

ASX Announcement

ASX: CLZ ACN 119 484 016

8 February 2018

PHASE 2 DRILLING CONTINUES TO DELIVER HIGH-GRADE GOLD INTERCEPTS AT FORRESTANIA GOLD PROJECT, WA

Highlights:

- Classic's Phase 2 drilling at Lady Ada has returned additional high-grade results from outside the current Scoping Study pit design – highlighting significant potential to expand current Mineral Resource estimate at FGP (refer to ASX announcement dated 14th March 2017 for mineral resource estimate)
- Best results for Lady Ada from most recent assays include:
 - **4m @ 37.30 g/t Au from 116m – including 1m @ 76.8 g/t Au from 116m**
 - **2m @ 1.32 g/t Au from 65m**
- Thick zones of shallow-depth gold mineralisation encountered at Lady Magdalene.
- High grade mineralisation at Lady Magdalene open at depth and along-strike.
- Best results for Lady Magdalene from most recent assays include:
 - **6m @ 4.9 g/t Au from 201m – including 2m @ 12.55 g/t Au from 201m**
 - **16m @ 1.73 g/t from 40m**
 - **2.15m @ 5.27 g/t Au from 24.85m**
 - **10.5m @ 1.10 g/t Au from 54m**
 - **6m @ 1.43 g/t Au from 109m**
 - **1m @ 6.52 g/t Au from 241m**
- Scale of alteration and mineralisation observed in all holes drilled to date continues to be indicative of a potential large-scale gold system
- Further assays for both Lady Ada and Lady Magdalene drilling expected to be received imminently
- Classic receives approval for strategically placed orientated diamond holes with the goal of uncovering 1 or more Lady Ada-esque high grade ore bodies between existing drill lines at Lady Magdalene. Drilling to commence in Feb.

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1. 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 further assay results from holes drilled at the Lady Ada and Lady Magdalene deposits as part of the Phase 2 drilling program at the Company's Forrestania Gold Project ("FGP") in Western Australia.

MARC023 was a standout hole at Lady Ada which yielded very impressive, high grade gold mineralisation (76.8 g/t) at a relatively shallow depth (116m) in an area that is outside of the current optimised pit design.

Drilling at Lady Magdalene saw impressive thick zones of mineralisation including MARC052 which had an intersect of 16m @ 1.73 g/t Au from 40m in an area that is outside of the current optimised pit design.

2. DRILLING AT LADY ADA – CONFIRMING RESOURCE DEVELOPMENT MODEL

Following promising results from MARC026, MARC024 and MARC019, the Company was pleased to see repetitions of gold bearing zones at similar depths representing a high grade zone that appears to be increasing in grade to the south (compare MARC024 to MARC023). These results confirm the geological model that the primary Lady Ada ore zone extends to the south-east of the existing ore body. The extent of the mineralisation remains open and is yet to be closed off – Classic drilled a hole (MARC039) approx. 200m along strike from MARC023 and MARC024 that is yet to be assayed but included promising zones of arsenopyrite which appears to represent ore-bearing zones.

