Maiden Drilling Confirms Potential of Mount Ararat VMS Copper Project, Victoria

Every hole drilled to date hits copper-gold-zinc-silver mineralisation with maiden drilling programme also confirming potential for an additional VMS discovery at the Carroll's prospect

Highlights

- **Encouraging grades of copper-gold-zinc-silver mineralisation**, including **individual assays of up to 5.98% Cu**, returned from every drill hole into the EM conductor at the north end of the **Mount Ararat copper-gold VMS**, with results including:
  - **5m at 2.10% copper, 0.56 g/t gold, 0.48% zinc and 9 g/t silver**, including
    - **2m at 3.37% copper, 0.73 g/t gold, 0.47% zinc and 14 g/t silver**
  - **3m at 2.64% copper, 0.17 g/t gold, 0.31% zinc and 3 g/t silver**
  - **1m at 5.89% copper, 0.55 g/t gold, 2.31% zinc and 17 g/t silver**
- **An unexpected intercept of gold mineralisation was also returned in the footwall** to the expected VMS mineralisation, similar in character to that at the **Stawell Gold Mine**, comprising a **13 metre interval** (one x 1 metre sample destroyed at the lab and is being re-sampled) which returned **12m at 0.97g/t gold** including:
  - **3m at 3.04 g/t gold**
- **Observed sulphide mineralisation, magnetite and manganese-rich intervals** in RC drill holes completed into the upper portion of the **Carroll's prospect** ground EM conductor plate has confirmed a highly prospective VMS exhalative environment.

Stavely Minerals Limited (ASX Code: **SVY** – "Stavely Minerals") is pleased to provide an update on the recently completed maiden RC drilling programme at the Company's 100%-owned **Ararat Copper-Gold Project** (Inferred Mineral Resource estimate 1.2Mt at 2.0% copper, 0.5 g/t gold, 0.4% zinc and 6 g/t silver*) (Figure 1).

Mount Ararat is the Company's second project in Western Victoria, sitting alongside its flagship **Stavely Porphyry Copper-Gold Project**, where deep diamond drilling continues.

The objective of the RC drilling at Mount Ararat was twofold:

1. To test the northern extensions to the known Mt Ararat copper-gold-zinc-silver mineralisation as indicated by ground EM conductors extending north.
2. To test previously undrilled EM conductors at the Carroll's prospect generated by recent ground EM programmes. The aim of this component of the RC drilling programme – comprising 200m deep drill holes at 200m spacings along the 3-kilometre strike extent of the EM conductors – was to provide access for the systematic use of down-hole EM surveys which are expected to identify more conductive zones at depth. These conductive zones are likely to indicate the presence of well-developed massive sulphide copper-gold-zinc-silver mineralisation which will be tested by follow-up diamond drilling (Figure 2).

*See Stavely Minerals Prospectus dated 17/03/2014 and available from www.stavely.com.au

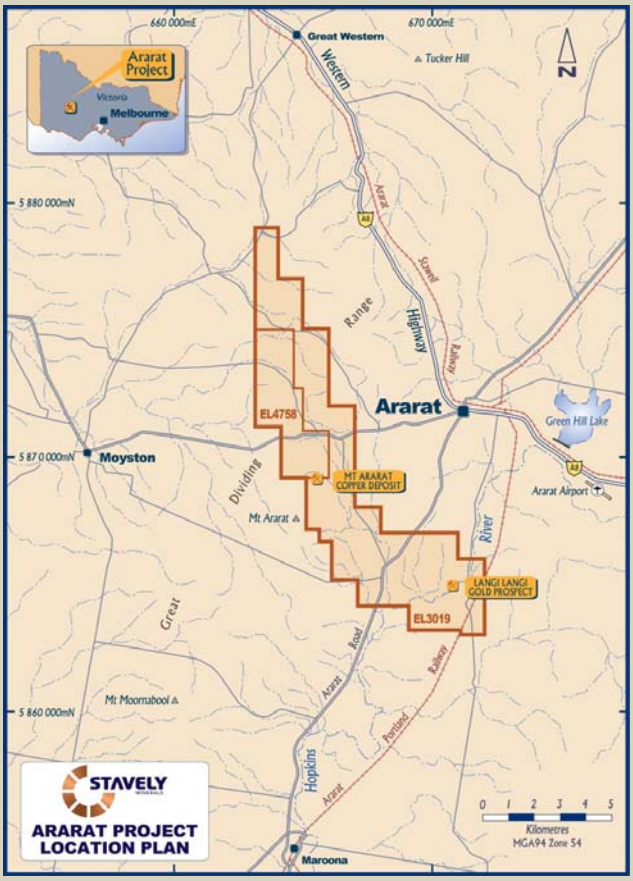

Figure 1 - Ararat Project tenement location map.

