

ASX Announcement

10 November 2017

CLASSIC MINERALS CORPORATE UPDATE

SIGNIFICANT BOOST TO MANAGEMENT TEAM & SUCCESSFUL COST REDUCTION STRATEGY IMPLEMENTED

- **CLZ strengthens management with the appointment of highly experienced industry executive Mr Dean Goodwin as CEO.**
- **Appointment of highly experienced corporate senior executive Mr John Lester as Non-Executive Director and the resignation of Mr Justin Douth as Managing Director.**
- **Implementation of cost reduction strategy will significantly reduce cost-base and streamline corporate and operational focus on the near-term development of Forrestania Gold Project.**

Classic Minerals Limited (ASX: CLZ) ("Classic" or "the Company") is pleased to provide the following update to shareholders on a number of corporate initiatives that have recently been implemented within the business to allow the Company and its project to progress to the next level.

1. APPOINTMENT OF DEAN GOODWIN AS CEO

The Company is pleased to announce that it has appointed experienced mining industry executive Mr Dean Goodwin BAppSc (Geology), MAIG, as acting Chief Executive Officer of the Company effective immediately.

Mr Goodwin has over 30 years' experience in Australia and overseas across all aspects of the industry including exploration, development and mining operations in the gold and advanced minerals sectors. Dean's previous experience includes acting as Head of Geology at Focus Minerals Limited, a six-year period as Managing Director at Barra Resources Ltd (2004 – 2010) and 2 years as Managing Director at Mt Ridley Mines Limited (2014 – 2016). Dean also spent 6 years as an exploration geologist with Western Mining Corporation and was involved in discovering the Intrepid, Redoubtable and Santa Anna gold deposits at Lake Lefroy with WMC.

In 1994, he joined Resolute Ltd as Senior Exploration Geologist, spending 5 years in Kalgoorlie managing exploration for Chalice, Higginsville, Bullabulling and Bulong projects. In 1999, Dean was appointed as Senior Exploration Geologist with LionOre Limited and whilst at the Bounty Gold Mine operations, was responsible for the discovery of several gold deposits including the high-grade Lady Ada deposit (formerly known as Blue Haze), located within the broader Forrestania Gold Project ("FGP").

Following the discovery of the aforementioned deposits at FGP, Dean undertook a detailed geological review and mapping exercise of the project and its surrounds, resulting in the generation of many highly ranked exploration targets in the area.

Importantly, Dean also has a rich history in nickel exploration, including time spent at the helm of Mt Ridley Mines Limited (another Fraser Range explorer) and it is expected that he will bring much needed expertise to continue to explore at the Company's Fraser Range Ni-Cu project.

Mr Goodwin was responsible for discovering some of the key mineralised bodies within FGP and this depth of knowledge and understanding of this particular gold system will be invaluable in the coming months as we revisit some of the high priority exploration targets. Mr Goodwin also qualifies as Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'.

ASX Announcement

10 November 2017

2. APPOINTMENT OF NON-EXECUTIVE DIRECTOR

The company is extremely pleased to announce the appointment of senior executive Mr John Lester as Non-Executive Director. John has a degree in Physiology from Oxford University and was a member of the institute of Investment Analysts in London.

He started his career as a stockbroker with Joseph Sebag and Co in London specializing in mining companies, including 6 months with Consolidated Goldfields. He joined Jardine Fleming and Company - then Hong Kong's biggest Investment Bank as chief dealer and became a Director of that company.

He was Head of Corporate Finance at Pembroke Securities in Sydney and later moved to Indonesia where he founded a paging company and several satellite and internet companies as well as arranging the underwriting of Jakarta's first publicly listed mining company.

He joined the board of Golden West Resources Ltd and became Managing Director where he was responsible for the company raising more than \$60 million from Asian investors. He was Chairman of Yilgarn Infrastructure Ltd which was a major tenderer for building the Port of Oakajee having a fully funded bid with partners including China Rail, China Ports, Sinosteel Ansteel Bank of China and China Exim Bank. He was a founding Director and Chairman of publicly listed International Coal Limited.

