ASX Announcement

ASX: CLZ ACN 119 484 016

11 April 2017

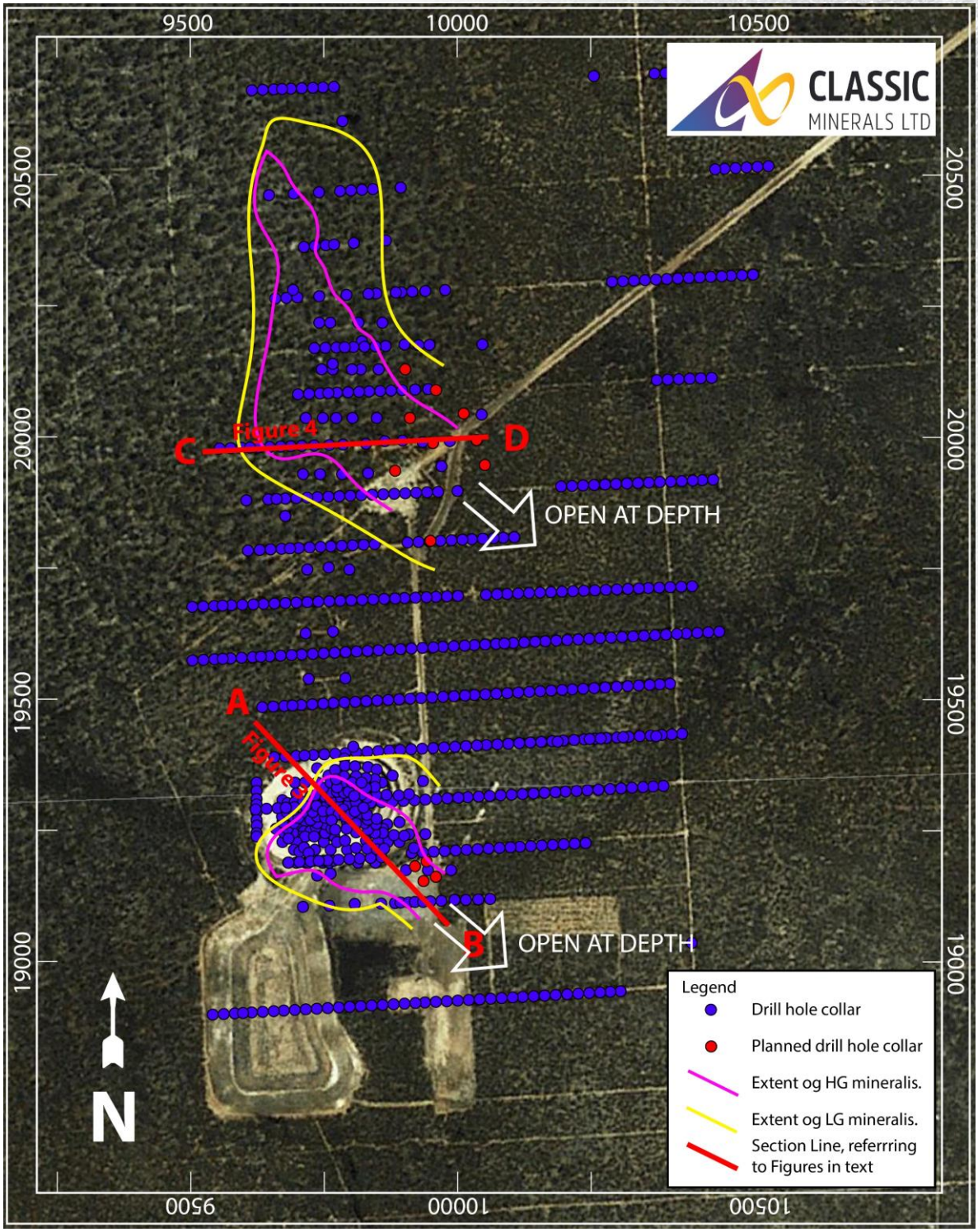
CLASSIC GETS SET TO COMMENCE DRILLING AT FORRESTANIA GOLD PROJECT

Highlights:

- **Site visit currently underway to finalise logistics for upcoming drill programme, with drilling anticipated to commence in May 2017**
- **Drill programme to test promising high-grade extensions of the current Mineral Resource at Lady Ada and Lady Magdalene**
- **The Forrestania project has potential for high-grade mineralisation near surface**
- **Geophysical study identifies several additional high-priority drill targets**

Classic Minerals Limited ("Classic" or the "Company") (ASX Code: CLZ) is pleased to advise it has lodged a programme of works ("POW") to undertake drilling at its 80% owned Forrestania Gold Project ("FGP" or "the Project"), located approximately 120 km south of Southern Cross, WA and 17 km southwest of the historic Bounty Mine site (mined/current resources of +2.0M oz Au).

Drill hole collars are currently being marked out in anticipation of the programme which is scheduled to commence in May 2017 (subject to DMP approval). The drill programme will comprise ~1,200m diamond drilling and ~1,600m RC drilling (see Figure 1, 2 & 3).



Plan 1: Map Showing Proposed Collars of Phase 1 Drilling Program

1. Planned Drilling at Lady Ada

Upon first examination of the dominantly west-dipping orientated drill lines, the mineralisation appears to be diminishing at depth. However, when the high-grade intervals (>5.0 g/t Au) are displayed in plan-view (the results of these drill holes can be found in a table as appendix 2 to ASX Announcement dated 14 March 2017) a south-easterly plunging trend is readily observable. When cross-sections are created parallel to the high-grade plunge, it is clear the mineralisation is open at depth as shown in the oblique -and cross sections provided in Figures 2 & 3.

The mineralisation at Lady Ada is hosted within the Sapphire Shear, which presents as two zones of stacked shallow dipping faults. The grades within the shear are variable (typical of shear hosted systems) and present commonly as intervals of 2-3 m, with average grades frequently ranging up to 5.0-15.0 g/t Au. Figure 1 and Figure 2 show high-grade intercepts that have not been closed off at depth. The main (eastern) high-grade part of the Mineral Resource is 55 m wide with a down-dip length of 230 m; the second (western) high-grade part of the Mineral Resource is approximately 35 m wide with a down-dip length of 170 m. The Mineral Resource was first reported in the ASX announcement from 9 March 2017). Classic's drilling at Lady Ada will be to further investigate the extents of the high-grade zones.