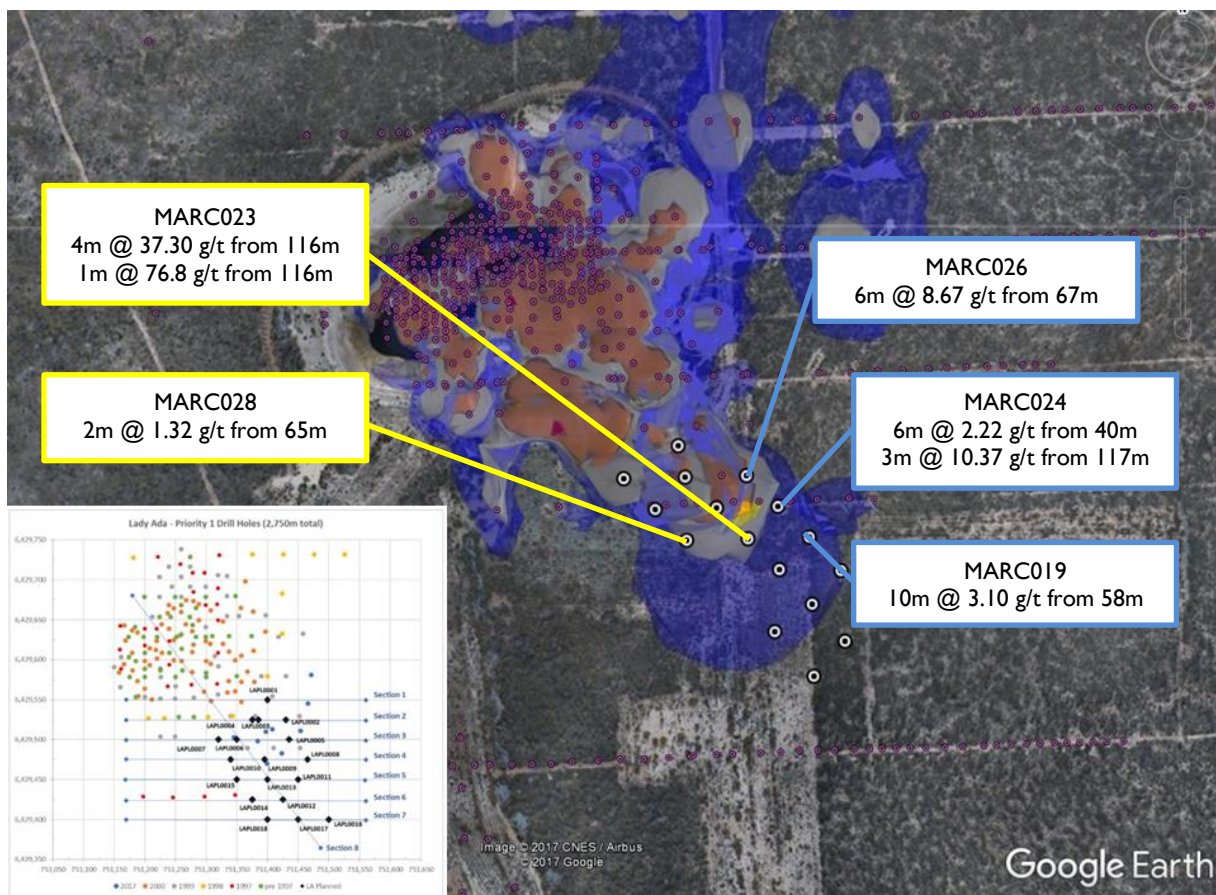


Figure 1: Phase 2 Holes (white) at Lady Ada Plotted Against Previous Drill Collars (pink) and the latest implicit model – latest results shown in yellow boxes

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The strong results point to both an increase and an upgrade in Resources at the Forresteria Gold Project. The drilling was designed to target mineralisation outside of the current resource model as well as high-grade extensions below and adjacent to the current pit design, in line with Classic's strategy to sufficiently grow its Mineral Resources to a size that supports establishment of an on-site processing facility at FGP as contemplated in FGP scoping study (see ASX announcement released 2nd May 2017).

The Reverse Circulation (RC) drill program drilled to date comprised a total of 18 holes for 3,250m (MARC019 - MARC035 and MARC039). Assay results for the remaining intersections and holes are expected to be announced as they are received.

Classic's CEO, Dean Goodwin, commented:

"We are very excited by the high grade (>70 g/t) results from Lady Ada in hole MARC023. This confirms the existence of another high-grade shoot at Lady Ada that is open down plunge and was previously missed due to the hole being positioned on the edge of existing drilling. We will definitely be following this up in the future with further drilling and will keep the market apprised of our progress.

The quality of Lady Ada is evident – this deposit contains multiple high grade shoots and systems that the company believes will continue to grow and eventually, support a profitable mining operation."

Hole	From	To	Length	Results	Comment
MARC019	58	68	10	10m @ 3.10 g/t Au from 58m	Including 2m @ 7.04 g/t Au from 58m
MARC020	37	42	5	5m @ 1.30 g/t Au from 37m	
MARC023	116	119	4	4m @ 37.30 g/t Au from 116m	Including 1m @ 76.8 g/t Au from 116m Including 2m @ 70.05 g/t Au from 116m
MARC024	40	46	6	6m @ 2.22 g/t Au from 40m	Including 1m @ 8.20 g/t Au from 40m
MARC024	117	120	3	3m @ 10.37 g/t Au from 117m	Including 1m @ 30.50 g/t Au from 117m
MARC026	47	51	4	4m @ 1.74 g/t Au from 47m	
MARC026	67	73	6	6m @ 8.67 g/t Au from 67m	Including 1m @ 38.10 g/t Au from 68m
MARC028	65	67	2	2m @ 1.32 g/t Au from 65m	

Table 1: Significant Lady Ada Phase 2 drill results received to date

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. There are 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).

