

29 October 2019

SEPTEMBER 2019 QUARTERLY ACTIVITY REPORT

During the quarter, the Company successfully completed the latest drilling campaign at the Forrestania Gold project (“FGP”) in Western Australia.

Percussion drilling conducted along the granite-greenstone contact has now extended the down-dip projection adjacent to the Proterozoic dyke, to over 100m vertically below surface, with mineralisation open in all directions.

The Company is looking forward to continuing development at the Forrestania Gold Projects during the 2nd Quarter (October – December 2019) aiming to:

- Continue focussed and targeted RC drilling at Kat Gap;
- Embark on a maiden program of diamond drilling to test the mineralised system at depth;
- Advance interpretation, extend mineralised zones and discover new zones of gold mineralisation within the granite at Kat Gap;
- Target cross-cutting high-grade quartz reefs at right angles to existing NW – SE orientated gold lodes at Kat Gap;
- Recommence drilling at Lady Magdalene seeking to locate overprinting Lady Ada-style mineralisation.
- Continue to raise capital & pay down debt & liabilities to improve the financial position of the Company, following

1. KAT GAP DRILLING

In this period, Classic drilled a total of 17 holes for 1880m at Kat Gap.

Percussion drilling at Kat Gap tested the down-dip extent of high-grade intercepts on the main granite-greenstone contact adjacent to the cross-cutting Proterozoic dyke, and similar down-dip projections of high-grade intercepts in the newly extended northern zone. These zones were respectively tested in twelve RC holes FKGRC090 - FKGRC098 (see Figure 1) and FKGRC104 – FKGRC106 for a total of 1,360m.

This work has enhanced detail around structural gold lode orientation, strengthening interpretation of a plunge direction.

Resources at Kat Gap are incrementally growing as mineralisation is extended down-dip on the main granite-greenstone contact with significant gold mineralisation adjacent to the cross-cutting Proterozoic dyke. Drilling

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has extended the average depth of gold mineralisation from 50-60m below surface down to **90-110m** in the area adjacent to the dyke.

Percussion drilling on the northern zone testing down-dip projections high-grade intercepts has shown that the mineralisation system remains open in all directions.

Best results from this round of drilling include:

- **13m @ 4.91g/t Au from 33m** including 1m @ 22.10g/t Au from 36m in FKGR090
- **8m @ 5.86 g/t Au from 37m** including 1m @ 9.90 g/t Au from 41m in FKGR091
- **8m @ 8.26 g/t Au from 58m** including 2m @ 21.80 g/t Au from 61m in FKGR092
- **3m @ 7.44 g/t Au from 92m** including 1m @ 17.40 g/t Au from 93m in FKGR093
- **8m @ 4.19 g/t Au from 109m** including 1m @ 13.50 g/t Au from 115m in FKGR094
- **9m @ 20.91 g/t Au from 123m** including 1m @ 125.00 g/t Au from 126m in FKGR095