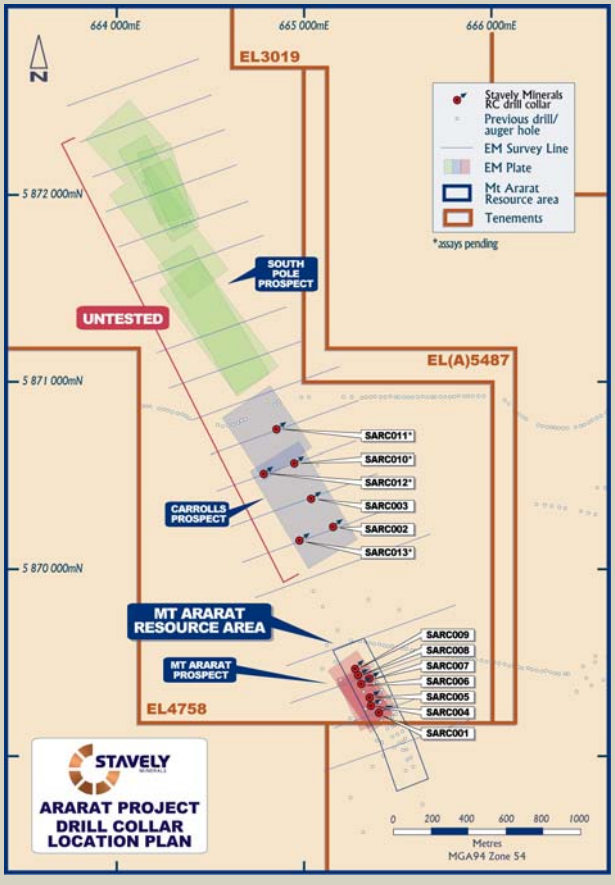

Figure 2 – Drill collar location plan for Mount Ararat VMS deposit and Carroll's prospect.

Both objectives have been emphatically achieved with every RC drill hole into the northern extension of the known Mount Ararat copper-gold-zinc-silver VMS deposit intersecting mineralisation and the RC drilling at the Carroll's prospect demonstrating that the EM conductors in this area are indeed associated with a VMS exhalative horizon and are not graphitic schists which would otherwise been of little economic interest.

RC drill holes SARC001 and SARC004-009 all intersected significant copper-gold-zinc-silver mineralisation including (see Figures 3 & 4):

- 5m at 2.10% copper, 0.56 g/t gold, 0.48% zinc and 9 g/t silver, including
  - 2m at 3.37% copper, 0.73 g/t gold, 0.47% zinc and 14 g/t silver
- 3m at 2.64% copper, 0.17 g/t gold, 0.31% zinc and 3 g/t silver
- 1m at 5.89% copper, 0.55 g/t gold, 2.31% zinc and 17 g/t silver*

* True widths are approximately 90-95% of reported drill widths

Unexpectedly, drill hole SARC001 (Figure 3) also intersected 12m averaging 0.97 g/t gold within a broader 13m interval (one x 1 metre sample was destroyed at the lab and is being re-sampled to allow the grade of the full 13m interval to be re-quoted), including a significant higher grade zone of:

