



04 May 2021

ASX Announcement

MINING LEASE GRANTED

Highlights:

- Key milestone reached at Kat Gap Gold Project with **Mining Lease M 74/249 granted** by the Department of Mines, Industry Regulation and Safety.
- Mining Lease is initially valid for 21 years from **22 April 2021 to 22 April 2042**.
- The 100% owned Kat Gap Gold project is a shallow deposit consisting of an initial JORC inferred resource of 92,869 oz @ 2.96 g/t Au with a conventional cyanide leach process achieving **95-96% recovery** from both fresh and oxide samples.¹
- The gravity circuit of the Gekko plant is **100% complete**.
- Previous drilling returned impressive gold mineralisation with exceptional near surface high-grade including:
 - 4m @ 76g/t Au including **1m @ 304g/t Au** (FKGRC184) from 79m²
 - 3m @ 62.1g/t Au including **1m @ 181g/t Au** (FKGRC157) from 36m³
 - 10m @ 30.77g/t Au including **2m @ 116.10g/t Au** (FKGRC018) from 28m⁴
 - 7m @ 24.34g/t Au including **1m @ 78.50g/t Au** (FKGRC060) from 24m⁵
 - 8m @ 19.05g/t Au including **4m @ 28.80g/t Au** (FKGRC008) from 32m⁶
 - 6m @ 11.54g/t Au including **2m @ 25.95g/t Au** (FKGRC139) from 20m⁷
- Kat Gap's extensive surficial quartz float along the host granite-greenstone contact highlights regional strike potential of more than 2.5km.
- Continued RC drilling should upgrade the resource.

¹ ASX announcement dated 10 Aug 2020

² ASX announcement dated 9 July 2020

³ ASX announcement dated 30 March 2020

⁴ ASX announcement dated 8 October 2018

⁵ ASX announcement dated 29 July 2019

⁶ ASX announcement dated 24 July 2018

⁷ ASX announcement dated 28 Jan 2020

Classic Minerals Limited (ASX: CLZ, “the Company” or “CLZ”) is pleased to announce the **Grant of Mining Lease M 74/249** by the Department of Mines, Industry Regulation and Safety for the Kat Gap Gold Project (“Project”).

The initial term of the Mining Lease is **21 years from 22 April 2021 to 22 April 2042** and the granting of the Mining Lease is a major milestone in the Company’s progression from an **exploration to mining company**.

The Project lies 170km south of Southern Cross and has an initial JORC resource of 92,869 oz @ 2.96 g/t Au with a **gravity and conventional cyanide leach process achieving 95-96% recovery** from both fresh and oxide samples.⁸

Figure 1: Kat Gap location.



⁸ ASX announcement dated 24 July 2020

The deposit has returned some impressive gold mineralisation with exceptional near surface high-grade results from previous drilling including:

