



**2014** | Annual Report



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**Directors**

William Plyley (Non-Executive Chairman)  
Christopher Cairns (Managing Director)  
Jennifer Murphy (Technical Director)  
Peter Ironside (Non-Executive Director)

**Company Secretary**

Amanda Sparks

**Registered and Principal Office**

First Floor, 168 Stirling Highway  
Nedlands Western Australia 6009  
Telephone: 08 9287 7630  
Facsimile: 08 9389 1750  
Web Page: [www.stavely.com.au](http://www.stavely.com.au)  
Email: [info@stavely.com.au](mailto:info@stavely.com.au)

**ABN**

33 119 826 907

**Share Registry**

Computershare Investor Services Pty Ltd  
45 St Georges Terrace  
Perth Western Australia 6000  
Telephone: 1300 850 505  
Facsimile: 08 9323 2033

**Solicitors**

Steinepreis Paganin  
Level 4, Next Building  
16 Milligan Street  
Perth Western Australia 6000

**Bankers**

ANZ Bank  
32 St Quentins Avenue  
Claremont Western Australia 6010

**Stock Exchange Listing**

ASX Limited  
Level 40, Central Park, 152-158 St Georges Terrace  
Perth Western Australia 6000  
ASX Code: SVY

**Auditors**

BDO Audit (WA) Pty Ltd  
Chartered Accountants  
38 Station Street  
Subiaco Western Australia 6005

Dear Shareholders

I am pleased to present Stavely's 2014 Annual Report and to reflect on what has been an active, successful and rewarding year for the Company and our shareholders.

In May, Stavely became the first of just a handful of junior resource companies to successfully complete an Initial Public Offering (IPO) and list on the Australian Securities Exchange (ASX) this year. The success of our \$6 million IPO in the face of the toughest market conditions seen in the resource sector in decades is a reflection not just of the quality of our assets and our team, but also of the way the IPO was structured.

Importantly, we were able to raise sufficient funds to immediately commence meaningful exploration programmes at both our key projects – the highly prospective and 100 per cent owned Stavely and Ararat Projects in western Victoria, both of which have a demonstrated strong endowment of copper and gold mineralisation.

Despite unusually wet weather conditions, Stavely was able to achieve all of the outcomes we had planned for the year at both these projects.

Field programmes commenced almost immediately after listing to test multiple copper-gold porphyry targets at the Stavely Project and extensions to a very attractive volcanogenic massive sulphide (VMS) copper-gold deposit at the Ararat Project.

It was not easy to begin drilling in the mud generated by Victoria's wet season with twice the average rainfall recorded in June this year. Notwithstanding this, results have begun to flow with geological observations from the drilling to date confirming that the models developed by the Stavely Minerals' team are valid and that the targets are as exciting as we expected.

Our in-house team – led by our Managing Director Chris Cairns – has substantial expertise and extensive experience in all aspects of the mineral industry, which has allowed them to achieve more than most. I can't think of a more experienced group of individuals to take on the challenge of uncovering potentially one of Australia's next significant mineral discoveries.

They have also surrounded themselves with top-ranked consultants to ensure that their exploration strategies and geological interpretations are correct, and aligned themselves with contractors who will ensure that the plan is implemented in a timely, and cost-effective manner.

To ensure the business is achieving its goals and that our funds are directed in a prudent and focused manner, your board has established a corporate governance structure similar to larger companies. This structure is designed to ensure that, to the maximum extent possible, our resources are applied to field programmes which have the greatest chance of creating shareholder value, and that we are well prepared to take advantage of future growth opportunities.

With high quality, 100 per cent owned projects encompassing a strategic mix of exploration targets including both copper and gold, the expertise and experience to unlock the value of these assets, and a clear strategy to create shareholder value, I am confident that Stavely Minerals has a very bright future.

In addition, we have been able to hit the ground running – generating encouraging early exploration results that point to an exciting year ahead.

In conclusion, I would like to thank all the members of our team for their hard work and dedication during the year. I would also like to thank our shareholders for the support and faith they have put in us.

I have a sense that the next year holds great promise for your Company and look forward to keeping you informed of our progress.

WILLIAM (BILL) PLYLEY

## Overview

### EXPLORATION

During the year, pre-IPO, Stavelly Minerals conducted a number of surface exploration programmes at both the Ararat and Stavelly Projects with the objective of having the targets ready to drill immediately post stock exchange listing.

At the Ararat Project, the ground EM survey successfully identified an EM conductor at the northern end of the Mount Ararat copper-gold-zinc VMS deposit with the conductor modelled to continue to 500 metres depth, while at Carroll's and South Pole two further ground EM conductors were modelled to extend to 800 metres and 500 metres depth respectively.

Drilling commenced at the Ararat Project in June 2014 targeting the northern extensions of the Mount Ararat copper-gold-zinc VMS deposit. RC drill holes have intersected variable widths of pyrite-pyrrhotite-chalcopryrite-sphalerite sulphide mineralisation as predicted by ground EM modelling. RC drilling of ground EM conductors at the Carroll's prospect, located north of the Mt Ararat VMS deposit, has intersected magnetite, pyrite, pyrrhotite and chalcopryrite at the depths expected in the EM model. This is considered very encouraging for subsequent down-hole EM surveying and targeting of massive sulphide mineralisation at depth.

At the Stavelly Project an IP survey completed pre-IPO indicated the presence of a strong chargeability feature centred at 250 metres below surface (and unconstrained at depth) at the Thursday's Gossan porphyry prospect. The



*RC Drill Rig at Mt Ararat.*

chargeability anomaly was interpreted to represent a response from a phyllic silica-sericite-pyrite alteration zone and expected to occur spatially above the target copper-gold quartz stockwork zone yet to be drill tested. Pre-IPO analysis of HyLogger infrared spectral data confirmed clay alteration assemblages consistent with a high-level of exposure in a well-developed porphyry copper-gold system. A review and interpretation of pro-grade/retrograde alteration assemblage and vein types in drill core by porphyry consultants Corbett and Menzies Pty Ltd also concluded that there is strong evidence to indicate untested porphyry Cu-Au style mineralisation at depth below the Thursday Gossan project area. Further, sulphur isotope data provided by Geoscience Australia in early 2014 demonstrated a broad zonation from neutral to mildly negative isotope values peripheral to the alteration system at Thursday's Gossan to strongly negative values (-6.4‰  $\delta^{34}\text{S}$  sulphur) proximal to the untested IP chargeability anomaly. Strongly

negative results indicate an oxidised magmatic fluid source with the zonation and strongly negative isotope result being consistent with several known copper-gold rich 'alkalic' porphyry systems including Didipio, El Teniente, Cadia East and the E26 porphyry at North Parkes.

The results of pre-IPO exploration activities conducted by Stavelly Minerals had confirmed the Company's contention that previous explorers had failed to recognise the high level of exposure of the Thursday's Gossan porphyry complex and that there was untested potential for mineralised copper-gold porphyry(s) at depth. The Stavelly area is compared to the Cadia Valley and North Parkes districts at an early stage of evaluation.

Deep diamond drill testing of the Thursday's Gossan porphyry target commenced immediately post-IPO in May 2014, with first hole completed by year end. The drill hole was designed to test a combined geologic target and the flank of a geophysical IP chargeability anomaly.



At the end of the year drilling was in progress with the objective of providing a vector to the expected better developed copper-gold mineralisation, proximal to the target potassic alteration zones at the Thursday's Gossan and Junction porphyry targets.

The Initial Public Offering (IPO) offer closed on 23rd April 2014 without extension, after Stavely Minerals Limited (Stavely Minerals) accepted subscriptions for \$6.1 million, slightly over the IPO target of \$6 million. The Company secured over 500 new shareholders, well above the 350 minimum required for an IPO with the ownership structure Stavely Minerals has. Stavely Minerals listed on the ASX on the 7th May 2014 becoming the only junior mineral exploration company to debut on the stock exchange in the first half of 2014 (excluding one other company who were suspended from trading).

## Background

has made applications for an additional 583 square kilometres of tenure of which 490 square kilometres has been granted, however, some of the outstanding applications are in competition with applications made by other companies. The total area owned and applied for by the Company is 776 square kilometres. The Projects have excellent infrastructure and access with paved highways, port connection by railroad and a 62 MW wind farm located 8 kilometres from the Stavely Project. The primary land use is grazing and broad acre cropping.



## Regional Geology

The Ararat and Stavelly Projects, while only 40 kilometres apart, are hosted within materially different geologic domains (Figure 2).

The Ararat Project is hosted in the Stawell – Bendigo zone of the Lachlan Fold Belt and is comprised of Cambrian mafic volcanic and pelitic sedimentary units of the Moornambool Metamorphics which were metamorphosed to greenschist to amphibolite facies during the Silurian period.

The Stavelly Project is hosted in Cambrian aged Delamerian Orogeny submarine mafic and intermediate volcanics and tuffs which were overlain by quartz-rich turbidite sequences of the Glenelg Sandstone. These sequences were deformed in the late-Cambrian. Recent seismic traverses by the Victorian Department of State Development, Business and Innovation in western Victoria have supported the interpretation of an Andean-style convergent margin environment for the development of the buried Miga Arc beneath the Stavelly Volcanic Complex and environs (Cayley, in prep, pers. comm., 2013). This regional architecture is considered conducive to the formation of fertile copper / gold mineralised porphyry systems (Crawford et al, 2003) as is the case with the MacQuarie Arc in New South Wales, which hosts the Cadia Valley and North Parkes copper-gold mineralised porphyry complexes.

The Lachlan Fold Belt and Delamerian sequences are in fault

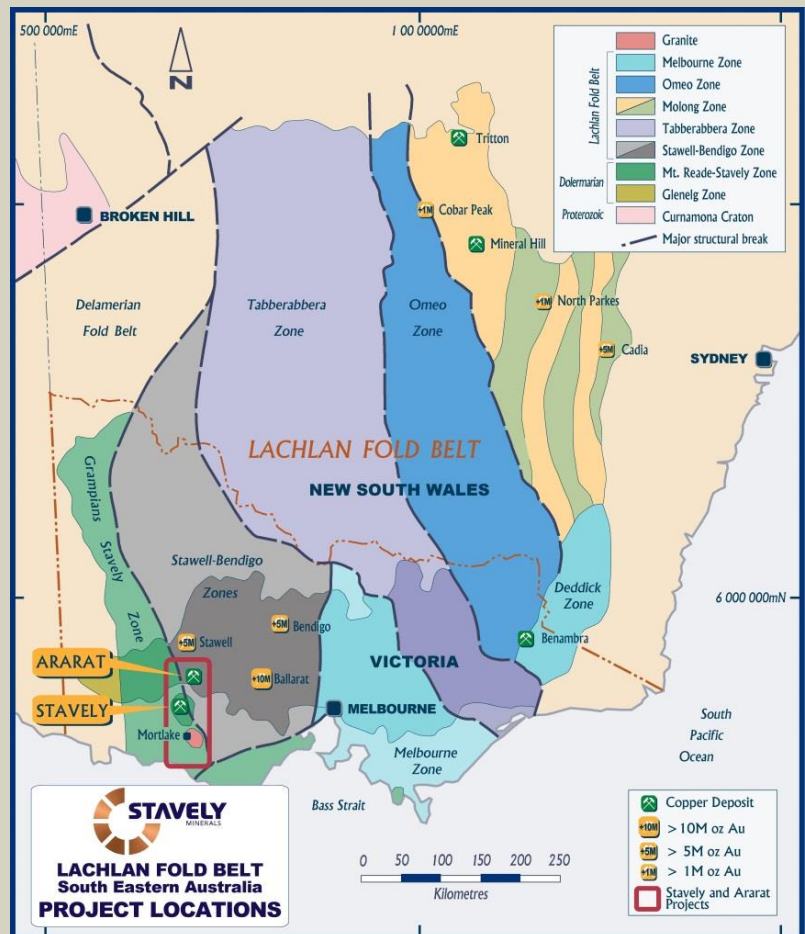


Figure 2. Geology of south-eastern Australia.

contact through large-scale thrusting along the east dipping Moyston Fault (Cayley and Taylor, 2001).

Unconformably lying on top of both these domains by low-angle décollement is a structural outlier of the younger Silurian fluvial to shallow marine sandstone to mudstone sequences of the Grampians Group.

## Mineral Resources

The Ararat and Stavelly Projects host Mineral Resources reported in compliance with the 2012 JORC Code:

### (a) Ararat Project Mineral Resource

In the Ararat Project, the Mount Ararat prospect hosts a Besshi-style VMS deposit with an estimated (using a 1% Cu lower cut-off) – **1.2Mt at 2.0% copper, 0.5 g/t gold, 0.4% zinc and 6 g/t silver for a contained 24kt of copper, 18,000 ounces of gold, 4.8kt of zinc and 200,000 ounces of silver** (Table 1).



Table 1 The Mount Ararat Inferred Resource Estimate

Reporting Cut (Cu%)	Mineralisation	Tonnes (KT)	Cu (%)	Au (ppm)	Ag(ppm)	Zn (%)
0.5	Oxide/Weathered	310	1.5	0.4	2.9	0.2
	Supergene	80	2.3	0.5	4.7	0.3
	Primary >=2m	290	2.3	0.5	6.4	0.5
	Primary <2m	770	1.7	0.4	5.7	0.4
	<b>Total Inferred</b>	<b>1450</b>	<b>1.8</b>	<b>0.4</b>	<b>5.2</b>	<b>0.3</b>
1.0	Oxide/Weathered	220	1.7	0.4	3.2	0.2
	Supergene	80	2.5	0.5	4.9	0.3
	Primary >=2m	280	2.4	0.6	6.6	0.5
	Primary <2m	620	1.9	0.5	6.3	0.4
	<b>Total Inferred</b>	<b>1200</b>	<b>2.0</b>	<b>0.5</b>	<b>5.7</b>	<b>0.4</b>
2.0	Oxide/Weathered	70	2.6	0.7	4.7	0.2
	Supergene	50	2.9	0.7	5.3	0.3
	Primary >=2m	140	3.1	0.8	7.3	0.5
	Primary <2m	160	2.9	0.6	8.6	0.6
	<b>Total Inferred</b>	<b>420</b>	<b>2.9</b>	<b>0.7</b>	<b>7.1</b>	<b>0.5</b>

Table shows rounded estimates. This rounding may cause apparent computational discrepancies. Significant figures do not imply precision. Nominal copper grade reporting cuts applied. Four material types reported as varied economic factors will be applicable to the deposit base on reported material types.

(b) Stavely Project Mineral Resource

In the Stavely Project, at the Thursday's Gossan prospect, a near surface secondary chalcocite enriched blanket with an estimated (using a 0.2% Cu grade lower cut-off) – **28Mt at 0.4% copper for 110kt of contained copper** (Table 2).

Table 2 The Thursday Gossan Chalcocite Copper Inferred Resource Estimate

Thursday Gossan Chalcocite Copper August 2013 Inferred Resources (JORC 2012 Edition)					
Copper Mineralisation Subdivision		Lower Cu Tonnes (MT) Cut (%)		Copper Grade (%)	Contained Copper (KT)
Mineralisation greater than 10m thick	10 to 20m thick	0.20	8.5	0.3	28.1
		0.30	4.5	0.4	18.4
		0.50	0.5	0.7	3.4
	Greater than 20m thick	0.20	14.4	0.4	61.7
		0.30	9.7	0.5	49.7
		0.50	3.1	0.8	24.8
	Sub Total (greater than 10m thick)	0.20	22.9	0.4	89.8
		0.30	14.2	0.5	68.0
		0.50	3.7	0.8	28.2
Mineralisation less than 10m thick		0.20	5.1	0.3	17.1
		0.30	2.5	0.4	10.6
		0.50	0.2	0.9	2.1
Total Mineralisation		0.20	28.1	0.4	106.9
		0.30	16.7	0.5	78.6
		0.50	3.9	0.8	30.3

Table shows rounded estimates. This rounding may cause apparent computational discrepancies. Significant figures do not imply precision. Nominal copper grade reporting cuts applied. Three mineralised thicknesses reported as varied economic factors are likely to be applicable to each.