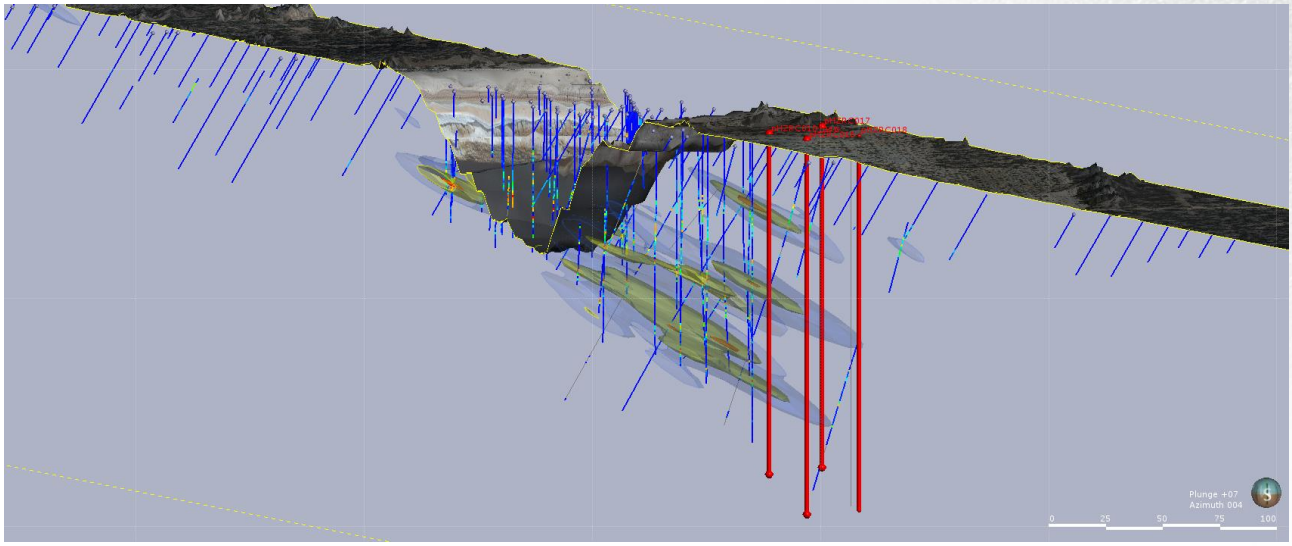


Figure 2: Lady Ada oblique section looking North (local grid), showing the proposed drill targets against the extent of the current mineral resource model and the exploration drilling results.

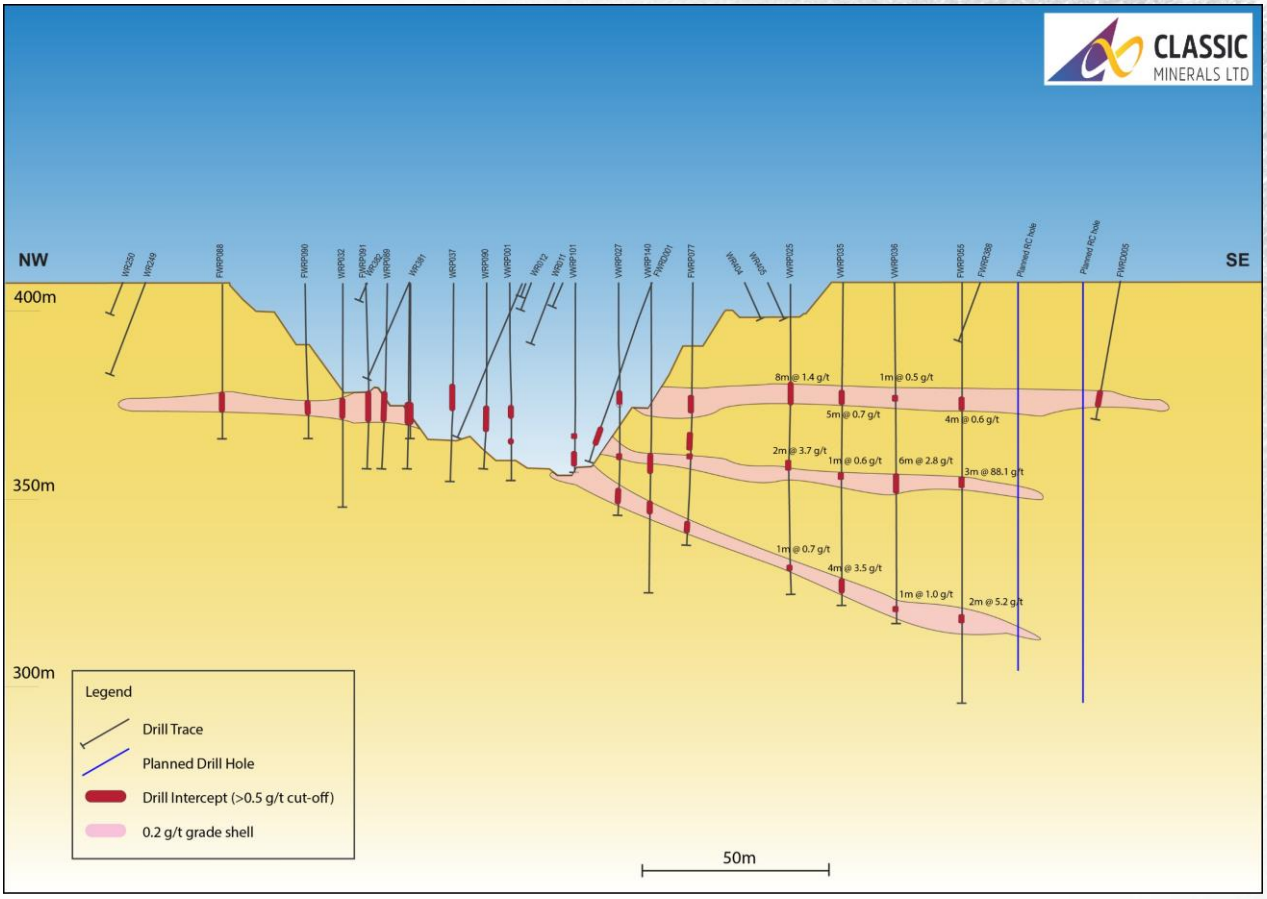


Figure 3: Lady Ada cross section looking north east showing CLZ proposed drill holes

