

## ASX Announcement

ASX: CLZ ACN 119 484 016

24 May 2017

# CLASSIC RECEIVES APPROVAL TO COMMENCE DRILLING PROGRAM AT FORRESTANIA GOLD PROJECT, WA

### Highlights:

- **WA Department of Mines and Petroleum approves Program of Works to commence drilling at flagship Forrestania Gold Project (FGP)**
- **Phase I program at FGP to comprise ~3,000 metres of both RC and Diamond Drilling – site preparations well advanced ahead of drilling start-up scheduled for first week of June**
- **Priority targets identified for high grade depth extensions at both Lady Ada and Lady Magdalene**
- **FGP has an existing Mineral Resource of 5.9Mt at 1.25g/t for 240,000oz Au, classified and reported in accordance with the JORC Code (2012)**
- **Sale of Doherty's Gold Project expected to be finalised by 9<sup>th</sup> June – providing additional funding (\$1.2M payment due) to complete Phase I FGP drilling program**

### I. INTRODUCTION

WA-focused gold exploration and development company Classic Minerals Limited (ASX: CLZ) ("Classic", or "the Company") is pleased to advise that it has received full Program of Works (POW) approval from the Western Australian Department of Mines and Petroleum (DMP) to commence its Phase I drilling program at its 80%-owned Forrestania Gold Project in Western Australia.

The drill program will comprise ~3,000 of both RC and diamond drilling (see Figure 1, 2 & 3). Furthermore, site and drill pad clearing was commenced on May 20 2017, with drill rigs anticipated to mobilise shortly ahead of commencement of drilling during the first week of June 2017.

The Forrestania Gold Project contains an existing Mineral Resource of 5.9Mt at 1.25g/t for 240,000 ounces of gold, classified and reported in accordance with the JORC Code (2012), with a recent scoping study (released 1 May 2017) highlighting both the technical and financial viability of the project.

The Company would also like to advise that the sale of Doherty's Gold Project to Accelerated Mining Pty Ltd ("AccMin") as reported on 3 April 2017 is nearing completing, with the final payment of A\$1.2 million expected to be made to Classic on the 9<sup>th</sup> June 2017.

### **Classic's Managing Director, Justin Douch, commented:**

*"We are very pleased to have secured POW approval for the commencement of drilling at our flagship Forrestania Gold Project as our exploration team has outlined a highly targeted program designed to add further ounces to the existing FGP gold resource, and to provide the Company with deeper geological understanding of the broader project area."*

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*Importantly, the recently completed scoping study at FGP has reaffirmed the Company's view that the project has compelling upside potential, with the capacity for additional gold ounces to be added very rapidly.*

*Finally, the impending finalisation of the sale of our Doherty's asset will bolster our financial position, and provide the required funding to complete this initial works program at FGP. We look forward to providing our shareholders with further updates upon commencement of drilling in the coming weeks."*

[See a recently produced video showing the mineralisation and proposed drilling at FGP here.](#)

