ASX Announcement

ASX: CLZ ACN 119 484 016

1 May 2017

FORRESTANIA GOLD PROJECT SCOPING STUDY CONFIRMS A ROBUST GOLD PROJECT

RESULTS INDICATE ECONOMICALLY AND TECHNICALLY VIABLE PROJECT WITH UPSIDE JUSTIFYING PROGRESSING TO PRE-FEASIBILITY STUDY

Highlights:

- Classic completes Scoping Study at FGP, showing encouraging results.
- Existing Mineral Resources all open pit, with high expected gravity gold recovery.
- Existing ~216K ounce Mineral Resource (Indicated & Inferred), reported in compliance with JORC (2012), with strong exploration upside.
- Mining production target of approximately 1.9Mt at 1.95g/t Au for 111koz gold based on material from Lady Magdalene and Lady Ada Resources.
- Classic to move onto PFS and exploration drilling in the near future.

Cautionary Statement

The Scoping Study referred to in this Announcement is based on low-level technical and economic assessments, that are not sufficient to support the estimation of Ore Reserves or to provide assurance of an economic development case at this stage, or to provide certainty that the conclusions of the Scoping Study will be realized. There is a low level of geological confidence associated with the Inferred Mineral Resources and there is no certainty that further exploration work will result in the determination of indicated Mineral Resources or that the production target referred to above will be realized. The Scoping Study is based on the material assumptions outlined below. These include assumptions about the availability of funding. While Classic considers all of the material assumptions to be based on reasonable grounds, there is no certainty that they will prove to be correct or that the range of outcomes indicated by the Scoping Study will be achieved.

To achieve the range of outcomes indicated in the Scoping Study, funding in the order of A$40 million will likely be required. Investors should note that there is no certainty that Classic will be able to raise that amount of funding when needed. It is also possible that such funding may only be available on terms that may be dilutive to or otherwise affect the value of Classic existing shares.

Given the uncertainties involved, investors should not make any investment decisions based solely on the results of the Scoping Study.

Further Cautionary Statement on the inclusion of Inferred Mineral Resources into the Scoping Study:

There is a low level of geological confidence associated with inferred mineral resources and there is no certainty that further exploration work will result in the determination of indicated mineral resources or that the production target itself will be realised. Should the inferred resources not be proven, there would be a material adverse impact on feasibility, requiring a new pit designs, scheduling and optimisation. Classic considers that the project would still be economically viable should the inferred material fail to be proven, but the project would yield less cashflow and would likely suit a lower throughput processing facility, or toll-treatment. The stated production target is based on the company's current expectations of future results or events and should not be solely relied upon by investors when making investment decisions. Further evaluation work and appropriate studies are required to establish sufficient conversion of inferred resources to a higher category, and confidence that this target will be met.

Summary:

Classic Minerals Limited ("Classic" or the "Company") (ASX Code: CLZ) is pleased to advise that it has completed a Scoping Study ("Study") based on the Inferred and Indicated Mineral Resource 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). This Scoping Study refers to the Lady Ada (formally referred to as Blue Haze) and Lady Magdalene (formally Red Haze) deposits.

The Scoping Study has been prepared by the Company with input and contributions by several independent and highly reputable consultants. The Scoping Study shows a technically and financially viable project based on the key assumptions adopted for the purpose of this study.

The Scoping Study indicates the following based on A$1,700 gold price and 8% discount rate:

- Low initial Capex of between A$25M and A$35M (as a part of the total funding requirement of A$40M – A$45M including an additional contingency of A$2M – A$4M and A$8M - A$10M working capital).
- 1.9mt at 1.95g/t Au (diluted) for 111koz produced over a LOM of 2.5 years.
- AISC of A$1,080/oz – A$1,160/oz.
- A$60 – A$70 million in free cash flow.
- NPV of A$52 - $A58 million.
- Payback/cashflow between months 18 and 24.

The study is based on mining open pit Resources from the Lady Magdalene and Lady Ada Resources and processing through a 1Mtpa Carbon in Leach ("CIL") processing plant to produce approximately 111koz gold over an initial 2.5 year mine life at a sustaining cost of A$1,080/oz – A$1,160/oz gold. The study assumes a maximum cash drawdown of A$40M which includes construction of the new processing facility, associated infrastructure and open pit pre-development. Based on $1,700/oz gold price, the Project generates a pre-tax cashflow of A$60 – A$70 million (after royalties).

The estimated Mineral Resources underpinning the Study have been prepared by a Competent Person in accordance with the requirements in the JORC Code (2012). Classic's study was completed with assistance from the following reputable industry consultant groups; Auralia Mining Pty Ltd (mine design, financial modelling); Timora Pty Ltd (Process Plant Design and costing); Entech Pty Ltd (resource review and mining); Australian Resource Consulting Pty Ltd (historical data compilation and review; exploration planning); Martinick Bosch Sell Pty Ltd (MBS Environmental) (baseline environmental, heritage); and Rockwater Pty Ltd (groundwater).

The results of the Study were positive and importantly provide strong encouragement for the Company to commit to the next stage of its exploration and development program.

The Project is expected to have a relatively short construction and mine rehabilitation timeframe. The Scoping Study has indicated a 9-18 month time frame from start of plant construction to commissioning. It is expected that site

establishment, mine capital development and production will be well enough advanced to allow a smooth transition from commissioning to steady state production.

Approximately 65% of the total production target is in the Indicated Resource category. The remainder of the production target is in the Inferred Resource category (35%).

As detailed in the Scoping Study summary that follows, Classic believes an initial circa 2.5 year LOM for 111k ounces of gold production is possible and will be assessed to an increased level of confidence in a Feasibility Study scheduled for completion in H1, 2018. Following the delivery of a positive Feasibility Study the Classic Board will then proceed to the decision to mine.

1. INTRODUCTION

The FGP tenements cover parts of the southern portion of the well-endowed Archaean Southern Cross – Forrestania Greenstone Belt. The greenstone belt trends north to northwest and has a strike length of over 300 kilometres from Carterton in the north to Hatters Hill in the south.

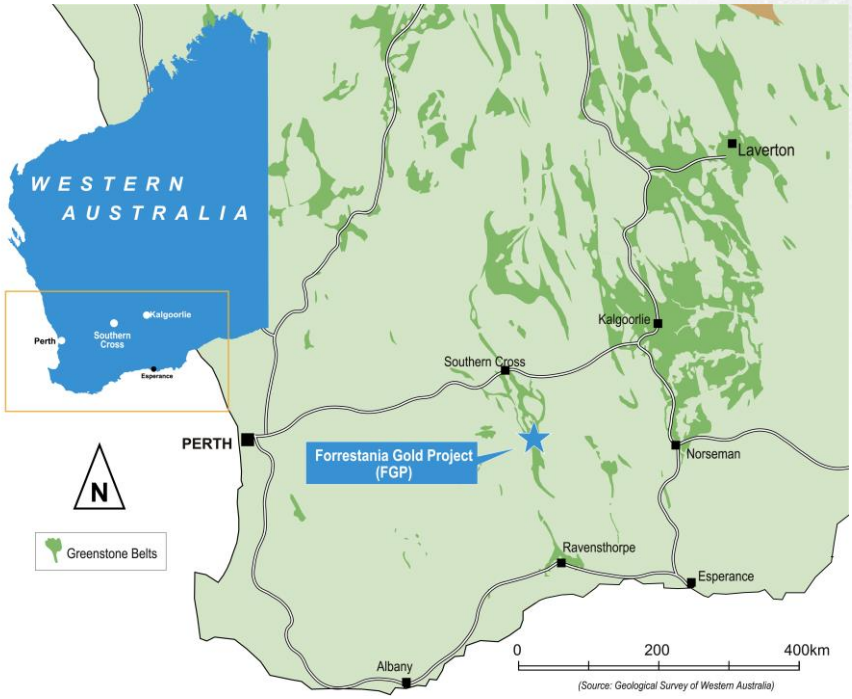


Figure 1: FGP Location

The FGP currently consists of two major deposits, located approximately 120 km south of Southern Cross, WA and 17 kilometres southwest of the historic Bounty Mine site (mined/current resources of +2.0 M oz Au). The area is accessible via historic haul roads which branch off the well maintained unsealed Forrestania-Southern Cross Road.

The FGP area deposits occur at the northern end of the Forrestania greenstone belt, which is the southern extension of the north-south trending Southern Cross greenstone belt, a 40 km wide supracrustal belt, bounded by Archaean granitoid/gneisses and is intruded by less deformed granite/pegmatite assemblages, and is cut by east-trending Proterozoic doleritic dykes.

Work has been conducted by a series of companies in previous years throughout the Forrestania district, initially for nickel deposits. The discovery of the Bounty deposits by Aztec Mining in 1986 outlined the gold prospectivity and potential of the Forrestania greenstone belt and many deposits have been identified since that time.

The FGP deposits (formerly known as Blue Haze and Red Haze) were discovered due to grass roots exploration of prospective ground undertaken by Aztec Mining. Regional soil-auger sampling programs identified anomalies at the FGP. These were RAB drilled to nominal depth (i.e., not to refusal or recognisable bedrock) with only limited success. However, the drill holes did confirm the interpreted geology deduced from regional mapping programs, ground and aero-magnetic reconnaissance traverses.

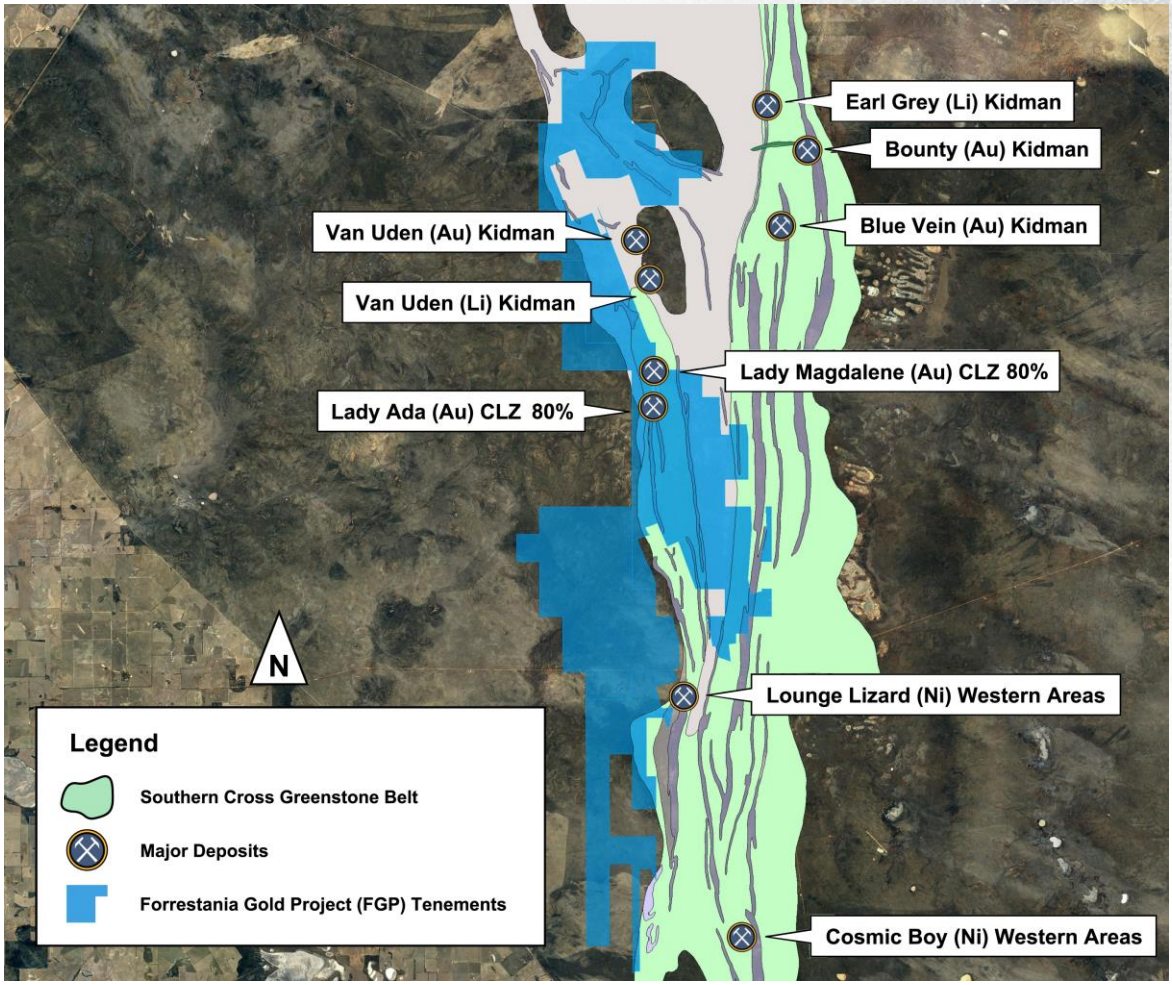


Figure 2: FGP and other Major Deposits

Mining at Lady Ada (formerly Blue Haze) pit commenced on the 5th December 2002 and concluded on the 23rd of May 2003. A total of 95,865 tonnes at an average grade of 8.81 g/t Au was mined for 27,146 oz gold. Mining was completed by conventional open pit mining techniques, employing 10 m berm heights in the oxide material, and 20 m berm heights in the fresh zone. The final pit was mined to approximately 60 m below surface.