2. Planned Drilling at Lady Magdalene

Gold mineralisation at Lady Magdalene (formerly Red Haze) is hosted within a sheared mafic suite. The mineralisation is over a kilometre long, is generally drilled to a down-dip length of 200-300 m (150 m vertical depth), and is generally 10 m thick (true thickness) with a grade range between 1.0 and 5.0 g/t Au. The area was the subject of RC/Diamond drilling, heap- and dump-leaching metallurgical column test work completed by Forrestania Gold NL (LionOre subsidiary) in mid- to late 1999. The gold mineralisation strikes over 500 m north-south and is hosted within the Wattle Rocks Dolerite unit (like Lady Ada), but differs in having multiple, wide (up to 20 m true width), subparallel low-grade shear zones instead of one major, narrow, high-grade shear (the Sapphire Shear) like Lady Ada.

The total Mineral Resource estimated for Lady Magdalene in August 2000 was 2.45 Mt @ 1.65 g/t Au at a 1.0 g/t Au block cut-off grade. The Resource is based on only 50 m x 25 m drill coverage (at best) and higher-grade (supergene) portions of the orebody may become apparent with closer-spaced drilling programmes. Diamond hole FWRD011 had an intersection of 7.0 m @ 9.07 g/t Au (true width unknown), containing visible Au only 25 m from surface and alludes to other, as yet undefined, high-grade intersections being present in the orebody.

At Lady Magdelene, mineralisation has not been closed off at depth, and intersections on several wide-spaced sections indicate that a similar south-easterly plunge may exist at here (see Figure 1 and 4).

