

27 February 2024

ASX Announcement

Classic Applies for Mining Lease at Forrestania Gold Project

HIGHLIGHTS:

- Mining Lease application M77/1310 submitted to Department of Mines, Industry, Regulation and Safety.
- Mining Lease application is over the Lady Ada and Lady Magdalene project areas.
- The Mining Lease area covers 1,803.81 Ha.

CLASSIC MINERALS LIMITED (ASX: CLZ) (**Classic** or **Company**) is pleased to announce that it has successfully lodged a Mining Lease Application (MLA) (**MLA 77/1310**) over the Lady Ada and Lady Magdalene project areas in the Forrestania gold project tenements. The Company had announced the purchase of these tenements from Reed Exploration Pty Ltd (**Reed Exploration**), a wholly owned subsidiary of ASX-listed Redivium Limited (ASX: RIL) (previously ASX: HNR Hannans) on 03 October 2023.

The Company has now applied to add an interest in Mining License M77/1310 application to its portfolio of tenements. M77/1310 will be acquired from RIL as part of the Forrestania tenement package. This license is strategically located, partially covering the area between E77/2239 and E77/2220 and fully encompassing P77/4291 and P77/4290, The MLA totals 1803.81Ha. On approval this MLA will afford Classic the ability to mine, subject to all regulatory compliances, all the gold resources at Lady Ada and Lady Magdelene, which currently has a combined (Indicated & Inferred) estimate of 311,050 oz of gold. In compiling the MLA application, Classic considered the adjacent prospective areas which included the Stormbreaker area. We have allowed for adequate expansion to cater for our growing operations, and anticipated growth of the resources as a result of additional exploration efforts.

Classic Minerals Ltd will, it is envisaged, process ore from the Lady Ada and Magdelene gold deposits at the Company's Kat Gap processing plant. The recently announced funding package will allow for eventual upgrade of the plant which will have both gravity and chemical extraction possibilities.

Classic Minerals has in accordance with Section 74(1)(ca)(ii) of the Mining Act 1978 completed all the requirements of the Mining Lease Application. The application is supported by a mineralization report and a supporting statement to substantiate the reasons for the mine development. Experienced surveyors were engaged to formally mark out the proposed MLA boundary to provide accurate and independent data to Department of Mines, Industry, Regulation and Safety (DMIRS). Figure 1, below, shows the proposed area for the Mining Lease; while Figure 3 shows the proposed Mine Site layout.