3. STATEMENT FROM THE COMPANY

"The company is very pleased to have secured the services of Mr Dean Goodwin and Mr John Lester, who brings to the Company a massive amount of credibility and experience. They both have a proven track-record of delivering value to shareholders and public listed companies in the past.

"In addition, and to complement the appointment of the new CEO and Non-Executive Director, Mr Douth and the Board have implemented a number cost-reduction measures designed to lower its corporate overheads.

"The appointment of a highly credentialed CEO and Non-Executive Director, together with the implementation of our cost-reduction strategy, has Classic Minerals in a robust position to fast-track the development of the FGP in the near-term and the Company looks forward to continuing to both drive the company at a corporate level as well as making progress at a project level by testing some of Dean's exploration targets within the tenure.

4. RESIGNATION OF MANAGING DIRECTOR

The company advises that Mr Justin Douth will be stepping down as Managing Director after 7 years as the founding Managing Director of Classic Minerals Limited. Mr Douth founded Classic Minerals in 2011 and managed the company through its pre- IPO stages and successfully listing the company on the ASX in 2013. Following soon after the official ASX listing, Mr Douth was instrumental in the discovery of the Mammoth nickel copper deposits in the Fraser Range and recently securing the company's flagship Forrestania Gold Project. Mr Douth's resignation is part of a succession planning process to bring in a CEO that can progress both in terms of expansion, new discoveries and progress towards production. Mr Douth will remain as a Non- Executive Director on a transitional basis which will finish on or before the 16th November 2017 to ensure a smooth transition of the new CEO into the organisation.

Mr Douth commented:

"I would like to take this time to thank my current and previous Board of Directors, management, advisors and shareholders for the support over the past 7 years. I believe that the company is now set with the current Board and new appointments of Dean and John to assist in the ongoing developments to continue to create value for our shareholders and the delivery of our Forrestania Gold Project in the near future".

ASX Announcement

10 November 2017

5. COST REDUCTION STRATEGY

In addition, the Company has identified several costs which will be reduced as they are deemed unnecessary for the successful development of the Company and its projects.

The following changes have been recently implemented by the Company which will reduce overall annual cost of the company.

- Reduction of Non-Executive director's fees to \$30,000
- Termination of Managing Director salary;
- Termination of Exploration Manager salary;
- Termination of Commercial Manager salary;
- Termination of several long-standing consulting and services agreements in place;
- Consolidation of Tenements including Board approval to surrender of a number of non-core tenements (being E69/3337 and E25/529 which were incurring liabilities in excess of \$220,000 annually);
- In respect to Mr Dean Goodwin's salary and the terms of his employment, the company will announce this to the market once finalised.
- Ongoing review expected to deliver further corporate and operational cost reductions.

6. FORRESTANIA GOLD PROJECT OVERVIEW

The Forrestania Gold Project ("FGP") Tenements are registered in the name of Reed Exploration Pty Ltd, a wholly owned subsidiary of ASX listed Hannans Limited (ASX:HNR). Classic has acquired 80% of the gold rights on the FGP Tenements from a third party, whilst Hannans has maintained its 20% interest in the gold rights. Hannans' 20% interest is free-carried, meaning Hannans is not required to fund any activities on the FGP until a decision to mine has been made. For the avoidance of doubt Hannans Ltd owns a 100% interest in non-gold rights on the FGP Tenements including but not limited to nickel, lithium and other metals.

FGP contains an existing Mineral Resource of 5.9 Mt at 1.25 g/t for 240,000 ounces of gold, classified and reported in accordance with the JORC Code (2012), with a recent Scoping Study (see ASX Announcement released 2nd May 2017) suggesting both the technical and financial viability of the project. The current post-mining Mineral Resource for Lady Ada, Lady Magdalene and Lady Lila is tabulated below. Additional technical detail on the Mineral Resource estimation is provided, further in the text below and in the JORC Table I as attached to ASX announcements dated 14th March 2017 and 21st March 2017.

10 November 2017

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



ASX Announcement

10 November 2017

On behalf of the board, and CEO



Follow us on Twitter @ClassicMinerals

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



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.

Competent Persons Statement

The information contained in this report that relates to 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