Significantly, Classic's view on the mineralisation was proven correct when its holes intersected gold and confirmed a previously undiscovered extension of the Lady Ada deposit at a vertical depth below 117m from the surface and SSE along strike from the current known mineralisation.

Classic is approx. 2/3rd of the way through assay processing and is expecting further results at Lady Ada and Lady Magdalene to come in over the coming weeks.

The ongoing strategy at Lady Ada is to test the resource development model and probe the extent of mineralisation associated with holes MARC019, MARC024, MARC026 with 25 metre spaced holes. All significant gold intersections reported to date are associated with intervals of consistent weak to moderate pervasive biotite, dioxide and iron carbonate alteration, SE-dipping quartz veins with >1% pyrite and >1% arsenopyrite mineralisation.

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3. DRILLING AT LADY MAGDALENE – OPEN ALONG STRIKE AND AT DEPTH

Classic is very excited about the initial assay results that have been received for the Lady Magdalene drilling. The results from MARC040, MARC049 and MARC052 all confirm the geological model that the main ore zone continues to the south-east of the existing ore body.

Encouragingly, MARC040, which is the most southern hole of the Phase 2 drilling campaign at Lady Magdalene, contained some excellent assay results – 6m at 4.90g/t Au from 201m including 2m at 12.55g/t Au from 201m - which suggests that the main ore body at Lady Magdalene continues at depth and remains open as the mineralisation established in this hole is not closed off and is assumed to extend. Further drilling is required to determine the down-dip plunge extent of this high grade mineralisation at Lady Magdalene. Further drilling approvals are currently with DMIRS.

In addition, MARC052 contained a thick zone of ore at a relatively shallow depth (40m) which will improve the economics of the Scoping Study once incorporated into an updated Resource model and pit optimisation.