Figure 1: Proposed Mining Area

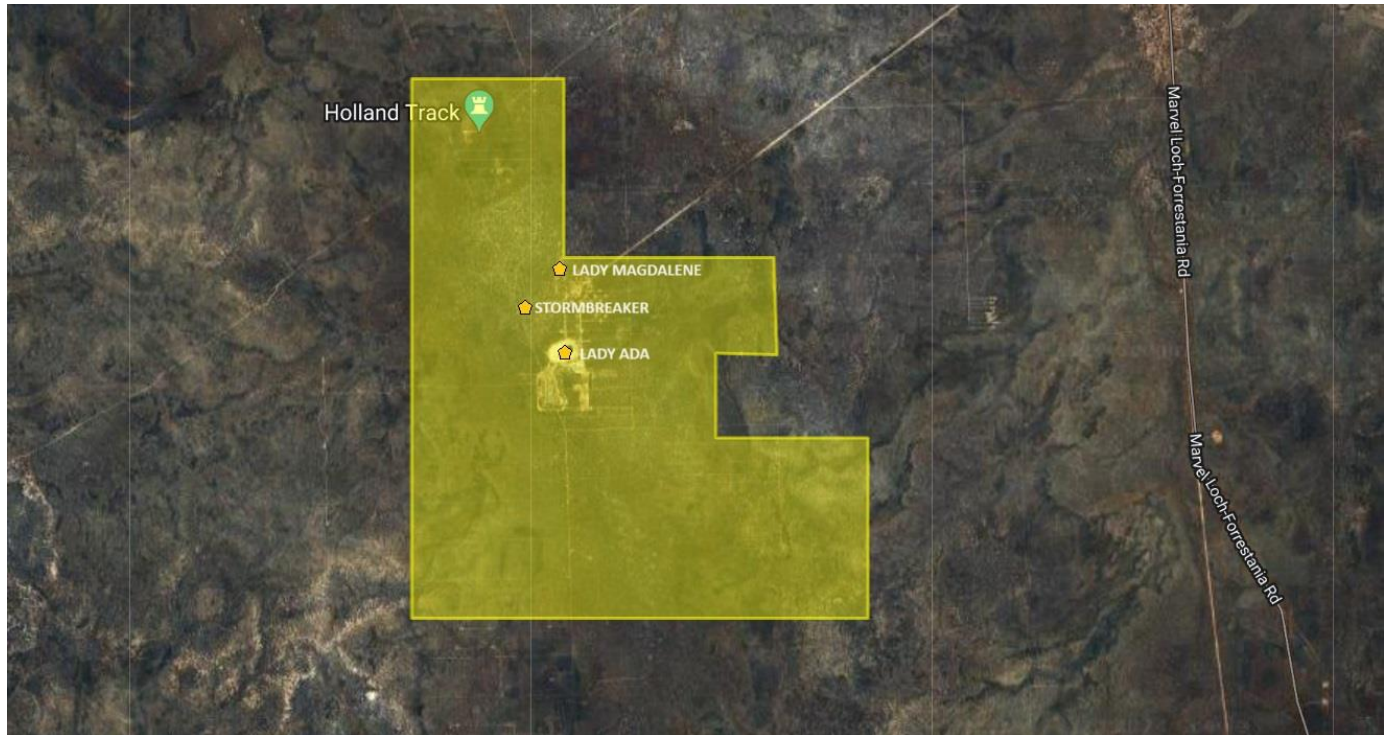
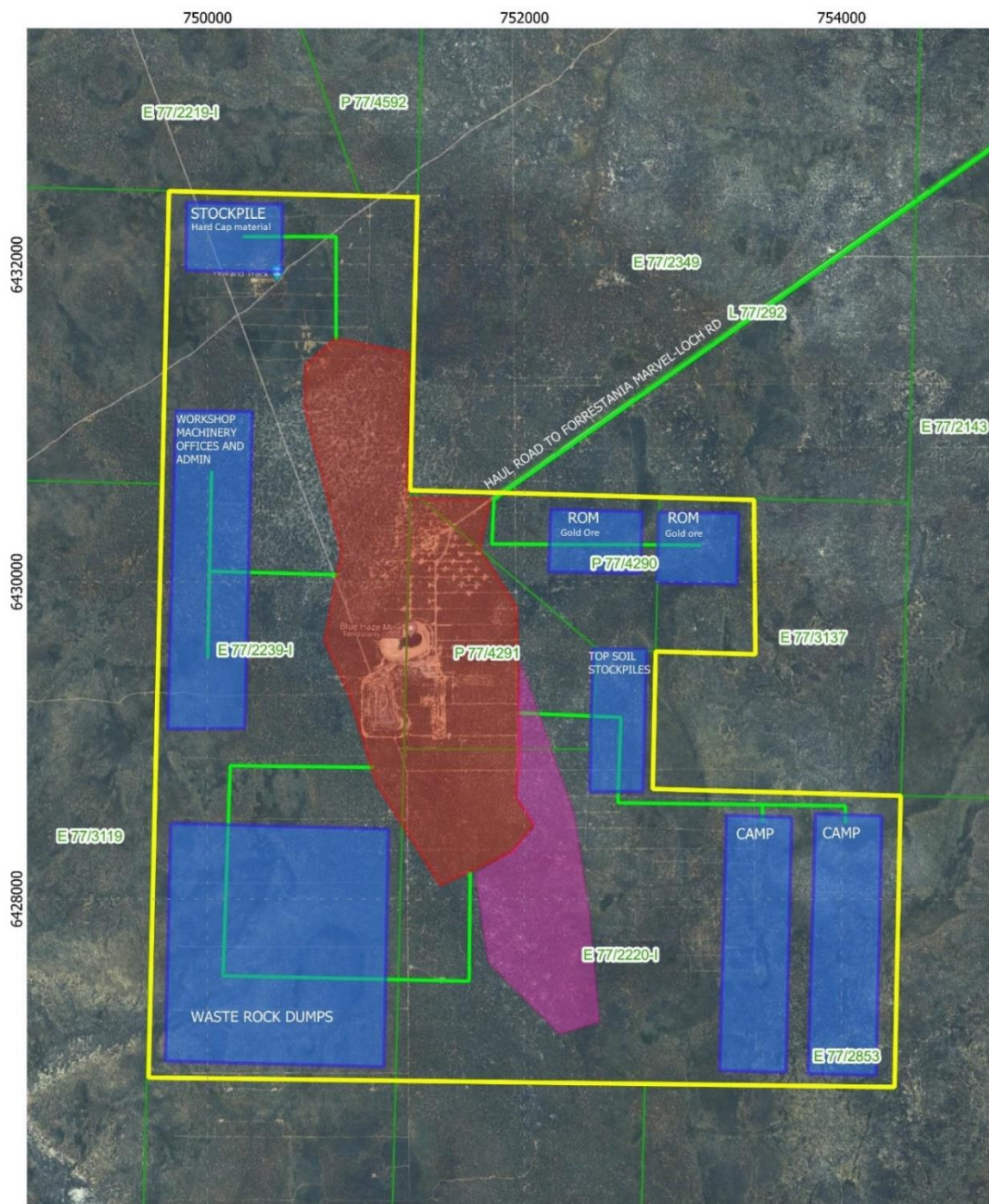


Figure 2: Regional Location of FGP Project.