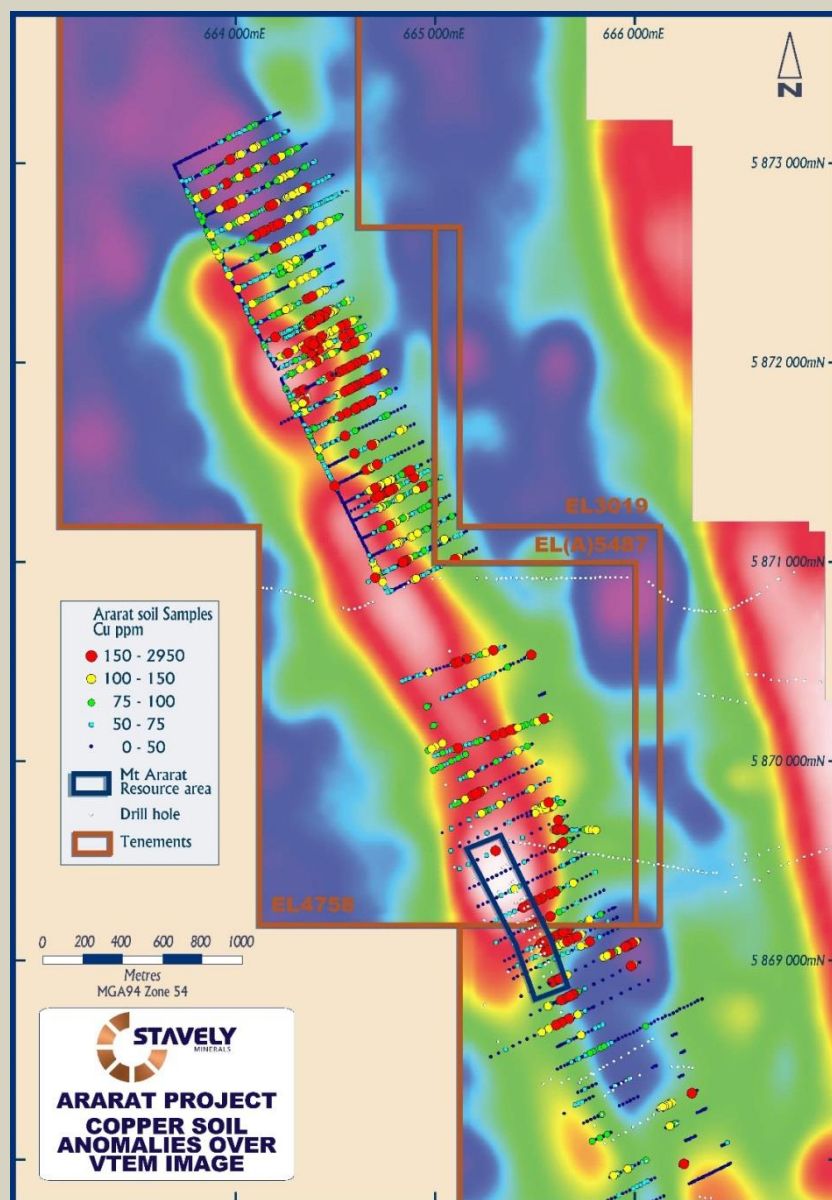
In accordance with the 2012 JORC Code, all criteria for sections 1, 2 and 3 of the JORC Code Table 1 and 2 are reported in Appendices 1 and 2.

### Ararat Project

The Besshi-style VMS copper-gold-zinc-silver mineralisation has been identified over a 350 metre strike extent (open at depth) at Mount Ararat and is at the extreme southern end of a 4 kilometre long versatile time domain electromagnetic survey (VTEM) conductivity anomaly (Figure 3).

The Mount Ararat copper deposit, the Carroll's prospect and the South Pole prospect lie on a small portion of a prospective exhalative horizon on the contact between the Carrolls Amphibolite and the Lexington Schist (Cayley and Taylor, 2001) that includes other historic copper production occurrences including the Borbidge and the Carrolls copper workings, located approximately 2 kilometres south and north of the Mount Ararat copper deposit respectively. This horizon is interpreted to continue for approximately 15 kilometres within the Ararat Project tenements and presents regional reconnaissance exploration opportunities for Stavelly Minerals (Figure 4).

Stavelly Minerals completed a ground electromagnetic survey over the VTEM conductivity anomaly in July 2013. The ground EM survey generated 'walk-up' drill targets along strike to the north of the existing Mineral Resource. Strong conductivity anomalies to the north of the known deposit are coincident with soil geochemical anomalies in both copper and zinc and reported zones of strongly haematitic and limonitic gossanous outcrops



**Figure 3. Mount Ararat VTEM conductivity anomaly and copper soil geochemistry (coloured dots). Note the blue rectangle contains the extent of the identified Mineral Resource.**

(Cayley and Taylor, 2001) and are effectively untested by drilling.

The ground EM conductor at the Mount Ararat Mineral Resource is modelled to continue to 500 metres depth while the untested Carroll's and South Pole ground EM conductors are modelled to extend to 800 metres and 500 metres depth respectively (Figure 5).

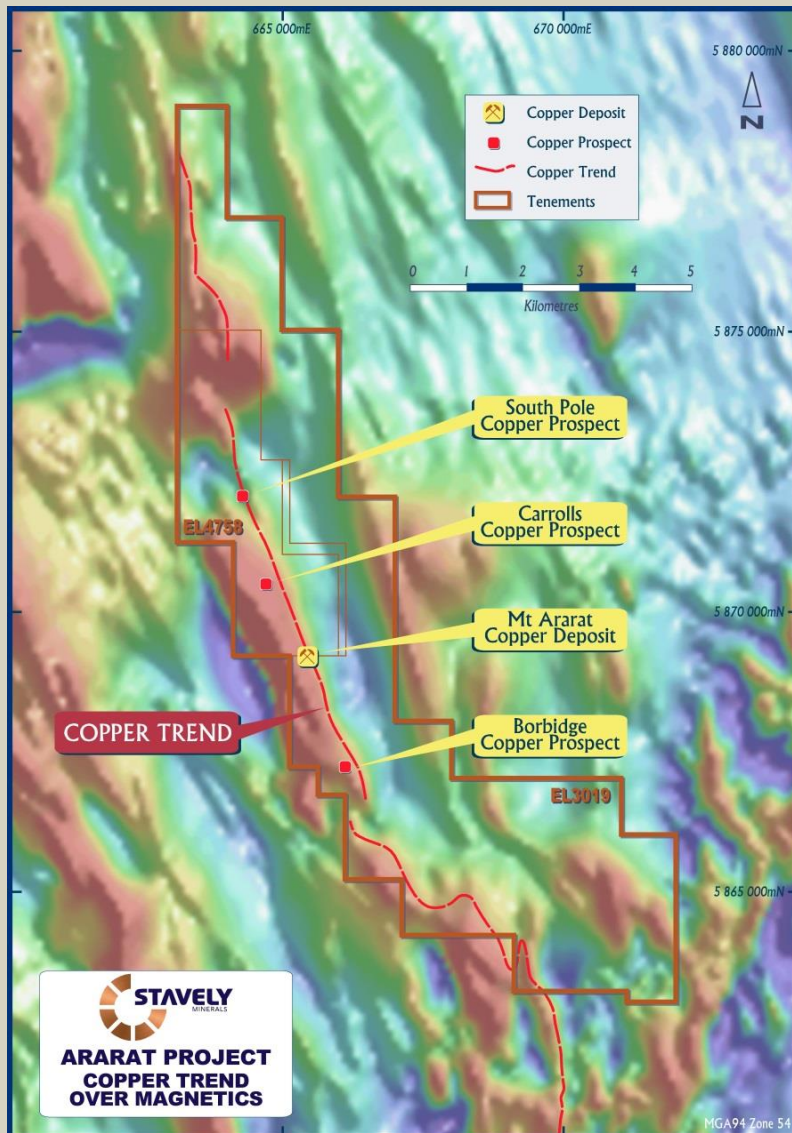


Figure 4. Ararat regional copper prospective horizon.

RC drilling commenced at the Ararat Project in June 2014 with two objectives:

1. Test the northern extensions to the known Mt Ararat copper-gold-zinc mineralisation as indicated by ground EM conductors extending north.
2. 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 200 metre deep

drill holes at 200 metre spacings along the 3-kilometre strike extent of the EM conductors - is 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 mineralisation which will be tested by follow-up diamond drilling.

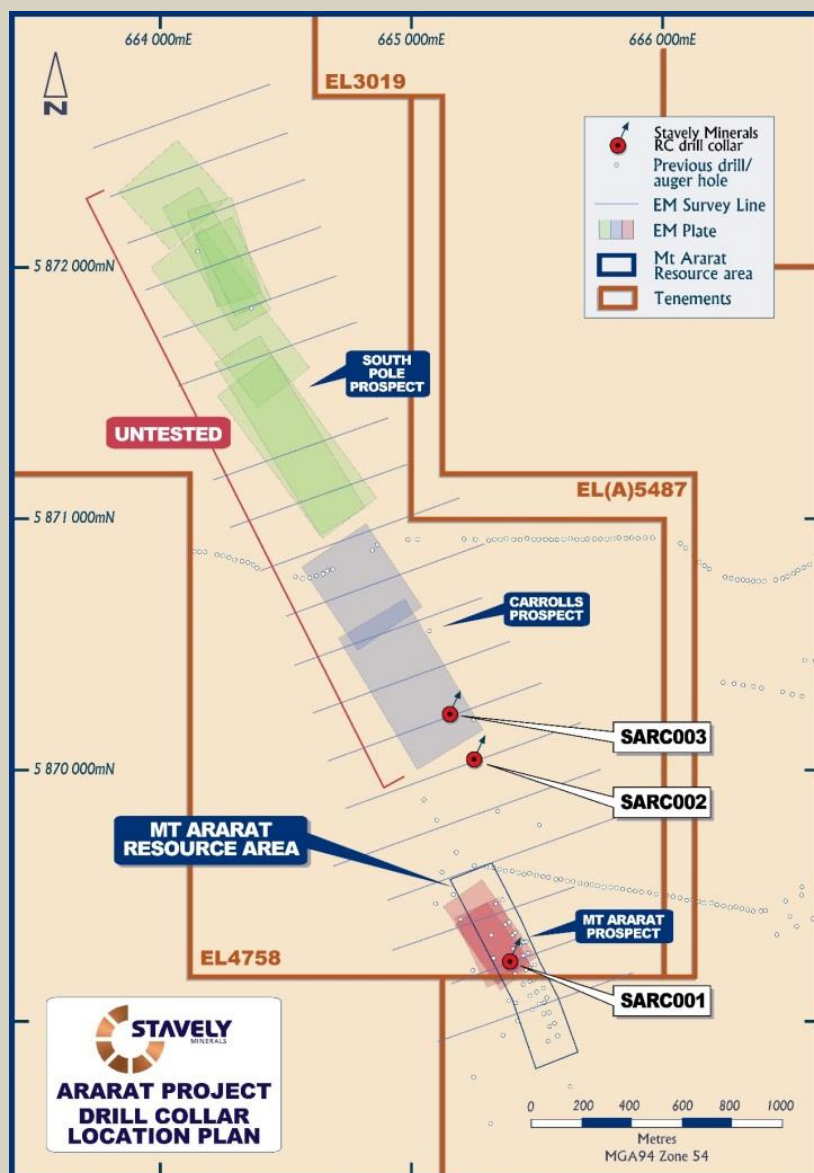
(i) Mt Ararat Resource

At the end of June 2014 the first RC drill hole (SARC001) into the northern extensions to the known copper-gold-zinc mineralisation had been completed (Figure 5). RC drilling intercepted pyrite, pyrrhotite and chalcopyrite (copper sulphide) mineralisation at the expected depth. Assay results were pending at the end of June.

(ii) Carroll's Prospect

Two RC holes (SARC002 – 003) had been completed at the Carroll's prospect at the end of June 2014 (Figure 5). The two drill holes completed to test the ground EM conductors intercepted magnetite, pyrite, pyrrhotite ± chalcopyrite with minor graphite at the depths indicated in the EM models. This has provided confidence that the extensive EM conductors are related to sulphide mineralisation and not un-mineralised graphitic sediment. Assay results were pending at the end of June.





**Figure 5. Ararat Project Drill Collar Location Plan on ground EM conductive plates showing the identified Mineral Resource area (red), the Carroll's prospect (blue) and the South Pole prospect (green). Existing drill hole collars are shown as circles and include traverses of shallow soil auger holes.**

### Stavelly Project

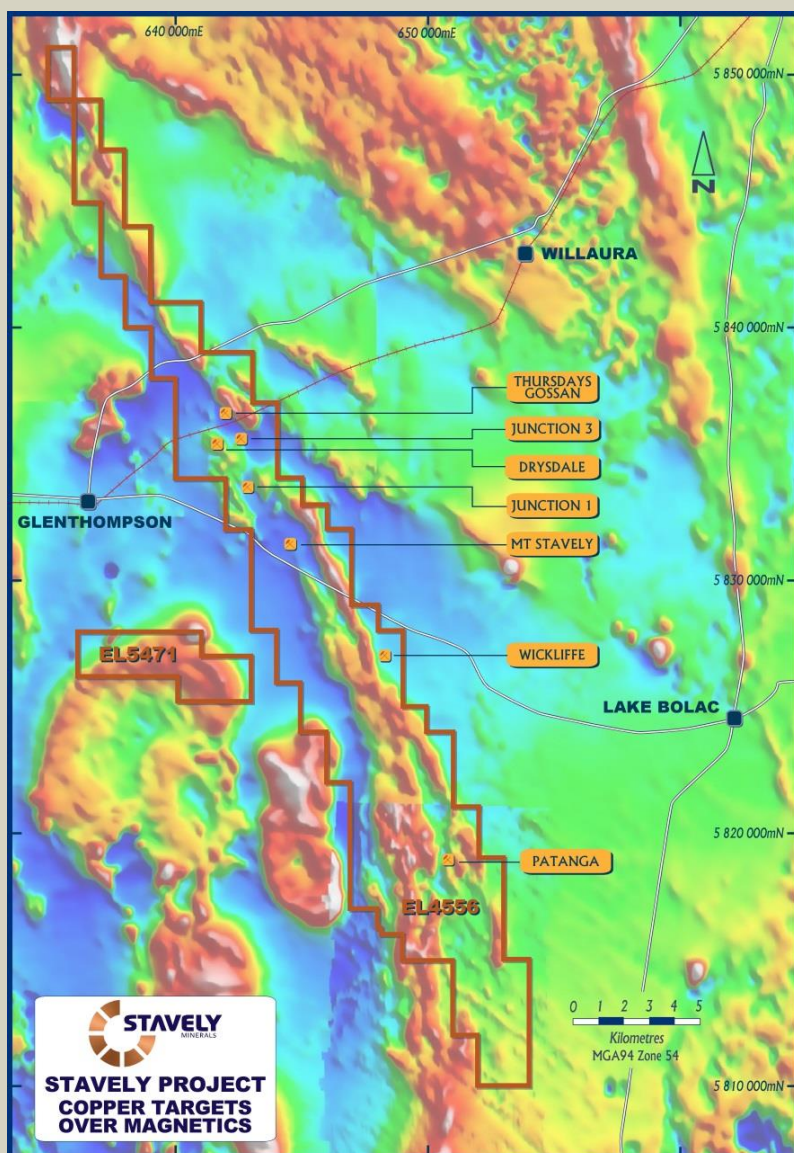
The Stavelly Project is centered on the Mt Stavelly Volcanic Complex (MSVC), a belt of medium-K, calc-alkaline felsic volcanics and intrusive rocks of Cambrian age.

