ltd. SAM allows continuous data acquisition, efficiently delivering high spatial resolution magnetic and EM data. When combined with Gap's high powered EM transmitters, it is capable of achieving greater exploration depths than conventional EM technologies. A recent trial over the Forrestania EM Test Range in WA indicated SAM-FLEM's ability to detect major conductors at depths well in excess of 400m.

Sirius Resources recently announced successful trials of Gap's high powered EM systems over the Nova-Bollinger deposit.

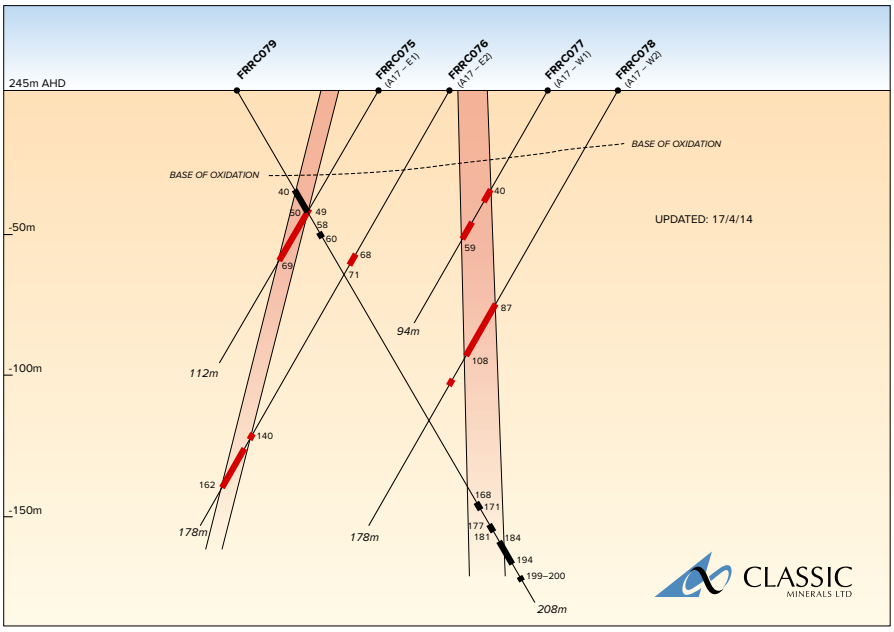

Figure 3: Cross section of A17. Mineralised Zones are shown in red and black.

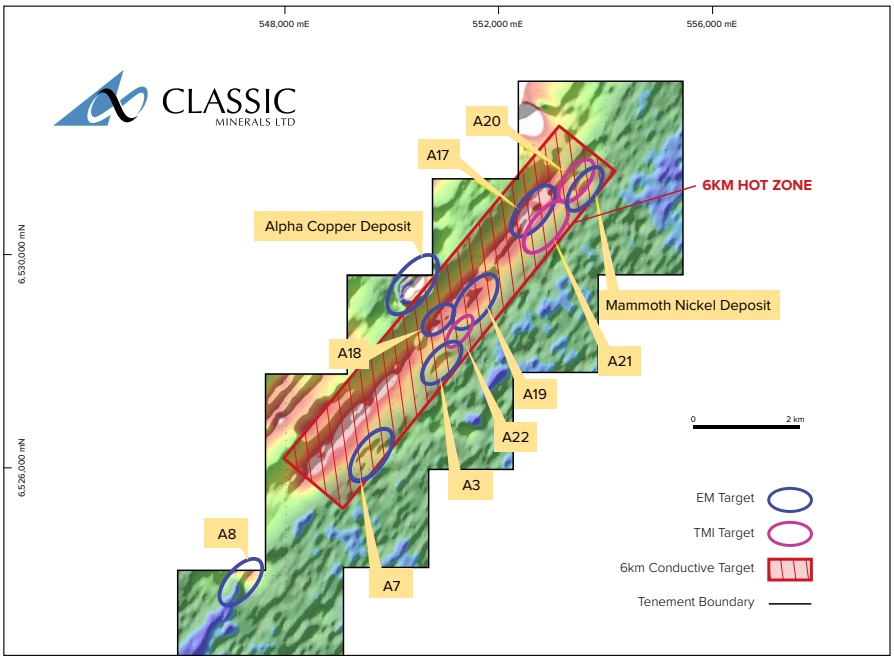

Figure 4. VTEM image showing growing hot zone for exploration through northern end of Fraser Range tenement.

