

ASX Announcement

16 November 2017

NEW EXPLORATION TARGETS BOLSTER CLASSIC'S FORRESTANIA GOLD PROJECT

HIGH PRIORITY TARGETS TO DRIVE ORGANIC GROWTH AT FGP

- Detailed mapping of the entire Forrestania Greenstone belt has identified in excess of 90 priority targets within CLZ's FGP project area
- DMIRs Program of Works lodged to facilitate drilling of top priority targets in the near future
- Potential for high grade mineralization within the Lady Magdalene ore body
- Lady Lila viewed as analogous to Bounty/Blue Vein ore bodies – significant BIF ore body
- Untested prospect "The Matrix" considered as analogous to the high grade Lady Ada ore body
- Near-surface mineralization warranting further follow up
- Multiple other top-ranked exploration targets

WA-focused gold exploration and development company Classic Minerals Limited (ASX: CLZ) ("Classic", or "the Company") is pleased to advise that it has completed a detailed mapping and targeting study at the Company's Forrestania Gold Project ("FGP") in Western Australia, resulting in a number of ranked exploration targets.

1. FORRESTANIA GEOLOGICAL MAPPING AND TARGETING

Classic's new CEO, Mr Dean Goodwin, completed a detailed geological mapping and targeting exercise over the entire Forrestania greenstone belt in the early/mid 2000's. At the time, the primary purpose of the work was to identify additional sources of high grade gold to feed the Bounty processing plant. The targeting study resulted in a ranking system and the identification of more than 300 exploration targets. A number of the targets Dean identified close to Bounty were tested and eventually mined due to the proximity to the processing plant. However, apart from Lady Ada, all of the "Western Belt's" targets (of which CLZ holds 80% of the gold rights) have remained untouched and undrilled since the study was completed due to changes in ownership and the resulting loss of data/technical reports that come with asset sale transactions and tenement surrenders. This will be the first time in more than 17 years in which the original mapping and targeting study has been re-visited.

Dean Goodwin said:

I'm really excited to be involved again in this highly prospective area. 17 years ago I mapped the Forrestania belt from the Bounty goldmine in the north all the way down to Hatters Hill in the south, around 120km of strike. It took 2.5 years to put the geological and structural story together. During that time, with the help of Southern Geoscience Consultants, we came up with 322 regional gold targets of which Classic has 98 within its tenement holding. None of Classic's targets have ever been drill tested. For me, it's unfinished business. I can't wait to get stuck into it.

The Company is planning an aggressive work program with the aim of developing existing gold resources and discovering new high grade gold deposits within its extensive ground holding at the Forrestania Gold Project. Work will include the completion of resource development drilling and resource calculations at Lady Ada and Lady Magdalene, orientated diamond drilling at Lady Magdalene to identify very high grade gold lodes similar to Lady Ada and extensive regional exploration drilling testing high priority exploration targets for new gold deposits.

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Initial work will focus on the completion of phase 2 resource drilling at Lady Ada and Lady Magdalene. This will facilitate the calculation of a new resource base for the Forrestania Gold Project to 2012 JORC standard.

The region is highly prospective for primary gold mineralisation having yielded more than 1 million ounces of gold extracted to date. Remaining known in-ground resources in the region exceed 2.5 million ounces of gold. Exploration work will focus on testing high priority targets specifically those over favourable host rocks including gabbro, which host the Lady Ada and Lady Magdalene deposits, and banded iron formation, which host the 1 million ounce Bounty Gold Mine. The highest ranked exploration targets within the project area have little or no previous drill coverage.

Following the discovery of the aforementioned deposits at FGP, Dean undertook a detailed geological review and mapping exercise of the project and its surrounds, resulting in the generation of many highly ranked exploration targets in the area.

