

ASX Announcement

22 March 2018

LADY ADA STYLE ORIENTATIONS RETURN SIGNIFICANT GOLD ASSAYS AT LADY MAGDALENE

Highlights:

- Assays for the recently completed (see announcement 1 March 2018) diamond drilling have been returned confirming high grade gold in the zones identified as being similar in orientation to Lady Ada
- Confirms CEO's geological model that high-grade cross-cutting mineralisation exists between drill lines
- Best assay results for the orientated diamond drill holes at Lady Magdalene include:
 - **6.5m @ 3.30 g/t Au from 56.5m – including 1m @ 9.52 g/t Au from 60m**
 - **10.6m @ 1.96 g/t Au from 182.4m – including 1m @ 16.4 g/t Au from 192m**
 - **6m @ 1.72 g/t Au from 32m**
 - **1m @ 1.62 from 77m**
- Several mineralisation controls have been identified that upgrade the depth and strike potential of the 2km-long Lady Magdalene/Lady Ada gold camp
- Follow up RC drilling campaign being planned at present and expected to commence next quarter

1. INTRODUCTION

WA-focused gold exploration and development company Classic Minerals Limited (ASX: CLZ) ("Classic", or "the Company") is pleased to announce that it has received assays for the orientated diamond drilling completed at the Lady Magdalene deposit as part of the Phase 3 drilling program at the Company's Forrestania Gold Project ("FGP") in Western Australia.

Both diamond holes targeting Lady Ada style high grade cross cutting gold structures have returned encouraging gold intercepts – **these assays comprehensively support previous structural observations and confirm that Lady Ada style high grade cross cutting mineralisation exists within Lady Magdalene.**

Importantly, these 2 diamond holes, the first designed by Dean Goodwin since assuming the role of CEO of Classic, have intercepted gold mineralisation in the zones of interest – validating his theory regarding the likelihood of additional Lady Ada analogues within the current drill lines at Lady Magdalene.

ASX Announcement

22 March 2018

The diamond drill holes were primarily designed to collect structural data – allowing Classic to accurately determine the orientation of any high-grade zones that have been missed by previous explorers. This methodology was employed by Classic's CEO, Mr Dean Goodwin, when he discovered the high-grade zones at Lady Ada in 1999. Prior to Dean's theory at Lady Ada being tested, it was considered a low-grade deposit like Lady Magdalene is today.

2. DRILLING AT LADY MAGDALENE – CHASING TRANSFORMATIVE HIGH-GRADE MINERALISATION

Structural readings taken from both orientated diamond holes MADD003 and MADD004 revealed several quartz veins and narrow shear zones exhibiting similar orientation characteristics to Lady Ada.

Once the logging and structural work was completed, the core was assayed and returned promising gold intercepts in those zones identified as having similar orientation to Lady Ada. This is a very significant development for the company as the current large, modestly graded Lady Magdalene deposit appears to host high grade cross cutting zones of gold mineralisation which are analogous to the high grade Lady Ada mine.

Classic is now in the process of finalising a close-spaced RC drilling program to further delineate the dip, plunge and general direction of the high grade structures within Lady Magdalene. The follow up program will be to confirm the existence of high-grade cross cutting lodes as suggested by orientation data and start to delineate grade, size and extent of the Lady Ada analogue zones within Lady Magdalene. It is expected that the RC drilling will commence in the June quarter.

Classic CEO Dean Goodwin said:

This is the first time that Lady Ada high grade orientations have been identified at Lady Magdalene. Our first two holes testing the "Lady Ada Orientation" theory have been successful in finding both analogous structural data and high grade gold – this is extremely encouraging and bodes well for the upcoming RC program given the success of the first two diamond holes.

This exciting new data confirms that the high grade Lady Ada deposit is not an isolated occurrence and that other high grade cross cutting gold lodes exist within the Lady Magdalene system. We now can see that this style of mineralisation is more prevalent than previously thought.

The discovery of the cross-cutting lodes has the potential to significantly upgrade the Lady Magdalene resource. The 2km-long Lady Magdalene/Lady Ada gold camp is likely to grow (via addition of higher grade gold oz) as a result. With the scoping study (see May 1 2017 announcement) confirming the likely profitability of the deposits, additional higher-grade ounces added from recent and further drill campaigns will markedly improve the economics of the FGP.