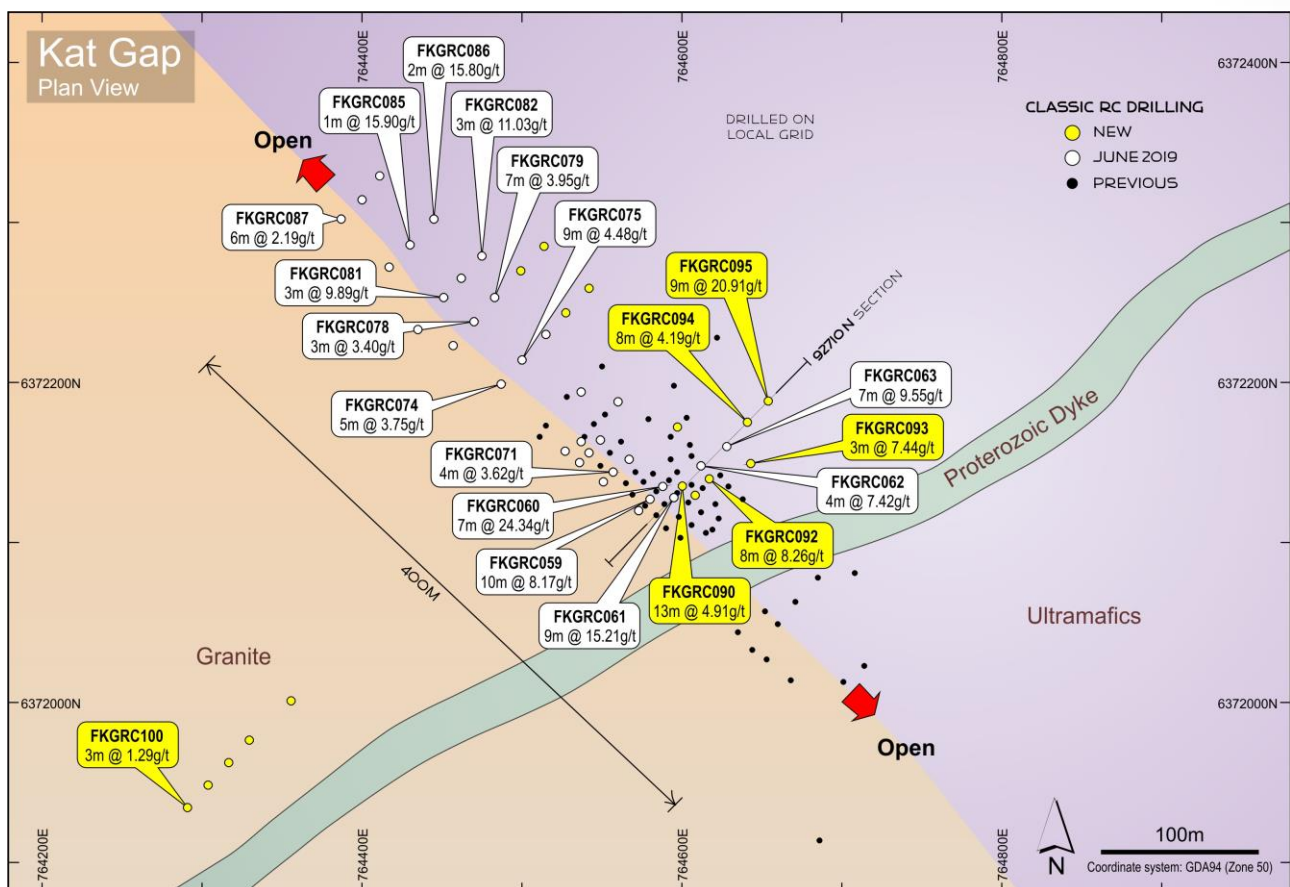


Figure 1: Kat Gap plan view showing recent and previous Classic RC drilling and significant gold intersections

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Deeper drilling completed to date, has shown the main granite – greenstone contact flattening out in the down-dip direction. Where the contact is steep the gold lode tends to narrow and weaken in grade. As the contact rolls to a flatter angle, both the width and grade of the gold lode tends to increase (see Figure 2).