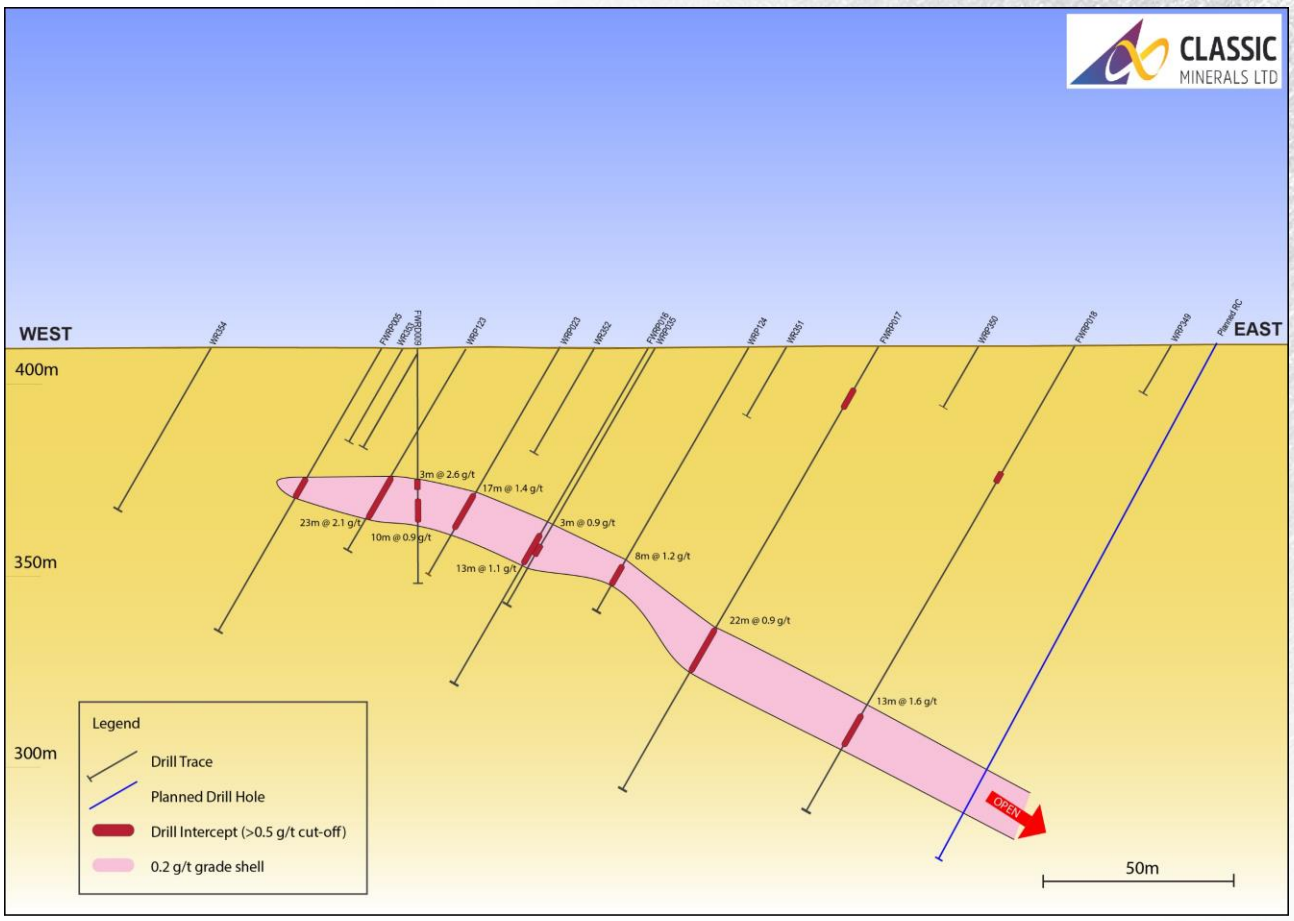


Figure 4: Lady Magdalene cross section looking north showing CLZ proposed drill holes

3. Geophysical Study and Exploration Targeting

Classic is also pleased to announce the identification of priority targets at FGP based on interpretation of detailed aeromagnetic data from an existing survey dataset. Classic commissioned a geophysical consultant to assist with data processing, interpretation and target selection. In addition, a detailed 3D inversion model (shown in figure 6) was also generated to assist with geological understanding and targeting. The main aim of the interpretation was to identify possible dolerite and BIF hosted mineralisation, as favourable hosts for gold mineralisation similar to other proven gold deposits in the region (including Lady Ada, Blue Vein, Bounty, Lady Magdalene, Earl Grey, Van Uden).

A summary map showing the compilation of air-core ("AC") drilling geochemistry with targets around the Lady Ada (formerly Blue Haze) Prospect is presented in Figure 5. Highly significant gold values are identified as values above 30 to 50 ppb. The map shows numerous significant values around the Lady Ada, Lady Magdalene and Lady Lila prospects.

It appears that geochemical data is missing for the AC traverses to the south of Lady Ada and it is not clear if the mafic volcanics in this area have been adequately tested. The existing AC traverses are spaced 500m apart on E-W lines. The structures hosting Lady Ada run oblique to this direction which leaves significant gaps between AC lines where plunging shoots of high grade mineralisation could be missed.