- 3m at 3.04 g/t gold

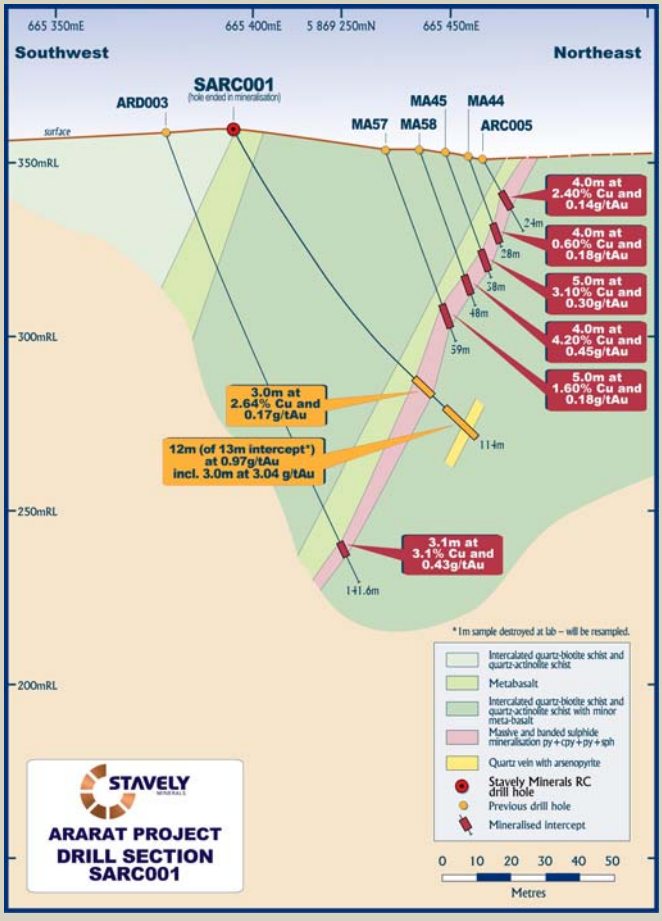

Figure 3 – Drill section with SARC001.

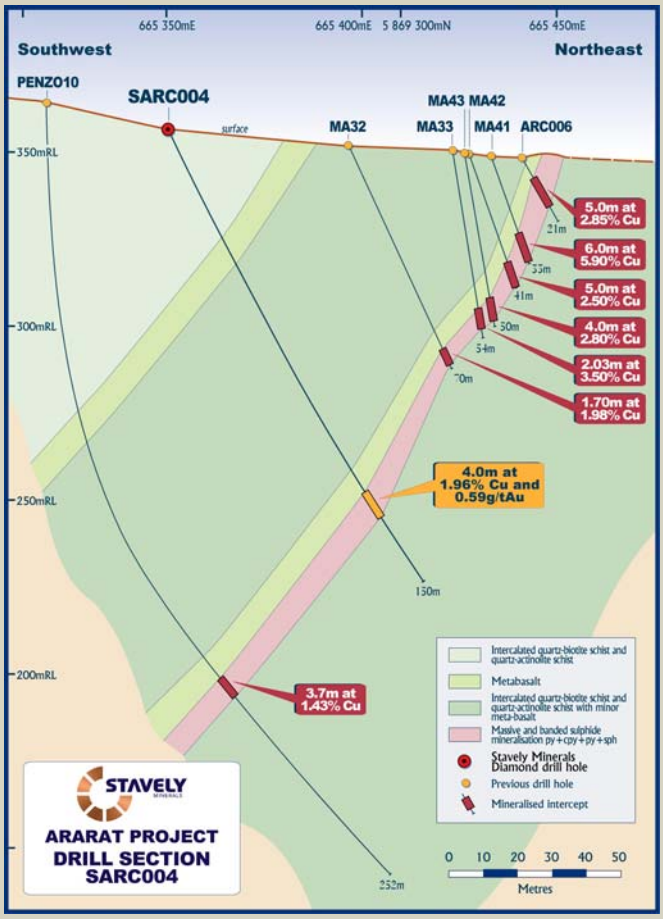

Figure 4 – Drill section with SARC004.

The gold mineralisation intersected in the footwall to the expected VMS-style copper-gold-zinc-silver mineralisation has similar characteristics to the Stawell Gold Mine style of gold mineralisation.

While this zone of gold mineralisation was unexpected, the host units in this locality are analogous to the host units at Stawell. Additional holes will be drilled to test the extents and grade of this new gold mineralised zone.

At the Carroll's prospect, located to the north of the Mount Ararat VMS deposit, RC drill holes spaced on 200m lines and drilled to 200m depth have intersected the top edge of a large ground EM conductor extending to 800m depth. The primary intention of the holes was to provide a platform for a down-hole EM (DHEM) survey aiming to identify more conductive zones at depth for further drilling targeting well developed copper-gold-zinc-silver mineralisation at depth.