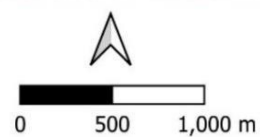


Figure 3: Proposed Mine Site Layout



Legend

- | | |
|--|---|
|  Infrastructure |  Roads |
|  Pits |  Proposed Lease Boundary |
|  Exploration Area |  Tenements |



PROPOSED MINING OPERATION SITE LAYOUT

The proposed open pit is anticipated to be situated within the delineated mineralisation outline in Figure 3. However, the final configuration will be contingent on conclusive reserve estimates, as well as comprehensive feasibility studies. Waste material management is integral to mining and a designated area for the waste dump is proposed on the South-Western side of the mineralised zone. This stockpiling area is strategically chosen for efficient waste disposal.

- **Stockpile for Hard Cap Material:** Classic has allocated space for storing hard cap materials essential for road construction and dump maintenance within the tenements, emphasising the importance of sturdy infrastructure.
- **Stockpile for Topsoil:** An environmentally conscious approach is adopted with a dedicated area for storing topsoil. This topsoil will be used in mine rehabilitation to minimise ecological impact and conform to DMIRS requirements.
- **Waste Rock Dump:** Adhering to environmental regulations, Classic has designated and located the waste rock dump area for the secure deposition of non-ore materials, ensuring responsible waste management.
- **Camp 1 and Camp 2:** We prioritise the well-being and safety of our personnel by providing comfortable and secure accommodation in Camps 1 and 2, fostering a conducive, safe and environmentally friendly work environment.
- **Workshop:** Operational efficiency is paramount, and our proposed well-equipped workshop will be ready for maintenance and repair of mining equipment to minimise downtime.
- **Office and Administration Buildings:** Efficient management will be ensured with dedicated office and administrative structures to oversee day-to-day operations and regulatory compliance.
- **ROM 1 (Run-of-Mine) for High-Grade Ore:** The ROM 1 area will be the repository of high-grade ore.
- **ROM 2 (Run-of-Mine) for Low-Grade Ore:** The ROM 2 area will be the repository of low-grade ore.

It's important to note that the final locations, areas, and geometries of these infrastructural components may undergo adjustments based on environmental, heritage, and economic assessments. The flexibility to adapt ensures compliance with regulatory standards and sustainable mining practices, aligning with the evolving needs and considerations of the operational context. Figure 2 visually represent the proposed infrastructure and mineralisation outline, providing a comprehensive overview for stakeholders and regulatory bodies.

PROJECT DEVELOPMENT AND MINING TIMELINE

Classic Minerals Ltd is excited to outline the projected development and mining timeline for the Lady Ada and Magdelene gold deposit. **Lady Ada and Lady Magdalene boast a combined mineral resource of 7.27 Mt at 1.33 g/t Au, totaling 311,050 oz. Historical metallurgical testing at the Lady Ada mine (Blue Haze) revealed impressive gold recoveries of 99.3%.** The company envisions the commencement of mining operations in the fiscal year 2024/2025. This will be contingent upon the successful completion of the following key milestones:

1. Resource Depletion and Mine Planning: Classic Minerals Ltd is committed to a thorough cash flow analysis, scheduling mining activities to commence either upon depletion of the Kat Gap resource or when mine planning determines the most efficient approach for strategic and streamlined mining operations.

2. Negotiation of Mining Agreement with Native Title Claimants: Prior to initiating mining activities, Classic Minerals Ltd aims to engage in constructive negotiations to establish a comprehensive and mutually beneficial Mining Agreement with native title claimants. This process is crucial for fostering positive relationships and ensuring responsible mining practices.

3. Identification and Collaboration with Suitable Partner: The company recognizes the importance of partnering with an entity possessing the requisite skills and expertise in mining operations. Classic Minerals Ltd is actively engaged in securing a suitable partner, enhancing the overall capabilities and efficiency of the mining venture.

4. Upgrade from Scoping Study to PFS and Feasibility Study: Classic Minerals Ltd is dedicated to enhancing the precision and reliability of its mining plans. This involves upgrading the current scoping study to a comprehensive Feasibility Study and further, providing a detailed blueprint for the mining operations and associated infrastructure.

5. Obtaining Government Approvals: Classic Minerals Ltd acknowledges the regulatory requirements associated with mining activities. The company is diligently working towards obtaining all necessary government approvals, adhering to environmental and safety standards, and ensuring compliance with local regulations before the commencement of mining operations.