Hole	Northing	Easting	From (m)	To (m)	Width (m)	Grade (g/t)
MADD003	751252	6430480	32	38	6	1.72 g/t Au
			56.5	63	6.5	3.30 g/t Au
			Including	60	61	1
MADD004	751482	6430330	77	78	1	1.62 g/t Au
			182.4	193	10.6	1.96 g/t Au
			Including	192	193	1

Table 1: Lady Magdalene Diamond Drill results received to date

ASX Announcement

22 March 2018

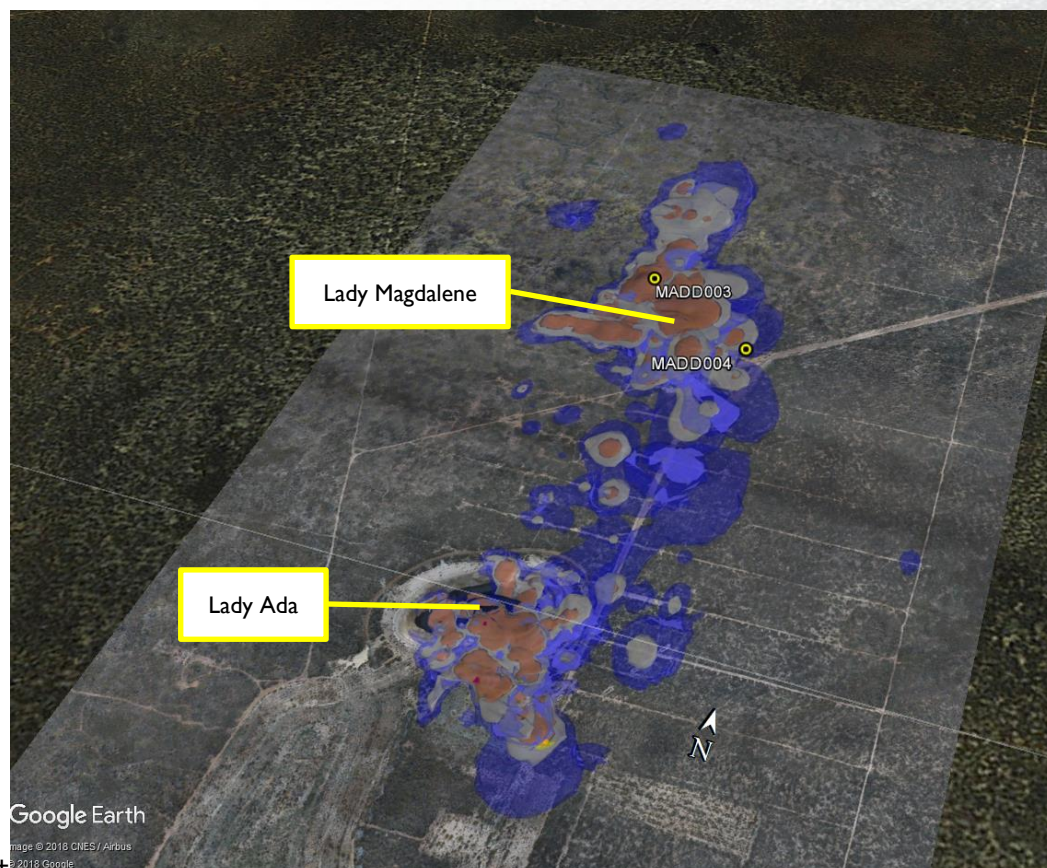


Figure 1: Diamond Holes at Lady Magdalene Plotted Against the latest implicit model.



Image 1: CEO Dean Goodwin inspecting the Lady Magdalene Diamond Drill Core

ASX Announcement

22 March 2018

3. 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	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	543,500	1.99	34,950
Lady Magdalene	1,828,500	1.08	63,700	2,450,000	1.5	118,000	4,278,500	1.32	181,700
Lady Lila				541,000	1.38	24,000	541,000	1.38	24,000
Sub-Total	2,112,000	1.17	79,900	3,251,000	1.53	160,750	5,363,000	1.39	240,650

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



Image 2: Diamond Drilling at Lady Magdalene (Feb 2018)

ASX Announcement

22 March 2018

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.

Summary of drilling details:

hole_id	hole_type	E_UTM	N_UTM	RL	depth	azimuth	dip
MADD003	DD	751252	6430480	415	92.6	270	-60
MADD004	DD	751482	6430330	415	220	270	-60