

ASX Announcement

30 July 2020

JUNE 2020 QUARTERLY ACTIVITIES REPORT

Classic Minerals have made significant progress in the quarter to becoming a gold miner. Highlights of the quarter include:

- a maiden 2012 JORC-compliant Inferred Mineral Resource Estimate at Kat Gap;
- completing drill campaigns at three locations at the Forrestania Gold Project;
- lodging an application for a Mining Lease at Kat Gap;
- commencing metallurgical test work on mineralised samples at Kat Gap, and
- advancing mining studies at Kat Gap.

A total of **43 RC holes** were drilled for a total of **2715m** in the quarter.

RC drilling was completed at **Kat Gap**, **Van Uden West** and **Tangerine Tree's**. Van Uden and Tangerine Trees are regional targets in the northern project area with historically anomalous gold results requiring staged investigation.



Figure 1: Drilling rig at Kat Gap

ASX Announcement

30 July 2020

The development of the Forrestania Gold Project will continue to advance in Q1 FY2021 concentrating on:

- Extending newly identified, axial planar, high-grade gold mineralisation up-dip and along strike into areas with no previous drilling;
- Continuing RC drilling at Kat Gap, north along strike and south along the granite-greenstone contact tracking mineralisation;
- Targeting the interpreted plunge component of high-grade gold mineralisation with deeper RC drilling;
- Planning exploration on priority regional targets within the FGP;
- Advancing all aspects of the mining plan at Kat Gap;
- Acquisition of necessary mining equipment for Kat Gap, and
- Continuing to raise capital & pay down debt & liabilities to improve the financial position of the Company.

1. KAT GAP

On 20th April, Classic Minerals Ltd announced a maiden **2012 JORC-compliant Inferred Mineral Resource Estimate** at Kat Gap of

975,722t @ 2.96g/t for 92,856 oz

Classic has subsequently applied for a Mining Lease (MLA 74/249) over Kat Gap Inferred Resource.

Scoping studies are underway focussed on favourable open pit scenarios with pit optimisations being carried out on existing resources. Metallurgical studies are in progress at Nagrom and milling options are being considered.

Figure 2: Panning drilling samples at Kat Gap



ASX Announcement

30 July 2020

During the quarter, Classic completed a total of **34 RC holes** (FKGRC175 to FKGRC196) for **2115m** at Kat Gap.

The completed drill holes were designed to:

- infill shallow mineralisation to better understand the nearer surface resource, and
- investigate high-grade intercepts (**1m @109g/t Au from 37m**).

Infill drilling has confirmed continuity of mineralised zones within the inferred resource model north of the Proterozoic-aged dolerite dyke. Mineralisation remains open in all directions.

As part of the infill drilling, selected holes were extended seeking to intersect interpreted mineralised horizons. One of these holes **FKGRC184**, drilled into the granite footwall position well west of the main contact lode, returned a stunning **1m interval of 300g/t Au from 82m**.

This hole confirms the orientation of a **new high-grade lode**. The result is significant because it extends mineralisation into areas where there is no previous drilling, up-dip or along strike. This high-grade zone is interpreted to be axial planar in orientation and, with further investigation may have multiple repeats.

Significant results of this drilling at Kat Gap include:

Hole	Northing	Easting	From (m)	To (m)	Width (m)	Grade (g/t)
FKGRC176	6372351	764686	57	60	3	7.48 g/t Au
	Including		59	60	1	10.70 g/t Au
FKGRC180	6372300	764693	62	69	7	3.79 g/t Au
	Including		68	69	1	14.70 g/t Au
FKGRC181	6372304	764699	72	73	1	11.20 g/t Au
FKGRC184	6372301	764713	79	83	4	76.72 g/t Au
	Including		82	83	1	304.00 g/t Au
FGKRC186	6372289	764709	14	23	9	8.69 g/t Au
	Including		18	19	1	21.80 g/t Au
FKGRC191	6372289	764733	49	52	3	7.28 g/t Au
	Including		49	50	1	14.90 g/t Au
FKGRC195	6372270	764745	50	53	3	10.97 g/t Au
	including		51	52	1	30.00 g/t Au

Table 1: Drill Highlights

2. RC DRILLING AT VAN UDEN WEST

In the quarter, **3 RC holes** (VUWRC003 to VUWRC005) were drilled at Van Uden for a total of **240m**. Results are pending.

ASX Announcement

30 July 2020

3. RC DRILLING AT TANGERINE TREE'S

In the quarter, **6 RC holes (FTTRC001 to FTTRC006)** were drilled at Tangerine Tree's for a total of **360m**. Results are pending.

4. Corporate

During the quarter the Board appointed Mr Stephen O'Grady, a reputed mining engineer to the Board. This appointment will add significant expertise and provide technical guidance as Classic progresses towards mining the resource at Kat Gap.

The Company continues to raise funds for working capital and announced a Security Purchase Plan, on 15th July 2020, to raise up to \$4.0 Million, before expenses, to fund drilling as well as the plant and equipment. As announced on 29 July 2020, the Gekko plant will be ready for delivery during the first half of August 2020.

About Forrestania Gold Project and Kat Gap Gold Project

The main thrust of exploration at the Forrestania belt has been the Lady Ada and Lady Magdalene (Ladies) tenements. These have a JORC-defined gold resource outlined in the following table.

Classic has made a major discovery at the 100% owned Kat Gap tenements about 50 km to the South East of the Ladies. Here very significant high-grade gold intersections have been made. Classic has upgraded the potential of Kat Gap and is making it the main focus of its exploration. Classic has great faith in Kat Gap and has made arrangements to purchase a Gekko Gravity Feed Plant to exploit it. Kat Gap is now the Flagship project of the Company.