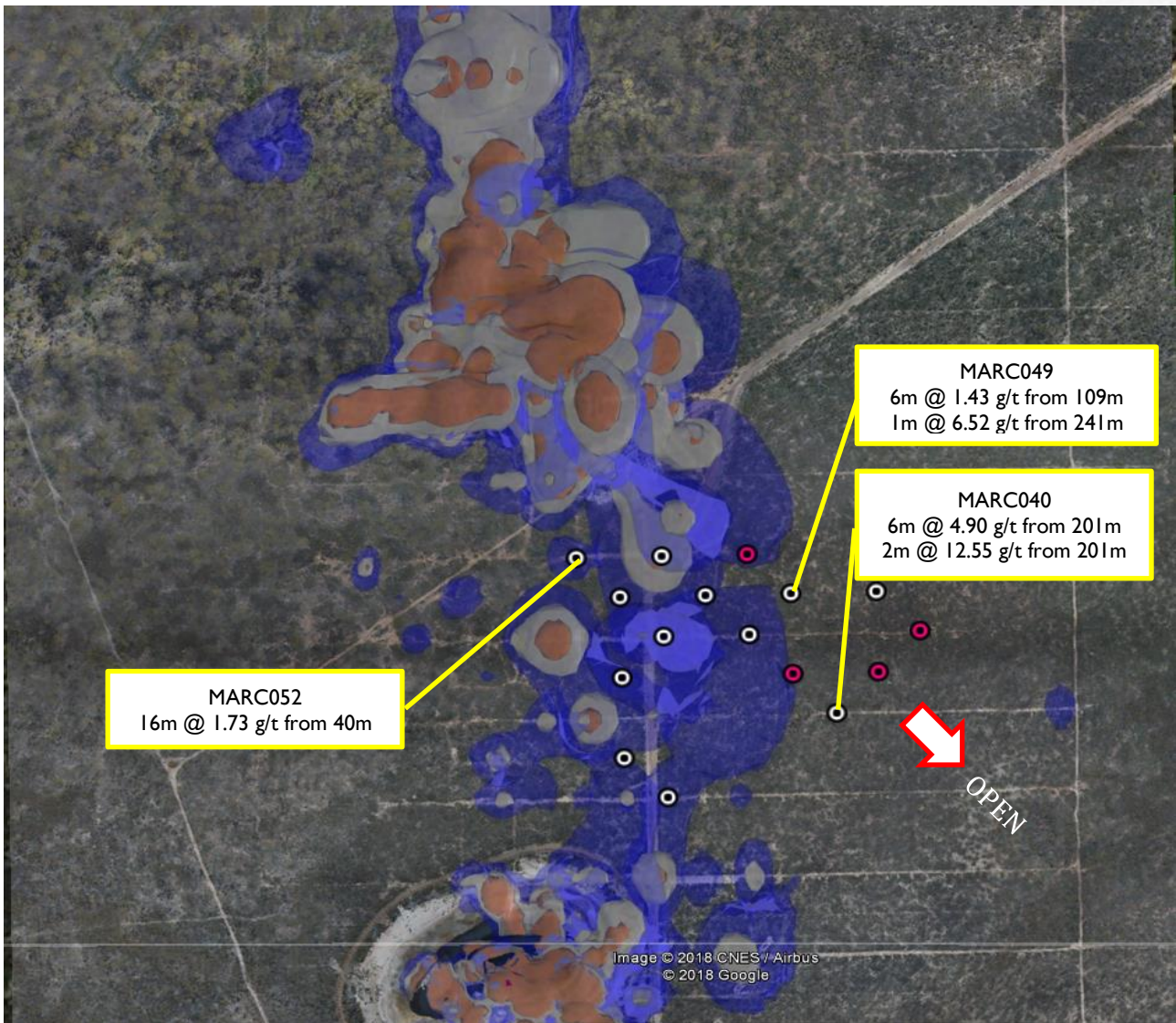


Figure 2: Phase 2 Holes at Lady Magdalene Plotted Against the latest implicit model – latest results shown in yellow boxes
Holes of interest with pending assay results shown in pink

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Hole	From	To	Length	Results	Comment
MARC040	201	206	6	6m @ 4.90 g/t Au from 201m	Including 2m @ 12.55 g/t Au from 201m
MARC049	109	114	6	6m @ 1.43 g/t Au from 109m	
MARC049	241	242	1	1m @ 1.73 g/t Au from 40m	
MARC052	40	55	16	16m @ 1.73 g/t Au from 40m	
MADD001	24.85	27	2.15	2.15m @ 5.27 g/t Au from 24.85m	
MADD001	54	64.5	10.50	10.50m @ 1.10 g/t Au from 54m	

Table 2: Significant Lady Magdalene Phase 2 drill results received to date

Classic's CEO, Dean Goodwin, commented:

"Like Lady Ada, Lady Magdalene is a stacked, shallow dipping ore body which is open at depth and along strike. The latest assay results are very exciting as it confirms there is high grade mineralisation at depth, reaffirming our view that Lady Magdalene hosts high-grade mineralisation similar to Lady Ada.

This is a great result for our Phase 2 drilling campaign at the FGP and we are looking forward to reporting the subsequent Lady Magdalene assay results in the coming weeks. We have only received approx. 50% of results so far.

Following the recent receipt of DMP drilling approval, we will get straight into some orientated diamond holes at Lady Magdalene with the goal of uncovering very high grade ore bodies analogous to Lady Ada between the wide spaced drill lines. Discovery of such zones will be an absolute game-changer for the FGP as it will dramatically increase the financial viability of the project via addition of high-grade ounces to the existing pit-shell designs as reported in the May 2 scoping study announcement.

Lady Magdalene is a far-larger gold system than Lady Ada and as expected, is continuing to deliver results for Classic. We are confident that there are additional high-grade shoots/zones that are yet to be discovered and it is our goal to see Lady Magdalene transform from a large/modestly-graded deposit into a large deposit containing high grade zones that will support low-risk and profitable staged mining operations."