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Figure: 5. Ground SAM electromagnetic survey being undertaken at 6km HOT ZONE of E28/1904

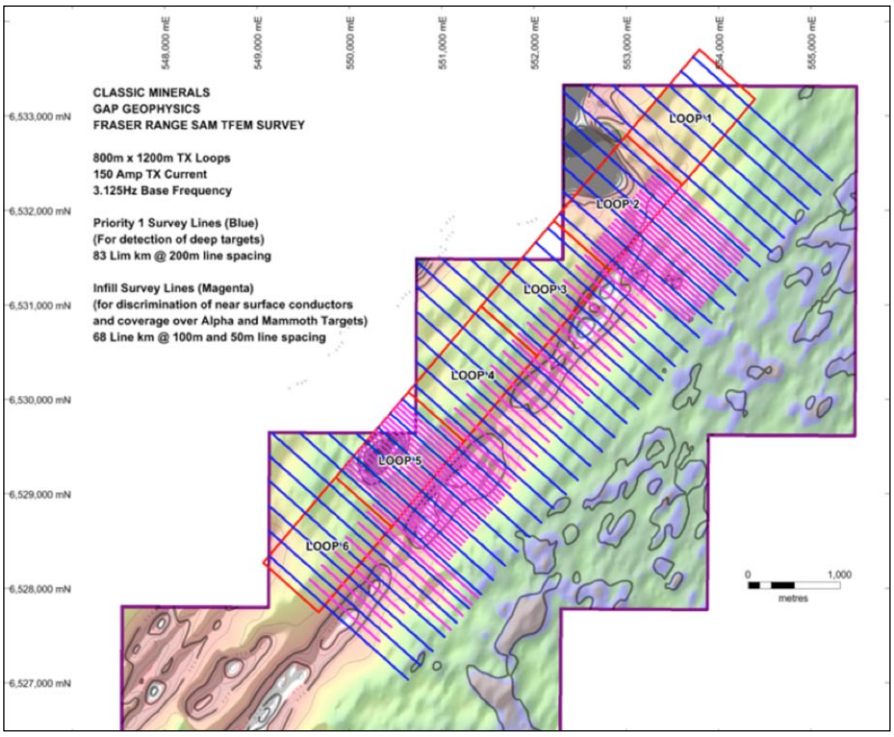
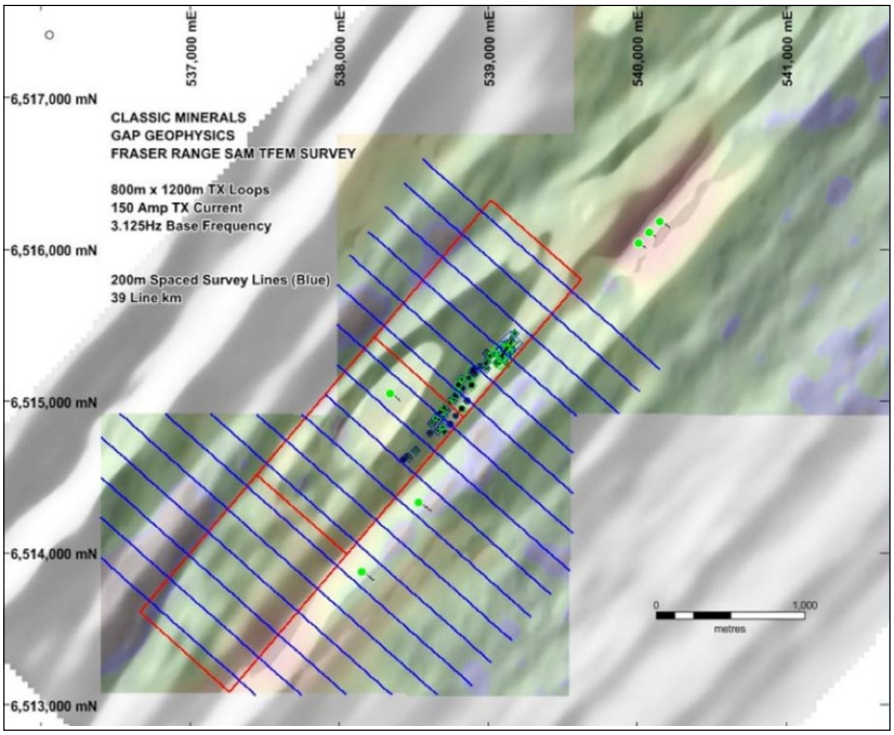


Figure 6. (SAM) Ground EM survey being undertaken at EYE structure of E28/1904. Green and Blue squares are geochemistry locations. The green dots are RC holes.