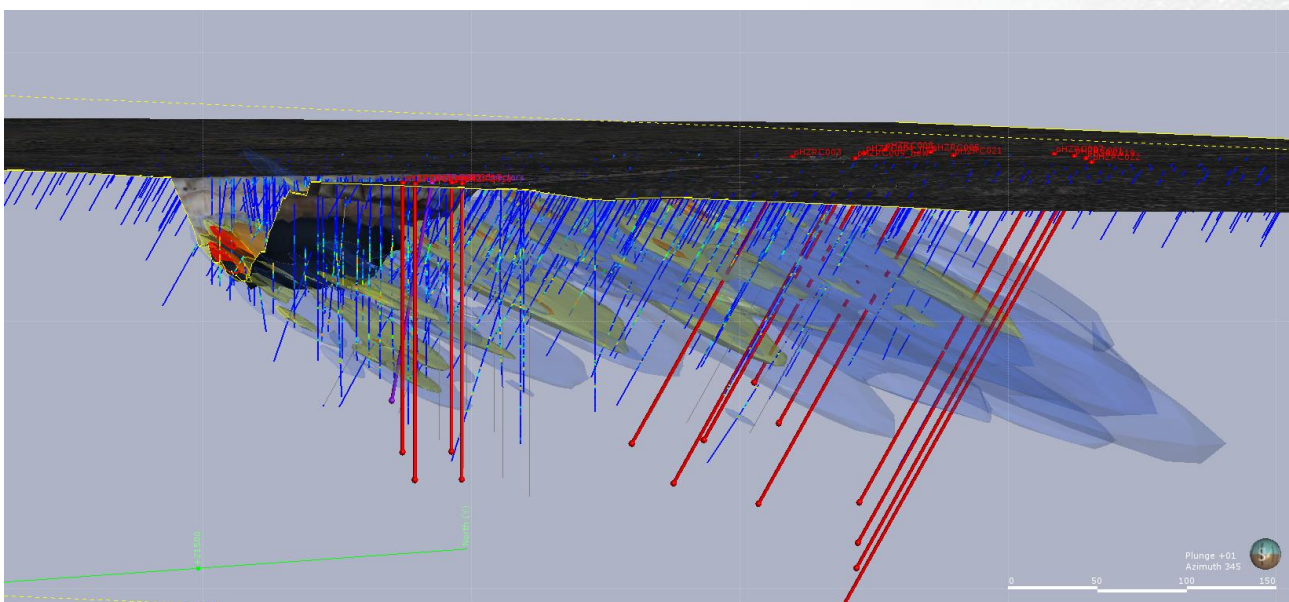


Figure 1: Lady Ada and Lady Magdalene oblique section looking North (local grid), showing the proposed drill targets against the extent of the current mineral resource model and the exploration drilling results.

### 2. 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 (see appendix 2 of 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 (as first reported in the ASX announcement from 9 March 2017).



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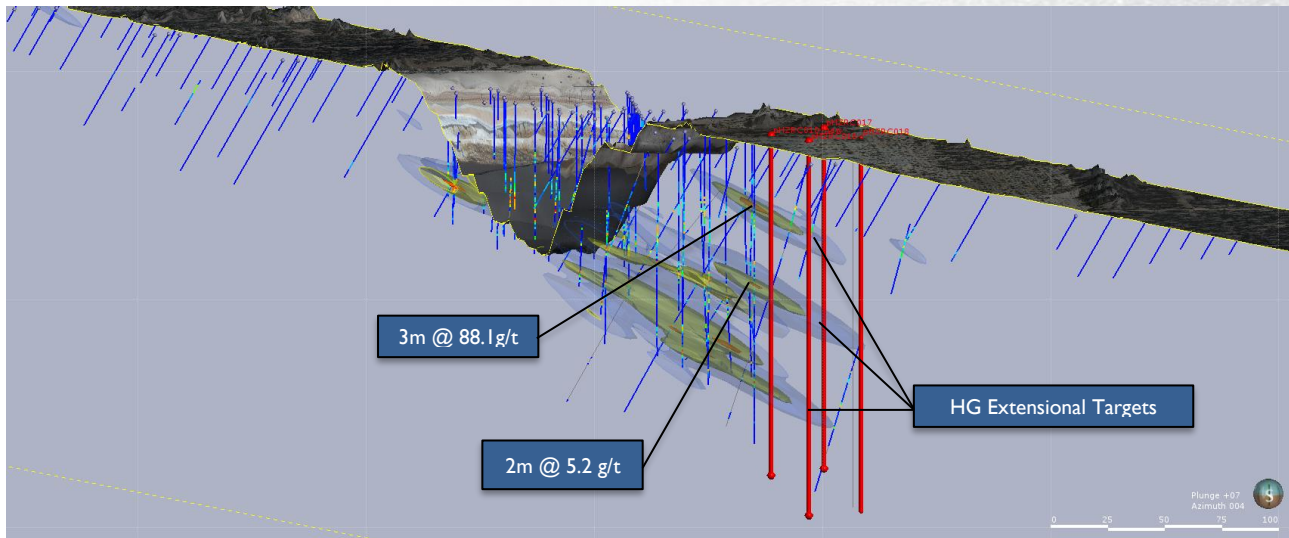


Figure 2: Lady Ada oblique section looking North (local grid), showing the proposed drill targets against the extent of the current mineral resource model and the exploration drilling results.