The MSVC is tectonically complex. Most contacts are interpreted to be faulted, with a strong north-northwest orientated structural fabric. The belt is cut by a number of cross structures, including a

major NW orientated structure that passes through the Thursday's Gossan area and may be responsible for an apparent deviation in the belt north of Thursday's Gossan (Figure 6). A U-Pb zircon age from the Towanway Tuff of  $495 \pm 5$  Ma (Stuart-Smith and Black, 1999) correlates closely with dates for the Mt Read Volcanics (MRV) in western Tasmania. This, along with the similar calc-alkaline composition, the suspected presence of boninites and similar rare earth Element (REE) trends suggest that the MSVC and the MRV may be correlates of each other.

The Stavelly Project is considered to present opportunities for discovery of porphyry copper-gold and VMS base-metals +/- gold deposits. For details of these exploration targets see "Stavelly Minerals Limited – Prospectus" dated 17 March 2014 on [www.stavelly.com.au](http://www.stavelly.com.au).

During the year first-time processing and analysis of HyLogger data for drill core from 11 diamond drill holes from the Thursday's Gossan prospect was conducted. The HyLogger data clearly demonstrates the high-level clay alteration assemblage. Interpretation indicates the likelihood of a mineralised porphyry system at depth below the current drilling with comparisons to the upper portions of the Prince Lyell copper-gold deposit (Halley, 2013).



**Figure 6. Aeromagnetic image of the Stavely Project. Note the MSVC trending NNW as a magnetic high through the centre of the tenement with a major NW structure intersecting the belt in the vicinity of Thursday's Gossan.**

Corbett and Menzies Consulting were engaged by the Company to carry out a field base review of the drill core and an office based analysis of data for the Thursday's Gossan Project. The review and interpretation of pro-grade/retrograde alteration assemblages and vein types in drill core concluded that there is strong evidence indicating that there is untested porphyry Cu-Au style mineralisation at depth below the Thursday Gossan project area (Corbett and Menzies, 2013).

During the year a dipole-dipole induced polarisation (IP) survey was conducted with the objective of providing information on the resistivity structure of the MSVC and to identify anomalous chargeable sources associated with the Thursday's Gossan, Junction and Mount Stavely porphyry systems. The IP data indicated a strong chargeability feature, centred at 250 metres and unconstrained at depth, at the Thursday's Gossan prospect which was untested by drilling.

Re-interpretation of the structural controls on mineralisation indicate a major northwest oriented structure which is likely to have been a long-lived control on porphyry emplacement at depth and control the distribution of classical high-grade copper-gold mineralised 'D' veins as leakage on major structures (Figure 7).

In February 2014 Geoscience Australia released the results of their sulphur isotope study on drill core samples at Thursday's Gossan. The  $\delta^{34}\text{S}$  sulphur isotope data demonstrates a broad zonation from near neutral isotope values to mildly negative values from the peripheral propylitic alteration to strongly negative values to  $-6.4\%$   $\delta^{34}\text{S}$  sulphur from 300m depth in VSTD001 (Geoscience Australia, 2014) (Figure 8). The strongly negative value, indicating an oxidised magmatic fluid source, is located proximal to the untested IP chargeability anomaly. This is considered a useful vector towards a potentially well mineralised copper-gold porphyry (Holliday and Cook, 2007).



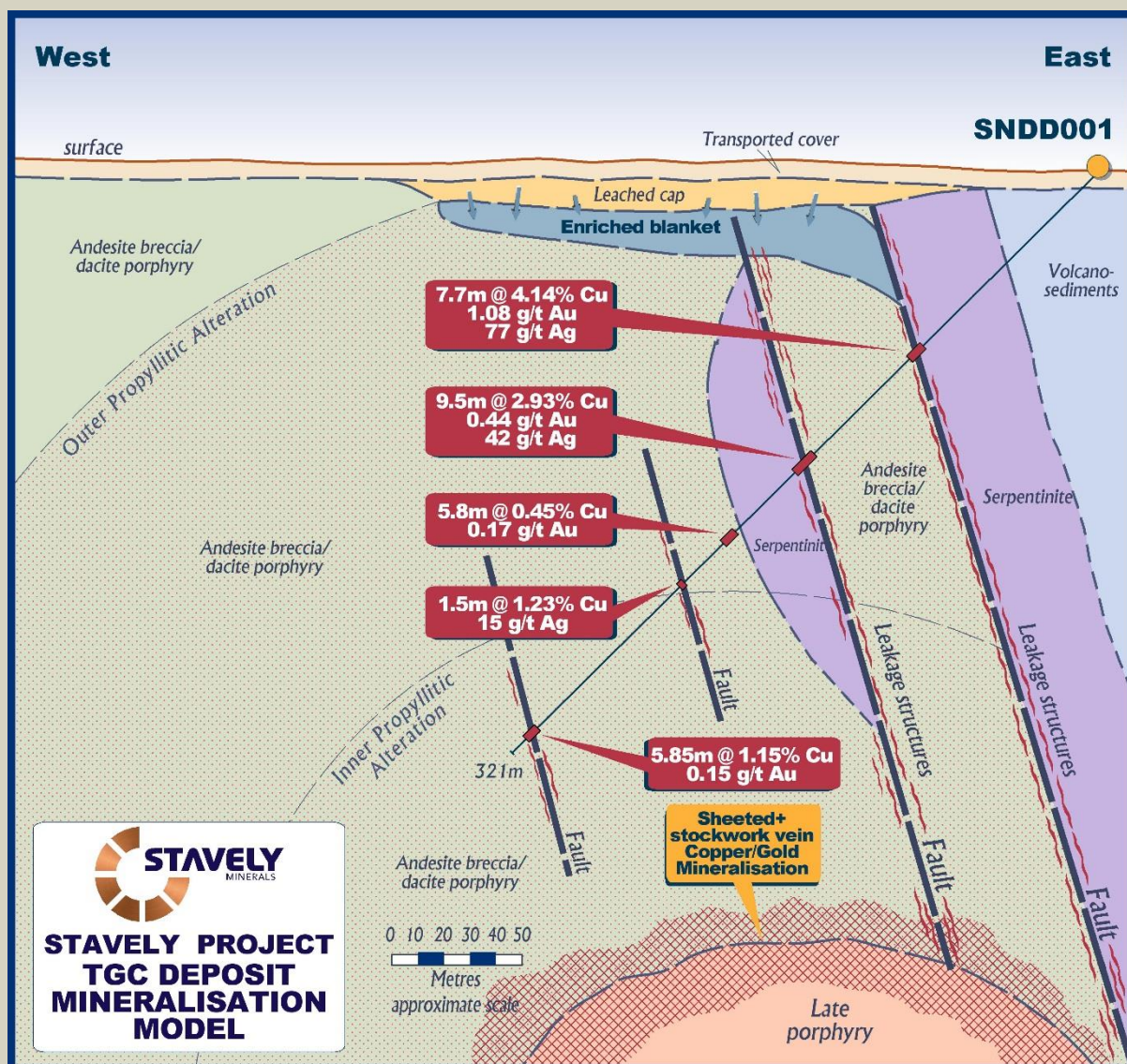


Figure 7. Conceptual interpretation of mineralisation and alteration seen in SNDD001 with inferred copper-gold mineralised porphyry target at depth.

In June 2014 the first diamond drill hole SMD001 at the Thursday's Gossan prospect was completed to a depth of 522 metres (Figure 8). This was the first of four deep diamond holes planned at the Thursday's Gossan porphyry and two holes at the Junction porphyry. The drilling was designed to test a combined geologic target and the flank of a geophysical IP chargeability anomaly. The chargeability anomaly was interpreted as a response to phyllic (silica-sericite-pyrite) alteration likely to occur above, and as an overprint on, the

main potassic altered core of the porphyry which is expected to host the best developed copper-gold mineralisation within the Thursday's Gossan porphyry system.

SMD001 is interpreted to have progressed from the peripheral propylitic altered country rock comprising altered andesite lavas and tuffs with occasional sulphidic pyrite-quartz ± chalcopyrite 'D' veins of up to 1 metre widths into inner-propylitic alteration with secondary magnetite and epidote at a depth of 210 metres. From 270 metres to 360 metres depth,

the propylitic alteration is overprinted by a moderate phyllic (silica-sericite-pyrite) alteration with classical porphyry 'B' quartz veins comprising sericite selvages and pyrite ± chalcopyrite, bornite and covellite sulphide cores. Massive sulphide-quartz 'D' veins with pyrite ± chalcopyrite, bornite, molybdenite, sphalerite and hematite are common. At 420 metres depth, the drill hole intersected a fault and on the other side of this structure the alteration returned to being predominantly propylitic with fracture controlled pyrite and

lesser chalcopyrite sulphide mineralisation.

The observed phyllic alteration overprint with abundant 'D' and 'B' veins is typical of a mineralised porphyry system. The alteration

and mineralisation observed in this drill hole is consistent with the IP chargeability anomaly and is considered the best looking hole in the Thursday's Gossan prospect to date. The drill holes in the current

programme are intended to systematically vector towards the expected well-developed copper-gold mineralisation. Assay results were pending at the end of June.

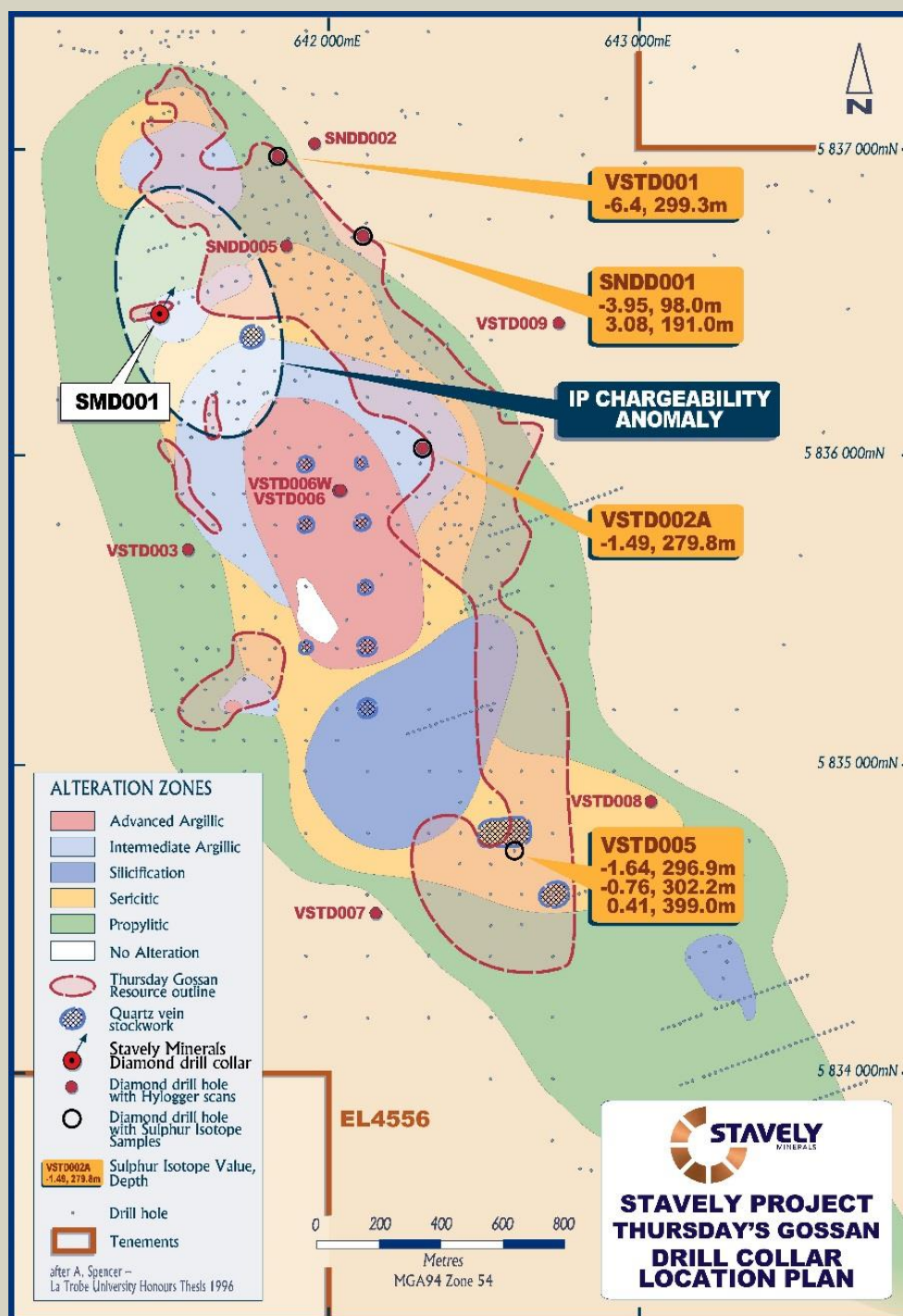


Figure 8. Stavelly Project - Thursday's Gossan Drill Collar Location Plan over PIMA infrared spectrometer clay mineral mapping and interpreted alteration zonation at the Thursday's Gossan prospect showing the outline of the chalcocite-enriched Mineral Resource (red outline) and diamond drill hole collar locations (after Spencer, 1996). Also shown are the Geoscience Australia sulphur isotope data points effectively being near neutral in the distal holes to the south and gradually becoming more strongly negative towards the north interpreted to be demonstrating a stronger oxidized magmatic fluid source.



## JORC Compliance Statement

*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 and Thursday's Gossan chalcocite copper 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](http://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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### Appendix 1: Mt Ararat Mineral Resource Estimate

The Mount Ararat May 2013 Inferred Resource Estimate is an inverse distance squared Cu, Au, Ag and Zn estimate of the planar, steeply dipping VMS style mineralisation of the deposit and is tabulated below. The estimate was undertaken, classified and reported according to the guidelines set out in *The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserve (the JORC Code, 2012 Edition)*.

#### The Mount Ararat Inferred Resource Estimate:

Mount Ararat 2013 Inferred Resource (JORC, 2012 Edition)						
Reporting Cut (%Cu)	Mineralisation	Tonnes (KT)	Cu (%)	Au (ppm)	Ag (ppm)	Zn (%)
0.5	Oxide/Weathered	310	1.5	0.4	2.9	0.2
	Supergene	80	2.3	0.5	4.7	0.3
	Primary >=2m	290	2.3	0.5	6.4	0.5
	Primary <2m	770	1.7	0.4	5.7	0.4
	<b>Total Inferred</b>	<b>1450</b>	<b>1.8</b>	<b>0.4</b>	<b>5.2</b>	<b>0.3</b>
1.0	Oxide/Weathered	220	1.7	0.4	3.2	0.2
	Supergene	80	2.5	0.5	4.9	0.3
	Primary >=2m	280	2.4	0.6	6.6	0.5
	Primary <2m	620	1.9	0.5	6.3	0.4
	<b>Total Inferred</b>	<b>1200</b>	<b>2.0</b>	<b>0.5</b>	<b>5.7</b>	<b>0.4</b>
2.0	Oxide/Weathered	70	2.6	0.7	4.7	0.2
	Supergene	50	2.9	0.7	5.3	0.3
	Primary >=2m	140	3.1	0.8	7.3	0.5
	Primary <2m	160	2.9	0.6	8.6	0.6
	<b>Total Inferred</b>	<b>420</b>	<b>2.9</b>	<b>0.7</b>	<b>7.1</b>	<b>0.5</b>

Table shows rounded estimates. This rounding may cause apparent computational discrepancies. Significant figures do not imply precision. Nominal copper grade reporting cuts applied. Four material types reported as varied economic factors will be applicable to the deposit base on reported material types.

The estimate:

- Is based on historic drilling data of unknown reliability and quality however there are no obvious reasons to question that the holes were drilled to test a discrete steeply dipping body of basemetal mineralisation.
- Extends for a strike length of 830m (towards 335deg), vertically for 350m and ranges mostly between 1m and 3m thick (total massive + sub-massive + stringer mineralisation). The mineralisation is modelled between 4m and 14m thick in the upper 50m (this may be real, due to supergene actions or introduced due to the suspected wet/difficult RC drilling conditions).
- Is underpinned by 266 Cu assays from 55 holes (243 nominal 1m composites). High grade restrictions are applied to the Cu, Au, Ag and Zn grade interpolations (55m radius of influence). A tonnage factor of 3.17g/cc was applied to all mineralised blocks.
- Reconciles well both statistically and spatially with the source assay data.