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Eye Structure

The Eye structure was delineated by aeromagnetics, and has a large aeromagnetic anomaly in the centre, and this was shown to be a large gabbro intrusion when drilled. A significant copper zinc geochemical anomaly occurs on the northeast side of Classic Minerals Eye structure. The nickel copper mineralisation at Nova deposit is adjacent to a large gabbro intrusion within an Eye structure.

Any significant deep EM conductors will be followed up with surface geochemistry to test for anomalous mineral values at surface, and EM conductors with coincident geochemical anomalies will be drill tested.

Table 1: A17 Collar File

Hole ID	Prospect	East MGA94	North MGA94	RL AHD (m)	EOH Depth (m)	Dip	Azimuth (true)
FRRC075	A17	552575	6530776	245	112	-60	131
FRRC076	A17	552556	6530792	246	178	-60	131
FRRC077	A17	552530	6530814	246	94	-60	131
FRRC078	A17	552509	6530835	246	178	-60	131
FRRC079	A17	552619	6530742	244	208	-60	311
FRRC080	A17	552536	6530741	245	106	-60	311
FRRC081	A17	552616	6530745	242	100	-60	311
FRRC082	A17	552584	6530700	242	124	-60	311

Table 2: Analysis Results Table for A17

Hole ID	Depth From metres	Depth To metres	Cu ppm	Ni ppm	Zn ppm	Comment
FRRC075	55	56	524	141	250	
FRRC075	61	62	390	112	1559	
FRRC076	142	143	718	108	129	
FRRC076	143	144	822	130	94	
FRRC076	144	145	1017	150	205	
FRRC077	40	41	258	92	509	
FRRC077	41	42	402	140	641	
FRRC077	42	43	419	141	422	
FRRC077	43	44	521	147	1028	
FRRC077	44	45	238	78	577	
FRRC077	45	50	177	71	544	5m sample
FRRC077	50	55	198	66	427	5m sample
FRRC077	55	56	183	63	579	
FRRC077	56	57	290	89	521	
FRRC077	57	58	380	90	977	
FRRC077	58	59	266	64	589	
FRRC078	88	89	775	199	240	
FRRC078	89	90	510	148	266	
FRRC078	90	91	495	143	277	

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Hole ID	Depth From metres	Depth To metres	Cu ppm	Ni ppm	Zn ppm	Comment
FRRC078	91	92	454	116	667	
FRRC078	92	93	148	59	543	
FRRC078	95	96	516	162	458	
FRRC078	96	97	476	176	3315	
FRRC078	97	98	511	141	749	
FRRC078	98	99	188	72	464	
FRRC078	99	100	295	86	693	
FRRC078	100	101	297	96	718	
FRRC078	101	102	159	79	524	
FRRC080	64	65	566	93	412	
FRRC080	65	66	450	171	1817	
FRRC080	66	67	520	152	771	
FRRC080	67	68	449	113	333	
FRRC080	68	69	573	164	479	
FRRC080	69	70	563	144	1160	
FRRC080	76	77	366	78	778	
FRRC080	77	78	545	130	742	
FRRC080	78	79	467	132	333	
FRRC080	79	80	498	151	481	
FRRC080	80	81	553	183	706	
FRRC080	81	82	94	41	531	
FRRC080	84	85	187	76	588	
FRRC081	43	44	361	139	1496	
FRRC082	97	98	261	93	691	

Note: FRRC079 results have not been received.

The analysis results from A17 show that this mineralisation, dominantly pyrrhotite/pyrite with minor zinc and copper, but only background levels of Ni, is more similar to Alpha Cu Zn deposit than Mammoth Ni Cu deposit. The presence of significant amounts of mixed sulphides shows that there was sufficient sulphur available in host rocks to combine with metal elements in the magma to form sulphides. This is encouraging, as other metal enriched magma flowing up channelways from below through these host rocks in this favourable horizon, would have sufficient sulphur available to create sulphides. There is potential for other sulphide deposits to have formed along this Hot Zone, and if the Ni Cu Zn Co content of the associated magma was higher, then higher grade deposits could have formed.