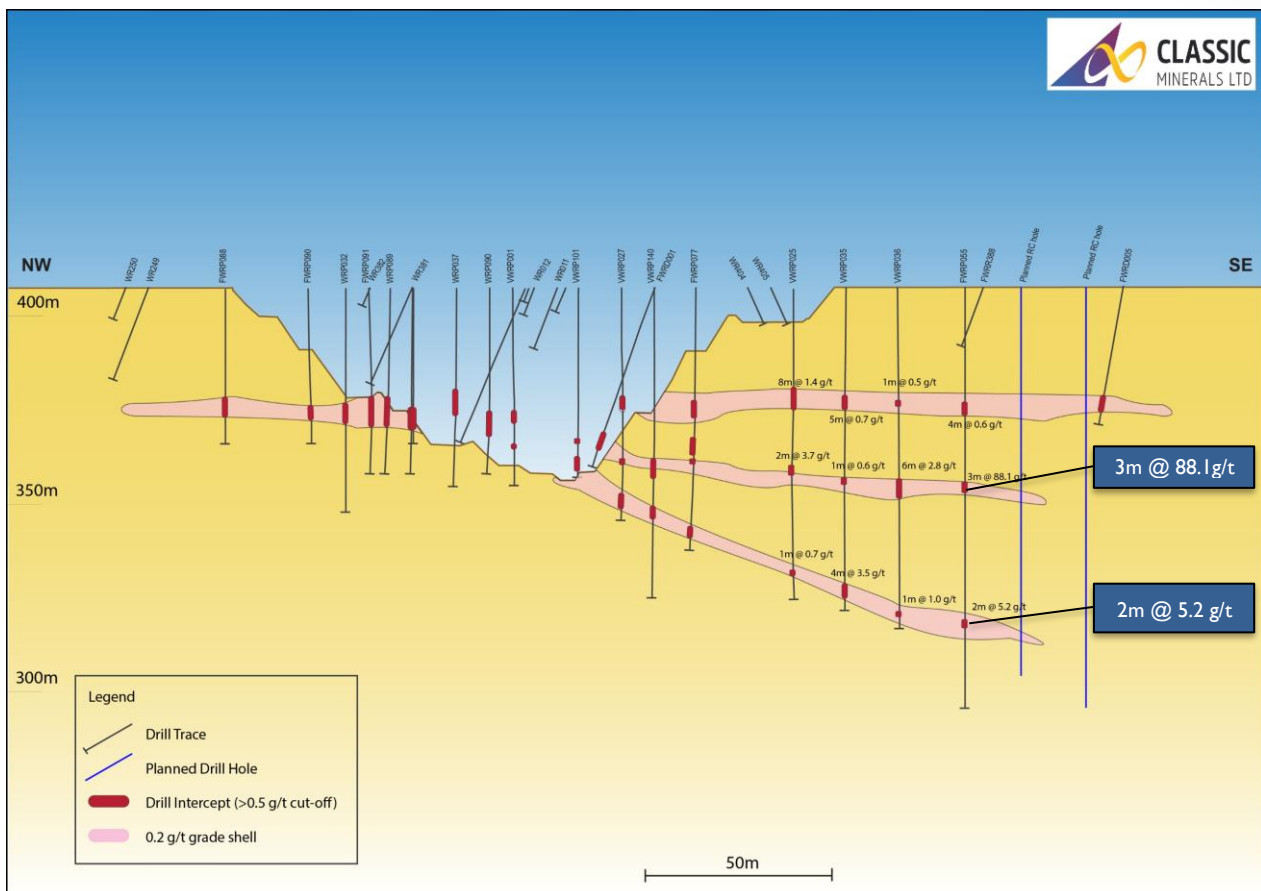


Figure 3: Lady Ada cross section looking north east showing CLZ proposed drill holes

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## 3. 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 Forresteria 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 Magdalene, 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).