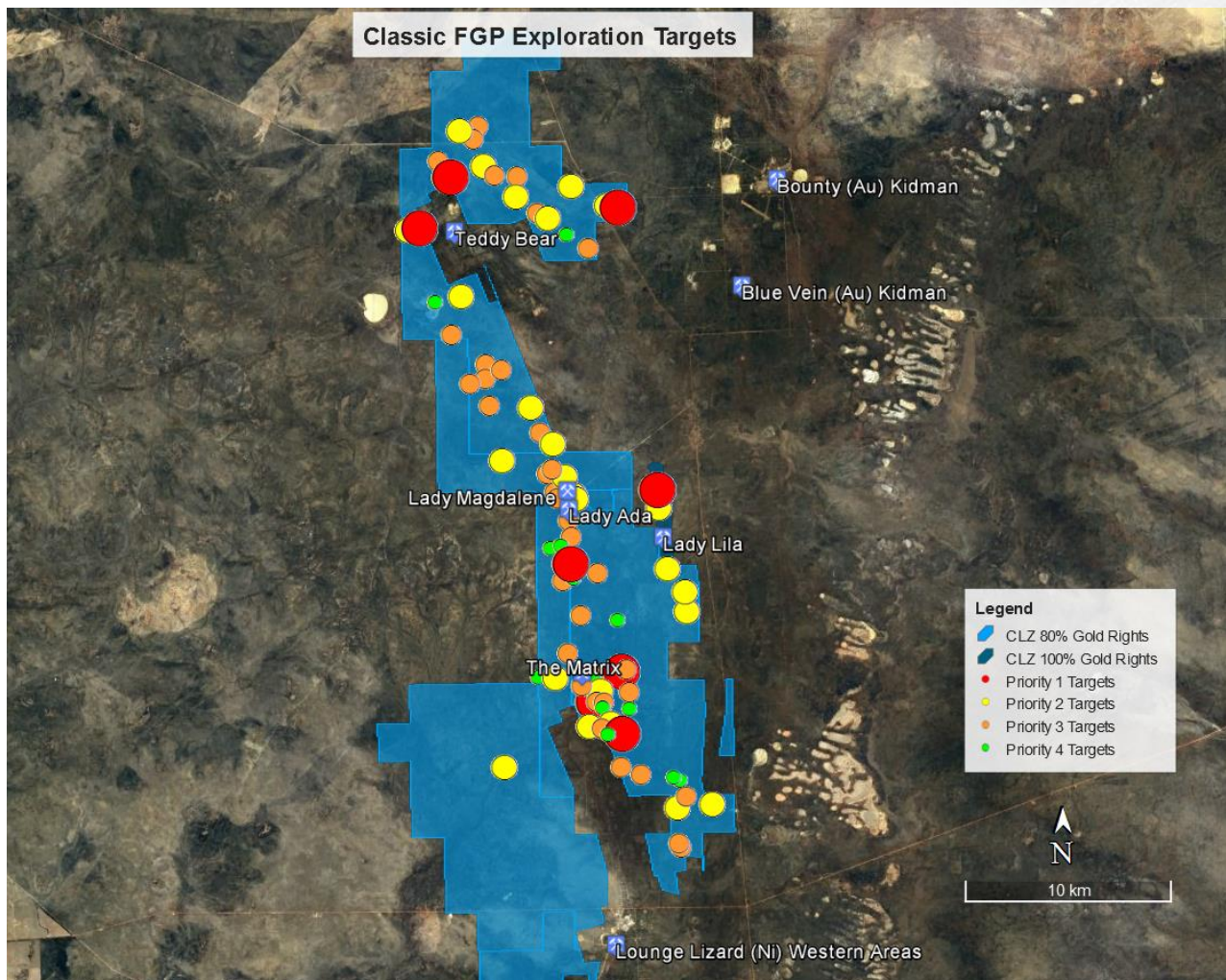


Figure 1: Ranked FGP Exploration Targets

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2. LADY MAGDALENE DIAMOND DRILLING – TRYING TO UNCOVER HIGH-GRADE GOLD LODES WITHIN

Orientated diamond drilling will be undertaken within the existing Lady Magdalene resource in an attempt to locate high grade cross-cutting gold lodes similar to the Lady Ada deposit which yielded 95,865 tonnes @ 8.81g/t for 27,146 oz Au. Currently existing drilling at Lady Magdalene is too broad spaced to identify these potential high-grade cross-cutting lodes.