Locally, primary gold mineralisation is hosted by a shallow east dipping quartz dolerite unit. This unit is bounded by high-MgO basalt to the west and low-MgO ultramafic to the east. The Sapphire shear zone strikes NE, and dips to the SE at approximately 35° and hosts the gold mineralisation at Lady Ada, in association with a number of flatter lying

shears. Gold mineralisation is associated with vein quartz within moderately to strongly foliated dolerite. Pervasive ore related calc-silicate alteration consists of diopside-biotite-quartz +/- arsenopyrite +/- pyrite. The Sapphire Shear is generally less than 3m thick vertically; however, at shear intersections mineralisation widths may be up to 20 metres (vertically).

Classic is investigating the potential to recommence production at the Lady Ada gold mine and commence production at the Lady Magdalene gold mine. The Scoping Study outlines the capital and operating cost estimates, the production schedule (mining and processing), environmental and licensing aspects and considers the financial viability of the project.

The Study is completed to the level of Scoping Study as defined in clause 38 of the 2012 Edition of the JORC Code.

2. MINERAL RESOURCE ESTIMATION

A lot of valuable technical and geological work has been completed on the FGP by various holders since the discovery of Lady Ada and Lady Magdalene in the late 1990s, including multiple resource estimations and reiterations of resource models as geological understanding increased. Key historic resource and reserve statements include those completed by Forrestania Gold NL in 1999; Viceroy in 2000; Sons of Gwalia in 2002 and 2003; and St Barbara Mines in 2007.

After review of the data, the current Mineral Resource Estimate for the FGP was updated by Cadre Geology and Mining Pty Ltd (Cadre) in March and September 2016 (reported to the market on 14 & 21 March 2017). The technique used for gold estimation was Ordinary Kriging ("OK"). The MRE has been classified and reported in accordance with the 2012 Edition of the JORC Code. The estimated models have been reported on a depleted basis above a gold lower cut-off of 0.5g/t Au.

The current post-mining Mineral Resource for Lady Ada (Blue Haze) and Lady Magdalene (Red Haze) is tabulated below. Additional technical detail on the Mineral Resource estimation is provided, further in the text below and in the JORC Table 1 as attached to ASX announcement dated 14th March 2017.

	Indicated			Inferred		
Prospect	*Tonnes*	*Grade (Au g/t)*	Ounces Au	*Tonnes*	*Grade (Au g/t)*	Ounces Au
Lady Ada	283,500	1.78	16,200	260,000	2.2	18,750
Lady Magdalene	1,828,500	1.08	63,700	2,450,000	1.5	118,000
Total	2,112,000	1.17	79,900	2,710,000	1.6	136,750

Notes:

1. *The Mineral Resource is classified in accordance with JORC, 2012 edition*
2. *The effective date of the mineral resource estimate is 31 December 2016.*
3. *The mineral resource is contained within FGP tenements*
4. *Estimates are rounded to reflect the level of confidence in these resources at the present time.*
5. *The mineral resource is reported at 0.5 g/t Au cut-off grade*
6. *Depletion of the resource from historic open pit mining has been taken into account*

3. ENVIRONMENTAL

The approvals considered necessary for recommencement of mining and processing at the FGP have been assessed by independent environmental consultants Martinick Bosch Sell Pty Ltd (MBS).

Key comments from MBS desktop review include:

The Lady Ada Project, formerly known as Blue Haze, is located approximately 70 km south of Marvel Loch and 17 km south east of the Mount Holland mine site. It is located in the Great Western Woodlands (GWW) and Southern Cross 2 Interim Biogeographic Regionalisation for Australia (IBRA) region. The Lady Ada project was approved in December 2000 under the Blue Haze Notice of Intent (NOI) 3579. The project area consists of an existing historic pit and hypersaline pit lake, waste rock dump (WRD), Run of Mine (ROM) pad and laydown area. A haul road connects the project area to the Marvel Loch - Forrestania Road and also to the Tasman project located approximately 20 km to the north. Information supplied by Classic and aerial photography available in the public domain indicates the project area has been partially rehabilitated.

Classic is proposing to undertake the following activities in relation to the FGP project:

- Cutback existing Lady Ada open mine pit (~1.7 ha);
- New open pit at Lady Magdalene (~24 ha);
- Expand existing Waste Rock Dump (WRD) (surface area to be determined) and establish new WRD for Lady Magdalene;
- Reopen the historic haul road from the project area to the Marvel Loch-Forrestania Road (approximately 8 km). It is understood this has been partially rehabilitated;
- Reopen the rehabilitated ROM pad;
- Pump out and disposal of the existing pit lake water;
- Dewatering groundwater to allow safe mine development;
- Establish and operate an onsite processing plant and associated infrastructure;
- Establish and operate a tailings storage facility;
- Establish and operate an accommodation camp, administration block and workshops.

Baseline flora and fauna studies are scheduled to commence in H1 of 2017. The outcomes of these studies, and other relevant recent investigations, will be used to generate all necessary approval applications.

From current estimates, it is considered that the approvals process will not impact the Project schedule.

4. GEOTECHNICAL APPRAISAL

Scoping level geotechnical studies have been completed for Lady Ada and geotechnical drilling was completed for Lady Magdalene in 1999 (Classic is yet to access this core but intends to carry out its own geotechnical drill programme in the near future).

The expected ground conditions for all the deposits are generally favourable, allowing for the application of open pit mining methods that are commonly applied throughout Western Australia.

These following sections of the report summarise some of the key sections of the reports that were most applicable to the mine design work conducted as part of the Scoping Study.

The geotechnical studies conducted at FGP have been based on geotechnical, geological and drill-hole reviewed by Classic and consultants. Preliminary open pit mine designs were provided to Auralia and Classic to assist in the planning of their assessment.

4.1 Description and Scope

As part of previous work done by Sons of Gwalia and St Barbara, there was numerous work done by external and internal experts and the results of the geotechnical study were input into a scoping level study for the proposed cutback and new pit at Lady Magdalene.

The geotechnical conditions influencing pit design for this study are based on observations from a site visit and detailed review of historic data collected during previous investigations by others. No new geotechnical data was made available for this study.

4.2 Geotechnical Model

It is anticipated that pit walls in the Lady Ada cutback will be mined in ultramafic rocks only, with highly weathered material extending to approximately 40m below ground surface and fresh rock occurring below 60m from ground surface.

The east wall of the Lady Magdalene is expected to be made up of mafic rocks, while the west and south walls are expected to mined in ultramafic material. Highly weathered ground is expected to depths up to 40m below the surface and fresh rock occurring below 60m from ground surface. Rocks of all weathering grades display well developed fracturing (shearing, foliation and jointing).

4.3 Slope Design Parameters

The slope design parameters have been reached using a combination of empirical and kinematic analysis supplemented with 2D limit equilibrium modelling, and an appreciation of the current conditions and historic performance of existing pit walls.

The slope design parameters are to be read in conjunction with the following comments and applied taking into account the detailed discussion and analyses to be provided in the geotechnical consultants final report.

4.4 Impact of major structures

Major structures impact inter-ramp stability and influence multi-batter scale failures. Identification of major structures is crucial for sound mine design and operational performance. Regular updates to the structural model and mapping of pit walls as they are exposed will aid in early identification of such structures.

A number of major structures (e.g. faults, shears) have been identified. A series of east and north-east striking faults occur across the mining area.

Increased depths of rock weathering, considerably deeper than the average depths stated previously, may be expected in the vicinity of faults and shear zones resulting in zones of lower strength ground and increased potential for wall failure.

4.5 General comments

- Fill slopes are to be appropriately designed incorporating adequate drainage and the type of fill needs to be controlled and monitored. Ramps and haul roads in fill should be designed wider (i.e. nominal ramp width plus berm width) to account for potential slumping and toe bulging and to provide sufficient space for monitoring equipment and geotechnical inspections.
- Systematic slope monitoring (e.g. prisms) is highly recommended, especially above and below the proposed haul ramps.
- The condition of existing pit walls needs to be reassessed once all of the standing water is removed from the current pits.
- The pit walls must be adequately dewatered prior to mining. All analyses have assumed dewatered slopes and that the pit is fully drained prior to mining.

- Slope design parameters are appropriate for good final wall blasting methods (i.e. pre-split and/or trim blasting) and for depressurized walls (dewatering holes may be required), as well as good pit slope management (e.g. scaling walls, adequate surface drainage, etc.).
- Regular pit wall inspection and geotechnical mapping is required to validate the slope design parameters during mining.
- The distribution of each geotechnical domain is based on drill hole intersections. The actual extent of each domain needs to be further defined by detailed geological and structural mapping and interpretation to define the location of the geotechnical domain boundaries on final pit walls.
- Batter angles and berm widths have been configured to take into account the potential for batter-scale failures on pervasive structure sets.

5. OPTIMISATION

Auralia was provided with the optimisation data outputs and a single pit shell for each of the deposits. Pits 67 and 97 were selected for Lady Ada and Lady Magdalene respectively. Optimisation was carried out using Whittle 4X software. It must be noted no initial CAPEX or taxes were applied to the optimisation; these costs are to be applied during financial modelling.