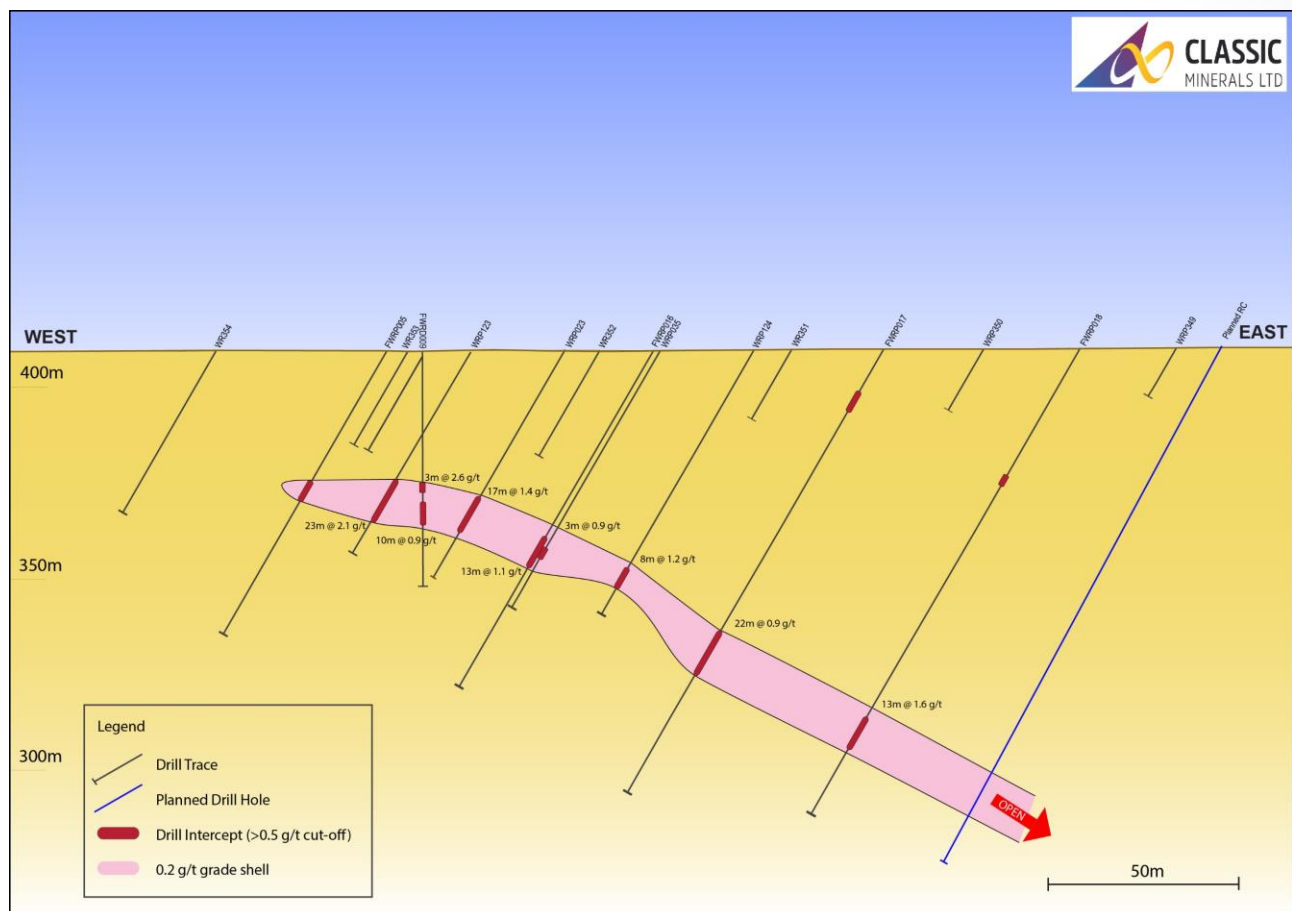


Figure 4: Lady Magdalene cross section looking north showing CLZ proposed drill holes

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On behalf of the board,

Justin Douch  
Managing Director

### Classic Minerals Limited

Phone: (08) 6305 0221  
Address: 71 Furniss Road, Landsdale WA 6065  
Postal: PO Box 487, Osborne Park WA 6917  
Website: [www.classicminerals.com.au](http://www.classicminerals.com.au)



#### 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*