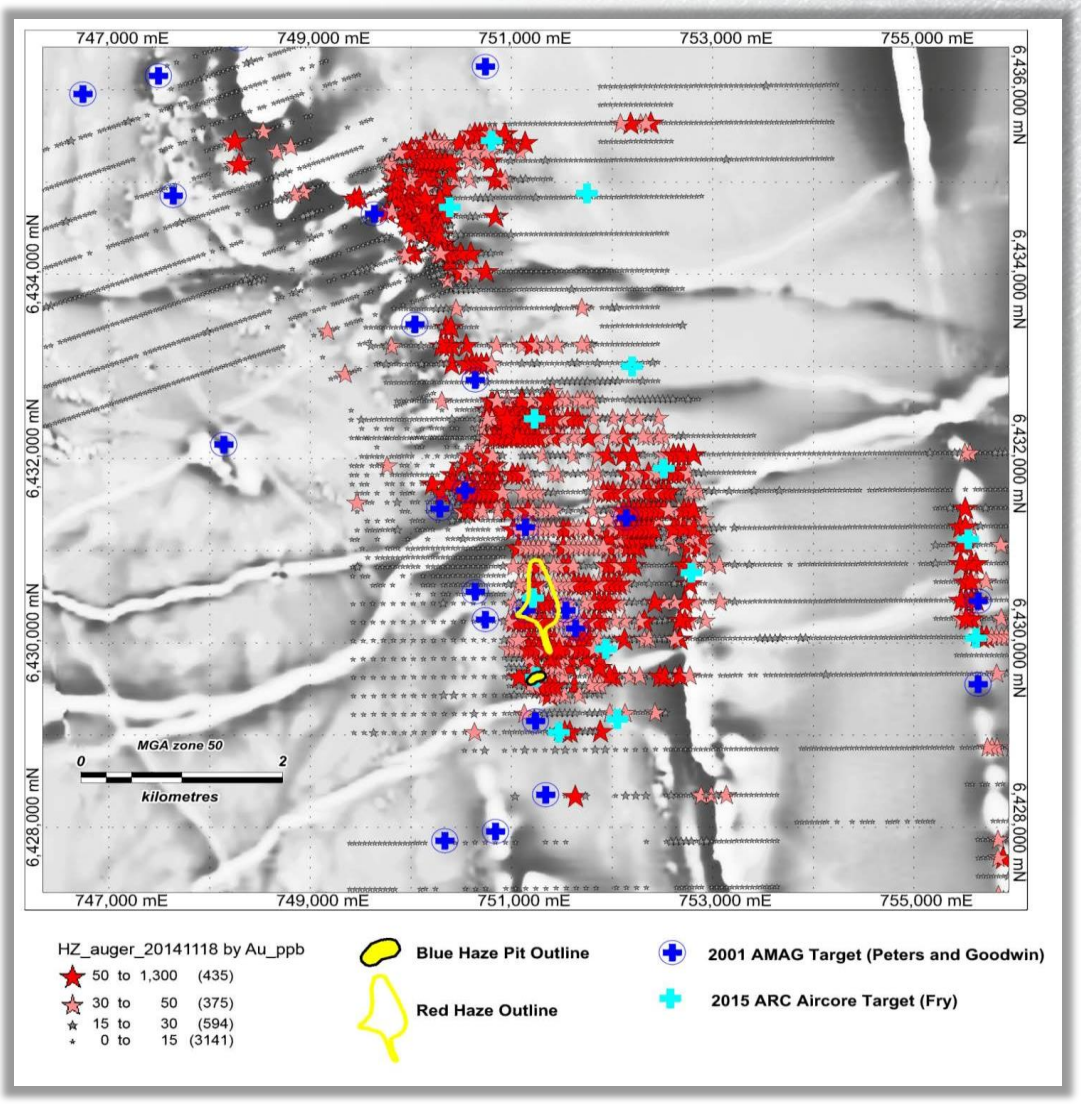


Figure 5. Target summary for the Lady Ada (formerly Blue Haze) and Lady Magdalene (formerly Red Haze) Prospects. The gold geochem assays for AC drilling are shown with the 2001 and 2015 gold targets, Blue Haze and Red Haze outlines on a background image of RTP 1VD magnetics (greyscale).