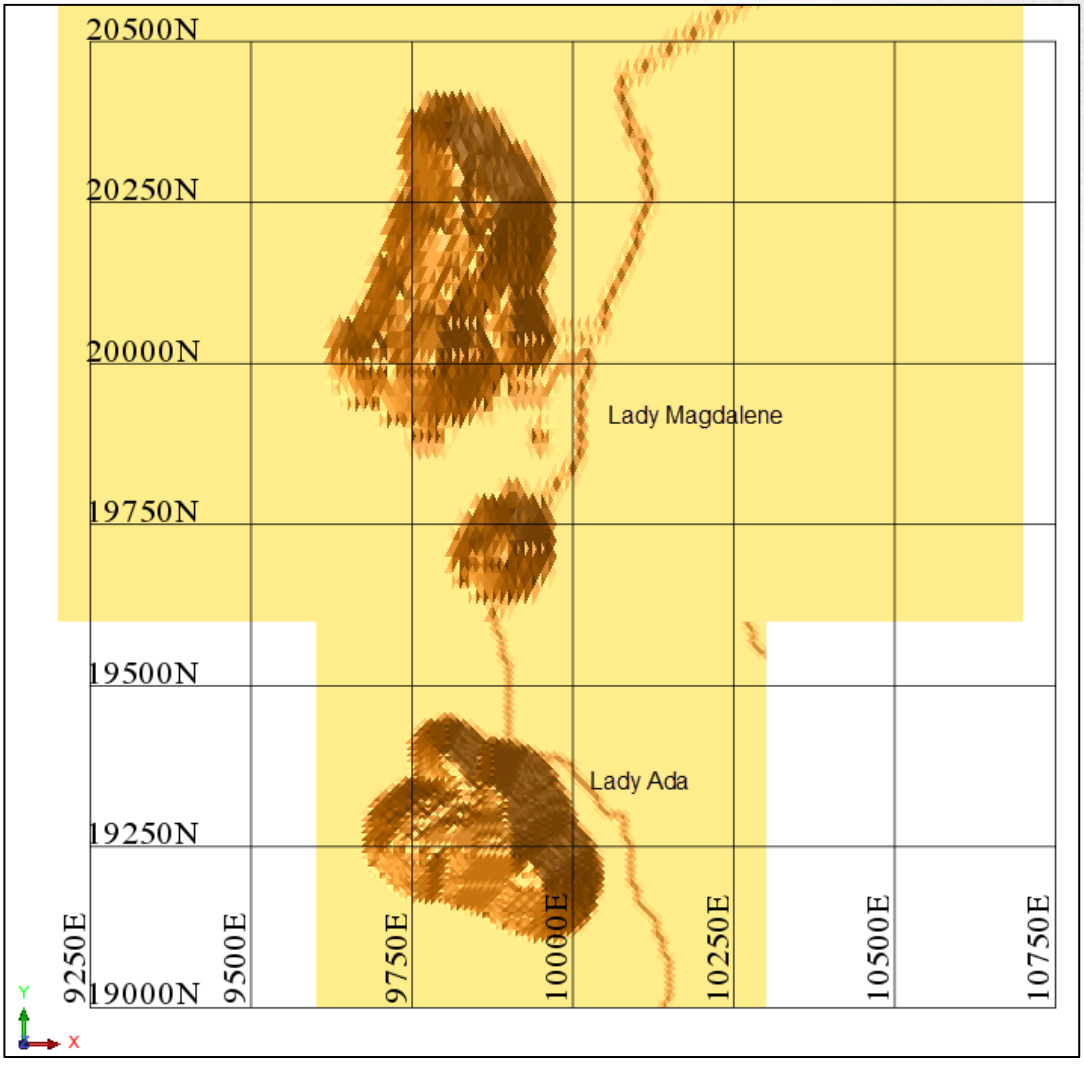


Figure 3: Optimised Pit Shells- Plan View on Local Grid

Table 1: Lady Ada Optimisation Outputs

Pit	NPV (M$AUD)	Waste Tonnes	Ore (t)	In-situ Grade (g/t)	In-situ Gold (ounces)
Pit 31	6.8	160,480	20,421	8.4	5,543
Pit 32	17.2	1,662,616	36,548	13.8	16,182
Pit 33	26.1	2,725,987	92,368	8.7	25,956
Pit 34	26.4	2,764,058	94,164	8.7	26,304
Pit 35	26.5	2,765,693	95,088	8.6	26,394
Pit 36	27.4	2,867,572	103,122	8.3	27,441
Pit 37	27.6	2,890,929	104,242	8.2	27,644
Pit 38	27.7	2,892,261	104,866	8.2	27,701
Pit 39	28.8	3,045,367	117,413	7.7	29,176
Pit 40	28.9	3,055,208	117,618	7.7	29,243
Pit 41	28.9	3,055,885	117,641	7.7	29,248
Pit 42	29.7	3,222,017	119,934	7.8	30,238
Pit 43	29.7	3,221,998	120,385	7.8	30,270
Pit 44	31.5	3,513,281	140,276	7.2	32,658
Pit 45	31.5	3,514,571	140,948	7.2	32,709
Pit 46	31.5	3,520,484	140,994	7.2	32,736
Pit 47	31.6	3,521,709	141,131	7.2	32,749
Pit 48	31.8	3,590,734	143,174	7.2	33,142
Pit 50	31.8	3,591,411	143,197	7.2	33,146
Pit 51	32.4	3,684,474	151,238	7.0	33,936
Pit 53	32.5	3,708,771	152,655	6.9	34,104
Pit 54	32.6	3,726,883	153,893	6.9	34,241
Pit 56	33.2	3,885,338	163,988	6.7	35,303
Pit 57	33.2	3,886,754	164,181	6.7	35,318
Pit 58	33.3	3,908,151	165,667	6.7	35,458
Pit 59	33.4	3,945,132	169,481	6.6	35,758
Pit 60	33.4	3,945,360	169,853	6.6	35,778
Pit 61	33.5	3,951,813	170,903	6.5	35,845
Pit 62	33.8	4,060,780	175,129	6.5	36,397
Pit 63	33.8	4,066,363	175,746	6.4	36,442
Pit 64	33.9	4,122,791	177,516	6.4	36,710
Pit 65	34.3	4,319,013	181,433	6.4	37,458
Pit 66	34.3	4,319,776	182,041	6.4	37,489
Pit 67	34.3	4,348,624	183,902	6.4	37,657
Pit 68	34.4	4,349,260	183,922	6.4	37,660
Pit 69	34.4	4,350,249	184,333	6.4	37,681
Pit 71	34.4	4,352,710	184,836	6.3	37,709

Pit 72	34.4	4,355,149	185,463	6.3	37,742
Pit 73	34.4	4,355,690	185,522	6.3	37,746

Table 2: Lady Magdalene Optimisation Outputs

Pit	NPV (M$AUD)	Waste Tonnes	Ore (t)	In-situ Grade (g/t)	In-situ Gold (ounces)
Pit 53	8.3	798,642	163,077	2.4	12,382
Pit 56	10.1	943,010	224,349	2.2	15,802
Pit 58	11.2	1,103,169	255,096	2.2	17,801
Pit 59	11.2	1,108,533	255,709	2.2	17,850
Pit 61	12.2	1,167,824	301,296	2.1	20,050
Pit 65	12.2	1,169,857	302,076	2.1	20,096
Pit 67	12.3	1,169,688	305,995	2.1	20,275
Pit 68	12.9	1,231,246	334,432	2.0	21,650
Pit 69	13.0	1,240,768	339,861	2.0	21,915
Pit 70	15.0	1,561,468	451,749	1.9	27,346
Pit 75	15.2	1,611,421	460,627	1.9	27,828
Pit 76	16.4	1,969,717	533,227	1.8	31,573
Pit 77	16.5	1,992,469	539,472	1.8	31,888
Pit 79	17.1	2,259,862	584,996	1.8	34,231
Pit 80	17.2	2,263,379	598,120	1.8	34,736
Pit 81	18.1	2,622,408	665,392	1.8	38,272
Pit 82	18.2	2,629,847	674,332	1.8	38,625
Pit 83	21.5	4,235,100	983,918	1.7	53,682
Pit 84	21.5	4,237,618	985,775	1.7	53,756
Pit 85	21.7	4,287,564	1,008,329	1.7	54,668
Pit 86	22.1	4,884,954	1,045,670	1.7	57,385
Pit 87	22.2	4,970,722	1,059,084	1.7	58,078
Pit 88	22.3	5,042,082	1,079,648	1.7	58,940
Pit 89	22.6	5,285,971	1,122,483	1.7	60,899
Pit 90	23.2	6,212,460	1,227,105	1.7	66,400
Pit 91	23.5	6,612,548	1,294,056	1.7	69,466
Pit 92	24.1	7,456,835	1,439,771	1.6	76,036
Pit 93	24.1	7,504,983	1,447,905	1.6	76,398
Pit 94	24.4	8,189,090	1,543,915	1.6	80,888
Pit 95	24.7	9,025,884	1,664,497	1.6	86,575
Pit 96	24.7	9,044,731	1,665,967	1.6	86,659
Pit 97	24.7	9,337,340	1,713,441	1.6	88,727
Pit 98	24.7	11,775,664	1,929,477	1.6	100,108
Pit 99	24.7	11,832,301	1,949,581	1.6	100,835
Pit 100	24.6	12,122,697	2,010,923	1.6	103,231
Pit 101	24.3	13,587,654	2,216,244	1.6	112,252
Pit 102	24.2	14,008,421	2,291,771	1.6	115,277

Pit 103	24.2	14,028,376	2,298,313	1.6	115,512
Pit 104	24.2	14,109,343	2,312,998	1.6	116,089

6. MINE DESIGN

Mining operations for the Project are currently planned to utilise a standard truck and shovel configuration using a 100t Excavator (Komatsu PC1250 or similar) paired with 90t rigid body dump trucks (Cat 777 or similar).

Mining at the FGP will be undertaken by mining contractors, with CLZ (and possibly Hannans Limited) providing technical and management supervision. Personnel will be operating on a bus-in/bus-out basis from Perth, Kalgoorlie and locally where possible.

Production at Lady Ada includes cutbacks to the existing pit, while mining at Lady Magdalene will be from a new open pit. The parts of the Mineral Resource material that were identified as potentially viable were derived using a combination of Whittle 4X analysis and detailed open pit designs undertaken by Auralia Mining (Table 4). The mine designs and mine schedules are based on Indicated and Inferred Mineral Resources, reported in compliance with the JORC Code (2012) for Lady Magdalene and Lady Ada. Geotechnical input, including pit wall angle was provided by Auralia and assessed by a geological consultant. The mining parameters used in the scoping study are detailed in Appendix 1. The production schedule has been optimised to minimise working capital and maximise cashflow and NPV.

Ramp parameters used throughout the pit designs will allow single lane traffic flow with passing bays located at each berm (every 10 or 20m vertically). Parameters used for the pit designs are shown in Table. The design parameters are based on the original Blue Haze pit design and completed mine.

Table 3: Pit Design Parameters

Parameter	Oxide	Transitional and Fresh
Bench Angle	50°	60°
Bench Height	10m	20m
Berm Width	5m	5m
Ramp Width	15m	
Ramp Gradient	1:9	

The contents of the pit designs were compared to the optimisation outputs to ensure the two correlated. The results are shown in Table 5.

Table 4: Parts of the Mineral Resource identified as potentially viable

Resource	Indicated			Inferred			% Inferred (by tonnes)
	Mined Tonnes (t)	Grade (g/t Au)	Contained Metal (oz Au)	Mined Tonnes (t)	Grade (g/t Au)	Contained Metal (oz Au)	
Lady Magdalene	1,220,000	1.29	46,500	600,000	1.2	25,000	35%
Lady Ada	124,000	4.27	17,000	65,000	8.5	18,000	35%
Total	1,244,000	1.59	63,000	665,000	1.9	43,000	35%

There is a low level of geological confidence associated with Inferred Mineral Resources and there is no certainty that further exploration work will result in the determination of Indicated Mineral Resources or that the production target itself will be realised. The stated production target is based on the company's current expectations of future results or

events and should not be solely relied upon by investors when making investment decisions. Further evaluation work and appropriate studies are required to establish sufficient confidence that this target will be met.

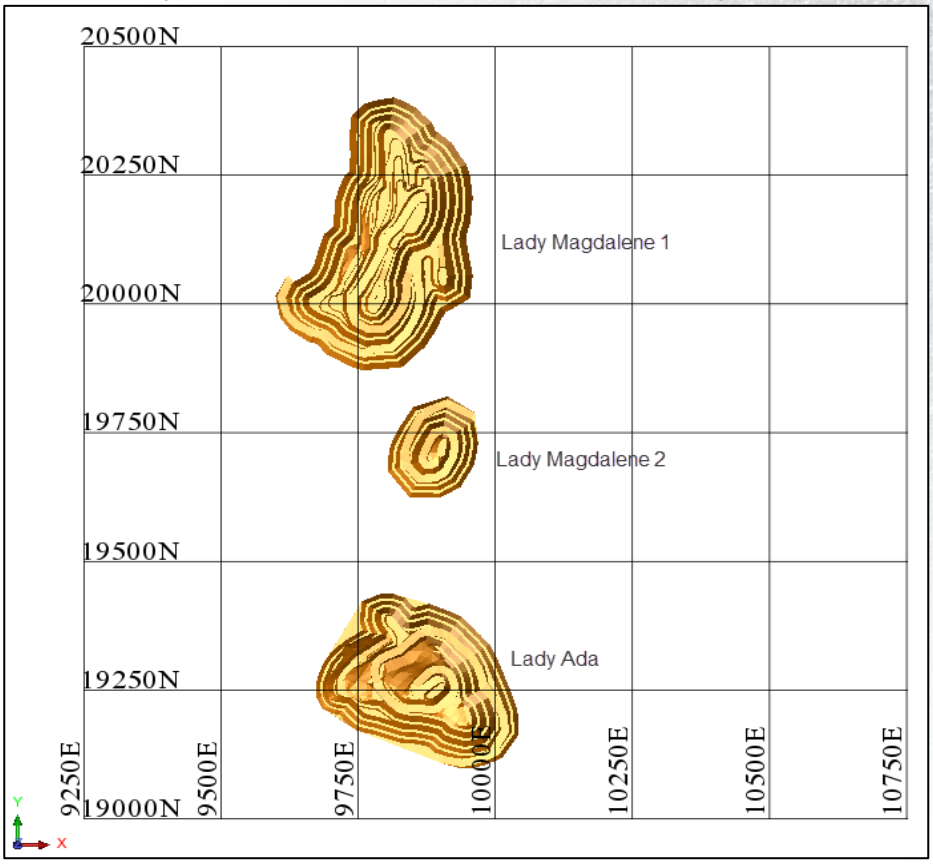


Image 4: Optimised Pit Shells as Designed by Auralia

Table 5: Pit Design and Optimisation Output Comparison

Pit		Waste t	Ore t	Grade	Grams
Lady Magdalene	Design	9,034,274	1,733,248	1.53	2,657,075
	Optimisation	9,337,340	1,713,441	1.42	2,425,098
	Difference	-3%	1%	8%	10%
Lady Ada	Design	4,351,957	190,080	5.75	1,092,098
	Optimisation	4,348,624	183,902	5.60	1,029,252
	Difference	0%	3%	3%	6%

It is envisioned that the existing waste dump from the Blue Haze operation will be expanded to hold the Lady Ada waste, while a new waste dump will be constructed for the Lady Magdalene pit.