The **2017** Scoping Study outlined a 2.5-year open-pit mining plan with initial capex projections of A\$25M - A\$35M. At a **2017** gold price of **A\$1,700**, that study estimated a Net Present Value (NPV) ranging from A\$52M - A\$58M and an All-In Sustaining Cost (AISC) between A\$1,080/oz – A\$1,160/oz, emphasizing the economic potential of the project based on existing resource assessments. Classic will initiate further timely feasibility studies while exploration updates which are crucial for advancing the project toward development are carried out.

In summary, Classic Minerals Ltd anticipates the commencement of mining at the Lady Ada and Magdelene Deposit to commence in the fiscal year 2024/2025, subject to obtaining all approvals and studies outlined above. Classic is fully committed to ensure responsible and successful mining operations where compliance, safety and environment come first.

This announcement has been approved by the Board.

ENDS:

ABOUT THE FORRESTANIA GOLD PROJECT

Classic has inferred and indicated mineral resources of **8.41 Mt at 1.45 g/t for 391,417 ounces of gold**, classified and reported in accordance with the JORC Code (2012), with a 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.

	Indicated			Inferred			Total		
Prospect	Tonnes	Grade (Au g/t)	Oz Au	Tonnes	Grade (Au g/t)	Oz Au	Tonnes	Grade (Au g/t)	Oz Au
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	254,900	2.5	20,488	886,512	2.11	60,139	1,141,412	2.19	80,367
Total	512,200	2.25	37,088	7,900,012	1.40	354,589	8,412,212	1.45	391,417

Notes:

1. The Mineral Resource is classified in accordance with JORC, 2012 edition
2. The effective date of the mineral resource estimate is 14 June 2023.
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. Mineral resources for Lady Ada and Lady Magdalene (Ladies) are reported at 0.5 g/t Au cut-off grade, Kat Gap at 0g/t Au.
6. Depletion of the resource from historic open pit mining has been considered for the Ladies deposits. Trial pit mining depletion at Kat Gap has not been accounted for in the block model due to the ore remaining unprocessed.

The Company confirms that it is not aware of any new information or data that materially affects the information included in this market announcement and, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.

Forward Looking Statements - Disclaimer

This ASX announcement (Announcement) has been prepared by Classic Minerals Limited ("Classic" or "the Company"). It should not be considered as an offer or invitation to subscribe for or purchase any securities in the Company or as an inducement to make an offer or invitation with respect to those securities. No agreement to subscribe for securities in the Company will be entered into on the basis of this Announcement.

This Announcement contains summary information about Classic, its subsidiaries and their activities which is current as at the date of this Announcement. The information in this Announcement is of a general nature and does not purport to be complete nor does it contain all the information which a prospective investor may require in evaluating a possible investment in Classic.

By its very nature exploration for minerals is a high-risk business and is not suitable for certain investors. Classic's securities are speculative. Potential investors should consult their stockbroker or financial advisor. There are a number of risks, both specific to Classic and of a general nature which may affect the future operating and financial performance of Classic and the value of an investment in Classic including but not limited to economic conditions, stock market fluctuations, gold price movements, regional infrastructure constraints, timing of approvals from relevant authorities, regulatory risks, operational risks and reliance on key personnel.

Certain statements contained in this announcement, including information as to the future financial or operating performance of Classic and its projects, are forward-looking statements that:

- may include, among other things, statements regarding targets, estimates and assumptions in respect of mineral reserves and mineral resources and anticipated grades and recovery rates, production and prices, recovery costs and results, capital expenditures,

and are or may be based on assumptions and estimates related to future technical, economic, market, political, social and other conditions;

- are necessarily based upon a number of estimates and assumptions that, while considered reasonable by Classic, are inherently subject to significant technical, business, economic, competitive, political and social uncertainties and contingencies; and,
- involve known and unknown risks and uncertainties that could cause actual events or results to differ materially from estimated or anticipated events or results reflected in such forward-looking statements.

Classic disclaims any intent or obligation to update publicly any forward-looking statements, whether as a result of new information, future events or results or otherwise. The words 'believe', 'expect', 'anticipate', 'indicate', 'contemplate', 'target', 'plan', 'intends', 'continue', 'budget', 'estimate', 'may', 'will', 'schedule' and similar expressions identify forward-looking statements.

All forward-looking statements made in this announcement are qualified by the foregoing cautionary statements. Investors are cautioned that forward-looking statements are not guarantees of future performance and accordingly investors are cautioned not to put undue reliance on forward-looking statements due to the inherent uncertainty therein. No verification: Although all reasonable care has been undertaken to ensure that the facts and opinions given in this Announcement are accurate, the information provided in this Announcement has not been independently verified.