Was undertaken by Duncan Hackman who is a member of the Australian Institute of Geoscientists and has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity 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 (The JORC Code, 2012 Edition).

### Sampling Techniques and Data

Criteria	Explanation																																								
Sampling techniques	Resource estimate underpinned by diamond drilling (DD) and reverse circulation drilling (RC) drilling samples.																																								
Drilling techniques	<div>Drilling details for the Mount Ararat resource drillhole dataset</div> <table><tr><th>Company</th><th>Drill Type</th><th>Number</th><th>Min Length</th><th>Max Length</th><th>Av. Length</th></tr><tr><td>Pennzoil</td><td>DD</td><td>12</td><td>121</td><td>381</td><td>221</td></tr><tr><td rowspan="2">Centaur Mining</td><td>DD</td><td>18</td><td>27</td><td>221</td><td>83</td></tr><tr><td>RC</td><td>20</td><td>28</td><td>65</td><td>48</td></tr><tr><td rowspan="2">Beaconsfield Gold</td><td>DD</td><td>4</td><td>111</td><td>142</td><td>121</td></tr><tr><td>RC</td><td>6</td><td>18</td><td>37</td><td>27</td></tr><tr><td colspan="2">Total</td><td>60</td><td>18</td><td>381</td><td>96</td></tr></table>	Company	Drill Type	Number	Min Length	Max Length	Av. Length	Pennzoil	DD	12	121	381	221	Centaur Mining	DD	18	27	221	83	RC	20	28	65	48	Beaconsfield Gold	DD	4	111	142	121	RC	6	18	37	27	Total		60	18	381	96
Company	Drill Type	Number	Min Length	Max Length	Av. Length																																				
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Beaconsfield Gold	DD	4	111	142	121																																				
	RC	6	18	37	27																																				
Total		60	18	381	96																																				
Drill sample recovery	No detailed information or data: Historic reports state that diamond holes had relatively low core recoveries in the weathered and oxidized mineralized zone.																																								
Logging	lithological drill logs utilised.																																								
Sub-sampling techniques and sample preparation	<p>Pennzoil: Half-core samples were taken from core showing visible mineralisation.</p> <p>Centaur Mining:</p> <p>MA24 to MA38: Half-core samples were taken from core showing visible mineralisation. Sample reduction process unknown.</p> <p>MA39A to MA58: 130mm RC chips from drilling configuration utilising back-end cross-over sub to return sample. Sample collection by splitting (<i>details unknown</i>) and sample reduction process unknown.</p> <p>M94_1 to M94_4: Half-core samples were taken from core showing visible mineralisation. Sample reduction process unknown.</p> <p>Beaconsfield Gold:</p> <p>ARD001 to ARD004: diamond drilling – sampling method and reduction unknown.</p> <p>ARC001 to ARC006: 84mm RC chips. Sample collected by passing through 3 tiered riffle splitter. Sample reduction process unknown.</p>																																								
Quality of assay data and laboratory tests	<p>Pennzoil: A base metal suite was assayed via AAS (<i>digestion not specified</i>) and Au was assayed via fire assay.</p> <p>Centaur Mining:</p> <p>MA24 to MA38: A base metal suite was assayed via AAS (<i>digestion not specified</i>) and Au was assayed via fire assay.</p> <p>MA39A to MA58: A base metal suite was assayed via AAS (<i>digestion not specified</i>) and Au was assayed via fire assay.</p> <p>M94_1 to M94_4: A base metal suite was assayed 4 acid digest with AAS finish and Au was assayed via fire assay.</p> <p>Beaconsfield Gold:</p> <p>ARD001 to ARD004: Assay Lab – Onsite Lab Services. Cu initially by method B101 - AR digest ICP finish. If higher than 5000ppm then A101 - Ore grade digest (<i>details unknown</i>) with AA finish. Au by PE01S - 25g Fire Assay.</p> <p>ARC001 to ARC006: Assay Lab – Onsite Lab Services. Cu initially by method B101 - AR digest ICP finish. If higher than 5000ppm then A101 - Ore grade digest (<i>details unknown</i>) with AA finish. Au by PE01S - 25g Fire Assay.</p> <p>No quality control samples submitted with any routine samples</p>																																								



Criteria	Explanation
Verification of sampling and assaying	No available data available for analysis
Location of data	Drillholes originally located according to two local grids (details unknown). Collar coordinates were converted to GDA94 zone 54S by historic workers. Conversion details are unknown. The estimate is undertaken using the supplied GDA94 54S grid references GPS checking of 2 Pennzoil, 3 Centaur Mining and 4 Beaconsfield Gold hole collar locations show holes located with acceptable accuracy for reporting of Inferred Resources.
Data spacing and distribution	Within the central 500m of mineralisation (strike length): Oxide mineralisation – drill tested on 50m centred section lines Primary mineralisation – sparsely tested by 12 holes Other areas and mineralisation extent tested by 8 holes
Orientation of data in relation to geological structure	Holes drilled at 9degrees (Azimuth) to planar mineralisation. Holes angled mostly between 50 and 70 degrees easterly. Mineralised plane dips westerly ~60degrees
Sample security	No available data to assess security
Audits or reviews	GPS checking of 9 hole collar locations Basic checking of data integrity

#### Reporting of Exploration Results

Criteria	Explanation																																																						
Mineral tenement and land tenure status	Mineralisation straddles boundary between exploration licences EL4758 (expires 28/01/2014) and EL3019 (expires 21/12/2014) Tenements currently held by Northern Platinum Pty Ltd Northern Platinum have submitted an application for a retention licence over the tenements.																																																						
Exploration done by other parties	Pennzoil: 12 holes drilled into mineralisation. Centaur Mining: 38 holes drilled into mineralisation. Beaconsfield Gold: 10 holes drilled into mineralisation Northern Platinum: GPS checking of 9 hole collar locations																																																						
Geology	Steeply westerly dipping, single planar massive sulphide horizon (historically described as VMS)																																																						
Drill hole Information	<p>60 holes drilled in the prospect, 55 holes intercepted mineralisation, 5 holes define the strike extent of mineralisation. Collar locations verified as acceptable through field checking of 9 holes Downhole surveys for describing hole trace and sample locations available for 16 holes:</p> <table><tr><th>HoleID</th><th>Number of DH Surveys</th><th>TDepth Hole</th><th>HoleID</th><th>Number of DH Surveys</th><th>TDepth Hole</th></tr><tr><td>ARD001</td><td>3</td><td>111.3</td><td>PENZ001</td><td>1</td><td>132.8</td></tr><tr><td>ARD002</td><td>6</td><td>114.2</td><td>PENZ003</td><td>1</td><td>151.6</td></tr><tr><td>ARD003</td><td>5</td><td>141.6</td><td>PENZ006</td><td>1</td><td>152.4</td></tr><tr><td>ARD004</td><td>5</td><td>117.6</td><td>PENZ009</td><td>1</td><td>218.5</td></tr><tr><td>M94_1</td><td>4</td><td>220.7</td><td>PENZ010</td><td>1</td><td>252.3</td></tr><tr><td>M94_2</td><td>4</td><td>198.0</td><td>PENZ011</td><td>1</td><td>381.2</td></tr><tr><td>M94_3</td><td>3</td><td>192.0</td><td>PENZ021</td><td>3</td><td>364.4</td></tr><tr><td>M94_4</td><td>4</td><td>204.2</td><td>PENZ023</td><td>4</td><td>329.4</td></tr></table> <p>Assaying of those samples logged with visible sulphide mineralisation Lithology logs available for all holes Oxidation state available for 34 Centaur Mining holes. Summary moisture data available for 18 Centaur Mining RC holes. 39 SG measurements taken from 4 Beaconsfield Gold holes ARD[001-004]</p>	HoleID	Number of DH Surveys	TDepth Hole	HoleID	Number of DH Surveys	TDepth Hole	ARD001	3	111.3	PENZ001	1	132.8	ARD002	6	114.2	PENZ003	1	151.6	ARD003	5	141.6	PENZ006	1	152.4	ARD004	5	117.6	PENZ009	1	218.5	M94_1	4	220.7	PENZ010	1	252.3	M94_2	4	198.0	PENZ011	1	381.2	M94_3	3	192.0	PENZ021	3	364.4	M94_4	4	204.2	PENZ023	4	329.4
HoleID	Number of DH Surveys	TDepth Hole	HoleID	Number of DH Surveys	TDepth Hole																																																		
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M94_3	3	192.0	PENZ021	3	364.4																																																		
M94_4	4	204.2	PENZ023	4	329.4																																																		

Criteria	Explanation																																											
Data aggregation methods	<p>Assay sample intervals:</p> <table><tr><th rowspan="2">Drill Type</th><th colspan="7">Count of Sample Lengths</th><th rowspan="2">Total</th></tr><tr><th>0.0 to 0.5m</th><th>0.5 to 1.0m</th><th>1.0 to 1.5m</th><th>1.5 to 2.0m</th><th>2.0 to 2.5m</th><th>2.5 to 3.0m</th><th>3.0 to 3.5m</th></tr><tr><td>DD</td><td>102</td><td>85</td><td>14</td><td>6</td><td></td><td>1</td><td>1</td><td>209</td></tr><tr><td>RC</td><td>1</td><td>284</td><td></td><td></td><td></td><td></td><td></td><td>285</td></tr><tr><td>Total</td><td>103</td><td>369</td><td>14</td><td>6</td><td></td><td>1</td><td>1</td><td>494</td></tr></table> <p>Composited to 1m intervals for resource estimate.</p>	Drill Type	Count of Sample Lengths							Total	0.0 to 0.5m	0.5 to 1.0m	1.0 to 1.5m	1.5 to 2.0m	2.0 to 2.5m	2.5 to 3.0m	3.0 to 3.5m	DD	102	85	14	6		1	1	209	RC	1	284						285	Total	103	369	14	6		1	1	494
Drill Type	Count of Sample Lengths							Total																																				
	0.0 to 0.5m	0.5 to 1.0m	1.0 to 1.5m	1.5 to 2.0m	2.0 to 2.5m	2.5 to 3.0m	3.0 to 3.5m																																					
DD	102	85	14	6		1	1	209																																				
RC	1	284						285																																				
Total	103	369	14	6		1	1	494																																				
Relationship between mineralisation widths and intercept lengths	<p>No apparent association when data assessed by drill type and mineralisation style breakdown.</p> <p>Significant relationship differences when assessing DD vs RC holes:</p> <table><tr><th rowspan="2">Drill Type</th><th rowspan="2">Number of Holes</th><th rowspan="2">Total Metres</th><th rowspan="2">Average Intercept</th><th colspan="4">Average Grade (ppm)</th></tr><tr><th>Cu</th><th>Au</th><th>Ag</th><th>Zn</th></tr><tr><td>Diamond</td><td>34</td><td>82</td><td>2.4</td><td>31123</td><td>0.95</td><td>9.1</td><td>4384</td></tr><tr><td>Reverse Circulation</td><td>26</td><td>145</td><td>5.6</td><td>15551</td><td>0.23</td><td>1.7</td><td>1614</td></tr></table> <p>Smearing and/or preferential loss and/or cross-contamination of samples may be present in RC drill sample assay dataset.</p> <p>Preferential loss of friable non-mineralised material may have biased the DD drill sample assay dataset</p> <p>Both the RC and DD datasets may be preferentially weighted by material with significantly different tenor of in situ grade</p>	Drill Type	Number of Holes	Total Metres	Average Intercept	Average Grade (ppm)				Cu	Au	Ag	Zn	Diamond	34	82	2.4	31123	0.95	9.1	4384	Reverse Circulation	26	145	5.6	15551	0.23	1.7	1614															
Drill Type	Number of Holes					Total Metres	Average Intercept	Average Grade (ppm)																																				
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Reverse Circulation	26	145	5.6	15551	0.23	1.7	1614																																					
Diagrammes	<p>Historic cross sections and plans were reviewed</p> <p>Long section thickness and drillhole trace figure:</p>																																											
Balanced reporting	<p>Selective sampling of holes where mineralisation observed considered acceptable for estimating sulphide resources. Any gold or silver mineralisation intercepted by drilling with no associated sulphides will not be identifiable in the current dataset.</p>																																											
Other substantive exploration data	<p>A further 53 holes have been drilled within the exploration tenements.</p>																																											
Further work	<p>Mineralisation thins but is open at depth and opportunities for defining drilling targets (thick shoots)</p>																																											

### Estimation and Reporting of Mineral Resources

Criteria	Explanation
Database integrity	Data management protocols and provenance unknown Limited cross checks with paper records of drill hole and assay data Field verification of 9 hole collar locations. Relational and spatial integrity assessed and considered acceptable.
Site visits	Not undertaken by CP Northern Platinum personnel verify existence of core. CP has viewed photos of chip trays with mineralisation taken by Northern Platinum Personnel.
Geological interpretation	Single planar mineralised massive sulphide body interpreted and modelled for grade interpolation. Oxide state modelled and utilised for reporting of resource estimate.
Dimensions	Mineralisation extends for a strike length of 830m (towards 335deg), vertically for 350m and ranges mostly between 1m and 3m thick (total massive + sub-massive + stringer mineralisation). The mineralisation is modelled between 4m and 14m thick in the upper 50m (this may be real, due to supergene actions or introduced due to the suspected wet/difficult RC drilling conditions) The block model and grade estimate encompasses the extent of the mineralisation.
Estimation and modelling techniques	Copper, gold, silver and zinc grades were interpolated into a Vulcan™ non-regular block model with 10x10x10 metre parent blocks – subblocked to 1x1x1 metre minimum block dimensions. 1m composite intervals utilised. Grades greater than: 6%Cu, 2.50ppmAu, 15ppmAg, 1%Zn, were restricted to inform blocks within a 55m radius of their location. Single pass ID2 interpolation run employed utilising 400m sample search within the plane of mineralisation. Minimum of 20 and maximum of 40 composites utilised to estimate grade. The Mt Ararat resource is classified as Inferred under the guidelines set out in the 2012 JORC Code.
Moisture and recovery	15 of 18 RC holes drilled by Centaur Mining encountered wet drilling through the mineralisation. Grade profiles suggest down hole smearing of grade (cross-contamination) in the oxide/supergene mineralisation. Core recovery averages 85% through the oxide/weathered mineralisation, down from >97% recorded for the supergene and primary mineralisation. There is no information or data to assess the affect core loss has on grade.
Cut-off parameters	The resource is reported by mineralisation thickness and oxidation state. Cuts of 0.5%, 1.0% and 2.0% copper were applied. These breakdowns and grade tonnage plots are reported to allow differing economic assessment on the project.
Mining factors or assumptions	Not applied, however resource is reported at 1m and 2m thicknesses and by oxidation state to allow for assessment of both underground and open cut mining methods.
Metallurgical factors or assumptions	Not evaluated as risks associated with historic data over-riding feature affecting the confidence of the estimate.
Environmental factors or assumptions	Not evaluated as risks associated with historic data over-riding feature affecting the confidence of the estimate.
Bulk Density	A single tonnage factor of 3.17 tonnes/m <sup>3</sup> was applied to all mineralisation.

Criteria	Explanation
Classification	The estimate is classified as Inferred under the JORC Code (2012 Edition). Absence of QA/QC and important data for evaluating risk to the estimate (such as recover and moisture versus grade) are key factors in assigning an Inferred Classification.
Audits or reviews.	No Audit or Review of estimate undertaken.
Discussion of relative accuracy/ confidence	Not undertaken other than that stated under the classification section.

## Appendix 2: Thursday's Gossan Mineral Resource Estimate

The Thursday Gossan Chalcocite Copper August 2013 Inferred Resource estimate is an inverse distance squared Cu estimate of the tabular sub-horizontal supergene style mineralisation of the deposit and is tabulated below. The estimate was undertaken, classified and reported according to the guidelines set out in *The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserve (the JORC Code, 2012 Edition)*.