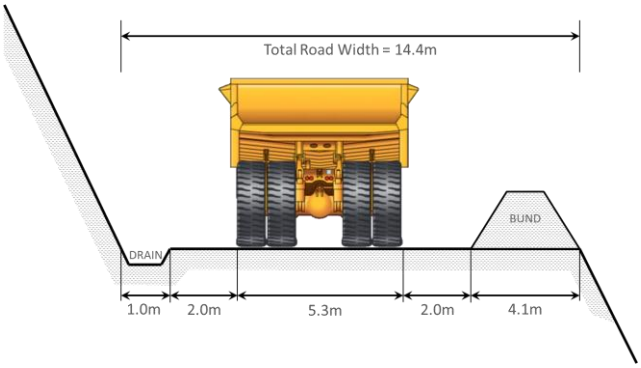
Bench height is an important design factor when considering the deposit attributes and the impact on mining productivity. Based on a burden ranging between 2.8 m, a bench height of 5 m was selected for the following reasons:

- the orebody is narrow at Lady Ada and small diameter blast holes are desired;

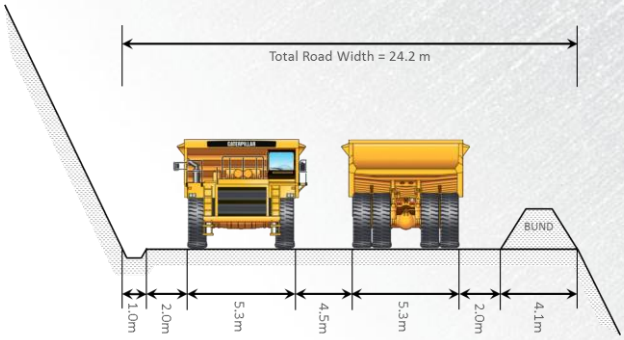
- minimise the planned dilution where the deposit experiences variances in dip and dip direction by maintaining a short bench height;
- a rule of thumb to prevent large oversize is to maintain a bench height much greater than the burden, preferably closer to a ratio of 2:1 (bench height to burden); and
- large operations with large benches achieve ratios above 3:1, however being a smaller gold operation, ratios close to two is considered reasonable.

Haul Road Widths

The haul road width is determined by the safe operation procedures employed at the mine. Typically based on a multiple of the largest truck used and in this case the Cat 777 or equivalent is approximately 5.3 m wide. Allowing for a 1.0 m drain, clearance of 2.0 m on both sides and a 4.1 m safety bund, the total haul road width is 14.4 m and has been used for all of the in-pit haul roads. Figure below illustrates the haul road and safety berm configuration. Where dual lane ramps have been designed, the proposed haul road width is 24.2 m.



Single Lane Haul Ramp



Dual Lane Haul Ramp

7. SCHEDULING

7.1 Material Classification

Twelve rock types were written to the block model prior to scheduling to accurately track material movement through the project life, these rock types were:

Table 6: Rock Codes used in Scoping Study - Scheduling

Rock Code	Description	Lower Cut	Upper Cut
HGOX	Oxide High Grade	2.0g/t	NA
HGTR	Transitional High Grade	2.0g/t	NA
HGFR	Fresh High Grade	2.0g/t	NA
LGOX	Oxide Low Grade	0.92g/t	2.0g/t
LGTR	Transitional Low Grade	0.92g/t	2.0g/t
LGFR	Fresh Low Grade	0.92g/t	2.0g/t
MWOX	Oxide Mineralised Waste	0.5g/t	0.92g/t
MWTR	Transitional Mineralised Waste	0.5g/t	0.92g/t
MWFR	Fresh Mineralised Waste	0.5g/t	0.92g/t

WOX	Oxide Waste	NA	0.5g/t
WTR	Transitional Waste	NA	0.5g/t

7.2 Mining Productivity

Load and haul activities were scheduled to run as a double shift operation for movement of all waste and ore. The estimated production rate for a 100t excavator with a fleet of trucks is 24,500t/day (9Mtpa) at full capacity. Production rates have been reduced for the lower benches of the Lady Magdalene 1 pit and both the Lady Magdalene 2 and Lady Ada pits due to the limited operating area and single lane ramp. A maximum vertical rate of advance of 15m per month was applied to all pits. All material, regardless of grade range or weathering, has been scheduled at the same production rate. Drill and Blast and other ancillary tasks were not specifically scheduled.

7.3 Production Schedule

A scoping level production schedule has been completed for the Project using the pit designs shown in Section 6. This schedule commences on the nominal date of July 1, 2017.

Mining has been scheduled to commence in the Lady Magdalene pit due to the comparatively low "pre-strip" requirements to access sufficient ore to meet the required processing throughput. There is a five month pre-strip period during which time only small parcels of ore are scheduled for mining, the delay in processing will allow the nominal 0.5Mtpa throughput rate to be achieved from first ore delivery. After approximately eight months from the start of the mining operations, there is sufficient ore available on the ROM pad or due to be mined from the Lady Magdalene 1 pit to allow production to commence in the Lady Magdalene 2 pit, and subsequently the Lady Ada pit. With production split between the Lady Magdalene 1 pit and the two other higher strip ratio pits, ore mining targets are achieved at a fairly constant strip ratio.

Most of the upper, near-surface parts of the Mineral Resource used in the Scoping Study for Lady Ada is classified in the Indicated category, with the deeper parts classified in the Inferred category.

Should the inferred resources not be proven, there would be a material adverse impact on feasibility, requiring a new pit designs, scheduling and optimisation. Classic considers that the project would still be economically viable should the inferred material fail to be proven, but the project would yield less cashflow and would likely suit a lower throughput processing facility, or toll-treatment. The stated Production Target is based on the Company's current expectations of future results or events and should not be relied upon by investors when making investment decisions. Further evaluation work and appropriate studies are required to establish sufficient conversion of inferred resources to a higher category, and confidence that this target will be met.

Table 7: Annual Production Schedule- Mining and Processing

Annual Production	Total	Year 1	Year 2	Year 3	Year 4	Year 5
Mining						
Waste (kt)	13,160	6,200	2,300	2,100	2,000	560
WOX	5,330	3,600	950	750	30	-
WTR	5,115	2,500	870	790	950	5
WFR	2,620	50	470	550	1,000	550
High Grade (kt)	430	80	100	70	120	60
High Grade (g/t)	4.1	2.6	2.4	2.7	3.1	12.2
High Grade (kg)	1,850	220	240	200	380	810
Low Grade (kt)	1,470	320	400	350	370	30
Low Grade (g/t)	1.2	1.2	1.2	1.2	1.3	1.1

Low Grade (kg)	1,860	400	500	430	490	40
Mineralised Waste (kt)	247	40	80	30	90	7
Mineralised Waste (g/t)	0.7	0.7	0.7	0.7	0.6	0.7
Mineralised Waste (kg)	178	28	60	25	60	5
% Inferred Material	35	59	37	32	20	31
% Indicated Material	65	41	63	68	80	69
Processing						
Total (kt)	1,927	290	500	500	500	130
Total (g/t)	1.95	1.6	1.5	1.4	1.7	6.6
Total (kg)	3,751	480	760	730	870	900
High Grade (kt)	446	80	100	75	120	65
High Grade (g/t)	4.1	2.6	2.4	2.7	3.1	12.2
High Grade (kg)	1,850	220	240	200	380	810
Low Grade k(t)	1,470	320	400	350	370	30
Low Grade (g/t)	1.2	1.2	1.2	1.2	1.3	1.1
Low Grade (kg)	1,860	400	500	430	490	40
Mineralised Waste (kt)	-	-	-	-	-	-
Mineralised Waste (g/t)	-	-	-	-	-	-
Mineralised Waste (kg)	-	-	-	-	-	-

The following graphs show the mining material movement and ore grade, as well as the processed ore tonnes and grade on an annual basis and the stockpile balance on a monthly basis for the Project schedule.

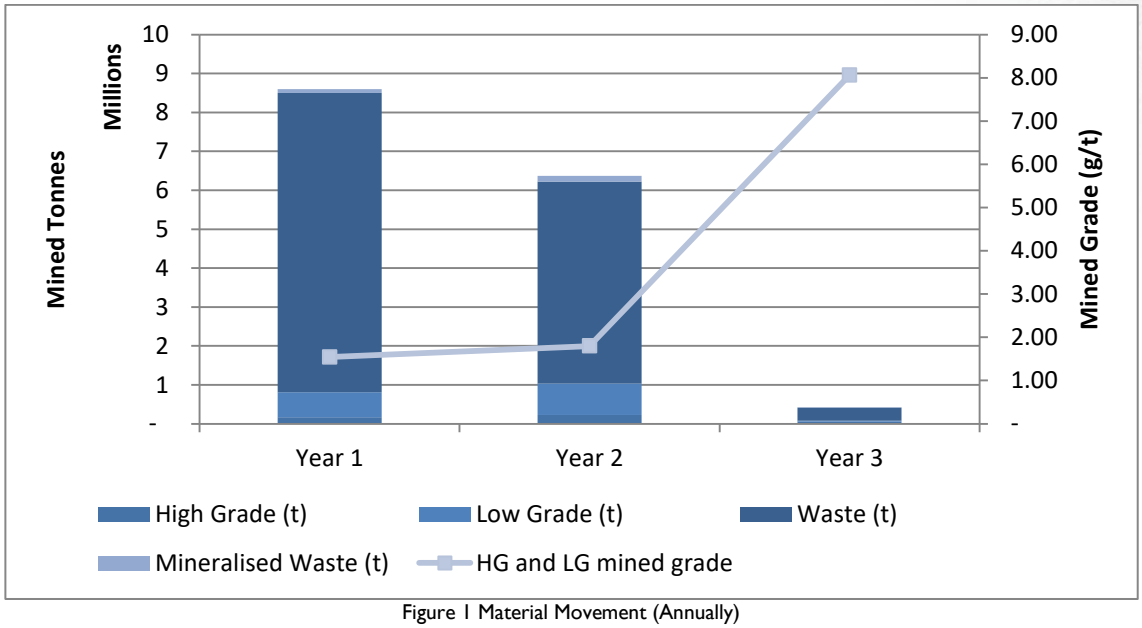


Figure 1 Material Movement (Annually)