Significantly, visual observations and limited assay results indicate that the top of the conductor plates corresponds with copper-gold-zinc-silver anomalism, magnetite and manganese enrichment consistent with a VMS exhalative horizon (as opposed to being associated with graphitic schists), significantly enhancing the potential for an additional discovery in this area.

Stavely Minerals' Managing Director, Mr Chris Cairns, said the maiden RC drilling programme at the Mount Ararat VMS deposit had achieved all its objectives and returned highly encouraging results.

"We have now confirmed that the Mount Ararat copper-gold-zinc-silver VMS deposit extends to the north, we have confirmed the Carroll's prospect EM conductors are indeed related to a VMS exhalative horizon and we have been very pleasantly surprised by unexpected gold mineralisation in the footwall of the known VMS deposit," Mr Cairns said. "On all fronts this is a very pleasing outcome which clearly confirms the potential of our second copper-gold project in Victoria."

Chris Cairns
Managing Director

The information in this report that relates to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Chris Cairns, a Competent Person who is a Member of the Australian Institute of Geoscientists. Mr Cairns is a full-time employee of the Company. Mr Cairns is the Managing Director of Stavely Minerals Limited, is a substantial shareholder of the Company and is an option holder of the Company. Mr Cairns has sufficient experience that is relevant to the style of mineralisation and 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 Cairns consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

With respect to reporting of the Mineral Resources at the Mt Ararat VMS copper-gold-zinc deposit, the information is extracted from the report entitled "Stavely Minerals Limited – Prospectus" dated 17 March 2014 and is available to view on www.stavely.com.au. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of estimates of Mineral Resources, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

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Mount Ararat RC Drilling Intercept Table

Ararat Project													
		MGA 94 zone 54					Intercept						
Hole id	Hole Type	East	North	Dip/ Azimuth	RL (m)	Total Depth (m)	From (m)	To (m)	Width (m)	Cu (%)	Au (g/t)	Ag (g/t)	Zn (%)
Mt Ararat Prospect													
SARC001	RC	665395	5869235	-60/070	375	114	90	93	3	2.64	0.17	3	0.31
							101	114	12*		0.97		
						incl.	108	111	3		3.04		
SARC004	RC	665350	5869270	-60/070	380	180	122	126	4	1.96	0.59	6	0.18
SARC005	RC	665340	5869314	-60/070	390	150	112	116	4	0.77	0.16	3	0.14
SARC006	RC	665300	5869390	-60/060	405	150	109	114	5	2.10	0.56	9	0.48
						incl.	111	113	2	3.37	0.73	14	0.47
SARC007	RC	665340	5869415	-60/060	400	100	57	59	2	0.76	0.05	2	1.07
SARC008	RC	665277	5869434	-60/060	400	150	110	111	1	5.89	0.55	17	2.31
SARC009	RC	665266	5869460	-60/060	400	150	110	111	1	1.63	0.58	9	0.96

Cu – intercepts quoted $\geq$ 1m @ 0.5% Cu

*1m sample destroyed at lab – will be resampled.

JORC Code, 2012 Edition – Table 1

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	*Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.*	Reverse Circulation (RC) percussion drilling was used to produce a 1m bulk sample (~25kg) which was collected in plastic bags and representative 1m split samples (12.5%, or nominally 3kg) were collected using a cone splitter and placed in a calico bag. The cyclone was cleaned out with compressed air at the end of each hole and periodically during the drilling. Holes drilled at the Mt Ararat prospect targeted the northern extensions of the Mt Ararat copper-gold-zinc VMS deposit. Holes drilled at the Carroll's prospect at 200m spacing to test a ground EM conductor. Holes drilled at -60° to -70° on 065 to optimally intercept mineralised zone and the EM plates.
	Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.	Sample representivity was ensured by a combination of Company Procedures regarding quality controls (QC) and quality assurance/ testing (QA). Examples of QC include (but are not limited to), daily workplace and equipment inspections, as well as drilling and sampling procedures. Examples of QA include (but are not limited to), collection of drilling duplicates ("field duplicates),the use of certified standards and blank samples.