### The Thursday Gossan Chalcocite Copper Inferred Resource Estimate:

Thursday Gossan Chalcocite Copper August 2013 Inferred Resources (JORC 2012 Edition)					
Copper Mineralisation Subdivision		Lower Cu Tonnes (MT) Cut (%)		Copper Grade (%)	Contained Copper (KT)
Mineralisation greater than 10m thick	10 to 20m thick	0.20	8.5	0.3	28.1
		0.30	4.5	0.4	18.4
		0.50	0.5	0.7	3.4
	Greater than 20m thick	0.20	14.4	0.4	61.7
		0.30	9.7	0.5	49.7
		0.50	3.1	0.8	24.8
	Sub Total (greater than 10m thick)	0.20	22.9	0.4	89.8
		0.30	14.2	0.5	68.0
		0.50	3.7	0.8	28.2
Mineralisation less than 10m thick		0.20	5.1	0.3	17.1
		0.30	2.5	0.4	10.6
		0.50	0.2	0.9	2.1
Total Mineralisation		0.20	28.1	0.4	106.9
		0.30	16.7	0.5	78.6
		0.50	3.9	0.8	30.3

Table shows rounded estimates. This rounding may cause apparent computational discrepancies. Significant figures do not imply precision. Nominal copper grade reporting cuts applied. Three mineralised thicknesses reported as varied economic factors are likely to be applicable to each.

The estimate:

- Is based on historic drilling data of unknown reliability and quality however there are no obvious reasons to question that the holes were drilled to test a flat lying supergene copper deposit.
- Extends intermittently for a strike length of 4000m (NS) a breadth of 1500m and vertically up to 60m thick. The model includes prospects known as Thursday Gossan Chalcocite Copper, Junction and Drysdale.
- Is underpinned by 2355 Cu assays from 225 holes (1493 nominal 3m composites). Cu grades were interpolated without any cuts or restrictions. A tonnage factor of 2.10g/cc was applied to all mineralised blocks.
- Reconciles well both statistically and spatially with the source assay data.
- Was undertaken by Duncan Hackman who is a member of the Australian Institute of Geoscientists and has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity 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 (The JORC Code, 2012 Edition).



JORC 2012 Table 1, Sections 1,2 and 3 criteria.

Section 1: Sampling Techniques and Data

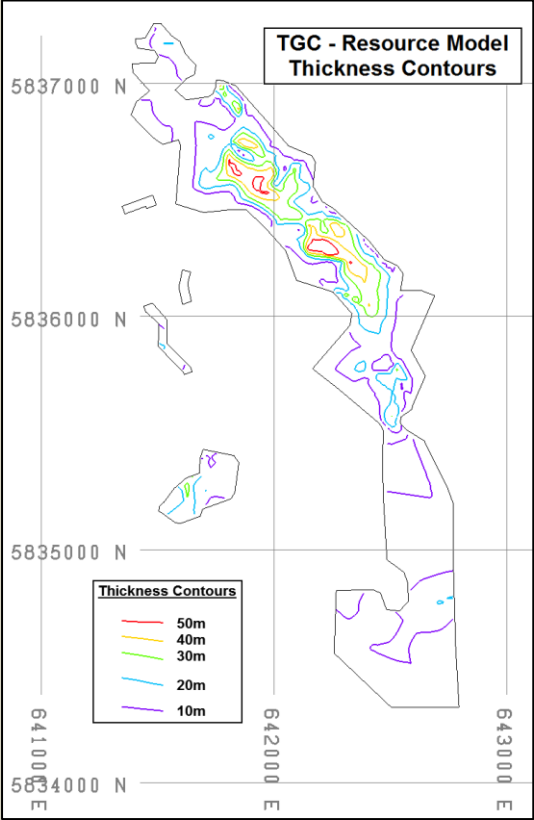
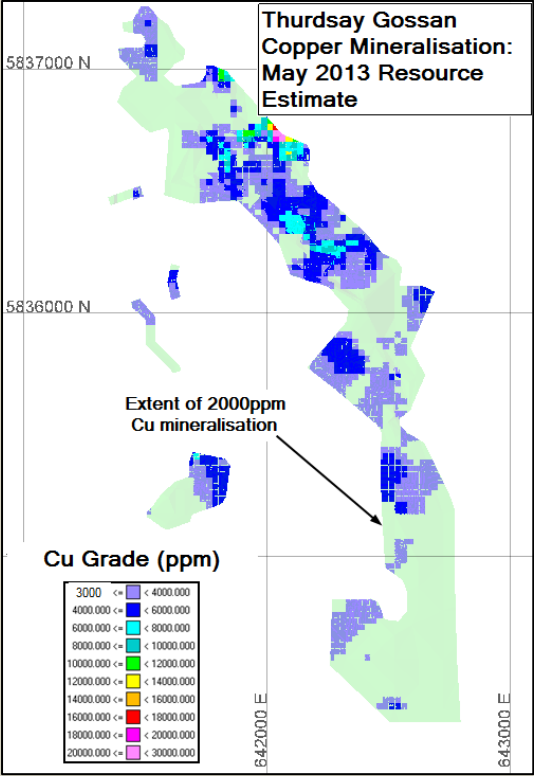
Criteria	Explanation																																																																																																																						
Sampling techniques	<p>Resource estimate underpinned by diamond drilling (DD), aircore drilling (AC), reverse air blast drilling (RAB) and reverse circulation drilling (RC) samples:</p> <p>Pennzoil (1 RC, 14 RAB holes): 2m Samples selected where mineralisation observed. 13 RAB holes sampled every alternate 2m intervals. No details on sampling methods.</p> <p>North (4 DD, 1 AC, 85 RAB) and Newcrest (3 DD): Diamond holes ½ core sampled. No details on sampling of RC, RAB and Aircore holes.</p> <p>Beaconsfield Gold (2 DD, 78 AC): Diamond holes ½ core sampled. Aircore holes were sampled by spearing of material on 2m or 3m intervals where no mineralisation was observed and on 1m intervals where mineralisation was observed.</p> <p>TGM Group (26 AC): No details.</p>																																																																																																																						
Drilling techniques	<p>Drilling details for the TGC resource drillhole dataset</p> <table><tr><th>Drill Type</th><th>Company</th><th>Count</th><th>Av. DFrom to Min. Top (m)</th><th>Av. Dto to Min. Base (m)</th><th>Av. Min. Int Length (m)</th><th>Av. Cu (ppm)</th></tr><tr><td rowspan="3">AC</td><td>BCD</td><td>78</td><td>32</td><td>56</td><td>24</td><td>4080</td></tr><tr><td>North</td><td>1</td><td>20</td><td>62</td><td>42</td><td>3090</td></tr><tr><td>TGM Group</td><td>26</td><td>33</td><td>55</td><td>22</td><td>3496</td></tr><tr><td>AC Total</td><td></td><td>105</td><td>32</td><td>56</td><td>24</td><td>3926</td></tr><tr><td rowspan="5">DD</td><td>BCD</td><td>2</td><td>86</td><td>93</td><td>7</td><td>23586</td></tr><tr><td>CRAE</td><td>2</td><td>41</td><td>54</td><td>13</td><td>3237</td></tr><tr><td>Newcrest</td><td>3</td><td>56</td><td>85</td><td>29</td><td>3927</td></tr><tr><td>North</td><td>4</td><td>37</td><td>63</td><td>26</td><td>3541</td></tr><tr><td>Pennzoil</td><td>1</td><td>20</td><td>28</td><td>8</td><td>5250</td></tr><tr><td>DD Total</td><td></td><td>12</td><td>49</td><td>69</td><td>20</td><td>7070</td></tr><tr><td rowspan="2">RAB</td><td>North</td><td>85</td><td>31</td><td>46</td><td>15</td><td>2948</td></tr><tr><td>Pennzoil</td><td>14</td><td>22</td><td>35</td><td>13</td><td>2587</td></tr><tr><td>RAB Total</td><td></td><td>99</td><td>30</td><td>45</td><td>15</td><td>2897</td></tr><tr><td rowspan="2">RC</td><td>BCD</td><td>8</td><td>27</td><td>45</td><td>17</td><td>4498</td></tr><tr><td>Pennzoil</td><td>1</td><td>2</td><td>34</td><td>32</td><td>11944</td></tr><tr><td>RC Total</td><td></td><td>9</td><td>24</td><td>43</td><td>19</td><td>5326</td></tr><tr><td>Total All Drilling</td><td></td><td>225</td><td>32</td><td>51</td><td>20</td><td>3697</td></tr></table>	Drill Type	Company	Count	Av. DFrom to Min. Top (m)	Av. Dto to Min. Base (m)	Av. Min. Int Length (m)	Av. Cu (ppm)	AC	BCD	78	32	56	24	4080	North	1	20	62	42	3090	TGM Group	26	33	55	22	3496	AC Total		105	32	56	24	3926	DD	BCD	2	86	93	7	23586	CRAE	2	41	54	13	3237	Newcrest	3	56	85	29	3927	North	4	37	63	26	3541	Pennzoil	1	20	28	8	5250	DD Total		12	49	69	20	7070	RAB	North	85	31	46	15	2948	Pennzoil	14	22	35	13	2587	RAB Total		99	30	45	15	2897	RC	BCD	8	27	45	17	4498	Pennzoil	1	2	34	32	11944	RC Total		9	24	43	19	5326	Total All Drilling		225	32	51	20	3697
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Drill sample recovery	Recovery data available for 2 DD holes.																																																																																																																						
Logging	<p>Lithology logs through mineralisation available for all holes.</p> <p>Incomplete oxidation-state and interval colour logging (utilised to determine base of supergene zone).</p>																																																																																																																						
Sub-sampling techniques and sample preparation	<p>Pennzoil (1 RC, 14 RAB holes): No details on sampling and sample preparation methodology.</p> <p>North (4 DD, 1 AC, 85 RAB) and Newcrest (3 DD): No details sample preparation methodology.</p> <p>Beaconsfield Gold (2 DD, 78 AC): No information on sample preparation methodology.</p> <p>TGM Group (26 AC): No details</p>																																																																																																																						
Quality of assay data and laboratory tests	<p>Pennzoil (1 RC, 14 RAB holes): A base metal suite was assayed via AAS (digestion not specified) and Au was assayed via fire assay.</p> <p>North (4 DD, 1 AC, 85 RAB) and Newcrest (3 DD): A base metal suite was assayed via Mixed Acid digest, AAS detection and Au was assayed via fire assay.</p> <p>Beaconsfield Gold (2 DD, 78 AC): OnSite Laboratory Services (Bendigo) analysed all samples for Cu by aqua regia digest ICP-OES detection and repeated assays for samples returning greater than 5000ppm Cu by Mixed</p>																																																																																																																						

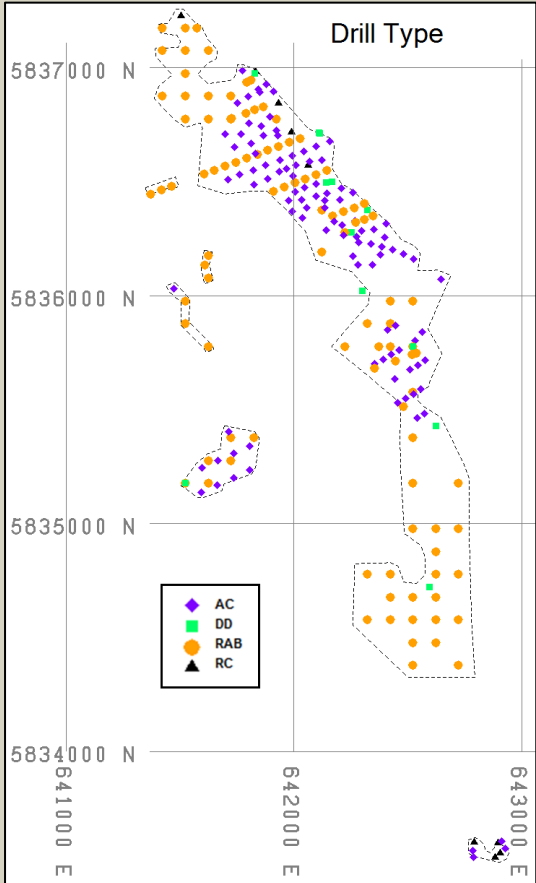
Criteria	Explanation
	<p>Acid Digest ICP-OES detection. Au was assayed via fire assay.</p> <p>TGM Group (26 AC): No details. "Cherry-picking" of best assays from reassayed samples (85 of 160 substituted) has introduced a +10% relative bias for 9 holes used in the resource estimate.</p> <p>No QC samples were inserted into any of the sample batches from the Thursday Gossan drilling. No laboratory QC data was made available for assessment as part of this resource estimate.</p> <p>Beaconsfield Gold undertook a limited (selective) umpire laboratory programme (29 samples), entire residual material assaying (94 intervals) and 66 sub-sample assays of residual material (66 intervals). These projects provide limited insight into sampling and assay reliability. This data indicates that:</p> <p>Both significant bias and precision issues are suspected in the Beaconsfield Gold dataset (OnSite Laboratory) and that there appears to be a period of instrument malfunction or systems/procedural breakdown at grades greater than 3000ppm Cu at the laboratory.</p> <p>The spear vs total sample dataset shows a significant relative bias in favour of the spear sample, manifesting greatest within samples containing higher copper grades.</p>
Verification of sampling and assaying	Beaconsfield Gold undertook a limited (selective) umpire laboratory programme (29 samples), entire residual material assaying (94 intervals) and 66 sub-sample assays of residual material (66 intervals). These projects provide limited insight into sampling and assay reliability.
Location of data	Holes within the Thursday Gossan area are recorded as being surveyed under three systems: AMG66 zone 54S, MGA zone 54 and GDA94 zone 54S. All coordinates were converted to GDA94 zone 54S by previous workers. These conversions have not been checked by NPT or HA. The August 2013 estimate is undertaken using the supplied GDA94 54S grid references. Beaconsfield Gold holes were located by hand held GPS. No information on survey methods for other workers.
Data spacing and distribution	<p>Area showing the thickest and highest tenor of mineralisation tested at nominal 50m centres by predominantly vertical holes.</p> <p>Areas less well mineralised tested mostly at 100m centres by vertical drillholes</p>
Orientation of data in relation to geological structure	<p>Drill orientation appropriate for testing of flat-lying mineralisation</p> <p>Underlying geology indicates that primary mineralisation may be sub vertical. Supergene mineralisation is controlled by pre-existing geology, groundwater movement and surface/weathering events. It is unknown from the current dataset if there is any sub-vertical fabric within the supergene mineralisation and if so then vertical holes will not adequately sample this feature of the mineralisation.</p>
Sample security	No available data to assess security
Audits or reviews	Basic checking of data integrity

## Section 2: Reporting of Exploration Results

Criteria	Explanation
Mineral tenement and land tenure status	The mineralisation is situated within exploration licence EL4556 (expires 05/04/2014) which is currently held by Northern Platinum Pty Ltd. Northern Platinum advises that the tenement is considered in good standing by the Victorian Department of Environment and Primary Industries and that they cannot foresee any reasons that would inhibit the tenement being renewed for a further term in 2014.