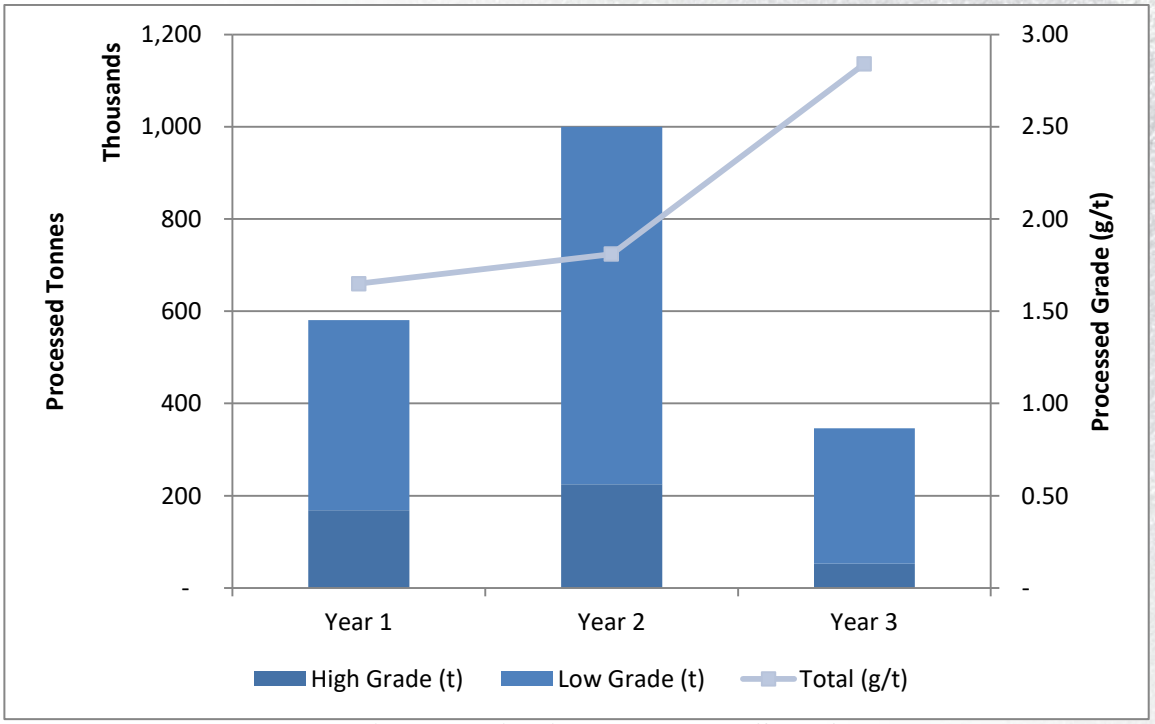


Figure 2 Tonnes and Gold Grade Input to Process (Annually)

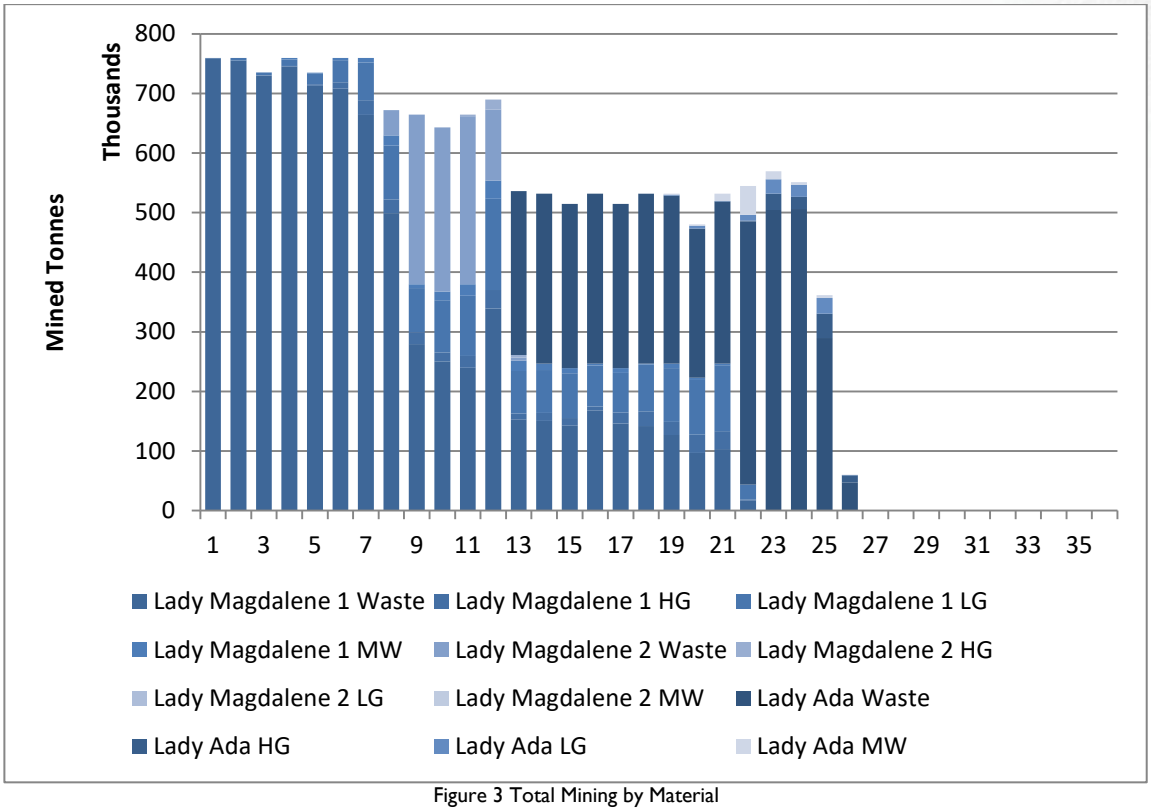


Figure 3 Total Mining by Material

Ore stockpiles at this project are relatively low for the first seven months of production, after which the stockpile size increases to contain approximately 110kt for the majority of the project and reaches a maximum of 157kt. Mineralised waste will be stockpiled separately to the low and high grade material, but has not been hauled or processed in this schedule. The mineralised waste stockpile reaches a maximum size of 255kt.

Scheduling has been done to a scoping study level, additional designs (e.g. mining Lady Magdalene 1 as two stages) and associated changes to the schedule could improve the overall schedule.

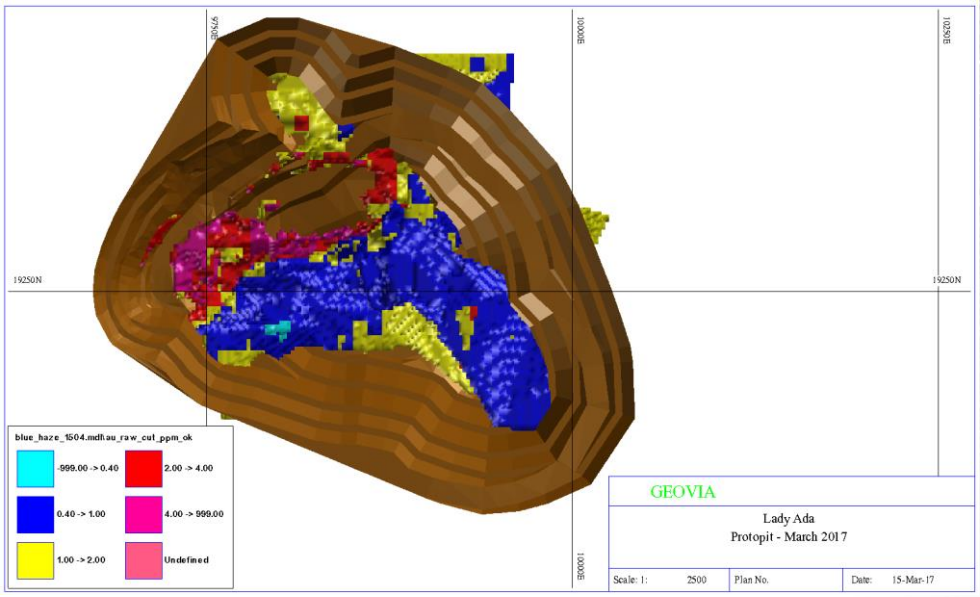


Figure 4 – Plan view of Optimised Lady Ada pit shell and Resource model.

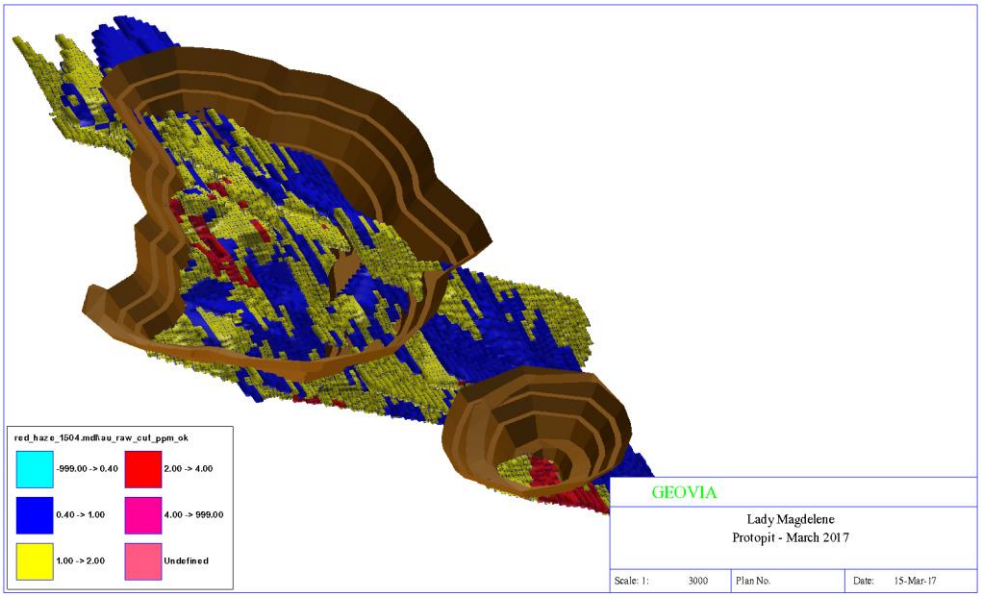


Figure 5 – View towards NNE at 30 dip showing optimised Lady Magdalene pit shell and Resource model

The Lady Magdalene proto pit was determined to likely have comparatively low "pre-strip" requirements, and could be the first focus of mining operations, to access sufficient material to meet the required processing throughput. There would be a five-month pre-strip period during which time only small parcels of material would be scheduled for mining. The delay in processing would allow the estimated throughput rate to be achieved from first material delivery. After a relatively short period from the start of the mining operations, there could be sufficient material available to allow production to commence in the Lady Magdalene 2 pit, and subsequently the Lady Ada pit. With production split between the Lady Magdalene 1 pit and the two other higher strip ratio pits, mining targets could potentially be achieved at a fairly constant strip ratio.

8. WASTE DUMPS

To minimise disturbance and reduce clearance of native vegetation, waste dumps are situated on previously disturbed or low-impact environmental areas.

Environmental studies indicate that:

- there is no Potentially Acid Forming material ("PAF");
- there are no anomalies accept some arsenic and aluminium; arsenic and aluminium concentrations are not high enough to be a problem;
- there are no dispersive soil;
- all soils are saline as per background soils.

Waste dumps have been designed to:

- be located in areas where open pit potential is minimal;
- reduce haulage by staying close to pit;
- fit with the natural terrain;
- stay within the mining lease;
- stay outside of water catchment areas;
- stay outside of areas of heritage interest.

Although not investigated as part of this Study, low-grade material may be stockpiled separately for processing later in the mine life.

The waste rock dumps have been designed to a final rehabilitated shape:

- batter slope angle: 20 degrees
- berm width: 5 metres
- bench height: 10 metres
- overall slope angle: 17.1 degrees
- maximum height: 25 metres.

Waste material will be used in the construction of haul roads from the pits to the ROM pad and in the tailings storage facility (TSF) construction. Waste quantities required in construction have been excluded from the dump design process. The dump designs can accommodate all waste mined.

Topsoil will be stored separately no greater than 2m high. To determine storage requirements it has been assumed the average topsoil depth is 20cm.

Subsoil can extend 3m below the surface for each deposit. It will be stored separately along one edge of the waste dump. The subsoil will be re-accessible for use as cover on the waste rock dumps, pre topsoil covering and rehabilitation. Storing the subsoil adjacent to the waste rock dump will reduce disturbance areas and rehandle costs.

9. PROCESSING

As a part of the Scoping Study, Timora Pty Ltd and Classic completed a study to scoping level of accuracy for capital and operating costs associated with constructing and operating a gold processing plant at the FGP. Timora Pty Ltd is a privately-owned company that provides services in; Metallurgical testwork, feasibility studies, engineering design, project management, construction, commissioning and asset management.

The proposed plant design and process flow for FGP is based on well understood and proven technology. The capital and operating cost estimate was for a scoping study and the accuracy is about +-30%. The treatment plant will comprise a power generation plant, crushing plant, processing plant and tailings storage facility (TSF). The crushing plant is designed for a capacity of ~250tph and the processing plant design capacity is ~125ph.

The crushing and processing plant will be operated with manual control and some PLC control. Flowmeters will be installed on the important water flows and reagent flows, a weightometer installed on the mill feed and variable speed drives for the slurry pumps to assist the operator in controlling the processing plant. The method of plant construction will allow for ease of assemble at site and ease of any future dismantling. The design will be for modular construction of each process step and this will enable some process steps to be added or removed at different times with little impact on the rest of the treatment plant. All of the steel work, piping materials, electrical materials and the equipment will be supplied new.