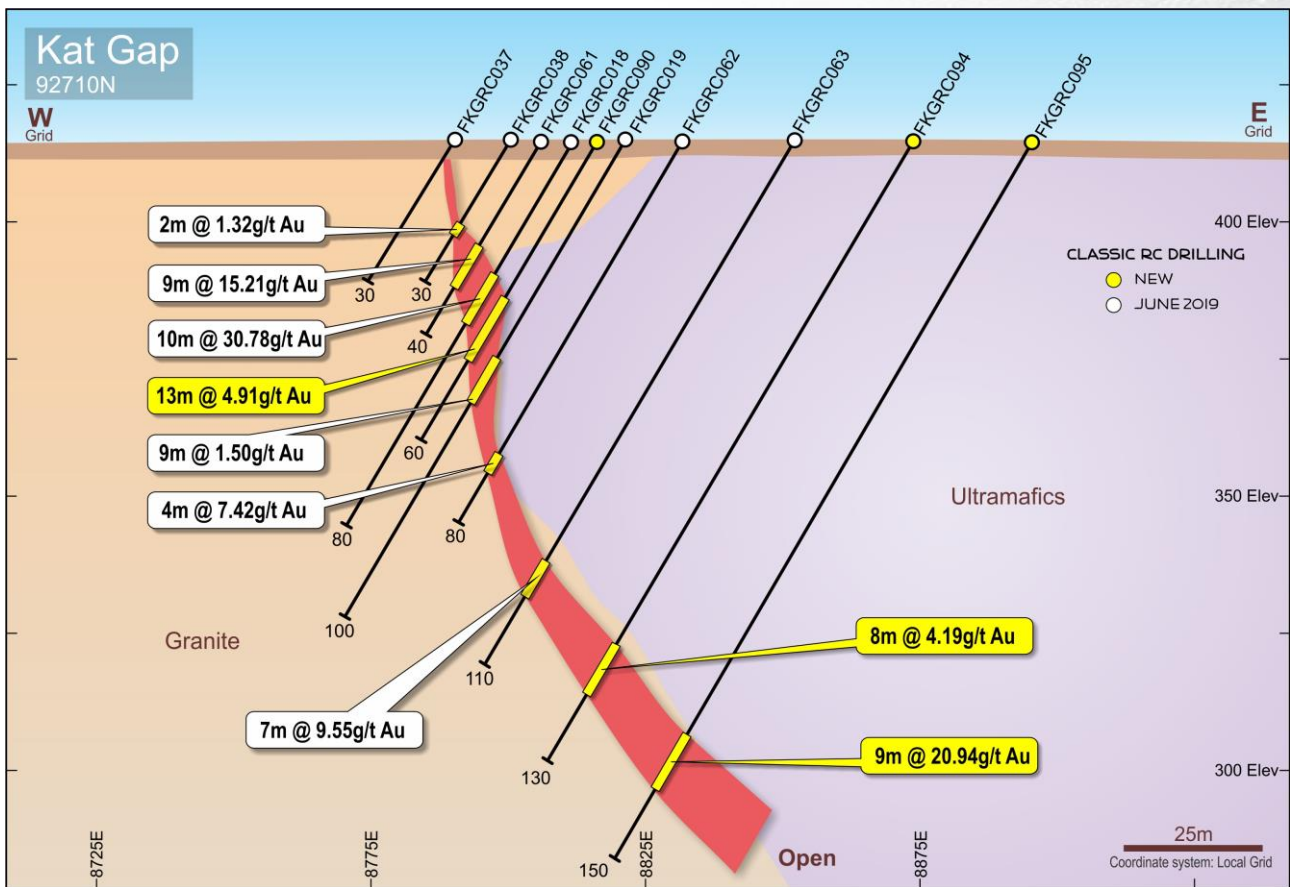


Figure 2: Section 92710mN at Kat Gap

2. PREVIOUS RC DRILLING AT KAT GAP BY CLASSIC

Classic has completed 5 separate drilling campaigns at Kat Gap prior to the most recent RC drilling program. A total of 89 holes for 5931m was completed between May 2018 and June 2019, all returning significant high-grade gold intercepts.

Much of the early Classic drilling is relatively shallow, down to approximately 60m vertical depth and has covered a limited strike length of the granite – greenstone contact (approximately 400m). Focus has been on and adjacent to, both contacts of a cross-cutting Proterozoic dyke where it intersects the main granite-greenstone contact. At this location the gold mineralisation has been significantly enriched.

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Better results from the first five drilling programs include:

- 8m @ 19.05 g/t Au from 32m including 4m @ 28.80 g/t Au in FKGR008;
- 12m @ 7.52 g/t Au from 39m including 2m @ 20.20 g/t Au in FKGR006;
- 12m @ 5.39 g/t Au from 30m including 1m @ 20.80 g/t Au in FKGR012;
- 10m @ 30.78 g/t Au from 28m including 2m @ 116.10 g/t Au in FKGR018;
- 10m @ 4.18 g/t Au from 26m including 1m @ 15.10 g/t Au in FKGR022;
- 9m @ 8.08 g/t Au from 95m including 1m @ 62.30 g/t Au in FKGR025;
- 3m @ 38.33 g/t Au from 21m including 1m @ 111.00 g/t Au in FKGR039;
- 5m @ 5.61 g/t Au from 6m including 1m @ 12.00 g/t Au in FKGR040;
- 3m @ 14.10 g/t Au from 10m including 1m @ 37.40 g/t Au in FKGR042;
- 3m @ 9.64 g/t Au from 20m including 1m @ 25.10 g/t Au in FKGR043.
- 10m @ 8.17 g/t Au from 7m including 1m @ 66.20 g/t Au in FKGR059
- 7m @ 24.34 g/t Au from 24m including 1m @ 78.50 g/t Au in FKGR060
- 9m @ 15.21 g/t Au from 22m including 1m @ 58.30 g/t Au in FKGR061
- 7m @ 9.55 g/t Au from 89m including 1m @ 42.40 g/t Au in FKGR063
- 3m @ 11.03 g/t Au from 50m including 1m @ 28.04 g/t Au in FKGR082

3. FUTURE DRILLING PLANNED FOR KAT GAP

Future drilling programs at Kat Gap will continue to test the main granite – greenstone contact further north and south along strike from the current drilling area. Figure 3 illustrates the 3.5km of prospective regional strike within the project that to date, has received limited exploration.