The FGP Tenements (excluding Kat Gap) 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.

Classic Minerals 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 1 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	Ounces Au	Tonnes	Grade (au)	Ounces
Lady Ada	257,300	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	257,300	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

ASX Announcement

30 July 2020

Figure 3: Samples from drilling at Kat Gap



Figure 4: Samples ready for delivery to Perth.



About Classic Minerals

Classic is an Australian-based, ASX-listed exploration company which is widening its focus from exploration to mining. The Company holds approximately 578 km² of tenements across two major regional exploration areas in Western Australia. Classic's tenements are in areas with identified high grade gold and base metal targets.

Classic's Forrestania Gold Project is located approximately 120 km south of Southern Cross, Western Australia. The Kat Gap Gold Project which Classic has focused the majority of its recent exploration effort is strategically located some 50km south-east of the Company's Forrestania Gold Project.

Classic also holds tenements in the world class Fraser Range province. These tenements are currently under JV with Independence Group (IGO).

On behalf of the board,

Dean Goodwin CEO

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 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.

ASX Announcement

30 July 2020

Classic Minerals Limited A.C.N. 119 484 016

Phone: (08) 6305 0221
Address: 71 Furniss Road, Landsdale WA 6065
Postal: PO Box 1318, Wangara DC WA 6947
Website: www.classicminerals.com.au
Email: contact@classicminerals.com.au



Schedule of Mineral Tenements as at 30 June 2020		
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 or oil and gas exploration entity quarterly cash flow report

Name of entity:

Classic Minerals Limited

ABN:

77 119 484 016

Quarter ended ("current quarter")

30th June 2020

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers		
1.2	Payments for		
	(a) exploration & evaluation	(1,298)	(3,580)
	(b) development	0	0
	(c) production	0	0
	(d) staff costs	(351)	(529)
	(e) administration and corporate costs	(175)	(1,642)
1.3	Dividends received (see note 3)	0	0
1.4	Interest received	0	0
1.5	Interest and other costs of finance paid	(220)	(654)
1.6	Income taxes paid	0	0
1.7	Government grants and tax incentives	48	1,363
1.8	Other (provide details if material)	0	0
1.9	Net cash from / (used in) operating activities	(1,945)	(4,991)

2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	0	0
	(b) tenements	0	0
	(c) property, plant and equipment	0	(481)
	(d) exploration & evaluation	0	0
	(e) investments	0	0
	(f) other non-current assets	0	0

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	0	0
	(b) tenements	0	299
	(c) property, plant and equipment	0	9
	(d) investments	0	0
	(e) other non-current assets	0	0
2.3	Cash flows from loans to other entities	0	0
2.4	Dividends received (see note 3)	0	0
2.5	Other (provide details if material)	0	0
2.6	Net cash from / (used in) investing activities	0	(173)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	1,465	4,479
3.2	Proceeds from issue of convertible debt securities	0	0
3.3	Proceeds from exercise of options	239	280
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(111)	(317)
3.5	Proceeds from borrowings	970	2,110
3.6	Repayment of borrowings	(1,72)	(906)
3.7	Transaction costs related to loans and borrowings	0	(129)
3.8	Dividends paid	0	0
3.9	Other (provide details if material)	0	0
3.10	Net cash from / (used in) financing activities	2,391	5,517

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	42	135
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,996)	(5,042)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	51	(122)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	2,391	5,517

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	0	0
4.6	Cash and cash equivalents at end of period	488	488

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	488	42
5.2	Call deposits	0	0
5.3	Bank overdrafts	0	0
5.4	Other (provide details)	0	0
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	488	42

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	89
6.2	Aggregate amount of payments to related parties and their associates included in item 2	0
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		
	Payment of Director and Consulting fees	89

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	1,800	1,800
7.2	Credit standby arrangements	5,000	0
7.3	Other (please specify)	-	-
7.4	Total financing facilities	6,800	1,800
7.5	Unused financing facilities available at quarter end		5,000
7.6	<p>Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.</p> <p>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 June 2020. This facility will end on 19 September 2021.</p> <p>FOSKIN Pty Ltd provided loan facility with maturity date on 20 June 2020 with total principal outstanding of \$250,000. This facility is unsecured and has interest rate at 3% per month. On 20 June 2020 the loan facility has been extended to 20 August 2020.</p> <p>GREYWOOD HOLDINGS Pty Ltd provided a loan facility with maturity date on 15 July 2020 with total principal outstanding of \$500,000. This facility is unsecured and has interest rate at 3% per month. The agreement has been extended to 15 September 2020.</p> <p>On 21 April 2020, the Company signed facility of \$1,031,000 agreement with Radium Capital. The total outstanding as of 01 July 2020 is \$1,058,000. The facility will mature on 30 November 2020. This facility was advanced against the expected R&D refund expected from the ATO on or before 30 September 2020 and carries an interest rate of 15% p.a.</p>		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(1,996)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	0
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(1,996)
8.4	Cash and cash equivalents at quarter end (item 4.6)	488
8.5	Unused finance facilities available at quarter end (item 7.5)	5,000
8.6	Total available funding (item 8.4 + item 8.5)	3,492
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	1.75
	<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:

8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: Yes

8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: The Company launched a Security Purchase Plan on 15th July 2020 to raise up to \$ 4.0 Million.

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: Yes, with the funds from the Security Purchase Plan.

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

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.

30 July 2020

Date:

Authorised by: **By the Board**.

.....
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow 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 cash flow 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.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.