The design of the 1Mtpa gold plant consists of:

- 3 stage crushing and screening circuit to handle a ROM feed size of 500mm and producing a P80 of 8mm, the circuit is designed to operate on a single shift at 200tph.
- A single 1,800 kW SAG mill has been selected with the provision for another similar sized grinding mill to go in later for when treating harder ore producing a final product size of P80 106µm. The grinding and CIL circuit is designed to operate at 91.3% overall utilisation (8000 hrs per year).
- A gravity recovery circuit consisting of a Falcon Concentrator and Gemeni Table.
- A CIP circuit of 1 leach tanks and 5 adsorptions tanks for a 27-hr residence time
- A AARL elution circuit with separate acid wash column and elution columns capable of stripping every 24 hrs, 6 days per week.
- A secure gold room with Gemeni shaking table to upgrade the Knelson concentrate to purity suitable for direct smelting. The electrowin cells and equipment to remove the gold laden steel wool, acid, filter and prepare the gold laden steel wool as a dried gold sludge ready for smelting. The smelting furnace to produce gravity gold dore and CIP gold dore. All of the gold room fluxes for smelting (Soda Ash, Potassium Nitrate, and borax), the reagents will be in 20kg bags and stored in the gold room on a raised bench. Normally less than a total of 50kg of gold room fluxes would be used each week.and associated gold room equipment. Proposed process flow diagrams for the crushing and milling circuit and the gold circuit are provided below.

The metallurgical parameters required for final treatment plant design need to be properly established by metallurgical test work on representative ore samples using the proposed site process water. There has been some preliminary metallurgical test work carried on some drill samples and for this scoping study the following parameters have been assumed:

• Run of mine feed size	500mm
• Ore feed grade	4g/t Au, <0.1g/t Ag
• Abrasion Index	0.5
• Ball Mill Bond Wi	14
• Gravity Gold recovery	Required for oxide ore
• Leach grind size	80% -100micron
• Leach & carbon adsorption combined residence time	24 hours
• Gravity gold component recovery	5-50%
• Combined Cyanide Leach & gravity gold recovery	92%
• Cyanide Consumption	2kg/t
• Lime Consumption	3kg/t
• Oxygen Consumption	Oxygen injection not required
• Cyanide detoxification of leach tailings	Required. Use air/SO2 process
• Cyanide detox residence time	4 hours
• SMBS dosage rate	0.4kg/t
• CuSO4 dosage rate	0.1kg/t
• Ground ore viscosity	moderate to high

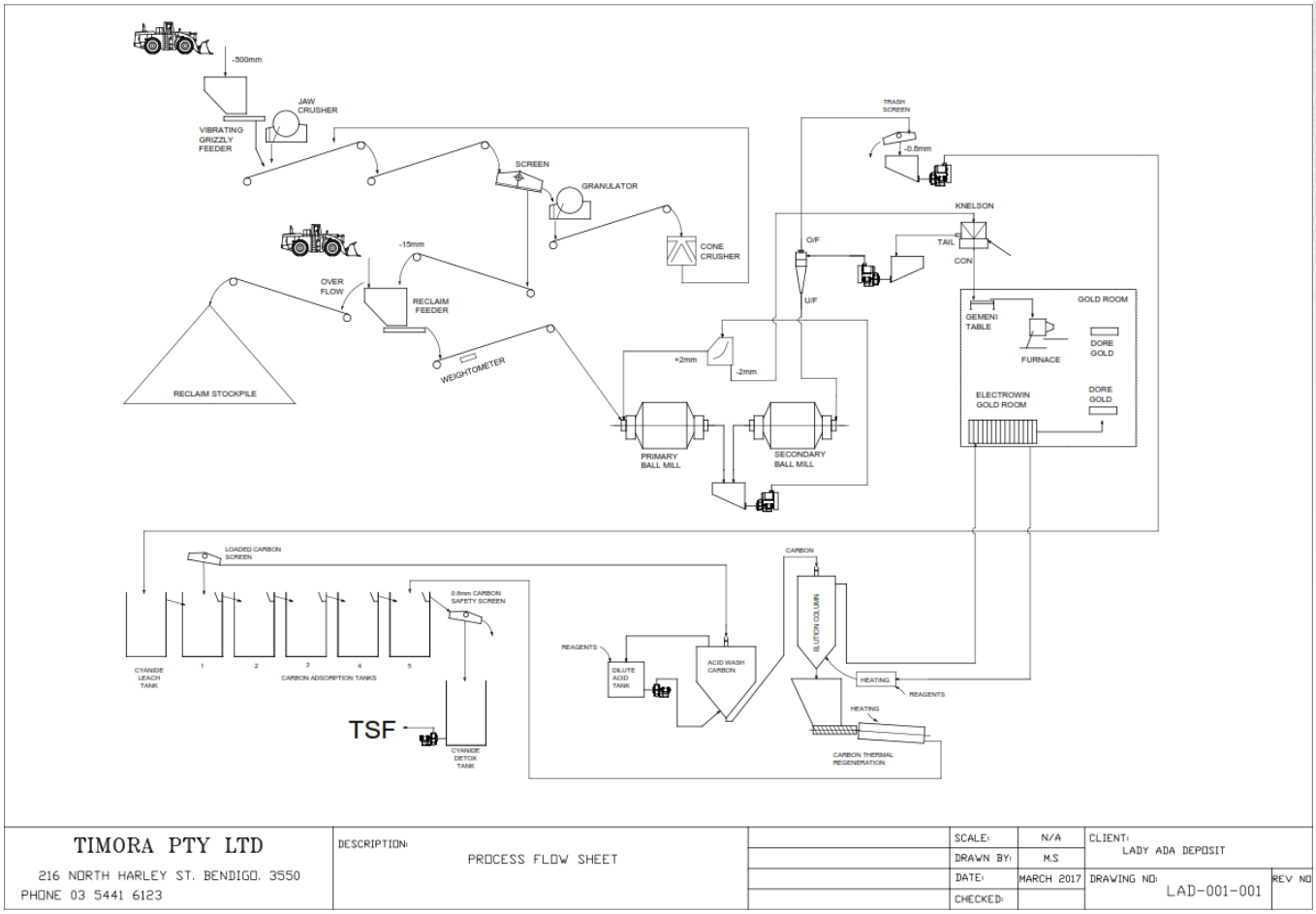


Figure 6: Process Flow Sheet

10. METALLURGY AND PROCESS DESIGN

Whilst Classic has not collected any new metallurgical data, the design is based on a review of the existing metallurgical test work and historical production records from Sons of Gwalia (previous mine operator, that at the time was operating a CIL plant):

Production records consisted of scanned monthly production reports that spanned September 2002 to May of 2004.

- Metallurgical test work was conducted on composite samples from the Lady Ada deposit. The following points summarise the main results obtained:
- The gravity recoverable component of the Lady Ada Oxide composite was high at 79%, and moderate for the Transitional and Fresh composites at 26% and 35% respectively.
- The Lady Ada Oxide, Transitional, and Fresh composites produced 48 hour recoveries of 99.3%, 97.3% and 97.0% respectively.
- Each of the composites displayed sensitivity to leach grind size, with increased gold losses generally occurring in the +106m fractions.
- The Lady Ada samples exhibited moderate to high viscosity characteristics which will be beneficial for blending lower viscosity ores at Marvel Loch.

Metallurgical test work on the Lady Ada deposit was completed by Ammtec Ltd (Project A8496).

Gravity leach test work was conducted at a grind size of p80 106mm using site process water. The test work results obtained is summarised as following:

Table 8: Gravity Leach Test Work Results

Composite	Grind Size (P_{80} mm)	Head Assay Calc. (Au g/t)	Gold Extraction			Leach Residue (Au g/t)	Reagent Consumption	
			Gravity Rec (%)	Leach 24hrs (%)	48hrs Leach (%)		Lime (Kg/t)	NaCN (Kg/t)
Oxide	106	3.46	78.95	99.19	99.34	0.023	3.58	2.82
Trans A	106	5.26	37.20	96.25	97.95	0.108	2.97	1.55
Trans B	106	4.58	14.14	93.02	96.60	0.156	3.20	3.59
Fresh	106	3.13	34.89	96.18	97.03	0.093	2.70	1.56

10.1 Oxide Zone

- The Oxide composite contained a very high gravity recoverable component at 79%, with the overall gold recovery at 99.3% after 48 hours. The leach kinetics were relatively fast with 92% of the leaching occurring after 8 hours.
- The leach test work was conducted at 29% solids due to poor settling of the material following the gravity stage.
- Gold losses in the residue were mainly located in the +106mm fraction.

- NaCN consumption was high at 2.8 Kg/t which was significantly higher than the Trans A and Fresh composites. This may have been due to conducting the test at a lower leach density which will result in higher cyanide consumptions.

10.2 Transitional Zone

- The gravity recoverable component of the Transitional material was moderate at between 14 to 37%. The overall gold recoveries after 48 hours were 98.0% and 96.6% for the Trans A and Trans B composites respectively.

- The leach kinetic curves for both the Trans A and Trans B composites showed that leaching was improved after cyanide addition at the 24 hour stage. The results indicate that cyanide level may have been restricted during the test, and therefore improved extraction curves may be possible at higher cyanide levels.

- Size analysis of the leach residues showed an increase in gold grade in the +106mm size fraction for both composites compared to the finer fractions indicating sensitivity to grind. The leach testwork was conducted at 29% solids for the Trans B composite due to the poor settling of the material following the gravity stage.

10.3 Fresh Zone

- The Fresh composite contained a moderate gravity recoverable component at 35%, with the overall gold recovery at 97.0% after 48 hours.

- Size analysis of the leach residue showed a high gold grade in the +106mm size fraction compared to the finer fractions indicating sensitivity to grind.

- The leach kinetic curves showed that leaching was 99% complete after 24 hours.

10.4 Viscosity Testwork

Viscosity testwork was conducted on the Lady Ada leach residue slurry samples, with the results summarised in the following table :

Table 9: Viscosity Testwork Results

Shear Rate (Sec^{-1})	Oxide 29% Solids Viscosity (cps)	Trans A 45% Solids Viscosity (cps)	Trans B 29% Solids Viscosity (cps)	Fresh 45% Solids Viscosity (cps)
4.2	476	3453	1034	1845
7.4	299	2062	630	1091
13.0	194	1260	389	686
21.7	130	840	245	449
38.6	85	485	152	270
66.9	62	292	95	176
118.3	63	175	78	127
207.8	74	146	84	121

- The Oxide and Trans B tests were conducted at 29% solids due to poor settling of the samples after the gravity testwork. At the pulp density of 29% solids, the critical limits of 100 cps at shear rate of 118.5 s^{-1}, and 3500 cps at shear rate of 2.64 s^{-1} were not exceeded.

- The Trans A composite exceeded the critical test limits at 45% solids indicating that pumping and mixing difficulties may be observed if this material is not blended.

- The Fresh composite viscosity yielded viscosity results that were borderline with the critical test limits.

- The Lady Ada material can be considered to have moderate to high viscosity characteristics which will be beneficial for blending of the lower viscosity ores at Marvel Loch.

The metallurgical testwork conducted on composite samples from the Lady Ada deposit produced high gold recoveries of 99.3%, 97.3% and 97.0% for the Oxide, Transitional, and Fresh composites respectively.

The samples exhibited moderate to high viscosity characteristics as noted from testwork observations during the gravity / leach stage and the viscosity measurements on the leach residue slurry samples.

11. PLANT LAYOUT & TSF

The TSF will need to operate as a closed circuit storage to encapsulate all processing waste, processing plant site run off and run on waters upstream of an impermeable dam embankment. Even though the TSF is designed to operate as a closed-circuit system with no discharge a 3 metre wide spillway is needed in the design to protect the embankment in an unforeseen emergency.

Site establishment for the TSF will involve;

- Surveying and installation of cut-off diversion drains.
- Marking out of high storage levels for early stages of dam life to allow for progressive clearing and stripping.
- Surveying of embankment footprint to allow for clearing and excavation.
- Construction of TSF embankment.
- Installation of pipelines and spigots for tailings delivery from the processing plant.
- Installation of a return water system from the TSF.
- The TSF needs to be designed to accommodate all tailings and run off water including a 1 in 100 year storm event combined with maximum wave height.
- The TSF needs to be designed with an impermeable clay core in the embankment of co-efficient of permeability of 900mm at 1x10-9m/sec or better.