- 4m @ 76g/t Au including 1m @ 304g/t Au (FKGRC184) from 79m
- 3m @ 62.1g/t Au including 1m @ 181g/t Au (FKGRC157) from 36m
- 10m @ 30.77g/t Au including 2m @ 116.10g/t Au (FKGRC018) from 28m
- 7m @ 24.34g/t Au including 1m @ 78.50g/t Au (FKGRC060) from 24m
- 8m @ 19.05g/t Au including 4m @ 28.80g/t Au (FKGRC008) from 32m
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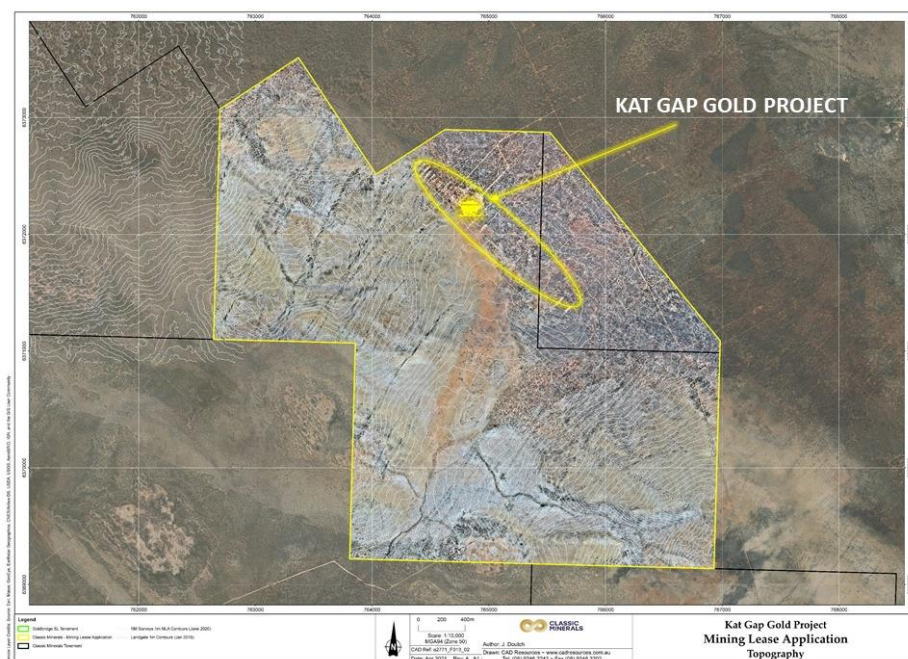
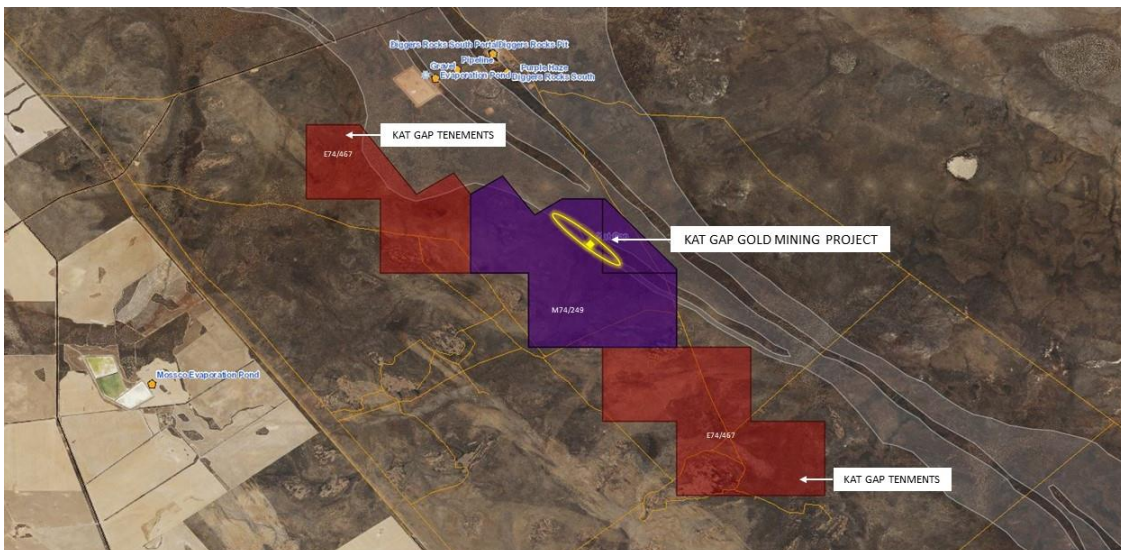


Figure 2: Kat Gap tenement area.

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The **open-ended deposit** lies within a 5km long geochemical gold anomaly that has seen very little drill testing, and there is potential for the discovery of a **substantial gold deposit within the project area**.

The Gekko plant is modular and each module is scalable and provides ease of modification. **The current plant has a 30 tonne per hour (tph) capacity and is scalable to a Gekko Python size plant with a processing capacity of 250 tph.** The flexibility associated with the modular construction enables Classic to locate the plant very close to the ore body which further minimises cartage and processing costs.

The Chairman, John Lester said *“This Grant of Mining Lease is **a major Company defining moment**. We are now able to formally transform Classic from an explorer to a miner in a move we believe will provide **value accretion for our shareholders**. A tremendous amount of work has been done by the whole team and we have an even larger task now ahead of us. The challenges will be to produce gold from Kat Gap and cement our place in the ranks of **“gold producers”** in WA.*

*The directors and I have the confidence that, as we have achieved this milestone, **Classic will continue to progress and become a producer of note shortly.**”*

John Lester, Chairman

This announcement has been approved in accordance with the Company's published continuous disclosure policy and has been approved by the Board.

For further information, please contact:

Company Secretary

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Figure 3: Aerial view of Kat Gap drilling area & camp.

ABOUT THE FORRESTANIA GOLD PROJECT

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. 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 inferred and indicated mineral resources 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 18 December 2019, 21 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

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.