4. APPROVALS RECEIVED FOR LADY MAGDALENE DIAMOND DRILLING

In addition to processing the assay data from Phase 2 drilling at Lady Ada and Lady Magdalene, the Company is also focused on drilling diamond holes at Lady Magdalene in the near future with a view of discovering high grade gold lodes similar to what was mined at Lady Ada. Approval has been received from DMIRS to carry out orientated diamond drilling within the existing Lady Magdalene resource in an attempt to locate high grade cross-cutting gold lodes similar to the Lady Ada deposit which yielded 95,865 tonnes @ 8.81g/t for 27,146 oz Au. Currently existing drilling at Lady Magdalene is too broad spaced to identify these potential high-grade cross-cutting lodes. The Company expects to commence this drilling in mid-Feb 2018.

CEO Dean Goodwin said:

"In parallel to our regional exploration program we will be looking for high-grade cross-cutting lodes within the Lady Magdalene resource envelope similar to Lady Ada. We found Lady Ada 17 years ago by looking closely at the drilling sections, you could see this high-grade gold lode cutting through from section to section on an angle. It wasn't running parallel to the main lower grade material. Once we changed the drill orientation, the high-grade zone was instantly apparent and the rest was history. There is very strong evidence to suggest that similar things are happening at Lady Magdalene. There could be multiple Lady Adas hiding within the existing data. Before we looked closely at Lady Ada, both Lady Ada and Lady Magdalene were deemed large low-grade gold resources. It was only after we looked closely at

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Lady Ada that we saw the high-grade cross cutting lode – I hope to repeat this methodology and discovery at Lady Magdalene.”

5. ABOUT THE FORRESTANIA GOLD PROJECT

The FGP Tenements are registered in the name of Reed Exploration Pty Ltd, a wholly owned subsidiary of ASX listed Hannans Ltd (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.

The 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.

Prospect	Indicated			Inferred			Total		
	Tonnes	Grade (Au g/t)	Ounces Au	Tonnes	Grade (Au g/t)	Ounces Au	Tonnes	Grade (au)	Ounces
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			
Lady Lila				541,000	1.38	24,000			
Sub-Total	2,112,000	1.17	79,900	3,251,000	1.53	160,750			

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



Figure 3: Example of visible gold in rock samples taken from around the Lady Ada deposit (see announcement dated 12 Sept 2017)

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On behalf of the board,

Dean Goodwin
CEO

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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 Dean Goodwin, a Competent Person who is a Member of the Australasian Institute of Mining and Metallurgy (AusIMM). Mr Goodwin is a consultant exploration geologist with Reliant Resources Pty Ltd and consults to Classic Minerals Ltd. Mr. Goodwin 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. Goodwin consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

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Summary of drilling details:

hole_id	hole_type	E_UTM	N_UTM	RL	depth	azimuth	dip
MARC023	RC	751395	6429475	415	174	270	-70
MARC028	RC	751350	6429450	415	174	270	-70
MARC040	RC	751650	6429930	415	354	270	-60
MARC049	RC	751600	6430080	415	324	270	-60
MARC052	RC	751450	6430130	415	234	270	-60
MADD001	DD	751265	6430540	415	75.5	270	-60

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Appendix 1: JORC (2012) Table1

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling. Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information. 	<ul style="list-style-type: none"> The samples were taken by a RC face sampling hammer drill. All RC holes were sampled at one-metre intervals. Care was taken to control metre delineation, and loss of fines. The determination of mineralisation was done via industry standard methods, including RC drilling, followed by splitting, crushing and fire assaying
Drilling techniques	<ul style="list-style-type: none"> Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc). 	<ul style="list-style-type: none"> All drilling was completed using reverse circulation method, using a 685 Schramm 2010 model rig and 6m Remet Harlsen 4 ½ inch rods. The rig mounted Airtruck has 1150 cfm 500 psi auxiliary couples with a hurricane 7t Booster 2400 cfm /1000 psi booster. The bit size was 5 5/8,
Drill sample recovery	<ul style="list-style-type: none"> Method of recording and assessing core and chip sample recoveries and results assessed. Measures taken to maximise sample recovery and ensure representative nature of the samples. 	<ul style="list-style-type: none"> Recoveries from the drilling are not known, as sample weights were not recorded at this stage of exploration, but visual inspection of plastic sample bags in the field indicate that recoveries were sufficient.