Criteria	JORC Code explanation	Commentary
	Aspects of the determination of mineralisation that are Material to the Public Report - In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.	Drill sampling techniques are considered industry standard for the Ararat work programmes. **Mt Ararat** For the RC drilling geological logging was completed and following visual inspection of the 1m split samples for the mineralised intervals as well as for 5m of the footwall and 5m of the hanging wall were selected for laboratory analysis. The RC drill samples were submitted to Australian Laboratory Services ("ALS") in Orange, NSW. Laboratory sample preparation involved:- sample crushed to 70% < 2mm, riffle/rotary split off 1kg, pulverize split to >85% passing 75 microns. RC samples analysed by ME-OG62 – ore grade four acid digest with ICPAES analysis and AA25 – fire assay with AAS finish. **Carroll's Prospect** For the RC drilling geological logging was completed and following visual inspection, the 1m split samples for the intervals containing sulphides were selected for laboratory analysis. The RC drill samples were submitted to ALS in Orange, NSW. Laboratory sample preparation involved:- sample crushed to 70% < 2mm, riffle/rotary split off 1kg, pulverize split to >85% passing 75 microns. RC samples were analysis by multielement ICPAES Analysis - Method ME-ICP61 and for gold using Method Au-AA23.
Drilling techniques	*Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	RC percussion drilling using a track mounted rig. The top drive drill used standard 6m length RC rods (4.0" diameter) and 4" slimline hammer (Sandvik 004) with a 121mm face sampling RC bit.
Drill sample recovery	*Method of recording and assessing core and chip sample recoveries and results assessed.*	RC sample recovery was good. Booster air pressure was used. Air pressure used for RC drilling was 600psi. RC sample recovery was visually checked during drilling for moisture or contamination. Insignificant sample loss or carry-over gain was recorded. No significant water was noted in the RC holes.
	Measures taken to maximise sample recovery and ensure representative nature of the samples.	The RC samples are collected by plastic bag directly from the rig-mounted cyclone and laid directly on the ground in rows of 10. The drill cyclone and sample buckets are cleaned between rod-changes and after each hole to minimise down-hole and/or cross contamination.
	Whether a relationship exists between sample recovery and grade and whether sample bias may have	No analysis has been undertaken as yet regarding whether sample bias may have occurred due to preferential loss/gain of fine/coarse material and is not considered to have a material effect given the good

Criteria	JORC Code explanation	Commentary
	occurred due to preferential loss/gain of fine/coarse material.	sample recovery.
Logging	*Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.*	Geological logging of samples following Company and industry common practice. Qualitative logging of samples including (but not limited to); lithology, mineralogy, alteration, veining and weathering. Magnetic Susceptibility measurements were taken for each 1m RC sample.
	Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.	All logging is quantitative, based on visual field estimates. Chip trays with representative 1m RC samples were collected and photographed then stored for future reference.
	The total length and percentage of the relevant intersections logged.	All RC chips samples were geologically logged by Stavely's on-site geologist on a 1m basis, with digital capture in the field.
Sub-sampling techniques and sample preparation	*If core, whether cut or sawn and whether quarter, half or all core taken.*	
	If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.	Splitting of RC samples occurred via a rotary cone splitter by the RC drill rig operators. Cone splitting of RC drill samples occurred regardless of whether the sample was wet or dry.
	For all sample types, the nature, quality and appropriateness of the sample preparation technique.	Company procedures were followed to ensure sub-sampling adequacy and consistency. These included (but were not limited to), daily work place inspections of sampling equipment and practices, as well as sub-sample duplicated ("field duplicates").
	Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.	Field duplicates, blanks and certified reference materials are submitted with the samples to the laboratory as part of the quality control procedures.
	Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.	RC field duplicates are taken at a rate of 1 per drill hole or approximately 1 in every 20 samples.
	Whether sample sizes are appropriate to the grain size of the material being sampled.	The sample sizes are considered to be appropriate to correctly represent the sought mineralisation.
Quality of assay data and laboratory tests	*The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.*	**Mt Ararat Massive Sulphide Zone** The one metre RC drill chip samples from the massive sulphide "ore" zone and 5 metres into both the foot and hanging wall were analysed by multi-element ICPAES Analysis – Method ME-OG62. A 0.4g finely pulverized sample is digested in nitric, perchloric and hydrofluoric acids. The digestion mixture is evaporated to incipient dryness (moist salts). The residue is cooled, then leached in concentrated hydrochloric acid and the solution is