ABOUT CLASSIC MINERALS

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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 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Sheldon Coates is a shareholder in Classic Minerals and consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

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Background to Classic's Exploration Success on the Fraser Range Projects

Classic listed on the ASX in May 2013. After flying VTEM over the whole tenement in June it identified 18 conductors across the tenement. Three rounds of RC drilling have subsequently been completed since August 2013, with each delivering increasing exploration success which has seen the business accelerate the pace of its original planned exploration.

Stage 1 drilling returned an excellent copper intersection at the A2 conductor, with the first hole of the program discovering an intersection of 1.95% Cu over 1m.

Stage 2 drilling in October subsequently drill tested A2 now called Alpha Copper Deposit to identify a mineralized zone over 200m long and over 60m wide with drilling intersecting up to 20% sulphides in some samples with zones up to 12m thick. Drilling 3km to the north east at Mammoth also delivered an intercept of a 16m thick anomalous nickel zone in FRRC018.

Stage 3 drilling in December resulted in the discovery of a large new nickel-copper mineralized horizon close to surface at Mammoth, with strong, visible sulphides in holes up to 23m thick and best intercepts including a two metre wide sulphide intercept of 1.0% Ni from just 106m in FRRC040. This was the deepest intersection to date at Mammoth. RC drilling to date has stepped out over 160m along strike with all holes returning visible sulphides.

Stage 4 drilling in the first quarter of 2014 has subsequently extended the Mammoth Ni Cu deposit to 240m long and Alpha copper deposit to 400m long, and a subsequent strategic programme review has further highlighted a total of 10 priority targets within a 6km conductive target zone running south west from Mammoth.

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JORC Table

Section 1

Criteria	JORC Code explanation	Commentary
Drilling techniques	• Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).	• Reverse Circulation (RC) drilling with face sampling hammer bit accounts for most of Classic's current drilling at the Fraser Range prospect. One partly cored hole (NQ) FRDC001 has been completed at Mammoth deposit, cored from 39m to 51m. Not oriented.
Drill sample recovery	• Method of recording and assessing core and chip sample recoveries and results assessed. • Measures taken to maximise sample recovery and ensure representative nature of the samples. • Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.	• RC recoveries are logged visually as a volume percentage. Core recoveries measured, and expressed as a percentage. • RC samples all dry to avoid smearing. Each RC bag was split into 1'8 and 7/8 representative samples through a triple tier splitter.. • N/A
Logging	• Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. • Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography. • The total length and percentage of the relevant intersections logged.	• RC drilling has been geologically logged to a level of detail to be appropriate for mineral resource estimation. • Logging of RC drilling records lithology, mineralogy, mineralization, weathering, colour and other appropriate features. • All logging is quantitative. All core trays photographed. • All drill holes reported were logged in full
Sub-sampling techniques and sample preparation	• If core, whether cut or sawn and whether quarter, half or all core taken. • If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry. • For all sample types, the nature, quality and appropriateness of the sample preparation technique. • Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. • Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling. • Whether sample sizes are appropriate to the grain size of the material being sampled.	• Core cut with diamond saw blade. Half core taken for analysis. Quarter core used for petrology. • RC samples were cyclone split. All samples collected were dry. • The sample preparation of RC samples follows industry best practice. All samples are pulverized to -106microns. • RC samples are collected at 1m intervals from a cyclone and split into 1/8 and 7/8 representative samples. 1m samples of equal volume composited from 1/8 bags into 5m samples using a cup. Certified Reference Materials (CRM) and/or house controls, blanks, splits and replicates are analysed with each batch of samples. • Field duplicates have been taken as 1 in 20. • Samples sizes are appropriate to the size of the RC chips.