Criteria	Explanation																																																																																																																											
Exploration done by other parties	Pennzoil: 1 RC, 14 RAB holes North: 4 DD, 1 AC, 85 RAB holes TGM Group: 26 AC holes Beaconsfield Gold: 2 DD, 78 AC holes Beaconsfield Gold: Resource Estimate undertaken by Coffey Mining Pty Ltd (2008)																																																																																																																											
Geology	Supergene enrichment of hydrothermally altered host rocks, where fine grained chalcocite and covellite have partially replaced pyrite and chalcopyrite grains.																																																																																																																											
Drill hole Information	<p>225 holes drilled in the prospect. Collar locations not verified however plot within acceptable levels from SRTM derived topographic surface. Downhole surveys for describing hole trace and sample locations available for 4 of 40 angled holes. 185 vertical holes drilled. Pennzoil assayed intervals logged with visible sulphide mineralisation. Sampling interval breakdown:</p> <table><tr><th rowspan="2">Drill Type</th><th rowspan="2">Company</th><th colspan="5">Count of Sample Lengths</th></tr><tr><th>0 to 1m</th><th>1 to 2m</th><th>2 to 3m</th><th>3 to 5m</th><th>Total</th></tr><tr><td rowspan="3">AC</td><td>BCD</td><td>833</td><td>258</td><td>177</td><td>1</td><td>1269</td></tr><tr><td>North</td><td></td><td>21</td><td></td><td></td><td>21</td></tr><tr><td>TGM Group</td><td></td><td></td><td>187</td><td></td><td>187</td></tr><tr><td colspan="2">AC Total</td><td>833</td><td>279</td><td>364</td><td>1</td><td>1477</td></tr><tr><td rowspan="5">DD</td><td>BCD</td><td>3</td><td>4</td><td>1</td><td>1</td><td>9</td></tr><tr><td>CRAE</td><td>1</td><td>10</td><td>2</td><td></td><td>13</td></tr><tr><td>Newcrest</td><td>38</td><td>25</td><td></td><td></td><td>63</td></tr><tr><td>North</td><td>96</td><td>4</td><td></td><td></td><td>100</td></tr><tr><td>Pennzoil</td><td>8</td><td></td><td></td><td></td><td>8</td></tr><tr><td colspan="2">DD Total</td><td>146</td><td>43</td><td>3</td><td>1</td><td>193</td></tr><tr><td rowspan="2">RAB</td><td>North</td><td></td><td>1</td><td>436</td><td>2</td><td>439</td></tr><tr><td>Pennzoil</td><td>1</td><td>92</td><td></td><td></td><td>93</td></tr><tr><td colspan="2">RAB Total</td><td>1</td><td>93</td><td>436</td><td>2</td><td>532</td></tr><tr><td rowspan="2">RC</td><td>BCD</td><td>136</td><td></td><td>1</td><td></td><td>137</td></tr><tr><td>Pennzoil</td><td></td><td>16</td><td></td><td></td><td>16</td></tr><tr><td colspan="2">RC Total</td><td>136</td><td>16</td><td>1</td><td></td><td>153</td></tr><tr><td colspan="2">Total</td><td>1116</td><td>431</td><td>804</td><td>4</td><td>2355</td></tr></table> <p>Lithology logs through mineralisation available for all holes. Incomplete oxidation-state and interval colour logging (utilised to determine base of supergene zone). Summary moisture data available for 28 AC/RC holes show that all bar one hole encountered water through the mineralised interval. Recovery data available for 2 DD holes. SG measurements taken from Beaconsfield Gold hole TGDD46. No mention of drying samples. May be more akin to bulk density measurements than dry bulk density measurements.</p>	Drill Type	Company	Count of Sample Lengths					0 to 1m	1 to 2m	2 to 3m	3 to 5m	Total	AC	BCD	833	258	177	1	1269	North		21			21	TGM Group			187		187	AC Total		833	279	364	1	1477	DD	BCD	3	4	1	1	9	CRAE	1	10	2		13	Newcrest	38	25			63	North	96	4			100	Pennzoil	8				8	DD Total		146	43	3	1	193	RAB	North		1	436	2	439	Pennzoil	1	92			93	RAB Total		1	93	436	2	532	RC	BCD	136		1		137	Pennzoil		16			16	RC Total		136	16	1		153	Total		1116	431	804	4	2355
Drill Type	Company			Count of Sample Lengths																																																																																																																								
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Data aggregation methods	Assays composited to 3m for resource estimation.																																																																																																																											
Relationship between mineralisation widths and intercept lengths	No obvious association other than, as expected with supergene mineralisation, globally thicker mineralisation has higher tenor of copper.																																																																																																																											
Diagrammes	No historic or client produced diagrammes available for review. Thickness plan:																																																																																																																											

Criteria	Explanation
	<div><p><b>TGC - Resource Model Thickness Contours</b></p></div> <p>Copper grade plan:</p> <div><p><b>Thurdsay Gossan Copper Mineralisation: May 2013 Resource Estimate</b></p></div>

Criteria	Explanation
	<p>Drillhole plan:</p> 
Balanced reporting	<p>Selective sampling of holes where mineralisation observed considered acceptable for estimating sulphide resources.</p> <p>Alternative sampling and “cherry picking” practices assessed as having negligible effect on global estimate but will be a limiting factor in lifting local resources to higher than Inferred classification under the JORC Code (2012 Edition)</p> <p>66 of the 225 holes terminate within mineralisation; however surrounding holes adequately define the base of mineralisation.</p>
Other substantive exploration data	<p>A further 683 holes within and surrounding the prospect area were utilised for defining the resource mineralisation.</p>
Further work	<p>Evaluation of area for discovery of styles of mineralisation other than the defined supergene mineralisation.</p>

### Section 3: Estimation and Reporting of Mineral Resources

Criteria	Explanation
Database integrity	<p>Data management protocols and provenance unknown.</p> <p>Limited cross checks with paper records of drill hole and assay data.</p> <p>Relational and spatial integrity assessed and considered acceptable.</p>
Site visits	<p>Not undertaken by CP</p> <p>CP has viewed photos of chip trays with mineralisation taken by Northern Platinum Personnel.</p>



Criteria	Explanation
Geological interpretation	Single planar flat-lying horizon of supergene mineralisation containing areas where mineralisation thickens and copper grade tenor increases. A 0.2%Cu cut was utilised to domain the extents of the better mineralisation and this domain used as a hard boundary for grade interpolation.
Dimensions	Extends intermittently for a strike length of 4000m (NS) a breadth of 1500m and vertically up to 60m thick. The model includes prospects known as Thursday Gossan Chalcocite Copper, Junction and Drysdale. The block model and grade estimate encompasses the extent of the mineralisation.
Estimation and modelling techniques	Copper grades were interpolated into a Vulcan™ non-regular block model with 20x20x10 metre parent blocks – subblocked to 2.5x2.5x2.5 metre minimum block dimensions. 3m composite intervals utilised. No high grade sample treatment applied. Single pass ID2 interpolation run employed utilising 200m sample search within the plane of mineralisation (97.8% of blocks within the TIN domain estimated). Minimum of 10 and maximum of 20 composites utilised to estimate grade. The Mt Ararat resource is classified as Inferred under the guidelines set out in the 2012 JORC Code.
Moisture and Recovery	27 of 28 AC/RC holes with moisture information recorded wet drilling conditions through the mineralisation. It is unknown if the wet conditions has introduced bias or contamination into the dataset as relevant/detailed information is not available. Available core recovery data suggests that biases caused by both loss and enrichment may be affecting the resource dataset.
Cut-off parameters	The resource estimate is reported at 0.2%, 0.3% and 0.5% Cu cuts and by three mineralised thicknesses domains - <10m, 10-20m and >20m thick. These breakdowns and grade tonnage plots are reported to allow differing economic assessment on the project.
Mining factors or assumptions	Not applied, however resource is reported at three thicknesses for input into this discipline.
Metallurgical factors or assumptions	Not evaluated as risks associated with historic data over-riding feature affecting the confidence of the estimate.
Environmental factors or assumptions	Not evaluated as risks associated with historic data over-riding feature affecting the confidence of the estimate.
Bulk Density	A single tonnage factor of 2.10 tonnes/m <sup>3</sup> was applied to all mineralisation.
Classification	The estimate is classified as Inferred under the JORC Code (2012 Edition). Absence of QA/QC, the indicated sampling and assaying issues and absence of important data for evaluating other risks to the estimate (such as recover and moisture versus grade) are key factors in assigning an Inferred Classification.
Audits or reviews.	No Audit or Review of estimate undertaken
Discussion of relative accuracy/ confidence	Not undertaken other than that stated under the classification section.

Your Directors present their report for the year ended 30 June 2014.

## **DIRECTORS**

The names and particulars of the Directors of the Company in office during the financial year and up to the date of this report were as follows. Directors were in office for the entire year unless otherwise stated.

### **William Plyley**

#### **B.Sc (Metallurgical Engineering)**

*Non Executive Chairman (appointed 6 December 2013)*

Mr William Plyley is a mining executive with over 35 years operational experience in exploration, mining, processing, and management with substantial resources companies such as Placer Dome Inc, Normandy Mining Limited and Red Back Mining Inc. He has been responsible for major mine developments in Ghana, West Africa and Australia. He has also had significant roles in development and expansion of mines in Papua New Guinea and Australia. Mr Plyley retired, in late 2010, from a role as Chief Operating Officer of La Mancha Resources where he was responsible for the development of the Frog's Leg and White Foil mines near Kalgoorlie, Western Australia and the operation of mines in Sudan and Cote d'Ivoire, Africa. Recently, Mr Plyley was a Director of Integra Mining Limited from November 2011 until the take over of Integra by Silver Lake Resources Limited in January 2013.

Mr Plyley has a B.Sc. in Metallurgical Engineering from Mackay School of Mines, University of Nevada. He is a member of Australian Institute of Mining and Metallurgy (MAusIMM) and Graduate of Australian Institute of Company Directors (GAICD).

Mr Plyley is a member of the Company's Audit and Risk Committee.

*Other directorships of listed companies in the last three years: Integra Mining Limited (until 1 January 2013).*

### **Christopher Cairns**

#### **B.Sc (Hons)**

*Executive Managing Director (Appointed 23 May 2006)*

Mr Christopher Cairns completed a First Class Honours degree in Economic Geology from the University of Canberra in 1992. Mr Cairns has extensive experience having worked for:

- BHP Minerals as Exploration Geologist / Supervising Geologist in Queensland and the Philippines
- Aurora Gold as Exploration Manager at the Mt Muro Gold Mine in Borneo
- LionOre as Supervising Geologist for the Thunderbox Gold Mine and Emily Anne Nickel Mine drill outs
- Sino Gold as Geology Manager responsible for the Jinfeng Gold Deposit feasibility drillout and was responsible for the discovery of the stratabound gold mineralisation taking the deposit from 1.5Moz to 3.5Moz in 14 months.

Mr Cairns joined Integra Mining Limited in March 2004 and as Managing Director oversaw the discovery of three gold deposits, the funding and construction of a new processing facility east of Kalgoorlie transforming the company from explorer to gold producer with first gold poured in September 2010. In 2008 Integra was awarded the Australian Explorer of the Year by Resources Stocks Magazine and in 2011 was awarded Gold Miner of the Year by Paydirt Magazine and the Gold Mining Journal.

In January 2013, Integra was taken over by Silver Lake Resources Limited for \$426 million (at time of bid) at which time Mr Cairns resigned along with the whole Integra Board after having successfully recommended shareholders accept the Silver Lake offer.

Mr Cairns is a member of the Australian Institute of Geoscientists, a member of the JORC Committee and a Board member of the Australian Prospectors and Miners Hall of Fame.

*Other directorships of listed companies in the last three years: Integra Mining Limited (until 1 January 2013).*

**Jennifer Murphy****B.Sc(Hons), M.Sc***Executive Technical Director (Appointed 8 March 2013)*

Ms Jennifer Murphy completed a First Class Honours Degree in Geology in 1989, and subsequently a Master of Science Degree in 1993 at the University of Witwatersrand in South Africa. Ms Murphy joined Anglo American Corporation in 1993 as an exploration geologist working in Tanzania and Mali. In 1996, she immigrated to Australia and joined Normandy Mining Limited, working initially as a project geologist in the Eastern Goldfields and Murchison Greenstone Provinces and afterwards was responsible for the development and management of the GIS and administration of the exploration database.

Between 2004 and 2007, Ms Murphy provided contract geological services to a range of junior exploration companies. Ms Murphy joined Integra Mining Limited in 2007, initially as an administration geologist, and in 2010 the role was expanded to that of corporate geologist. In 2013 Ms Murphy joined Stavely Minerals as part of the management team to provide technical and geological expertise. Ms Murphy is a member of the Australian Institute of Geoscientists and has a broad range of geological experience ranging from exploration program planning and implementation, GIS and database management, business development, technical and statutory, and ASX reporting, as well as corporate research and analysis and investor liaison.

Ms Murphy is a member of the Company's Audit and Risk Committee.

*Other directorships of listed companies in the last three years: Nil.*

**Peter Ironside****B.Com, CA***Non Executive Director (appointed 23 May 2006)*

Mr Peter Ironside has a Bachelor of Commerce Degree and is a Chartered Accountant and business consultant with over 28 years experience in the exploration and mining industry. Mr Ironside has a significant level of accounting, financial compliance and corporate governance experience including corporate initiatives and capital raisings. Mr Ironside has been a Director and/or Company Secretary of several ASX listed companies including Integra Mining Limited and Extract Resources Limited (before \$2.18Bn takeover) and is currently a non-executive director of Zamanco Minerals Limited.

Mr Ironside is Chair of the Company's Audit and Risk Committee.

*Other directorships of listed companies in the last three years: Zamanco Minerals Limited (current) and Integra Mining Limited (until 1 January 2013).*

**COMPANY SECRETARY****Amanda Sparks****B.Bus, CA, F.Fin***Appointed 7 November 2013*

Ms Amanda Sparks is a Chartered Accountant with over 25 years of resources related financial experience, both with explorers and producers. Ms Sparks has extensive experience in financial management, corporate governance and compliance for listed companies.

### MEETINGS OF DIRECTORS

During the financial year, four meetings of directors were held. The number of meetings attended by each director during the year is as follows:

	Meetings Held	Meetings Attended
W Plyley	3	3
C Cairns	4	4
J Murphy	4	4
P Ironside	4	4

There were no Audit Committee meetings during the year ended June 2014. The first meeting was held subsequent to year end on 18 September 2014.

### DIRECTORS' INTERESTS IN SHARES AND OPTIONS

The following table sets out each director's relevant interest in shares and options in shares of the Company as at the date of this report.

Name of Director	Number of Shares (direct and indirect)	Number of Options at 27 cents, expiry 31/12/2017
W Plyley	20,000	1,000,000
C Cairns	14,687,419	5,032,258
J Murphy	3,407,097	1,561,290
P Ironside	29,677,419	5,032,258

### DIVIDENDS

No dividends were paid or declared during the year. The Directors do not recommend payment of a dividend.

### ENVIRONMENTAL ISSUES

The Company's environmental obligations are regulated by the laws of Australia. The Company has a policy to either meet or where possible, exceed its environmental obligations. No environmental breaches have been notified by any governmental agency as at the date of this report.

The Directors have considered compliance with the National Greenhouse and Energy Reporting Act 2007 which requires entities to report annual greenhouse gas emissions and energy use. The Directors have assessed that there are no current reporting requirements, but may be required to do so in the future.

### CORPORATE INFORMATION

#### Corporate Structure

Stavely Minerals Limited is a limited liability company that is incorporated and domiciled in Australia.

#### Principal Activity

The Company's principal activity was mineral exploration for the year ended 30 June 2014. There were no significant changes in the nature of the principal activities during the year.

#### Operations review

Refer to the Operations Review preceding this report.



**Summary of Financial Position, Asset Transactions and Corporate Activities**

A summary of key financial indicators for Stavely, with prior period comparison, is set out in the following table:

	Year 30 June 2014	Year 30 June 2013
	\$	\$
Cash and cash equivalents held at year end	4,216,717	34,427
Net profit/(loss) for the year after tax	(961,133)	(124,333)
Included in loss for the year:		
Equity-based payments	(284,404)	-
Interest expense	(72,548)	-
Basic profit/(loss) per share (cents) from continuing operations	(2.42)	(1.10)
Net cash (used in) operating activities	(388,448)	(404,968)
Net cash (used in) investing activities	(2,980,603)	(1,112,658)
Net cash from financing activities	7,551,341	1,550,015

During the year:

- On 31 July 2013, Stavely issued 2 million shares to raise \$200,000.
- On 13 March 2014, Stavely granted 12,000,000 options to its shareholders, with an exercise price of 27 cents and expiry date of 31/12/2017 (after cancelling previous options with a lower exercise price).
- On 28 April 2014, Stavely granted 2.4 million options to selected directors and consultants. These options have an exercise price of 27 cents and expiry date of 31/12/2017. Further details are provided in the notes to the financial statements (note 14). The value expensed in the accounts was \$284,404 (determined in accordance with a Blacks-Scholes option pricing model).
- On 29 April 2014, the Company issued 15,000,000 shares in satisfaction of the repayment of \$2,000,000 loan facility from Chaka Investments Pty Ltd, a company of which Mr Peter Ironside (Stavely Director) is the sole director and Mr Ironside's wife is shareholder. Further details are provided in the notes to the financial statements (note 16).
- Stavely successfully completed its IPO and listed on the ASX on 7 May 2014. Gross proceeds raised from the IPO were \$6,086,400 with costs of \$685,059.
- Expenditure on capitalised exploration assets was \$1,210,306 for the year.

**SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS**

Significant changes in the state of affairs of the Company during the financial year are detailed in the Operations Review and Financial Summary in this report.

**FUTURE DEVELOPMENTS**

The Company anticipates to continue its exploration activities and consider corporate transactions to ensure further development of its tenements.

**REMUNERATION REPORT (AUDITED)****A. INTRODUCTION**

This report details the nature and amount of remuneration for each Director and Executive of Stavely Minerals Limited. The information provided in the remuneration report includes remuneration disclosures that are audited as required by section 308(3C) of the Corporations Act 2001.

For the purposes of this report key management personnel of the Company are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company, directly or indirectly, including any Director (whether Executive or otherwise).

For the purposes of this report the term "Executive" includes those key management personnel who are not directors.

**Details of Key Management Personnel During the Year****Non-Executive Directors**

William Plyley	–	Non-executive Chairman (from 6 December 2013)
Peter Ironside	–	Director (from 23 May 2006)

**Executive Directors**

Christopher Cairns	–	Managing Director (from 23 May 2006)
Jennifer Murphy	–	Technical Director (from 8 March 2013)

**Other Key Management Personnel**

Amanda Sparks	–	Company Secretary (from 7 November 2013)
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**B. REMUNERATION GOVERNANCE**

The Board is responsible for ensuring that the Company's remuneration structures are aligned with the long-term interests of Stavely and its shareholders

Once the Board is of a sufficient size and structure, and the Company's operations are of a sufficient magnitude, to assist the Board in fulfilling its duties, the Board will establish a Remuneration Committee. Until that time, the Board has taken a view that the full Board will hold special meetings or sessions as required. The Board are confident that this process is stringent and full details of remuneration policies and payments are provided to shareholders in the annual report and on the web. The Board has adopted the following policies for Directors' and executives' remuneration.

**C. PRINCIPLES USED TO DETERMINE THE NATURE AND AMOUNT OF REMUNERATION****Remuneration Philosophy**

The performance of the Company depends upon the quality of its Directors and Executives. To prosper, the Company must attract, motivate and retain highly skilled Directors and Executives.

To this end, the Company embodies the following principles in its remuneration framework:

- provide competitive rewards to attract high calibre Executives;
- link Executive rewards to shareholder value; and
- establish appropriate, demanding performance hurdles in relation to variable Executive remuneration.

In accordance with best practice corporate governance, the structure of non-executive director and executive compensation is separate and distinct.

**Non-Executive directors' remuneration***Objective*

The Board seeks to set aggregate remuneration at a level which provides the Company with the ability to attract and retain Directors of the highest calibre, whilst incurring a cost which is acceptable to shareholders.

*Structure*

Non-executive Directors' fees are paid within an aggregate limit which is approved by the shareholders from time to time. Retirement payments, if any, are agreed to be determined in accordance with the rules set out in the Corporations Act as at the time of the Director's retirement or termination. Non-executive Directors' remuneration may include an incentive portion consisting of options, as considered appropriate by the Board, which may be subject to shareholder approval in accordance with ASX listing rules. The option incentive portion is targeted to add to shareholder value by having a strike price considerably greater than the market price at the time of granting.

The amount of aggregate remuneration sought to be approved by shareholders and the manner in which it is apportioned amongst Directors is reviewed annually. The Board considers the amount of Director fees being paid by comparable companies with similar responsibilities and the experience of the Non-executive Directors when undertaking the annual review process.

**Executive Director Remuneration***Objective*

The Company aims to reward Executives with a level and mix of remuneration commensurate with their position and responsibilities within the Company and so as to:

- reward Executives for company, and individual performance;
- ensure continued availability of experienced and effective management; and
- ensure total remuneration is competitive by market standards.

*Structure*

In determining the level and make-up of Executive remuneration, the Board negotiates a remuneration to reflect the market salary for a position and individual of comparable responsibility and experience. Remuneration is regularly compared with the external market by participation in industry salary surveys and during recruitment activities generally. If required, the Board may engage an external consultant to provide independent advice in the form of a written report detailing market levels of remuneration for comparable Executive roles.

Remuneration consists of a fixed remuneration and a long term incentive portion as considered appropriate.

*Fixed Remuneration - Objective*

The level of fixed remuneration is set so as to provide a base level of remuneration which is both appropriate to the position and is competitive in the market. Fixed remuneration is reviewed annually by the Board and the process consists of a review of Company and individual performance, and relevant comparative remuneration in the market. As noted above, the Board may engage an external consultant to provide independent advice.

*Fixed Remuneration - Structure*

The fixed remuneration is a base salary or monthly consulting fee.

*Variable Pay — Long Term Incentives - Objective*

The objective of long term incentives is to reward Executives in a manner which aligns this element of remuneration with the creation of shareholder wealth. The incentive portion is payable based upon attainment of objectives related to the Executive's job responsibilities. The objectives vary, but all are targeted to relate directly to the Company's business and financial performance and thus to shareholder value.

*Variable Pay — Long Term Incentives – Structure*

Long term incentives granted to Executives are delivered in the form of options. The option incentives granted are aimed to motivate Executives to pursue the long term growth and success of the Company within an appropriate control framework and demonstrate a clear relationship between key Executive performance and remuneration. Director options are granted at the discretion of the Board and approved by shareholders. Other key management employees

may be granted options. Performance hurdles are not attached to vesting periods; however the Board determines appropriate vesting periods to provide rewards over a period of time to key management personnel.

During the year, no performance related payments were made.

#### **D. SERVICE AGREEMENTS**

On appointment to the board, all non-executive directors enter into a service agreement with the Company in the form of a letter of appointment. The letter summarises the board policies and terms, including compensation, relevant to the office of director.

Remuneration and other terms of employment for the executive directors and the other key management personnel are also formalised in service agreements. The major provisions of the agreements relating to remuneration are set out below.

<b>Name</b>	<b>Term of agreement</b>	<b>Base annual salary exclusive of superannuation at 30/6/2014</b>	<b>Termination benefit</b>
<b>Directors</b>			
William Plyley	Commenced 22/1/2014. Ongoing, subject to re-elections	\$75,000	None
Christopher Cairns	Commenced 22/1/2014. No end date, subject to termination clauses	\$250,000	12 months
Jennifer Murphy	Commenced 22/1/2014. No end date, subject to termination clauses	\$150,000	12 months
Peter Ironside	Ongoing, subject to re-elections	\$30,000	None
<b>Company Secretary</b>			
Amanda Sparks	No formal agreement		

Fees for all directors commenced upon ASX listing on 7 May 2014.



# **E. REMUNERATION OF KEY MANAGEMENT PERSONNEL**

Details of the remuneration of each key management personnel of the Company, including their personally-related entities, during the year were as follows:

2014	Cash salary, directors fees, consulting fees and movement in leave provisions \$	Post Employment	Total Cash \$	Share Based	Total including share based payments \$	Remuneration consisting of options during the year %
		Superannuation \$		Options <sup>(1)</sup> \$		
<b>Directors</b>						
W Plyley <sup>(2)</sup>	11,313	1,046	12,359	118,500	130,859	90.6%
C Cairns	40,610	3,488	44,098	-	44,098	-
J Murphy	81,291	2,093	83,384	47,400	130,784	36.2%
P Ironside	4,525	-	4,525	-	4,525	-
<b>Other KMP</b>						
A Sparks <sup>(4)</sup>	23,175	-	23,175	88,876	112,051	79.3%
<b>TOTAL</b>	<b>160,914</b>	<b>6,627</b>	<b>167,541</b>	<b>254,776</b>	<b>422,317</b>	

<b>2013</b>						
<b>Directors</b>						
C Cairns	-	-	-	-	-	-
J Murphy <sup>(3)</sup>	25,185	-	25,185	-	-	-
P Ironside	-	-	-	-	-	-
<b>Other KMP</b>						
None						
<b>TOTAL</b>	<b>25,185</b>	<b>-</b>	<b>25,185</b>	<b>-</b>	<b>-</b>	

<sup>(1)</sup> Equity based payments – options. These represent the amount expensed in the year for options granted in the current year and/or in prior years.

<sup>(2)</sup> Appointed 6 December 2013.

<sup>(3)</sup> Appointed 8 March 2013.

<sup>(4)</sup> Appointed 7 November 2013.

There were no performance related payments made during the year. Performance hurdles are not attached to remuneration options; however the Board determines appropriate vesting periods to provide rewards over a period of time to key management personnel.

**F. SHARE-BASED COMPENSATION**

On 28 April 2014, the following options were granted as equity compensation benefits to Directors and other Key Management Personnel (2013: none). These options vested at grant date.

	Number of Options at 27 cents, expiry 31/12/2017	Value* per option at grant date \$
<b>Directors</b>		
W Plyley	1,000,000	0.1185
J Murphy	400,000	0.1185
<b>Other KMPs</b>		
A Sparks	750,000	0.1185

The options provided to William Plyley were granted to encourage share ownership in Stavely. The options provided to Jennifer Murphy and Amanda Sparks were granted as additional compensation for the services provided during 2013 and 2014.

\* Value at grant date has been calculated in accordance with AASB 2 *Share-based Payment*. Stavely used a Black Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and the expected volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option. Further details are in note 14 of the financial statements.

**Shares issued to Key Management Personnel on exercise of compensation options**

During the year to 30 June 2014, there were no compensation options exercised by Directors or other Key Management Personnel (2013: nil).

**G. EQUITY HOLDINGS AND MOVEMENTS DURING THE YEAR****(a) Shareholdings of Key Management Personnel**

30 June 2014	Balance at beginning of the year	Share split	Net change other	Balance at end of the year
<b>Directors</b>				
W Plyley	-	-	20,000	20,000
C Cairns	12,000,000	1,677,419	1,010,000	14,687,419
J Murphy	3,000,000	387,097	20,000	3,407,097
P Ironside	12,000,000	1,677,419	16,000,000	29,677,419
<b>Other KMP</b>				
A Sparks	-	-	250,000	250,000
	27,000,000	3,741,935	17,300,000	48,041,935

All equity transactions with Key Management Personnel other than those arising from the exercise of remuneration options have been entered into under terms and conditions no more favourable than those the entity would have adopted if dealing at arms-length.

**(b) Option holdings of Key Management Personnel**

30 June 2014	Balance at beginning of the year	Granted as remuneration	Granted as shareholder options	Balance at end of the year	Not Exercisable*	Exercisable
<b>Directors</b>						
W Plyley	-	1,000,000	-	1,000,000	1,000,000	-
C Cairns	-	-	5,032,258	5,032,258	5,032,258	-
J Murphy	-	400,000	1,161,290	1,561,290	1,561,290	-
P Ironside	-	-	5,032,258	5,032,258	5,032,258	-
<b>Other KMP</b>						
A Sparks	-	750,000	-	750,000	-	750,000
	-	2,150,000	11,225,806	13,375,806	12,625,806	750,000

\* Escrowed for 24 Months until 7 May 2016.

**H. OTHER TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL**

In the prior year, the Company entered into a loan facility with Chaka Investments Pty Ltd, a company associated with director Mr Peter Ironside. The facility was for an amount of \$2,500,000 with interest at 7%. Interest and the principal were to be repaid by 30 June 2014. During the year, drawdowns of \$2,050,000 were made. In April 2014, the Company issued 15,000,000 shares in satisfaction of the repayment of \$2,000,000 loan facility from Chaka Investments Pty Ltd, a company of which Mr Peter Ironside (Stavely Director) is the sole director and Mr Ironside's wife is shareholder. The remaining \$50,000 was repaid in cash on 14 May 2014. Interest paid on these loans of \$72,301 was paid on 30 June 2014.

During the year, cash advances were made by Mr Christopher Cairns to Stavely totalling \$50,000. These advances were repaid by the Company on 14 May 2014. Ironside Pty Ltd, a company of which Mr Peter Ironside is a director and shareholder, made advances totalling \$255,000 during the year to the Company. The Company repaid these advances during the year.

No loans or advances from related parties were outstanding at year end (2013: \$50,000).

Mr Peter Ironside, Director, is a shareholder and director of Ironside Pty Ltd. During the year an amount of \$200,162 (net of GST) was paid to Ironside Pty Ltd for reimbursement of office rental, server costs and other expenses.

**I. USE OF REMUNERATION CONSULTANTS**

No remuneration consultants were engaged by Stavely during the year.

**End of Audited Remuneration Report.****INDEMNIFICATION AND INSURANCE OF OFFICERS**

The Company has paid a premium to insure the Directors and Officers of the Company and its controlled entities. Details of the premium are subject to a confidentiality clause under the contract of insurance.

The liabilities insured are costs and expenses that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of entities in the Company.

**SHARES UNDER OPTION**

Unissued ordinary shares of the Company under option at the date of this report are as follows:

	<b>Number</b>	<b>Issue Price of Shares</b>	<b>Expiry Date</b>
Unlisted Options	14,400,000	27 cents	31/12/2017

No option holder has any right under the options to participate in any other share issue of the Company or any other related entity.

No share options were exercised by employees or Key Management Personnel during the year.

**SUBSEQUENT EVENTS**

There are no matters or circumstances that have arisen since 30 June 2014 that have or may significantly affect the operations, results, or state of affairs of the Company in future financial years.

**CORPORATE GOVERNANCE**

In recognising the need for the highest standards of corporate behaviour and accountability, the Directors of Stavely Minerals Limited support and adhere to the principles of corporate governance. The Company's Corporate Governance Statement is contained in this annual report.

**AUDIT INDEPENDENCE AND NON-AUDIT SERVICES****Auditors' independence - section 307C**

The Auditor's Independence Declaration is included in the next page of this report.

**Non-Audit Services**

The following non-audit services were provided by the entity's auditor, BDO. The Directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act. The nature and scope of each type of non-audit service provided means that auditor independence was not compromised. BDO received, or are due to receive, the following amounts for the provision of non-audit services:

	<b>2014</b>	<b>2013</b>
Taxation and Corporate advice services	\$18,956	-

Signed in accordance with a resolution of the Directors.



Christopher Cairns  
Managing Director

Dated this 22<sup>nd</sup> day of September 2014





Tel: +61 8 6382 4600  
Fax: +61 8 6382 4601  
www.bdo.com.au

38 Station Street  
Subiaco, WA 6008  
PO Box 700 West Perth WA 6872  
Australia

**DECLARATION OF INDEPENDENCE BY GLYN O'BRIEN TO THE DIRECTORS OF STAVELY MINERALS LIMITED**

As lead auditor of Stavely Minerals Limited for the year ended 30 June 2014, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

A handwritten signature in blue ink, appearing to read 'Glyn O'Brien', is written over a faint, light blue circular stamp.

**Glyn O'Brien**

Director

**BDO Audit (WA) Pty Ltd**  
Perth, 22 September 2014

This statement outlines the main corporate governance practices that were formally in place from 16 January 2014 onwards. These corporate governance practices comply with the ASX Corporate Governance Council recommendations unless otherwise stated.

#### **BOARD OF DIRECTORS**

The Board operates in accordance with the broad principles set out in its charter, which is available from the corporate governance information section of the Company website at [www.stavely.com.au](http://www.stavely.com.au).

#### **ROLE AND RESPONSIBILITIES OF THE BOARD**

The Board is responsible for ensuring that the Company is managed in a manner which protects and enhances the interests of its shareholders and takes into account the interests of all stakeholders. This includes setting the strategic directions for the company, establishing goals for management and monitoring the achievement of these goals.