CEO Dean Goodwin said:

In parallel to our regional exploration program we will be looking for high-grade cross-cutting lodes within the Lady Magdalene resource envelope similar to Lady Ada. We found Lady Ada 17 years ago by looking closely at the drilling sections, you could see this high-grade gold lode cutting through from section to section on an angle. It wasn't running parallel to the main lower grade material. Once we changed the drill orientation, the high-grade zone was instantly apparent and the rest was history. There is very strong evidence to suggest that similar things are happening at Lady Magdalene. There could be multiple Lady Adas hiding within the existing data. Before we looked closely at Lady Ada, both Lady Ada and Lady Magdalene were deemed large low-grade gold resources. It was only after we looked closely at Lady Ada that we saw the high-grade cross cutting lode – I hope to repeat this methodology and discovery at Lady Magdalene.

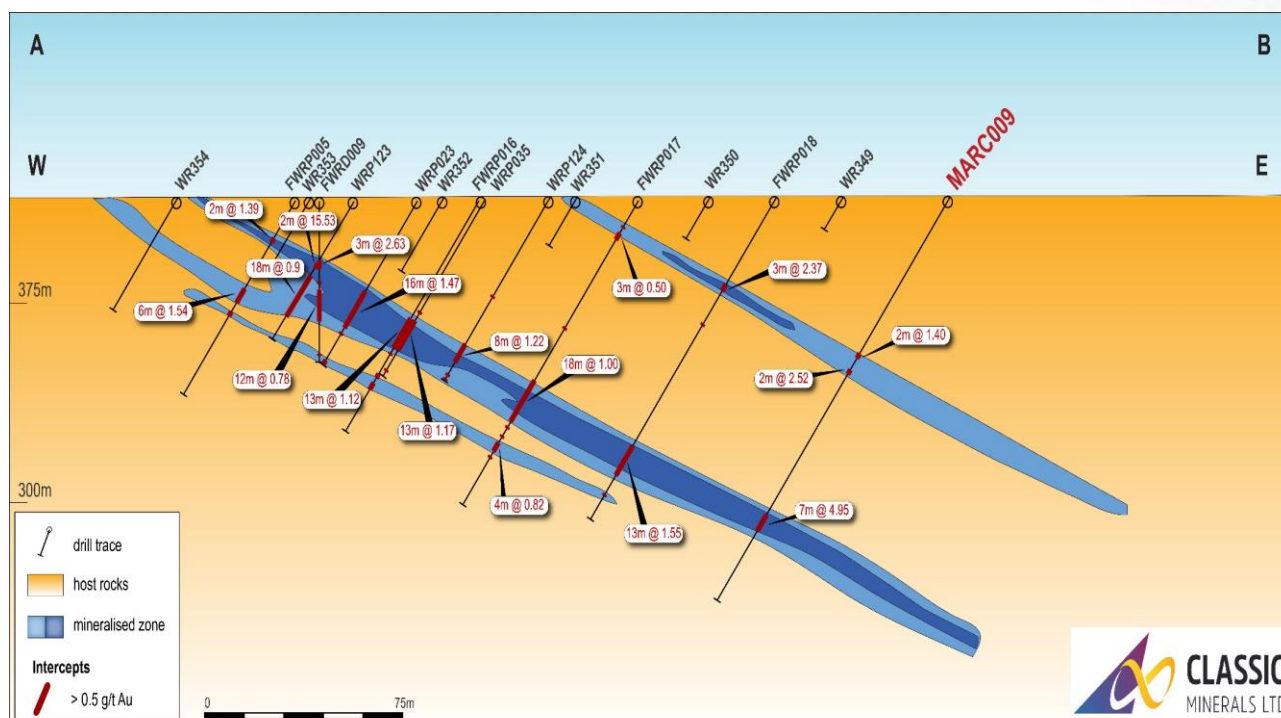


Figure 2 West-East section through Lady Magdalene, showing results for MARC009

3. LADY LILA DRILLING – ANOTHER BOUNTY GOLD MINE?

Lady Lila is situated 4km east of Lady Ada and is hosted by a chert/banded iron formation within the younger metasedimentary central zone. The previous drilling is shallow (approx. 50m depth testing) and generally intercepts the mineralised zone only two-three times per section. Additional drilling is strongly recommended and is required to test the orientation, and down dip extension of the mineralisation. The mineralisation at its strongest is 10m wide, over 400m long, and grades between 2.0-5.0g/t Au. A cross section of Lady Lila is displayed in Figure 3. The present gold mineralisation models indicate a steep easterly dip; the any future drilling should plan to test a possible vertical dip, as gold deposits in the area have been known to steepen at depth (e.g., Bounty and Blue Vein held by Kidman Resources).