Assuming;

- The initial starter dam is designed to hold 6 months operation, 500,000 tonne at an operating storage density of 1t/m3.
- That an operating 1metre freeboard is adequate to satisfy the 1in 100 year storm event.
- That there is adequate clay material available nearby with a suitable co-efficient of permeability to meet the 900mm at 1x10-9m/sec.
- That the slope of land is suitable for dam construction and that nominally the embankment volume will be 1/5th of the storage volume.
- The initial starter dam will require an embankment of about 150,000m3.

Most likely monitoring bores will be required downstream of the dam embankment that are capable of pumping any unacceptable concentrations of contaminates detected back into the TSF.

The expected cost of the TSF was included in the capital cost estimate for the Processing Plant.

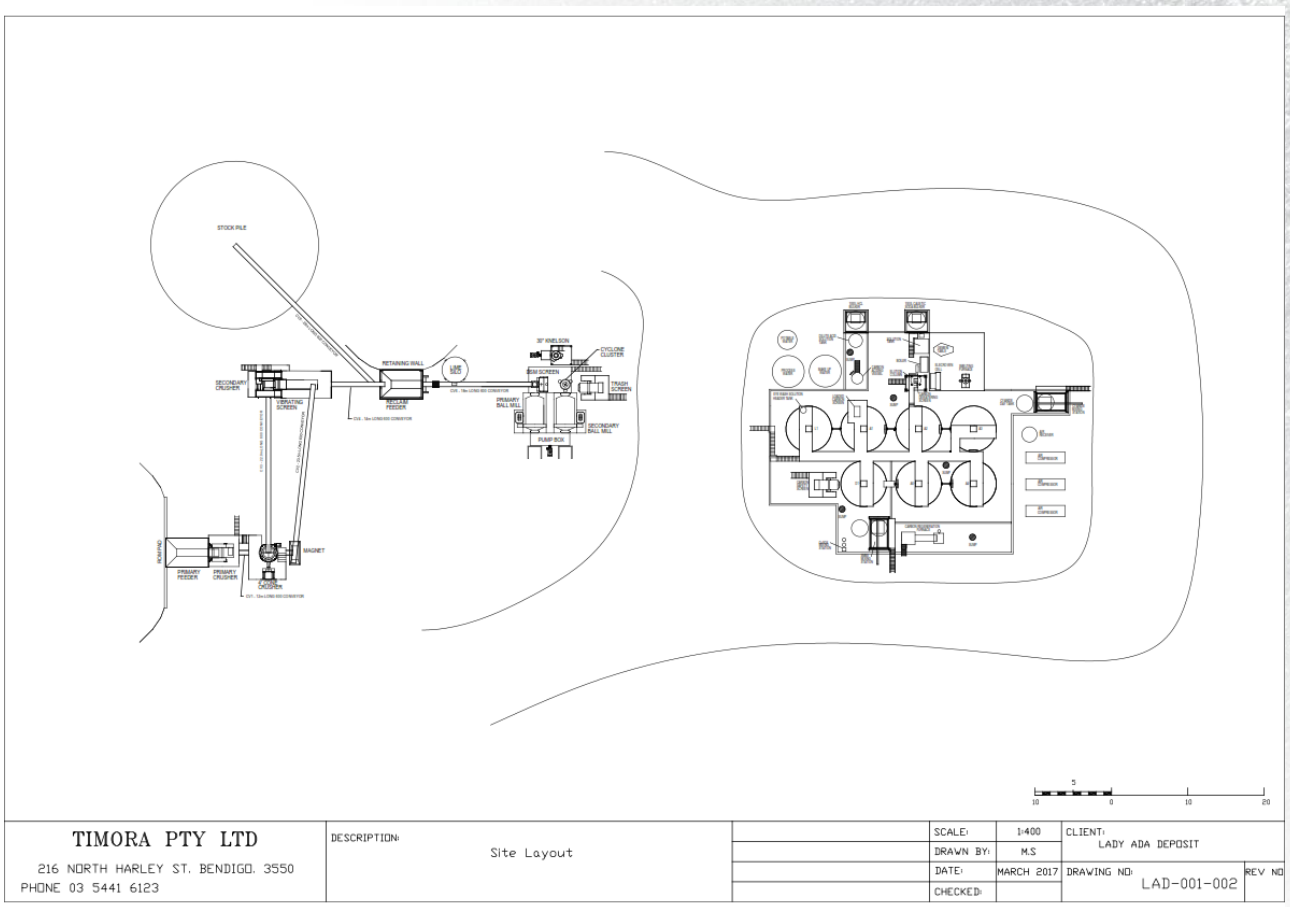


Figure 7: Process Plant Site Layout

12. SITE PERSONNEL

Estimates for mining labour, processing labour and camp facilities labour have been provided by contractors and generated internally.

The Forrestania Gold Project will be a combination of 2/1, 8/6 and 5/2-4/3 rosters. It is assumed that personnel will be employed on drive in / drive out and fly in / fly out employment arrangements. Where applicable, residents of the Hyden and Yilgarn Shire will be given priority for employment opportunities.

13. INFRASTRUCTURE

13.1 Existing Facilities And Services

The Project site is remote though accessible directly by unsealed public roads from the towns of Marvel Loch to the North and Hyden to the West. Existing facilities and services in the Project area comprise:

- Gravel roads and tracks: the processing plant will be located onsite within 1km of the open pits. A gravel access track will be established from the project area to the Forrestania-Southern Cross Rd. This is currently under a Miscellaneous Licence application.

- Water sources: One production borehole is currently located near Lady Ada Pit. A number of other water sources are located within the area. It is likely that new boreholes and dewatering points (such as re-injection points used by Western Areas in the region) will have to be established.

13.2 Site Earthworks

The proposed site for the FGP plant and camp facilities is on flat or gently sloping ground with natural overall gradients across proposed site locations of 0% to 2%. These gradients do not require significant construction earthworks volumes to achieve level platforms and are adequate for satisfactory stormwater drainage.

With the exception of the plant site and ROM pad access, construction earthworks will largely comprise the stripping and removal to stockpile of topsoil, sub-grade compaction and a balanced cut to compacted fill of in-situ material. There will be only a nominal requirement for the importation of selected fill to make up levels and sheet access roads, parking etc.

The plant site will be treated in much the same way as mentioned above apart from the importation of between 1m and 1.5m of selected fill to form a locally elevated engineered platform on which the plant will be constructed. Similarly, selected imported fill will be required to form the ROM pad access ramps, the volume of which will be dependent upon the height of the ROM wall (not clarified at this stage).

A summary of approximate areas to be cleared for respective facilities are as follows (excludes roads and tailings dam which are dealt with separately):

- Plant – 15,000m²
- ROM stockpile area – 6,300m²
- Camp – 30,000m² (includes evaporation pond/irrigation area and landfill)
- Office, security and first aid area – 3,300m²
- Power generation and fuelling facility – 6,120m²
- HV/LV workshop, wash-down, storage and hydrocarbon area – 11,600m²
- Explosives facility – 2,500m².

The ROM stockpile area will be at approximately existing ground level behind the ROM pad. In order to minimise earthworks, no allowance has been made to create an elevated ROM stockpile area with selected imported fill at the same level as the ROM pad. An elevated ROM stockpile area may be developed with waste rock/overburden material as development of the mine commences.

13.3 Accommodation Camp

An accommodation camp will be constructed approximately 4km from the FGP administration buildings.

13.4 Accommodation Units

Accommodation will be provided for 80 people in portable 4-unit accommodation units, with one unit allocated per person. Each unit will contain the following major equipment items:

- bed
- wardrobe and drawers unit
- desk and chair
- bar-size fridge
- television (satellite TV service)
- air conditioning unit
- single or dual-shared ensuite bathroom with shower.

13.5 Mess Halls And Service Buildings

A dry mess consisting of a full service kitchen and dining hall accommodating a maximum of 40 persons will provide hot and cold meals to camp residents. A recreation facility consisting of bar, recreation room and outdoor BBQ area will provide for camp social activities. An ablution block and laundry will be installed near the mess buildings. A camp office will be located adjacent to the dry mess.

13.6 Camp Fuel Storage Refuelling Facility

The secondary diesel fuel unloading, storage and refuelling facility will be located at the camp and consist of one 55kL self-bunded diesel tank located inside a HDPE-lined bund of approximately 48m2. The tank will have a dispensing unit capable of servicing light and heavy vehicles.

13.8 Camp Power Generation

Camp power generator sets will be mounted on a bunded slab of 22m2 adjacent to the camp fuel storage facility.

13.9 Waste Disposal

A fenced, solid waste landfill site will be created to accept camp domestic waste, managed in accordance with waste management guidelines. The facility will be managed using a front end loader to create tipping areas and to regularly compact and cover waste. All waste unsuitable for landfill (e.g. batteries, hydrocarbons, etc.) will be removed from the site via a licensed waste contractor.

13.10 Fire Suppression

A fire hydrant system to AS 2419.1 (2005) standard will be provided within the camp comprising a dedicated fire water tank and pump set supplying three fire hydrants.

13.11 FGP Administration Office Complex

A Project administration office complex comprising a series of transportable buildings will be provided between the main site access gate to the Project and the Process Plant. The complex will comprise four 12m x 3m office buildings that will accommodate administration, mining, geology and process personnel. The complex will also include a 9m x 9m meeting / training building, a crib room, separate male and female ablutions blocks, and a first aid room. A visitor car park will be provided outside of the security gates, accessible directly from the public road. A further car park will be provided for Project personnel located inside the gate and adjacent to the administration offices.

13.12 Sewage

Administration office ablution facility sewage will be handled via a septic tank and leach drain system.

13.13 Laboratory

A transportable 12m x 3m laboratory building will be installed adjacent to the Process Plant to provide a sample preparation and analysis facility primarily for the Process Plant, and also for the mine (grade control) and exploration support. The laboratory will be equipped with crushing and pulverising equipment, pressure filters, fume cupboards with wet scrubber, laboratory chemical store, and AAS solution analysis instruments.

13.14 Fixed Plant Workshop / Warehouse

A workshop and warehouse facility will be provided to support fixed plant, Process Plant mobile equipment and light vehicle maintenance. The facility will consisting of up to six refurbished 20' sea containers, and a lightweight, steel framed, polythene domed shelter spanning 9.9m wide & 6m high clearance. Allowances have been made for a bunded concrete slab bordered by the sea containers with a floor area of 120m2 and hydrocarbon retention sump. A separate yard area adjacent to the warehouse facility will provide outdoor storage for large spare components and liners.

13.16 Heavy Vehicle Workshop

A heavy vehicle (mine) workshop will be located at FGP and consist of up to six 20' sea containers, and a lightweight, steel framed, polythene domed shelter spanning 9.9m wide & 6m high clearance. Allowances have been made for a bunded concrete slab bordered by the sea containers with a floor area of 120m2 and hydrocarbon retention sump. A hydrocarbon storage facility will be located adjacent the heavy vehicle workshop, consisting of a bunded 9m x 2.5m concrete slab and hydrocarbon retention sump. A separate yard area adjacent to the warehouse facility will provide outdoor storage for large spare components and liners.

13.17 Reagent Storage Facility

Process Plant reagents will be stored in 20' sea containers located inside HDPE-lined bund areas in accordance with regulatory guidelines. Cyanide, caustic and hydrochloric acid will be stored in separately bunded areas to ensure isolation form one another. All containers will be locked and the facility will be bounded by locked security fencing. Grinding media, stored in 200L drums, will be stored in an area adjacent to the reagent storage facility.

14. COST ESTIMATES & FINANCIAL ANALYSIS

Mining costs are inclusive of diesel costs and were based on estimates provided by a mining contractor and verified by Auralia as being comparable to contractor rates today. Capital and operating costs for the processing plant are based on estimates provided by a VIC engineering contractor and the company using comminution and metallurgical data provided by the Company. General and administration costs include items such as flights, accommodation, insurances, rents and rates and were estimated by the Company. Infrastructure costs were estimated by a combination of independent contractors and the Company. No closure or salvage costs are included in the Study.