Criteria	JORC Code explanation	Commentary
		diluted to a final volume of 100mls. Final acid concentration is 20%. Elemental concentrations are determined by ICPAES. An internal standard is used to enhance accuracy and precision of measurement. This technique approaches total dissolution of most minerals and is considered an appropriate assay method for ore grade VMS samples. The massive sulphide "ore" zone RC drill chips and 5 metres into both the foot and hanging wall were also analysed for gold by Method Au-AA23. Up to a 30g sample is fused at approximately 1100^{o}C with alkaline fluxes including lead oxide. During the fusion process lead oxide is reduced to molten lead which acts as a collector for gold. When the fused mass is cooled the lead separates from the impurities (slag) and is placed in a cupel in a furnace at approximately 900^{o}C. The lead oxidizes to lead oxide, being absorbed by the cupel, leaving a bead (prill) of gold, silver (which is added as a collector) and other precious metals. The prill is dissolved in aqua regia and the gold concentration determined by flame AAS. For samples which are difficult to fuse a reduced charge may be used to yield full recovery of gold. This technique approaches total dissolution of most minerals and is considered an appropriate assay method for ore grade VMS samples. **Mt Ararat disseminated sulphide zones and Carroll's Prospect** The one metre RC drill chip samples which displayed visible disseminated sulphides from the Carroll's prospect and the "non-ore zones" from the Mt Ararat prospect were submitted for analysis by multielement ICPAES Analysis - Method ME-ICP61. A 0.25g sample is pre-digested for 10-15 minutes in a mixture of nitric and perchloric acids, then hydrofluoric acid is added and the mixture is evaporated to dense fumes of perchloric (incipient dryness). The residue is leached in a mixture of nitric and hydrochloric acids, the solution is then cooled and diluted to a final volume of 12.5mls. Elemental concentrations are measured simultaneously by ICP Atomic Emission Spectrometry. This technique approaches total dissolution of most minerals and is considered an appropriate assay method for porphyry copper-gold systems. The same samples were also analysed for gold using Method Au-AA23. Up to a 30g sample is fused at approximately 1100^{o}C with alkaline fluxes including lead oxide. During the fusion process lead oxide is reduced to molten lead which acts as a collector for gold. When the fused mass is cooled the lead separates from the impurities (slag) and is placed in a cupel in a furnace at approximately 900^{o}C. The lead oxidizes to lead oxide, being absorbed by the cupel, leaving a bead (prill) of gold, silver (which is added as a collector) and other precious

Criteria	JORC Code explanation	Commentary
		metals. The prill is dissolved in aqua regia with a reduced final volume. Gold content is determined by flame AAS using matrix matched standards. For samples which are difficult to fuse a reduced charge may be used to yield full recovery of gold. This technique approaches total dissolution of most minerals and is considered an appropriate assay method for detecting gold mineralisation.
	For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.	No results have been reported using geophysical tools, spectrometers, handheld XRF instruments, etc.
	Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.	**Mt Ararat Massive Sulphide Zone** Laboratory QAQC will involve the submission of standards, duplicates and blanks. For each drill hole, one Certified Reference Material (CRM) base metal standard, one Certified Reference Material (CRM) gold standard, one blank and one field duplicate were submitted. The analytical laboratory also provide their own routine quality controls within their own practices. The results from their own validations were provided to Stavely Minerals. Results from the CRM standards and the blanks gives confidence in the accuracy and precision of the assay data returned from ALS. **Mt Ararat disseminated sulphide zones and Carroll's Prospect** Laboratory QAQC will involve the submission of standards, duplicates and blanks. For each drill hole, one Certified Reference Material (CRM) standard, one blank and one field duplicate were submitted. The analytical laboratory also provide their own routine quality controls within their own practices. The results from their own validations were provided to Stavely Minerals. Results from the CRM standards and the blanks gives confidence in the accuracy and precision of the assay data returned from ALS.
Verification of sampling and assaying	*The verification of significant intersections by either independent or alternative company personnel.*	Either Stavely Minerals' managing director or technical director have visually verified significant intersections in samples from the Mt Ararat and Carroll's prospects.
	The use of twinned holes.	No twinned holes have been drilled.
	Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic)	Primary data was collected for drill holes using the OCRIS logging template on Panasonic Toughbook laptop computers using lookup codes. The information was sent to a database consultant for validation and compilation