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	<ul style="list-style-type: none"> Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material. 	<ul style="list-style-type: none"> The shroud tolerance was monitored, and metre delineation was kept in check. Loss of fines was controlled through mist injection. It is not clear whether a relationship between recovery and grade occurs as recovery data was not collected (e.g. bag weights).
Logging	<ul style="list-style-type: none"> Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography. The total length and percentage of the relevant intersections logged. 	<ul style="list-style-type: none"> Core and chips were logged to a level of detail to support the Mineral Resource estimation. Logging was qualitative in nature. All intersections were logged
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> If core, whether cut or sawn and whether quarter, half or all core taken. If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry. For all sample types, the nature, quality and appropriateness of the sample preparation technique. Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling. Whether sample sizes are appropriate to the grain size of the material being sampled. 	<ul style="list-style-type: none"> Sample splitting on the rig was carried out using a Sandvik static cone and a Metzke splitter. Most sampling was dry, however, some sampling occurred wet. Further preparation at the laboratory was carried out using standard Rocklands crushers and linear sample dividers, followed by pulverising and scooping out of the bowl for final aliquot weighing. The nature and quality of the rig sampling suits the purpose, being exploration. The laboratory preparation is standard practice and has not been further refined to match the ore. Rig split duplicates were submitted. QC in the lab prep stage was limited to taking pulp duplicates (e.g. no coarse crush duplicates were submitted) The sample split sizes (4-5 kg are regarded as more than adequate for the nature and type of material sampled.
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. 	<ul style="list-style-type: none"> Standard 50g fire assays with an AAS finish were used to get assay results. This is a total technique, and considered appropriate for this level of exploration. Quality control was carried out by inserting blanks and standards into the sampling chain and 5% intervals. These all showed acceptable levels of accuracy and precision.

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	<ul style="list-style-type: none"> Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established. 	
Verification of sampling and assaying	<ul style="list-style-type: none"> The verification of significant intersections by either independent or alternative company personnel. The use of twinned holes. Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. Discuss any adjustment to assay data. 	<ul style="list-style-type: none"> Significant intersections have not been validated by independent or alternative personnel. No twin holes were included in this programme, as it is not relevant to the stage of exploration and purpose of this drilling. All primary data was collected on spread sheets which have been validated for errors and included into an Access database. Assay data has not been adjusted
Location of data points	<ul style="list-style-type: none"> Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. Specification of the grid system used. Quality and adequacy of topographic control. 	<ul style="list-style-type: none"> Drill hole locations were determined by GPS in the field in UTM zone 50. Topographic control is available through a detailed satellite-derived DTM.
Data spacing and distribution	<ul style="list-style-type: none"> Data spacing for reporting of Exploration Results. Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. Whether sample compositing has been applied. 	<ul style="list-style-type: none"> Holes were not drilled on a pattern and there was no specific drill hole spacing. In general holes are drilled within 50m from previous intersections. The data spacing is considered sufficient to demonstrate geological and grade continuity for estimation procedures. Samples were not composited.
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material. 	<ul style="list-style-type: none"> The orientation of sampling has achieved unbiased sampling of structures, with drilling perpendicular to the dip and strike of the mineralised zones The relationship between the drilling orientation and the orientation of key mineralised structures is not considered to have introduced a sampling bias.
Sample security	<ul style="list-style-type: none"> The measures taken to ensure sample security. 	<ul style="list-style-type: none"> Samples were immediately dispatched to the laboratory and have at all times been in possession of CLM or its designated contractors. Chain of custody was maintained throughout.