The next RC drilling program will test northerly extensions of the contact for another 200-300m along strike and probe the depths below shallow holes along the entire 400m of strike delineated by Classic to date. Several deep orientated diamond holes designed to collect valuable structural data will probe the system to 300m vertical below surface.

Historical RC drilling at Kat Gap is mostly on 100m – 200m line spacings. There is strong potential for additional mineralisation to be identified up-dip, down-dip and along strike, both outside of and within the existing RC drill coverage.

Classic is expecting to commence core drilling in the last half of October 2019

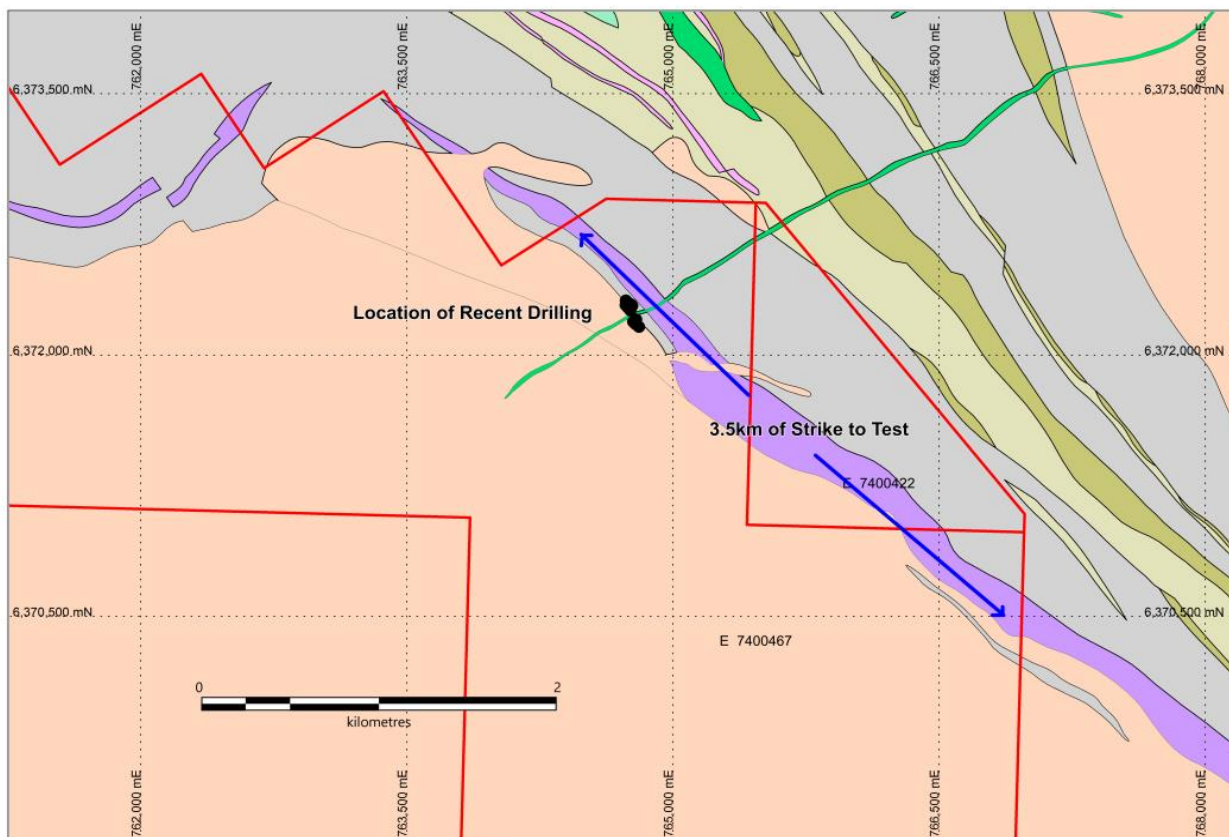


Figure 7: Kat Gap plan view showing strike length to be tested in follow up drilling

4. FUTURE DRILLING PLANNED FOR LADY MAGDALENE

It is planned to recommence drilling at Lady Magdalene seeking to locate additional high-grade, east-west quartz veins akin to Lady Ada-style mineralisation that are interpreted to overprint existing mineralisation.