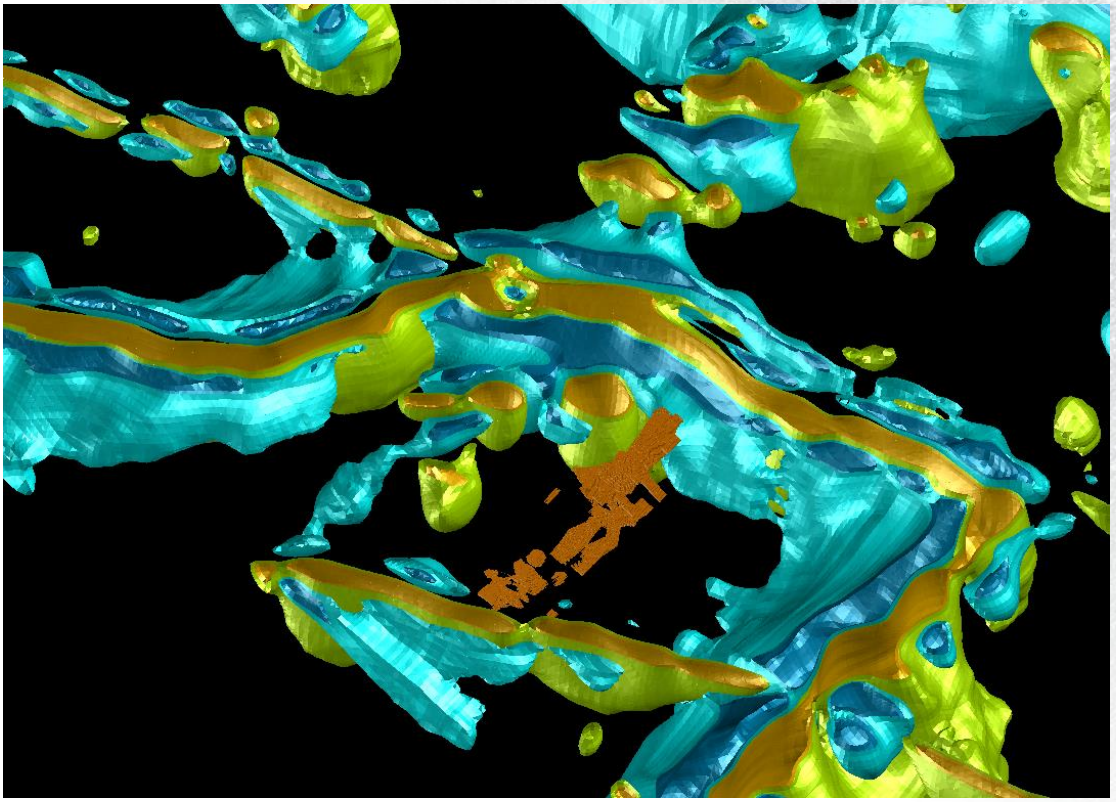


Figure 6: Close up of 3D Inversion model with Lady Ada and Lady Magdalene mineralisation shown

Follow-up work, identified as a result of the geophysical data review includes a recommendation that 1:10,000 scale interpretations be combined and digitised. The geological data and observations can then be incorporated to generate an updated interpretation which will also results in an updated target table. The available drilling data over the prospects of interest should be compiled and sorted; this may help re-prioritise targets, generate new targets and highlight areas that have not been adequately tested.

Re-imaging and interpretation of the magnetic data over specific target areas with a focus on specific controlling structures will provide additional detail and a focus for follow-up work (example over Lady Ada/Blue Haze shown in Figure 7). This may be required in areas that have had considerable work completed over them and require some additional detail to understand the results or help focus further efforts. Classic will continue refining its geophysical exploration program – programmes to follow up the targets are currently being designed and will likely involve a combination of ground electromagnetic ("EM") surveys and follow up aircore drilling.

A snapshot of the processed magnetic data and available airborne EM (VTEM) data over the Lady Ada/Blue Haze and Lady Magdalene/Red Haze prospects is shown below in Figure 8. The airborne EM imagery provides additional detail in areas that are magnetically quiet that can be used to generate targets. In particular, conductive stratigraphy and discrete

EM conductors can be seen that may be associated with sulphide mineralisation (or increased weathering associated with preferential weathering of sulphide mineralisation).