Criteria	JORC Code explanation	Commentary
	protocols.	into a SQL database.
	Discuss any adjustment to assay data.	No adjustments or calibrations were made to any assay data used in this report.
Location of data points	*Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.*	Drill collar locations were pegged before drilling and surveyed using Garmin handheld GPS to accuracy of +/- 3m. Collar surveying was performed by Stavely Minerals personnel. This is considered appropriate at this early stage of exploration. For the RC drill holes downhole dip surveys were taken at approximately 30m intervals.
	Specification of the grid system used.	The grid system used is GDA94, zone 54.
	Quality and adequacy of topographic control.	At Mt Ararat and Carroll's prospects topographic control is achieved via use of DTM developed from a 2007 Helicopter-borne VTEM Survey conducted by Geotech Airborne Limited.
Data spacing and distribution	*Data spacing for reporting of Exploration Results.*	The drillhole spacing is project specific, refer to figures in text.
	Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.	The RC drill holes at Carroll's prospect are spaced 200m apart with a single hole per section. The drilling is reconnaissance in nature and not appropriate for Mineral Resource or Ore Reserve Estimations. The RC holes drilled in the northern portion of the Mt Ararat resource intersected the expected geology and mineralized zone and will be used for Mineral Resource estimation.
	Whether sample compositing has been applied.	No sample compositing has been applied.
Orientation of data in relation to geological structure	*Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.*	At Mt Ararat and Carroll's prospect the RC holes have been orientated in an ENE (060) direction to intercept at a perpendicular angle the known mineralisation and the WSW (~240^{o}) striking and -60^{o} dipping EM plates.
	If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.	At Mt Ararat and Carroll's prospect the RC holes have been orientated in an ENE (060) direction to intercept at a perpendicular angle the known mineralisation and the WSW (~240^{o}) striking and -60^{o} dipping EM plates and therefore is not considered to have introduced any sampling bias.
Sample security	*The measures taken to ensure sample security.*	Samples are delivered in closed poly-weave bags to the courier in Ararat by Stavely Minerals' personnel. The samples are couriered to ALS in Orange, NSW.
Audits or reviews	*The results of any audits or reviews of sampling techniques and data.*	No audits or reviews of the data management system has been carried out.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	*Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.*	The RC drilling conducted on the northern portion of the Mt Ararat resource area and at the Carroll's prospect is located on EL4758. EL4758, together with EL3019 which hosts the southern portion of the Mt Ararat resource forms the Ararat Project. The Ararat Project was purchased by Stavely Minerals (formerly Northern Platinum) from BCD Resources Limited in May 2013. Stavely Minerals hold 100% ownership of the Ararat Project Tenements. Apart from a small area which overlaps the Ararat Hills Regional Park (not an area of interest for exploration at this stage) the tenements are on freehold land and are not subject to native title claim.
	The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.	A retention licence – RL2020 was applied for over an area of interest, including the Mt Ararat Resource and Carroll's Prospects on EL4758 and EL3019 in June 2014. The tenements are in good standing and no known impediments exist.
Exploration done by other parties	*Acknowledgment and appraisal of exploration by other parties.*	**Mt Ararat Resource** The Mount Ararat Copper Deposit was discovered by Pennzoil of Australia Ltd using stream, soil and rock geochemistry followed by drill testing in the late 1970s. The exploration licence then passed to Centaur Mining & Exploration Ltd who undertook further drilling of the deposit, culminating in a Mineral Resource estimate in 1994. Centaur Mining & Exploration went into receivership in 2002 and the license passed to Range River Gold NL. Newcrest Operations Limited explored the Ararat Project under option from Range River Gold NL and undertook gravity and airborne VTEM surveys. BCD Metals Pty Ltd optioned the Project from Range River Gold NL in 2009 and full control was granted to BCD Metals when Range River went into voluntary administration in April 2011. In 2009 BCD Metals drilled 4 diamond holes for a total of 484.7m, targeting shoot plunges in the primary mineralised zone beneath the oxide zone at the Mt Ararat Copper Deposit. Six reverse circulation drill holes were drilled by BCD Metals in 2010 at the Mt Ararat Copper Deposit targeting copper-oxide mineralisation and to retrieve bulk oxide ore samples for metallurgical test work. In 2010, metallurgical test work flotation and mineralogical assessment was undertaken. **Carroll's Prospect** Pennzoil of Australia Ltd held the tenement which covers the Carroll's prospect between 1973 and 1983. Pennzoil conducted soil sampling over the area which is now the Carroll's prospect, which returned a coincident soil copper +/- zinc anomaly. Newcrest Operations Limited explored the Ararat Project