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Audits or reviews	<ul style="list-style-type: none"> The results of any audits or reviews of sampling techniques and data 	<ul style="list-style-type: none"> No audits of any of the data have been carried out.
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Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	<ul style="list-style-type: none"> Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area. 	<ul style="list-style-type: none"> The FGP Tenements are registered in the name of Reed Exploration Pty Ltd, which is a wholly owned subsidiary of ASX-listed Hannans Ltd (ASX code: HNR). Classic has acquired 80% of the gold rights only, with the remaining 20% of the gold rights held free-carried by Hannans Ltd until a decision to mine. Hannans Ltd also holds all of the non-gold rights on the FGP tenements including but not limited to nickel, lithium and other metals The acquisition includes 80% of the gold rights (other mineral rights retained by tenement holder) in the following granted tenements: E77/2207; E77/2219; E77/2239; P77/4290; P77/4291; E77/2303; E77/2220.
Exploration done by other parties	<ul style="list-style-type: none"> Acknowledgment and appraisal of exploration by other parties. 	<ul style="list-style-type: none"> All exploration was carried out by previous owners of the tenements (Aztec Mining, Forerestania Gold NL, Viceroy Australia, Sons of Gwalia)
Geology	<ul style="list-style-type: none"> Deposit type, geological setting and style of mineralisation. 	<ul style="list-style-type: none"> The deposit is a Archean shear-zone hosted gold deposit. Geological interpretation indicates that the general stratigraphy consists of metasediments, BIF's and cherts to the east of the tenement, overlying an older sequence of metamorphosed komatiitic and high-magnesian basalts to the west. Black shales/pelites occur as small interbedded units throughout the stratigraphy, which dips gently to the east (10-35°) and strikes N-S, bending in a NNW direction in the far north of the tenement. An Archean-aged quartz dolerite unit (informally the 'Wattle Rocks Dolerite') is emplaced along a contact between high-MgO basalt to the

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		<p>west and low-MgO ultramafic to the east, in the western part of the tenement and is the host rock for the Lady Ada (and Lady Magdalene) mineralisation. Strongly magnetic Proterozoic dolerite dykes cross-cut the stratigraphy in an east-west direction, splaying to the ENE, following fault directions interpreted from the aeromagnetics. A number of narrow shear zones lie subparallel to the shallow-dipping metasediment-mafic contact within the host stratigraphy and are important sites and conduits for the observed mineralisation. The Sapphire shear zone strikes approximately ENE, dipping to the SE at about 25°, and appears to crosscut all lithologies. This shear zone and associated shears host the bulk of the gold mineralisation at Wattle Rocks. Similar flat-dipping shears are known to crosscut the Lady Magdalene area. Approximately 8-12 metres of transported sands and a gold depleted weathering profile of saprolitic clays overly the Lady Ada and Lady Magdalene mineralisation.</p> <ul style="list-style-type: none"> Structurally, the Wattle Rocks area is quite complex and is positioned near the intersection of several major breakages and flexures in the regional stratigraphy in this part of the Forrestania Greenstone belt. Numerous shear zones are evident throughout the area, particularly at changes of rock stratigraphy where there are rheological differences. Narrow, stacked, flat-dipping shear zones are evident within the quartz dolerite unit and may have resulted from thrusting of the younger sedimentary sequence over the mafic package from east to west. A similar model is predicted for Van Uden (10 km northwards) where mineralised quartz veins appear to 'stack' through a host ferruginous metasediment.
<p>Drill hole Information</p>	<ul style="list-style-type: none"> A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: <ul style="list-style-type: none"> easting and northing of the drill hole collar 	<ul style="list-style-type: none"> This information is provided in attached tables

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	<ul style="list-style-type: none"> ○ elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar ○ dip and azimuth of the hole ○ down hole length and interception depth ○ hole length. <ul style="list-style-type: none"> ● If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case. 	
Data aggregation methods	<ul style="list-style-type: none"> ● In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated. ● Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. ● The assumptions used for any reporting of metal equivalent values should be clearly stated. 	<ul style="list-style-type: none"> ● High grades were not cut in the reporting of weighted averages in this Report. ● Summary drill hole results as reported in figures and in the appendix 2 to this Report are reported on a 2m internal dilution and 0.5 g/t Au cuto-off.
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> ● These relationships are particularly important in the reporting of Exploration Results. ● If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. ● If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known'). 	<ul style="list-style-type: none"> ● In almost all cases, the drill holes are perpendicular to the mineralisation. The true width is not expected to deviate much from intersection width.
Diagrams	<ul style="list-style-type: none"> ● Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views. 	<ul style="list-style-type: none"> ● Appropriate images have been provided in the Report.

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Balanced reporting	<ul style="list-style-type: none">Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.	<ul style="list-style-type: none">Figures represent specific selected drill intervals to demonstrate the general trend of high grade trends. Cross sections show all relevant result in a balanced way.
Other substantive exploration data	<ul style="list-style-type: none">Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.	<ul style="list-style-type: none">No other relevant data is reported
Further work	<ul style="list-style-type: none">The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.	<ul style="list-style-type: none">Further RC drilling is being considered.Figures clearly demonstrate the areas of possible extensions