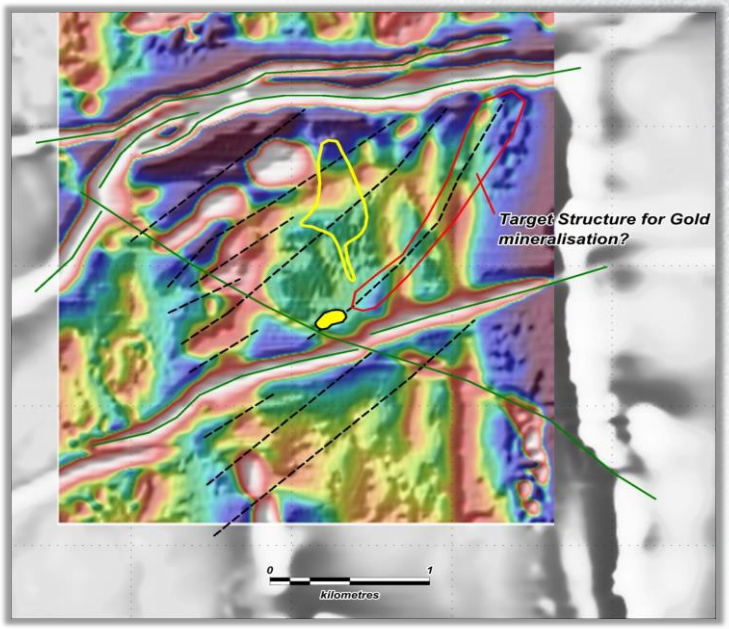


Figure 7. Re-imaging of magnetic data (RTP 1VD) over the Lady Ada (formerly Blue Haze) prospect with possible NE trending offsets and faults indicated with black dotted lines. The fault outlined in red coincides with a significant gold geochemical anomaly (not shown here but is shown in Figure 5) and provides a focus for further exploration.

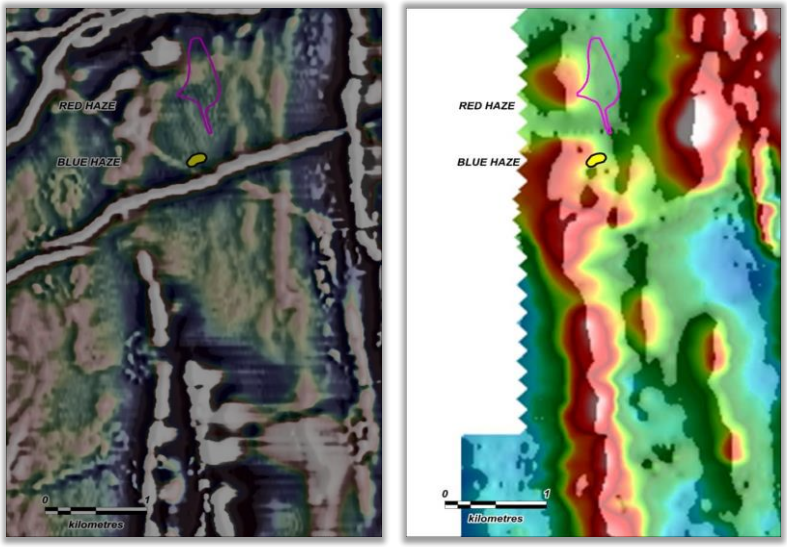


Figure 8. Image of the processed magnetic data (LHS) and VTEM data (RHS) over the Lady Ada (formerly Blue Haze) and Lady Magdalene (formerly Red Haze) targets

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On behalf of the board
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Competent Persons Statement

The information contained in this report that relates to exploration targeting, Mineral resources and Exploration Results is based on information compiled by Edward S. K. Fry, a Competent Person who is a Member of the Australasian Institute of Mining and Metallurgy (AusIMM). Mr Fry is a consultant exploration geologist with BGM Investments Pty Ltd and consults to Classic Minerals Ltd. Mr. Fry 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. Fry consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

Forward-looking Statements

Some statements in this release regarding estimates or future events are forward looking statements. These may include, without limitation:

- *Estimates of future cash flows, the sensitivity of cash flows to metal prices and foreign exchange rate movements;*
- *Estimates of future metal production; and*
- *Estimates of the resource base and statements regarding future exploration results.*

Such forward looking statements are based on a number of estimates and assumptions made by the Company and its consultants in light of experience, current conditions and expectations of future developments which the Company believes are appropriate in the current circumstances. Such statements are expressed in good faith and believed to have a reasonable basis. However the estimates are subject to known and unknown risks and uncertainties that could cause actual results to differ materially from estimated results. All reasonable efforts have been made to provide accurate information, but the Company does not undertake any obligation to release publicly any revisions to any "forward-looking statement" to reflect events or circumstances after the date of this release, except as may be required under applicable laws. Recipients should make their own enquiries in relation to any investment decisions from a licensed investment advisor.