Criteria	JORC Code explanation	Commentary
Quality of assay data and laboratory tests	• The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. • For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. • Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.	• The analytical technique used mixed acid digest and OHM, and is considered nearly total. • No geophysical tools were used to determine any element concentrations in this report. • Sample preparation checks for fineness were carried out by the laboratory as part of internal procedures. Duplicate samples submitted as 1 in 20. Duplicate sample results closely match original results.
Verification of sampling and assaying	• The verification of significant intersections by either independent or alternative company personnel. • The use of twinned holes. • Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. • Discuss any adjustment to assay data.	• Significant intersections of the RC drilling have been visually verified by the Managing Director and independent technical consultants. • There has been one twinned hole to date. • Primary data was collected by excel templates using flat files. • No Adjustments or Calibrations were made to the assay data reported.
Location of data points	• Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. • Specification of the grid system used. • Quality and adequacy of topographic control.	• Drillhole collars were located by GPS. Elevation values were in AHD. Expected accuracy is +/- 3m for northing and easting and +/-5m for elevation for elevation coordinates. • The grid system is GDA94(MGA), zone 51 • The GPS is +/- 3m, and an estimated RL is used from the 1:250,000 regional map for Zanthus sheet. A digital terrain model has been derived from data collected during the VTEM survey of the whole tenement.
Data spacing and distribution	• Data spacing for reporting of Exploration Results. • Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. • Whether sample compositing has been applied.	• The nominal drill line spacing is 20m at Mammoth deposit. Line spacing at Alpha is 50m. At A20, 20 holes on same line 20m apart. At A17, 6 holes on same line with pairs of holes to SE 20m apart into two conductors, with two scissors hole to NW. 2 Holes 50m on line 50m S, to NW. • The drilling indicates that there is sufficient data to establish the degree of geological and grade continuity needed for Inferred Resource at Alpha and Mammoth deposits. • There has been no compositing applied to the exploration results.
Orientation of data in relation to geological structure	• Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. • If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.	• The orientation of structures has been identified, and the drilling is at right angles to strike, and nearly to the dip. Drill intersections are not true widths.

Criteria	JORC Code explanation	Commentary
Sample security	• The measures taken to ensure sample security.	• Chain of custody is managed by Classic. Samples are stored on site and either delivered by Classic personnel to a Kalgoorlie laboratory or alternatively to a transport company to a laboratory in Perth.
Audits or reviews	• The results of any audits or reviews of sampling techniques and data.	• No audits or reviews have been set up at this stage.

Section 2 Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. • The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.	• The drilling is located wholly within Exploration Licence E28/1904, The tenement is 100% owned by Classic Minerals Ltd • The tenement is in good standing and no known impediments exist.
Exploration done by other parties	• Acknowledgment and appraisal of exploration by other parties.	• Soil sampling, Auger sampling by Homestake Gold Australia
Geology	• Deposit type, geological setting and style of mineralisation.	• Geological setting is in Fraser Zone of Albany Fraser Mobile Belt consisting of gneiss , mafic rocks including gabbro with significant garnet in the metamorphic rocks. • This appears to be a magmatic type of deposit, further information is required to fully assess the style of mineralisation. More mineralogy and petrology are planned.
Drill hole Information	• A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: » easting and northing of the drill hole collar » elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar » dip and azimuth of the hole » down hole length and interception depth » hole length • If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.	• Refer to Table1; Hole Locations. • Refer to Table 2; Significant Analyses

Criteria	JORC Code explanation	Commentary
Data aggregation methods	• In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated. • Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. • The assumptions used for any reporting of metal equivalent values should be clearly stated.	• All reported assays are a result of 1/8th sample of 1 meter in mineralised zones or 5 meter composite samples aggregated as equal volume from the individual 1/8th samples in non mineralised zone . No top-cuts or cutoffs have been applied. • Higher grade nickel and copper intervals internal to broader zones of nickel and copper are reported as included intervals. • No use of metal equivalents has been used in this report.
Relationship between mineralisation widths and intercept lengths	• These relationships are particularly important in the reporting of Exploration Results. • If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. • If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').	• The geometry of the primary mineralization is variable, and intercepts are of holes drilled at -60 dip. These are not true thicknesses. • Downhole lengths only are reported. These are not true widths.
Diagrams	• Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.	• Refer to plan figure in the body of text. Cross-sections previously published.
Balanced reporting	• Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.	• All significant results are reported. • Background levels for Ni are below 200ppm, below 200ppm for Cu, and below 50ppm for Cobalt.
Other substantive exploration data	• Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.	• Several drillholes across the tenement have intersected groundwater which is brackish, with TDS up to 11000ppm. • Downhole EM has been used to determine the orientation of the EM conductors, and if the EM conductor has been intersected,
Further work	• The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling). • Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.	• At this stage, mineralisation at Mammoth and Alpha deposits is only broadly understood and requires further DHEM and ground EM surveys, as well as step out RC drilling down to 200m depth of mineralisation then deeper core drilling will be undertaken to extend the deposits at depth