

ASX Announcement

17 July 2018

CLASSIC PARTNERS WITH CSIRO TARGETING DISCOVERY OF NEW HIGH-GRADE GOLD DEPOSITS AT FORRESTANIA

Highlights:

- Classic and CSIRO enter into agreement to undertake study of tree size in Forrestania and the subsequent relationship to gold mineralisation
- CSIRO and Innovation Connections to fund majority of research project
- Potential to rapidly generate new targets without ground-disturbing exploration

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 entered into an innovative agreement with Australia's national science agency CSIRO to investigate the relationship between tree size and gold mineralisation at its Forrestania Gold Project (FGP) in Western Australia.

In 2017, Classic noticed that there appeared to be a correlation between tree size and gold mineralisation at the FGP – the major deposits and prospects (Lady Magdalene, Lady Ada, Stormbreaker and Lady Lila) are (or, in the case of Lady Ada, were) all covered by large gum trees. Whereas the barren areas are covered by typical Yilgarn shrubs/bush. Classic has devoted much research and effort into proving this theory and has built up a considerable amount of data/knowledge underpinning the hypothesis that gold mineralisation is linked to tree size at Forrestania.

The aims of the project are to determine the relationship between the distribution of tree size in Forrestania, the landscape, the geology and the mineralisation at depth. This will greatly assist Classic in more rapid, non-ground disturbing exploration and target generation.

The 6-month project involves such activities as:

- Production of a distribution map in tree sizes by image analysis
- Hylogging and additional sampling of selected holes
- Extensive rockchip, regolith sampling throughout the project
- Generation of high-quality mineralogical and geochemical dataset including integration of geology database
- Determination of the spatial relationships between the tree sizes, the landscape and the mineralised areas through statistical data analysis

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The deliverables and knowledge generated by the project will help guide Classic with geochemical sampling and geochemical data interpretation of the surface as well as a knowledge and statistics driven assessment of the mineralisation at depth and the relationship to landscape and tree size.

Classic CEO Dean Goodwin said:

We are extremely pleased to have entered into this Research Agreement with CSIRO, who are recognised as the pre-eminent scientific/innovation leaders in Australia. It quickly became apparent from field work that there appears to be a relationship between tree-size and mineralisation at FGP – we are glad to follow up this theory with CSIRO because it will help us better understand the geology and controls on mineralisation in FGP.

As an exploration geologist, it is always exciting to be adding to the datasets available to us for target generation and geological theories.

Having CSIRO undertaking this research project alongside Classic will allow us to share and validate our own hypothesis and research efforts/data that we have been working on for the past 12+ months. In addition, in a climate where “typical” exploration techniques are no longer uncovering major deposits, we are proud to be employing out-of-box thinking to better understand the local geology and continue to deliver fantastic results to our shareholders.



Image 1: Diamond Drilling at Lady Magdalene

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2. ABOUT THE FORRESTANIA GOLD PROJECT

The FGP Tenements (excluding Kat Gap and Lady Lila) 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. 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 5.3 Mt at 1.39 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

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.