A high level financial analysis was undertaken using the following inputs:

Description	Units	Unit Rate
Mining Cost	$/t	MCAF in block models
Grade Control Cost	$/t ore	$1.50
Variable Processing Cost	$/t	$22.00
Processing Recovery	%	92.5
Administration Costs	$/t ore	$1.5
Gold Sell Price	$/oz	$1,700
WA State Royalty	%	2.5
Refining Charge	$/oz	$1.00
Discount Rate	%	8

Cashflow

Year	Total	Year 1	Year 2	Year 3
Waste Mining Cost	$34,200,000	$18,000,000	$15,000,000	$1,200,000
Ore Mining Cost	$5,890,000	$2,100,000	$3,500,000	$290,000
Grade Control Cost	$2,820,000	$1,200,000	$1,500,000	$120,000
Haulage Cost	$ -	$ -	$ -	$ -
Processing Cost	$42,600,000	$13,000,000	$22,000,000	$7,600,000
Recovered Gold (ounces)	111,000	29,000	53,000	29,000
Revenue	$189,600,000	$49,300,000	$91,000,000	$49,300,000
State Royalty	$4,740,000	$1,232,500	$2,275,000	$1,232,500
Native Title Royalty	$ -	$ -	$ -	$ -
Third Party Royalty	$ -	$ -	$ -	$ -
Refining Cost	$111,000	$29,000	$53,000	$29,000
Administration Costs	$2,895,000	$875,000	$1,500,000	$520,000
Corporate Costs	$ -	$ -	$ -	$ -
Rehabilitation Costs	$ -	$ -	$ -	$ -
Capital Costs (Processing Plant)	$ 30,000,000	$ 30,000,000	$ -	$ -
Cashflow	$66,233,000	($17,165,500)	$45,119,000	$38,279,500
Cumulative Cashflow		($17,165,500)	$27,953,500	$66,233,000
Discounted Cashfow	$53,175,790	($15,893,981)	$38,682,270	$30,387,501
Cumulative Discounted Cashflow		($15,893,981)	$22,788,298	$53,175,790

The following table shows the impact of various A$ gold price assumptions on Project cashflows and NPV:

Pre-Tax (after royalties)	A$/oz Gold Price							
	$1,100	$1,200	$1,300	$1,400	$1,500	$1,600	$1,700	$1,800
Free Cashflow (A$M)	2	13	23	34	45	56	67	78
NPV (8%) (A$M)	-2	7	17	27	37	47	57	67

The following table shows the impact of various gold recovery assumptions on Project cashflows and NPV:

Pre-Tax (after royalties)	Processing Recovery Factor (A$1,700/oz gold price)							
	75%	80%	85%	87.5%	90%	92.5%	94%	95%
Free Cashflow (A$M)	32	42	52	57	62	67	70	72
NPV (8%) (A$M)	25	34	43	48	53	57	60	62

The following table shows the impact of various processing cost assumptions on Project cashflows and NPV:

Pre-Tax (after royalties)	Processing Cost (per tonne) (A$1,700/oz gold price)							
	$20	$22	$24	$26	$28	$30	$32	$34
Free Cashflow (A$M)	71	67	63	59	55	51	48	44
NPV (8%) (A$M)	61	57	54	50	46	43	39	36

15. Sensitivity Analysis

The $A gold price has a material impact on the project cashflow. The Company considers a sustained gold price below $1,400 would not justify construction of the on-site processing facility as discussed above. Should the gold price reach this level, the Company would re-optimise the pits and mining schedule with a toll-treatment processing scenario in mind. This would likely dramatically reduce the volume of material mined and the project profitability compared to the results discussed in this scoping study.

Gold recovery has a material impact on the project cashflow. There would need to be further studies and testwork done prior to plant construction to ensure the appropriate processing flowsheet and methodology is designed and implemented. The Lady Ada pit has been mined previously, and there have been metallurgical samples/testwork done on Lady Magdalene by previous holders – this data suggests that there is little or no refractory ore and historical recoveries (through the Marvel Loch Processing Plant) were approximately 92.5% or higher.

Due to the volume of material, and the processing rate assumed in this study, processing costs also have an impact on project cashflow and NPV.

Study accuracy and assumptions:

Item	Accuracy
Cost Accuracy	+/- 30%
Cost Contingency	+/- 30%-50%
Resource Categories	65% Indicated & 35% Inferred
Reserve Categories	None
Mining Method	Assumed
Mine Design	High-level conceptual
Scheduling	Monthly approximation
Risk Tolerance	High

16. Project Funding

Classic has sufficient capital to undertake further exploration drill programs, re-estimate the JORC Mineral Resource Estimate and complete the work/assessments required to finalise the Feasibility Study.

The Scoping Study estimates that A$40M is required for capital works, contingency and working capital to achieve first gold production. It is anticipated that finance will be sourced through a combination of equity and debt instruments. The Board of Classic believes there is a reasonable basis to assume that the necessary funding for the Forrestania Gold Project will be able to be obtained.

- The Company has conducted preliminary discussions with potential debt and equity providers, and will continue discussions to progress funding options.

- Classic's management will seek to debt fund a portion of the required funding. This will attract a higher cost of finance and is reflected in the discount rate applied to the NPV/cashflow model. The company believes that this approach will represent better value for shareholders – largely through lack of dilution.

- Another funding option available to the company is through forward sale of gold and/or via revenue from gold streaming or royalty deals. The company confirms it is in preliminary discussions with 3rd parties which provide mine finance to junior mining companies using these types of arrangements, and will continue discussions to progress funding options.

- Another funding option available to the company is through equity. Classic considers that equity funding will be split via a placement and/or a non-renounceable rights issue designed so that existing shareholders can participate in the raising. Classic views this approach to funding as a good way to balance any risks associated with debt funding against ongoing shareholder exposure to company growth/success.

- Discussions entered into with potential process plant providers have contemplated Build, Own Operate and Maintain (BOOM) style commercial agreements. This has the potential to reduce the amount of equity or debt funding required to complete project development significantly via shifting capital costs into operating costs.

- Classic has recently partnered with new JV partners and investors who continue to demonstrate strong support for the Company.

- Classic's Management team have a strong financing track record in mining project finance and equity raising. For example, the company carried out its own IPO in 2013, without engaging any broker/corporate advisor assistance and raised $3M AUD. In the intervening years, the company has raised ~$6M AUD via equity raising and corporate dealings. These raisings were primarily allocated toward Company's Fraser Range Ni/Cu exploration project. Although the Company still retains this project, it is at a very different stage from the FGP – early stage greenfields exploration and without a JORC Resource. There were no financial analysis/scoping studies completed for Fraser range. The FGP is advanced exploration/development stage with an existing JORC Resource and proven production history. This strong platform of data, coupled with the Company's financial analysis and Scoping Studies, provides the Directors with confidence that raising the necessary funding will be possible; particularly after the proposed works (further drilling and detailed BFS) are completed.

- Classic proposes to appoint new senior management/external corporate advisors in the near term who hold additional capital raising and corporate experience in the resources sector in WA. It is expected that these people will add further fund-raising capabilities to the Company which further underpins the Company's belief that the necessary funding discussed in the aforementioned study will be able to be raised when required.

- The Company is confident there is a strong possibility that it will continue to increase the JORC Resource at the Project to extend the mine life beyond what is currently assumed in the scoping study. Resource infill and

extensional drilling will be underway shortly (subject to DMP granting POW see announcement released to the ASX dated 11th April 2017).

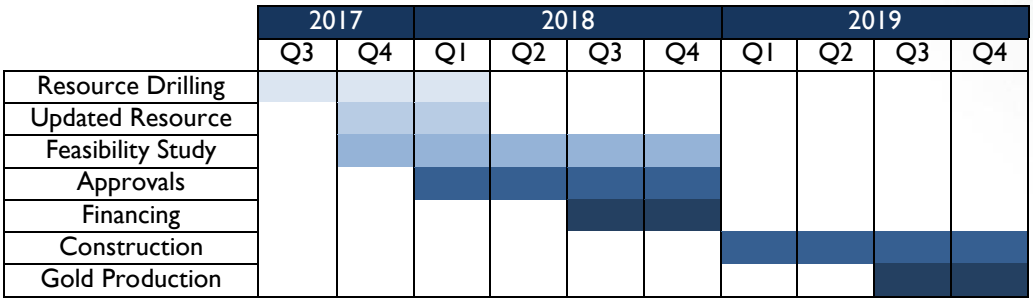
- The future planned drilling and feasibility works at the FGP, which the Company hopes will result in upgrade of Resource category and a JORC Reserve eventually, coupled with a project that is not critically sensitive to fluctuations in the AUD gold price, provide a sound basis for raising capital when required.

Due to the quantum of capital required and robust financial results indicated by the Scoping Study, Classic is confident of its ability to raise the required capital. It should also be noted that over the coming 12 months, the Company plans to undertake resource/infill drilling and detailed feasibility studies to bankable feasibility level, which will see likely conversion of resources to JORC reserves, and will improve the probability of raising capital/project finance.

17. Potential Timeline to Production

Post the release of the Scoping Study, the Company will continue on the current exploration drill program (ASX Announcement 11th April 2017) in order to increase the resource size and the confidence of the Inferred Mineral Resource. Once the core is logged and assayed these results will be incorporated into a new MRE, which is anticipated to be completed before the end of Q1, 2018.

A decision to mine is anticipated to be made following the completion of a detailed Feasibility Study, which is expected to be before the end of Q4, 2018. Prior to a decision to proceed with construction at Forrestania Gold Project, the Project requires an estimated A$40m for mine development, infrastructure and working capital to facilitate first production. It is assumed that financing for the project to commence construction will be sourced during H2, 2018. Upon successfully securing the necessary finance, construction could therefore commence Q1, 2019 with first gold production in H2, 2019.



18. Comments and Next Steps for Classic at FGP

The immediate focus now is to undertake exploration and drilling programs, to increase confidence in the existing models, and to expand the Mineral Resources by unlocking the significant upside potential of the known Lady Magdalene and Lady Ada deposits, which are both open at depth. Other regional gold targets, generated through review and reinterpretation of existing mag data and auger/soil sampling data will also be tested. This work is scheduled to commence shortly and is aimed at delivering an updated Mineral Resource in Q1 2018.

The updated Mineral Resource is planned to feed into a Feasibility Study which will be commenced shortly and is due to be completed in Q2 2018. The Feasibility Study will aim to establish Mineral Reserves, classified and reported in compliance with the JORC Code (2012), and optimise the mining schedule, production rate and process flow sheet while reducing capital and operating costs. It will also go into greater detail in respect of processing options and costs and environmental factors.

The exploration program over the next 12 months will include:

- Infill and extension drilling to upgrade the Lady Ada and Lady Magdalene Resource area;
- Comprehensive metallurgical test work to optimise plant design;
- Exploration drilling of gravity targets;
- Additional environmental flora and fauna surveys (if required), and characterisation of waste and tailings material required for development approval; and
- Structural geology to interpret the regional structure and its controls on mineralisation.
- Geotechnical and hydrogeological studies and testwork.

On behalf of the board
Justin Doutch
Managing Director

No New Information or Data

This announcement contains references to exploration results and Mineral Resource Estimates, all of which have been cross referenced to previous market announcements made by the Company. The Company confirms that it is not aware of any new information or data that materially affects the information included in the relevant market announcements and, in the case of estimates of Mineral Resources, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.

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.

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Appendix 1: Material Assumptions

The Scoping Study is based on existing Resources (refer to the Company's ASX announcement of 14th March 2017) and there has been no conversion of the Mineral Resource to Ore Reserve as a result of this study. Key mining parameters used in the study are summarised below:

Lady Magdalene The open pit Resource model includes modifying factors	• Cutoff grade – 0.92g/t Au • Mining Dilution 10% • Mining Recovery Factor 95% • Pit slope angles range from 38-45 degrees • Ramp widths range from 15m wide with a gradient of 1 in 9 with passing bays at every berm • Bench angles are 50 deg in oxide and 60 deg in transitional and fresh rock, bench heights are 10m in oxide and 20m in trans and fresh. Berm widths are 5m throughout.
Lady Ada The open pit Resource model includes modifying factors	• Cutoff grade – 0.92g/t Au • Mining Dilution 10% • Mining Recovery Factor 95% • Pit slope angles range from 38-45 degrees • Ramp widths range from 15m wide with a gradient of 1 in 9 with passing bays at every berm • Bench angles are 50 deg in oxide and 60 deg in transitional and fresh rock, bench heights are 10m in oxide and 20m in trans and fresh. Berm widths are 5m throughout.