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The current drilling commonly fails to drill deep enough to adequately test the steep easterly dip (some holes even terminate in mineralisation), and are insufficient to judge Lady Lila's prospectivity due to three factors:

- 1) there is well-documented transported cover which masks the top 10-20m of deposits in the area (e.g., Lady Ada), potentially obscuring the along strike continuations;
- 2) a zone of gold depletion which may occur under-representing a good deposit (e.g., Bounty Gold Mine);
- 3) the natural variability of gold distributions in BIF hosted systems from zones of high grade to zones of low grade (depending on proximity to Au fluid fault pathway) may provide discouraging results in some RLs and exceptions results in others (e.g., Bounty, Blue vein).

Lady Lila contains a significant strike extent, high and low-grade intercepts, is weakly drilled and requires additional exploration.

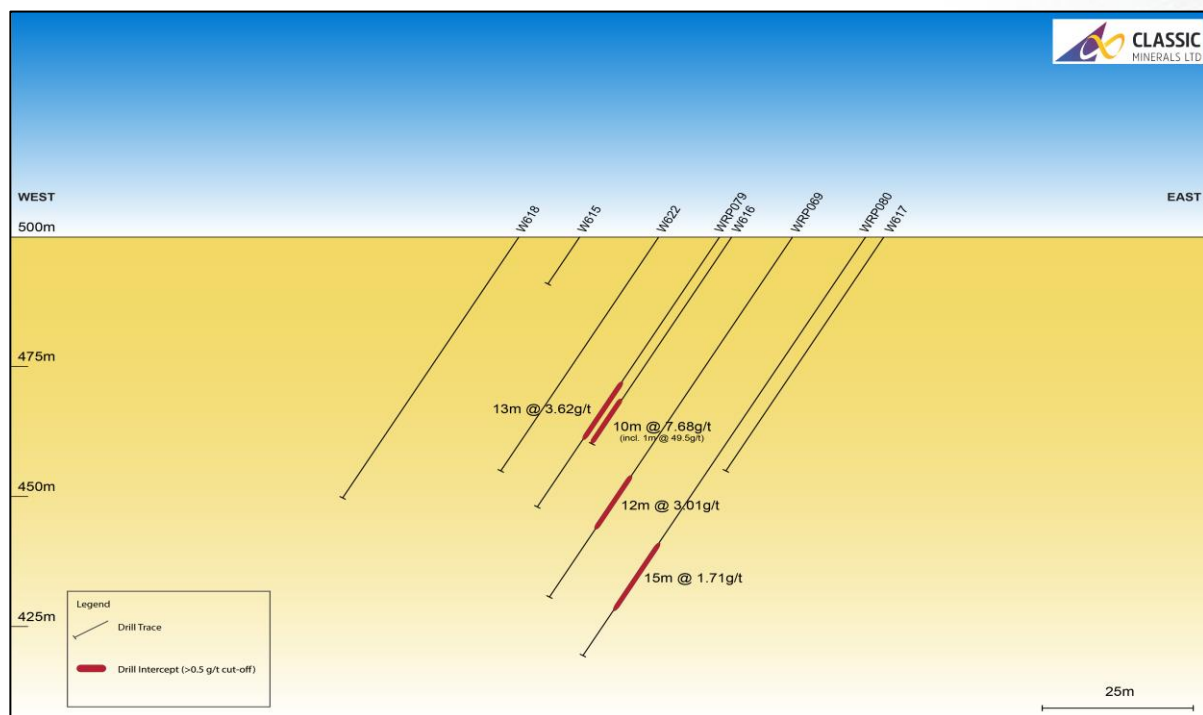


Figure 3 Cross Section Looking North – Lady Lila

4. THE MATRIX – HIGH PRIORITY DRILL TARGET

The Matrix is our highest priority regional target located 9km south along strike from Lady Ada. Its geological and structural framework is almost identical to Lady Ada and Lady Magdalene with a series of highly prospective cross cutting structures.