Criteria	JORC Code explanation	Commentary
		under option from Range River Gold NL and undertook gravity and airborne VTEM surveys in 2007. The VTEM survey identified an EM anomaly which coincided with the Pennzoil soil CU and Zn anomaly. The work conducted by previous operators at the Carroll's prospect is considered to be of a high quality.
Geology	*Deposit type, geological setting and style of mineralisation.*	**Mt Ararat and Carroll's Prospects** The Ararat copper resource and Carroll's prospect are associated with the Cambrian volcanogenics and tholeiitic basalts of the metamorphosed Magdala Volcanics. The Ararat copper deposit is a "Besshi" type volcanic massive sulphide (VMS) deposit which resulted "from the exhalation of sulphides onto the sea floor". VMS deposits are typically polymetallic massive sulphide deposits formed at or near the sea floor during submarine hydrothermal activity. They can contain stratiform to strata-bound concentrations of copper, zinc, lead, gold and silver, depending on the geological setting of the deposits, and often form clusters of deposits. Those formed in dominantly basalt sequences in back-arc tectonic settings tend to be copper- and zinc-rich and are often referred to as "Besshi" type.
Drill hole Information	*A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* o *easting and northing of the drill hole collar* o *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* o *dip and azimuth of the hole* o *down hole length and interception depth* o *hole length.*	A table of all drill hole significant exploration results are provided for the Ararat and Carroll's prospects in the body of the text. The table includes:- • Collar coordinated in GDA94 Zone 54, • Elevation, • Dip and azimuth of hole, • Total hole depth, • Length weighted average grade for Cu%, Au g/t, Ag g/t and Zn %
	If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.	No material drill hole information has been excluded.
Data aggregation methods	*In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually*	Exploration results are nominally reported where copper results are greater than or equal to one metre at 0.3% Cu. No top-cutting of high grade assay results has been applied, nor was it deemed necessary for the reporting of significant intersections.

Criteria	JORC Code explanation	Commentary
	Material and should be stated.	
	Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.	All samples are 1m intervals.
	The assumptions used for any reporting of metal equivalent values should be clearly stated	No metal equivalent values are used for reporting exploration results.
Relationship between mineralisation widths and intercept lengths	*These relationships are particularly important in the reporting of Exploration Results.* *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reporte.*	At Mt Ararat and Carroll's prospect, the RC holes have been orientated in an ENE (060) direction to intercept at a perpendicular angle the known mineralisation and the WSW (~240^{o}) striking and -60^{o} dipping EM plates and therefore the intercepts are considered to represent true widths of mineralisation.
	If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').	Refer to the Tables and Figures in the text.
Diagrams	*Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	Refer to Figures in body of text. A plan view of the drillhole collar locations is included. Schematic sections for SARC001 and SARC004 with significant intercepts are presented in the body of the text.
Balanced reporting	*Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	All Cu values greater than one metre at 0.3% have been reported.
Other substantive exploration data	*Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment;*	All relevant exploration data is shown on figures and discussed in the text.

Criteria	JORC Code explanation	Commentary
	metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.	
Further work	*The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	**Mt Ararat Resource** Downhole EM to be conducted to identify bedrock sources that potentially represent lateral and depth extensions to the massive sulphide mineralisation. **Carroll's Prospect** Downhole EM to be conducted to identify bedrock sources that potentially represent massive sulphide mineralisation. A second phase of drilling will be planned targeting the conductors identified by the downhole EM.