Stepping out further, aircore and percussion drilling programs will be conducted out into the granite to test the large 5 km long geochemical anomaly identified in historical auger soil sampling.

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5. 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 Classic Ltd owns a 100% interest in non-gold rights on the Kat Gap and Lady Lila 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 1 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
Sub-Total	2,112,000	1.17	79,900	2,710,000	1.85	136,750	4,822,000	1.655	216,650

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*

6. CORPORATE

During the quarter ended 30 September 2019, the Company closed the Share Purchase Plan after raising \$ 709,500.00. The Directors continued to raise funds for working capital via private placements and successfully negotiated with a number of creditors to convert their debt into equity thereby saving much needed cash for its operations.

The Directors concluded discussions and engaged Mr Klaus Eckhof as a Corporate and Strategic Advisor with effect from 19th September 2019.

Pursuant to the end of the quarter and before the release of this report, the Company is in receipt of the refund from the R&D applications submitted, of over \$ 1.3 Million.

The company looks forward, with confidence, to continue creating shareholder value.

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 Australian Institute of Geoscientist (AIG). 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.

Schedule of Mineral Tenements as at 30 September 2019		
TENEMENT	AREA	INTEREST HELD BY CLASSIC MINERALS LIMITED
E74/422	Forrestania	100%
E74/467	Forrestania	100%
P77/4291	Forrestania	80%
P77/4290	Forrestania	80%
E77/2207	Forrestania	80%
E77/2219	Forrestania	80%
E77/2220	Forrestania	80%
E77/2239	Forrestania	80%
E77/2303	Forrestania	80%
P77/4325	Forrestania	100%
P77/4326	Forrestania	100%
E77/2472	Forrestania	100%
E77/4271	Forrestania	100%
E77/2470	Forrestania	100%
E28/1904	Fraser Range	100%
E28/2705	Fraser Range	100%
E28/2704	Fraser Range	100%
E28/2703	Fraser Range	100%

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

Classic Minerals Limited

ABN

77 119 484 016

Quarter ended ("current quarter")

30 September 2019

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(729)	(729)
(b) development	-	-
(c) production	-	-
(d) staff costs	(87)	(87)
(e) administration and corporate costs	(439)	(439)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	(10)	(10)
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(1,265)	(1,265)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(115)	(115)
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(115)	(115)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares & options	1,626	1,626
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	11	11
3.4	Transaction costs related to issues of shares, convertible notes or options	(50)	(50)
3.5	Proceeds from borrowings	100	100
3.6	Repayment of borrowings	(152)	(152)
3.7	Transaction costs related to loans and borrowings	(62)	(62)
3.8	Dividends paid	-	-
3.9	Other	-	-
3.10	Net cash from / (used in) financing activities	1,473	1,473

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	135	135
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,265)	(1,265)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(115)	(115)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,473	1,473
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	228	228

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	228	135
5.2 Call deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	228	135

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Current quarter \$A'000
(23)
-

7. Payments to related entities of the entity and their associates

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

Current quarter \$A'000
-
-

Mining exploration entity and oil and gas exploration entity quarterly report

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	5,000	100
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

On 19 September 2017, the Company by mutual agreement amended the terms of its Standby Subscription Agreement with Stock Assist Group Pty Ltd. The Facility arrangement has been increased from \$1,000,000 to \$5,000,000. Under the Facility the Investor agrees to subscribe for shares if requested by the Company subject to the terms and conditions of this Facility. There were no drawings under this facility for the quarter ended 30 September 2019.

A bridging loan of \$100,000 was taken on 30 August 2019, this loan was repaid in full on 18 September 2019.

9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	250
9.2 Development	-
9.3 Production	-
9.4 Staff costs	40
9.5 Administration and corporate costs	30
9.6 Other (provide details if material)	-
9.7 Total estimated cash outflows	340

10. Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced				
10.2 Interests in mining tenements and petroleum tenements acquired or increased				

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.



Sign here:
Company Secretary

Date: 29 October 2019

Print name: Madhukar Bhalla

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.