No historical drilling has occurred at the Matrix. The geochemistry is weaker than Lady Ada and Lady Magdalene and it is the Company's belief that this is function of the transported cover/overburden being slightly thicker than what is seen over Lady Ada and Lady Magdalene. It wasn't until a magnetic survey was flown in the early 2000's that it became clear that the prospect has a very similar magnetic signature to Lady Ada and Lady Magdalene (significant north/north eastern cross cutting features).

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Classic intends to conduct a first phase Air Core/RAB drill program over discrete magnetic features (focusing on cross cutting dykes/structures) at the Matrix as soon as the drill POW has been approved.

Classic considers the Matrix as having the potential to host gold mineralisation due to its similar structural positions to the small, high-grade (~9g/t Au) Lady Ada deposit (8km to the north), the large low-grade (1.5Mt @ ~3g/t Au) North Ironcap Resource (4km to the south) and the large high-grade (~4.5g/t Au) Lounge Lizard deposit (12km to the south). A 1000m x 150m >20ppb Au auger soil anomaly overlies the dolerite but stops under cover to the north and west.

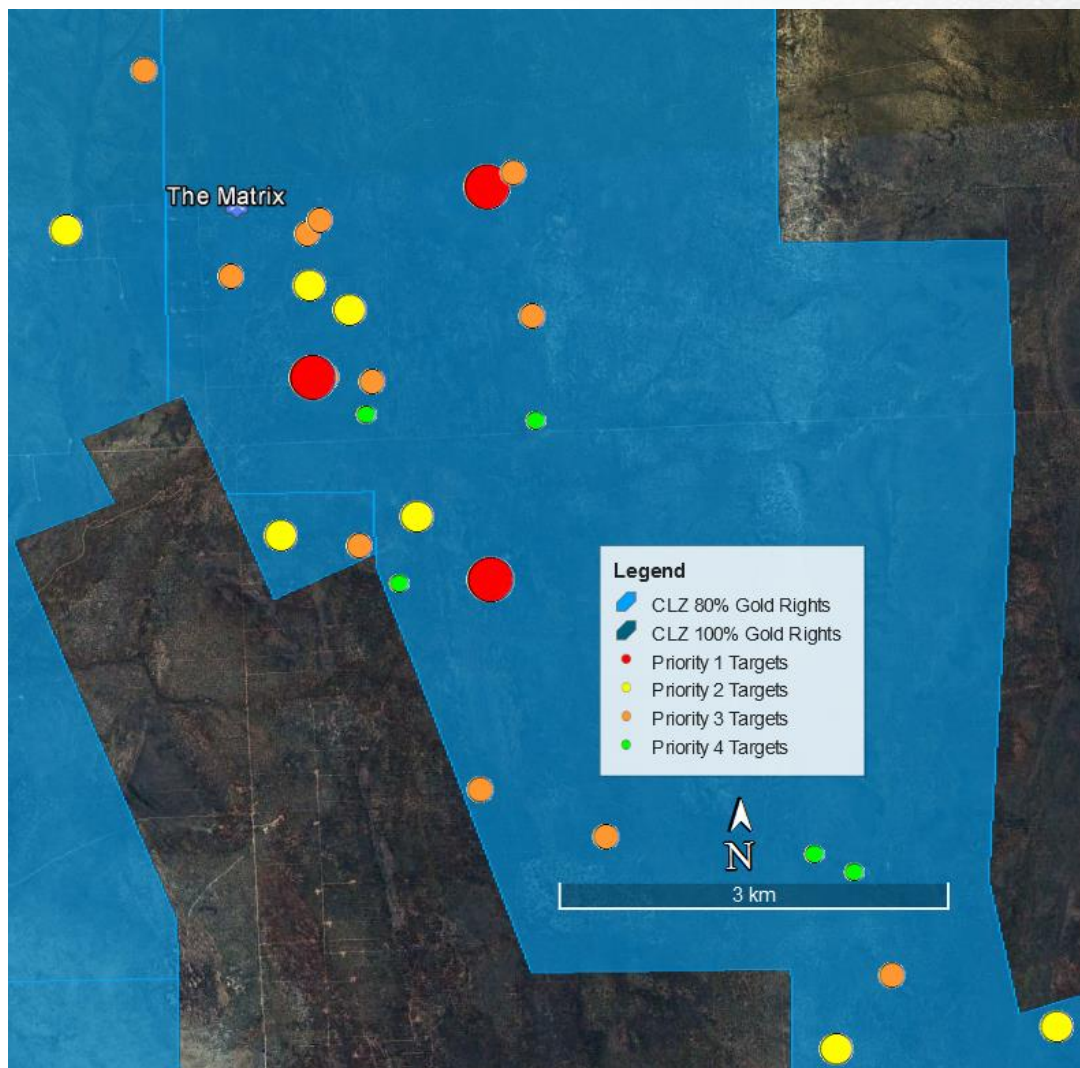


Figure 4 Ranked Targets at the Matrix Prospect

5. NEAR-SURFACE MINERALISATION SURROUNDING TEDDY BEAR

Dean Goodwin and consulting geologist Mr Michael Cowin reviewed the targeting study including an exhaustive review of existing drilling data over the target areas. The pair have identified multiple near-surface anomalous drill intercepts which warrant additional follow up and investigation. A compilation of these results is underway and the Company will update the market shortly with the targets and on-ground exploration programs.

In addition to the anomalous drill intercepts needing follow up, there are magnetic targets in these areas with magnetic signatures similar to Teddy Bear and on the same contact. There are also unusual NNE orientation and complex magnetic lows on the footwall sediment - ultramafic contact.

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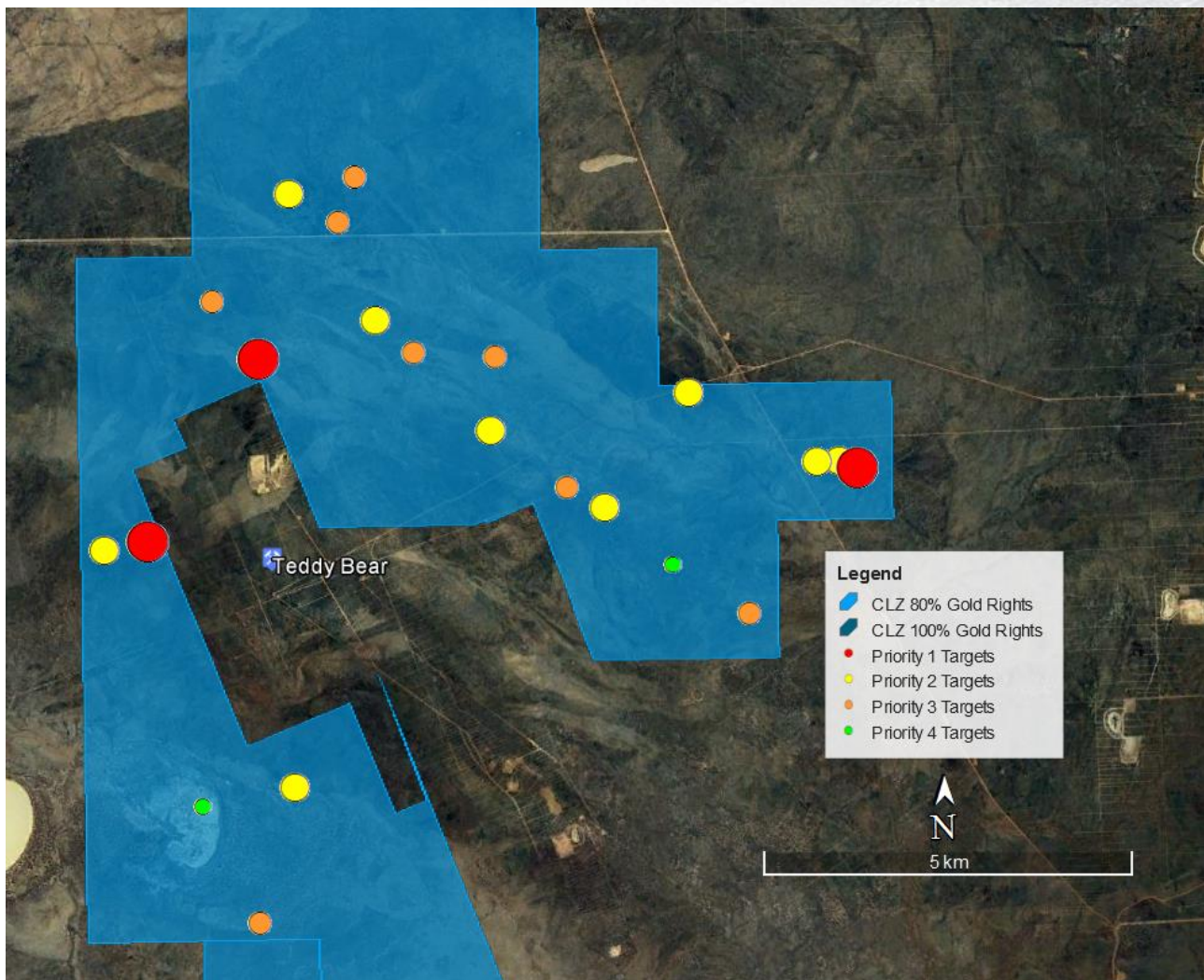


