

ASX Announcement

06 May 2020

CLASSIC APPLIES FOR MINING LEASE AT KAT GAP

HIGHLIGHTS

- Mining Lease application MLA 74/249 submitted to the Department of Mines, Industry, Regulation and Safety;
- Scoping studies underway focused on open pit scenarios;
- Open pit optimisations being carried out on existing inferred resource;
- Metallurgical studies being conducted by Nagrom;
- Mining contractors being consulted and evaluated;
- Milling options being considered (owner, JV, toll treatment).

INTRODUCTION

WA-focused gold exploration and development company Classic Minerals Limited (ASX: CLZ) ("Classic", or "the Company") is pleased to announce that it has successfully lodged a Mining lease application (**MLA 74/249**) at its 100% owned Kat Gap Gold Project covering the current resource at its exploration licences E74/422 and E74/467.



Figure 1: Outline of proposed Mining Lease at Kat Gap

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MINING LEASE APPLICATION

Classic Minerals Ltd has completed all the requirements for the application for a mining lease (**MLA 74/249**) to cover its Kat Gap gold Deposit. The application is supported by a mineralisation report and a supporting statement from an independent consultant which substantiate the reasons for mine development. Classic Minerals Ltd.'s experienced field staff have completed the marking out of the mining lease boundary to provide accurate data to the Department of Mines, Industry, Regulation and Safety (DMIRS).

Figure 2: MLA 74/249 datum peg.



**Figure 3:
Dean Goodwin at
datum peg**



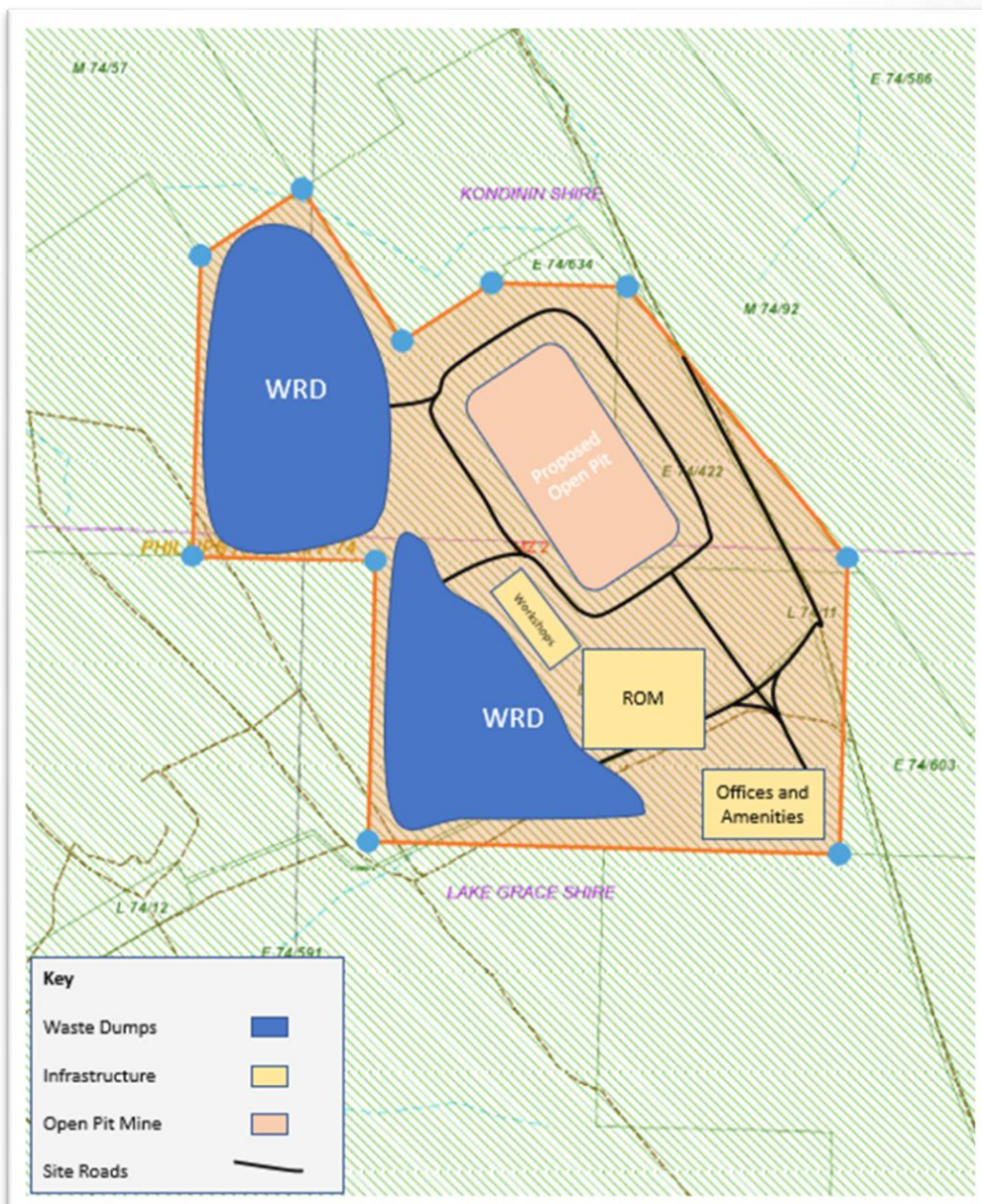
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The supporting documents for the application have been lodged with the department.

The application for the mining lease is a significant step forward for the company as it begins in earnest to advance the project towards a detailed feasibility study over the coming months. The boundary of the mining lease application is shown in Figure 4: The company is now launching the required regulatory processes to have the mining lease granted. An update on progress of these processes will be included in subsequent reports.

Figure 4: Proposed Mining Lease Plan at Kat Gap.



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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 the gold rights on the Kat Gap Tenements and also non-gold rights including but not limited to nickel, lithium and other metals.

Classic has a Global Mineral Resource of **8.24 Mt at 1.52 g/t for 403,906 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 Kat Gap 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 18th December 2019, 21st January 2020, and 20 April 2020.

Prospect	Indicated			Inferred			Total		
	Tonnes	Grade (Au g/t)	Ounces Au	Tonnes	Grade (Au g/t)	Ounces Au	Tonnes	Grade (au)	Ounces
Lady Ada	257	2.01	16,600	1,090,800	1.23	43,100	1,348,100	1.38	59,700
Lady Magdalene				5,922,700	1.32	251,350	5,922,700	1.32	251,350
Kat Gap				975,722	2.96	92,856	975,722	2.96	92,856
Total	257	2.01	16,600	7,989,222	1.50	387,306	8,246,522	1.52	403,906

Notes:

1. The Mineral Resource is classified in accordance with JORC, 2012 edition
2. The effective date of the mineral resource estimate is 20 April 2020.
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 considered

On behalf of the board,



Dean Goodwin CEO

Classic Minerals Limited

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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.

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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 Geoscientists (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.