Figure 5 Ranked Targets surrounding the Teddy Bear deposit

6. STEPS FORWARD

Classic has lodged the necessary POW to undertake drill programs at the aforementioned prospects. The Company expects to carry out the following work in sequence:

- Diamond drilling at Lady Magdalene to assist with structural interpretation and targeting high grade lodes within the resource envelope. This is likely to occur in Q3.
- Complete the Phase 2 resource drilling program at Lady Ada and Lady Magdalene. Completion will likely occur in Q3. Accompanying JORC resource upgrade expected in late Q3 or Q4.
- Air-core/RAB drilling at the Matrix. Comprises broad reconnaissance aircore drilling programs to help define the geology and to provide improved geochemical information. This is likely to occur in Q3. It is highly likely that the results of this 1st phase of drilling will lead to a 2nd phase of reconnaissance aircore drilling in Q4.
- 3,000m RC drilling program at Lady Lila to commence late Q3. This will be targeting depth extensions at Lady Lila.

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7. FORRESTANIA GOLD PROJECT OVERVIEW

Other than the Lady Lila tenements (of which CLZ owns 100% of all mineral rights) the Forrestania Gold Project ("FGP") Tenements are registered in the name of Reed Exploration Pty Ltd, a wholly owned subsidiary of ASX listed Hannans Limited (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.

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		
	Tonnes	Grade (Au g/t)	Ounces Au	Tonnes	Grade (Au g/t)	Ounces Au
Lady Ada	283,500	1.78	16,200	260,000	2.2	18,750
Lady Magdalene	1,828,500	1.08	63,700	2,450,000	1.5	118,000
Lady Lila				541,000	1.38	24,000
Total	2,112,000	1.17	79,900	3,251,000	1.53	160,750

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

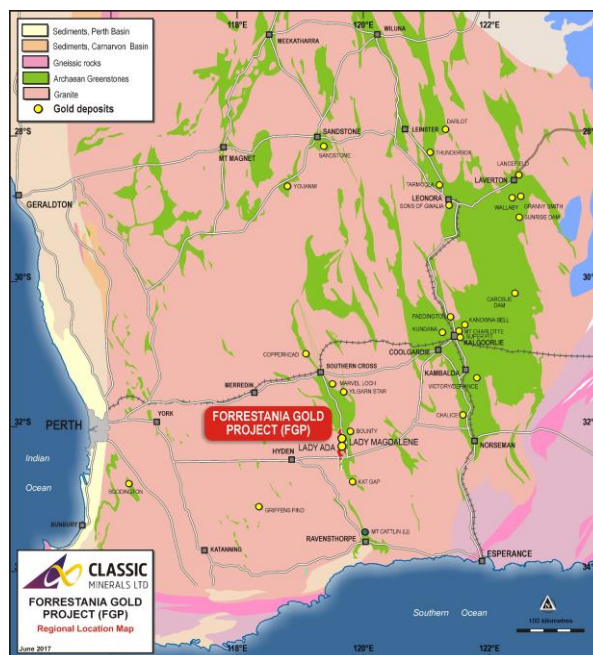


Figure 6 Regional map

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On behalf of the board, and 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