A summary of the key responsibilities of the Board include:

1. **Strategy** - Providing strategic guidance to the Company, including contributing to the development of and approving the corporate strategy;
2. **Financial performance** - Approving budgets, monitoring management and financial performance;
3. **Financial reporting and audits** - Monitoring financial performance including approval of the annual and half-year financial reports and liaison with the external auditors;
4. **Leadership selection and performance** - Appointment, performance assessment and removal of the Managing Director. Ratifying the appointment and/or removal of other senior management, including the Company Secretary and other Board members;
5. **Remuneration** - Management of the remuneration and reward systems and structures for Executive management and staff;
6. **Risk management** - Ensuring that appropriate risk management systems and internal controls are in place; and
7. **Relationships with the exchanges, regulators and continuous disclosure** - Ensuring that the capital markets are kept informed of all relevant and material matters and ensuring effective communications with shareholders.

The Board has delegated to management responsibility for:

- Strategies - Assisting in developing and implementing corporate strategies and making recommendations where necessary;
- Leadership selection and performance - Appointing management where applicable and setting terms of appointment and evaluating performance;
- Budgets - Developing the annual budget and managing day-to-day operations within budget;
- Risk Management - Maintaining risk management frameworks; and
- Communication - Keeping the Board and market informed of material events.

#### **COMPOSITION OF THE BOARD**

The names, skills, experiences and period of office of the Directors of the Company in office at the date of this Statement are set out in the Director's Report.

The composition of the Board is determined using the following principles:

- Persons nominated as Non-executive Directors shall be expected to have qualifications, experience and expertise of benefit to the Company and to bring an independent view to the Board's deliberations. Persons nominated as Executive Directors must be of sufficient stature and security of employment to express independent views on any matter.

- The Chairperson should ideally be independent, but in any case be Non-executive and be elected by the Board based on his/her suitability for the position.
- The roles of Chairperson and Managing Director should not be held by the same individual.
- All Non-executive Directors are expected voluntarily to review their membership of the Board from time-to-time taking into account length of service, age, qualifications and expertise relevant to the Company's then current policy and programme, together with the other criteria considered desirable for composition of a balanced board and the overall interests of the Company.
- The Company considers that the Board should have at least three Directors (minimum required under the Company's Constitution) and to have a majority of independent Directors but acknowledges that this may not be possible at all times due to the size of the Company. Currently the Board has four Directors, with only Mr William Plyley as independent. The number of Directors is maintained at a level which will enable effective spreading of workload and efficient decision making.

The Board has accepted the following definition of an independent Director:

An independent Director is a Director who is not a member of management (a Non-executive Director) and who:

- holds less than 5% of the voting shares of the Company and is not an officer of, or otherwise associated directly or indirectly with, a shareholder of more than 5% of the voting shares of the Company;
- within the last three years has not been employed in an executive capacity by the Company or another group member, or been a Director after ceasing to hold any such employment;
- within the last three years has not been a principal of a material professional adviser or a material consultant to the Company or another group member, or an employee materially associated with the service provided;
- is not a material supplier or customer of the Company or other group member, or an officer of or otherwise associated directly or indirectly with a material supplier or customer;
- has no material contractual relationship with the Company or another group member other than as a Director of the Company;
- has not served on the board for a period which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of the Company; and
- is free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of the Company.

The materiality thresholds are assessed on a case-by-case basis, taking into account the relevant Director's specific circumstances, rather than referring to a general materiality threshold.

#### **INDEPENDENT PROFESSIONAL ADVICE AND ACCESS TO COMPANY INFORMATION**

Each Director has the right of access to all relevant Company information and to the Company's Executives and, subject to prior consultation with the Chairperson, may seek independent professional advice at the Company's expense. A copy of advice received by the Director is made available to all other members of the Board.

#### **NOMINATION COMMITTEE / APPOINTMENT OF NEW DIRECTORS**

Because of the size of the Company and the size of the Board, the Directors do not believe it is appropriate to establish a separate Nomination Committee. The Board has taken a view that the full Board will hold special meetings or sessions as required. The Board are confident that this process for selection and review is stringent and full details of all Directors are provided to shareholders in the annual report and on the web.

The composition of the Board is reviewed on an annual basis to ensure the Board has the appropriate mix of expertise and experience. Where a vacancy exists, through whatever cause, or where it is considered that the Board would benefit from the services of a new Director with particular skills, the Board determines the selection criteria for the position based on the skills deemed necessary for the Board to best carry out its responsibilities and then appoints the most suitable candidate who must stand for election at the next general meeting of shareholders.

**TERM OF OFFICE**

Under the Company's Constitution, the minimum number of Directors is three. At each Annual General Meeting, one third of the Directors (excluding the Managing Director) must resign, with Directors resigning by rotation based on the date of their appointment. Directors resigning by rotation may offer themselves for re-election.

**PERFORMANCE OF DIRECTORS AND MANAGING DIRECTOR**

The performance of all Directors, the Board as a whole and the Managing Director is reviewed annually.

The Board meets once a year with the specific purpose of conducting a review of its composition and performance. This review includes:

- Determining the appropriate balance of skills and experience required to suit the Company's current and future strategies;
- Comparing the requirements above against the skills and experience of current Directors and Executives;
- Assessing the independence of each Director;
- Measuring the contribution and performance of each Director;
- Assessing any education requirements or opportunities; and
- Recommending any changes to Board procedures, Committees or the Board composition.

A review will be undertaken in 2015.

**PERFORMANCE OF SENIOR EXECUTIVES**

The Board meets at least annually to review the performance of senior Executives, considerations include the following:

- The performance of the senior Executive in supplying the Board with information in a form, timeframe and quality that enables the Board to effectively discharge its duties;
- Feedback from other senior Executives; and
- Any particular concerns regarding the senior Executive.

A review of any senior executives will be undertaken in 2015.

**CONFLICT OF INTEREST**

In accordance with the Corporations Act 2001 and the Company's constitution, Directors must keep the Board advised, on an ongoing basis, of any interest that could potentially conflict with those of the Company. Where the Board believes a significant conflict exists, the Director concerned does not receive the relevant Board papers and is not present at the Board meeting whilst the item is considered. Details of Directors related entity transactions with the Company are set out in the related parties note in the financial statements.

**DIVERSITY**

Stavely recognises the benefits arising from employee and Board diversity, including a broader pool of high quality employees, improving employee retention, accessing different perspectives and ideas and benefiting from all available talent.

Diversity includes, but is not limited to, gender, age, ethnicity and cultural background.

Stavely's Diversity Policy defines the initiatives which assist Stavely with maintaining and improving the diversity of its workforce. In accordance with this policy and ASX Corporate Governance Principles, the Board has established the following objectives in relation to gender diversity.



## Proportion of Women

	Actual	Objective
Organisation as a whole	57%	40%
Executive Management Team	67%	40%
Board and Company Secretary	40%	40%

**REMUNERATION**

The performance of the Company depends upon the quality of its Directors and Executives. To prosper, the Company must attract, motivate and retain highly skilled Directors and Executives.

To this end, the Company embodies the following principles in its remuneration framework:

- Provide competitive rewards to attract high calibre Executives;
- Link Executive rewards to shareholder value; and
- Establish appropriate performance hurdles in relation to variable Executive remuneration.

A full discussion of the Company's remuneration philosophy and framework and the remuneration received by Directors and Executives in the current year is included in the remuneration report, which is contained within the Report of the Directors.

There are no schemes for retirement benefits for Non-executive Directors, other than superannuation.

**BOARD REMUNERATION COMMITTEE**

Once the Board is of a sufficient size and structure, and the Company's operations are of a sufficient magnitude, to assist the Board in fulfilling its duties, the Board will establish a Remuneration Committee. Until that time, the Board has taken a view that the full Board will hold special meetings or sessions as required. The Board are confident that this process is stringent and full details of remuneration policies and payments are provided to shareholders in the annual report and on the web.

**RISK OVERSIGHT AND MANAGEMENT**

The Board is responsible for ensuring there are adequate policies in relation to risk management, compliance and internal control systems. In summary, the Company policies are designed to ensure strategic, operational, legal, reputation and financial risks are identified, assessed, effectively and efficiently managed and monitored to enable achievement of the Company's business objectives.

A summary of Stavely's Risk Management review procedures can be found in the corporate governance information section of the Company website at [www.stavely.com.au](http://www.stavely.com.au).

Considerable importance is placed on maintaining a strong control environment. The Board actively promotes a culture of quality and integrity.

Control procedures cover management accounting, financial reporting, compliance and other risk management issues.

The Board encourages management accountability for the Company's financial reports by ensuring ongoing financial reporting during the year to the Board. Six-monthly, the Financial Controller (or equivalent) and the Managing Director are required to state in writing to the Board that in all material respects:

Declaration required under s295A of the Corporations Act 2001 -

- the financial records of the Company for the financial period have been properly maintained;
- the financial statements and notes comply with the accounting standards;
- the financial statements and notes for the financial year give a true and fair view; and
- any other matters that are prescribed by the Corporations Act regulations as they relate to the financial statements and notes for the financial year are satisfied.

Additional declaration required as part of corporate governance -

- the risk management and internal compliance and control systems in relation to financial risks are sound, appropriate and operating efficiently and effectively.

These declarations were received for the June 2014 financial year.

#### **AUDIT COMMITTEE**

The Audit and Risk Committee consists of the following directors:

- Mr Peter Ironside (non-executive director). Chairman of the Committee. Appointed 16 January 2014.
- Ms Jennifer Murphy (technical executive director). Appointed 16 January 2014.
- Mr William Plyley (non-executive director). Appointed 16 January 2014.

Full details of the qualifications of the Committee members can be found in the Report of the Directors.

The Committee held no meetings during the year ended June 2014. The first meeting was held subsequent to year end on 18 September 2014.

#### **CODE OF CONDUCT**

The Company has developed a Code of Conduct (the Code) which has been fully endorsed by the Board and applies to all directors and employees. The Code is regularly reviewed and updated as necessary to ensure it reflects the highest standards of behaviour and professionalism and the practices necessary to maintain confidence in the Company's integrity.

The Code of Conduct embraces the values of:

- Integrity
- Excellence
- Commercial Discipline

The Board encourages all stakeholders to report unlawful/unethical behaviour and actively promotes ethical behaviour and protection for those who report potential violations in good faith.

#### **TRADING IN STAVELY SECURITIES BY DIRECTORS, OFFICERS AND EMPLOYEES**

The Board has adopted a specific policy in relation to Directors and officers, employees and other potential insiders buying and selling shares.

Directors, officers, consultants, management and other employees are prohibited from trading in the Company's shares, options and other securities if they are in possession of price-sensitive information.

The Company's Security Trading Policy is provided to each new employee as part of their induction training. Stavelly personnel must receive written approval prior to any dealing in Stavelly securities.

The Directors are satisfied that the Company has complied with its policies on ethical standards, including trading in securities.

**CONTINUOUS DISCLOSURE**

The Board has a Market Disclosure Policy to ensure the compliance of the Company with the various laws and ASX Listing Rule obligations in relation to disclosure of information to the market. The Managing Director is responsible for ensuring that all employees are familiar with and comply with the policy.

Stavely is committed to:

- (a) ensuring that shareholders and the market are provided with timely and balanced information about its activities;
- (b) complying with the general and continuous disclosure principles contained in the ASX Limited ("ASX") Listing Rules and the Corporations Act 2001; and
- (c) ensuring that all market participants have equal opportunities to receive externally available information issued by Stavely.

**SHAREHOLDER COMMUNICATIONS STRATEGY**

The Company places significant importance on effective communication with shareholders.

Information is communicated to shareholders through the annual and half yearly financial reports, quarterly reports on activities, announcements through the Australian Stock Exchange and the media, on the Company's web site and through the Chairman's address at the annual general meeting.

In addition, news announcements and other information are sent by email to all persons who have requested their name to be added to the email list. If requested, the Company will provide general information by email.

The Company will, wherever practicable, take advantage of new technologies that provide greater opportunities for more effective communications with shareholders.

**COMPANY WEBSITE**

Stavely has made available details of all its corporate governance principles, which can be found in the corporate governance information section of the Company website at [www.stavely.com.au](http://www.stavely.com.au).

1. In the opinion of the directors:
  - a) The financial statements and notes are in accordance with the Corporations Act 2001, including:
    - i) giving a true and fair view of the Company's financial position as at 30 June 2014 and of its performance for the year then ended; and
    - ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and
    - iii) complying with International Financial Reporting Standards (IFRS) as stated in note 1 of the financial statements; and
  - b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
2. This declaration has been made after receiving the declarations required to be made to the directors in accordance with Section 295A of the Corporations Act 2001 for the financial year ended 30 June 2014.

This declaration is signed in accordance with a resolution of the Board of Directors.



Christopher Cairns  
Managing Director

Dated this 22<sup>nd</sup> day of September 2014

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
FOR THE YEAR ENDED 30 JUNE 2014

		Year ended 30 June 2014	Year ended 30 June 2013
	Note	\$	\$
<b>Revenue and Income</b>			
Interest revenue		22,594	42
<b>Expenses</b>			
Administration and corporate expenses	2(a)	(553,187)	(109,483)
Administration – equity based expenses	13	(284,404)	-
Exploration expensed	2(b)	(73,588)	(14,892)
Finance costs	2(c)	(72,548)	-
Total expenses		(983,727)	(124,375)
<b>Profit/(loss) before income tax</b>		<b>(961,133)</b>	<b>(124,333)</b>
Income tax expense	3	-	-
<b>Profit/(loss) after income tax attributable to members of Stavely Minerals Limited</b>		<b>(961,133)</b>	<b>(124,333)</b>
<b>Other comprehensive income/(loss)</b>			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Other		-	-
<b>Other comprehensive income/(loss) for the year, net of tax</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive profit/(loss) for the year</b>		<b>(961,133)</b>	<b>(124,333)</b>
<b>Loss per share for the year attributable to the members of Stavely Minerals Limited</b>		<b>Cents Per Share</b>	<b>Cents Per Share</b>
Basic earnings/(loss) per share	4	(2.42)	(1.10)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.



**BALANCE SHEET**  
AS AT 30 JUNE 2014

	Note	30 June 2014 \$	30 June 2013 \$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	5	4,216,717	34,427
Other receivables	6	150,857	310,491
<b>Total Current Assets</b>		<b>4,367,574</b>	<b>344,918</b>
<b>Non-Current Assets</b>			
Receivables	6	30,000	30,000
Property, plant and equipment	7	87,441	647
Deferred exploration expenditure	8	4,369,822	3,159,516
<b>Total Non-Current Assets</b>		<b>4,487,263</b>	<b>3,190,163</b>
<b>Total Assets</b>		<b>8,854,837</b>	<b>3,535,081</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and other payables	9	548,089	2,107,587
Other payables – advances from related parties	10	-	50,000
Provisions	11	4,642	-
<b>Total Current Liabilities</b>		<b>552,731</b>	<b>2,157,587</b>
<b>Total Liabilities</b>		<b>552,731</b>	<b>2,157,587</b>
<b>Net Assets</b>		<b>8,302,106</b>	<b>1,377,494</b>
<b>Equity</b>			
Issued capital	12	9,101,363	1,500,022
Reserves	13	284,404	-
Accumulated losses		(1,083,661)	(122,528)
<b>Total Equity</b>		<b>8,302,106</b>	<b>1,377,494</b>

The above statement of financial position should be read in conjunction with the accompanying notes.

**STATEMENT OF CHANGES IN EQUITY**  
FOR THE YEAR ENDED 30 JUNE 2014

	Issued Capital \$	Reserves \$	Accumulated Losses \$	Total Equity \$
<b>At 1 July 2012</b>	<b>8</b>	-	<b>1,805</b>	<b>1,813</b>
Profit/(loss) for the year	-	-	(124,333)	(124,333)
Other comprehensive income/(loss)	-	-	-	-
<b>Total comprehensive loss for the year, net of tax</b>	-	-	(124,333)	(124,333)
<b>Transactions with owners in their capacity as owners:</b>				
Issue of share capital	1,500,014	-	-	1,500,014
<b>As at 30 June 2013</b>	<b>1,500,022</b>	-	<b>(122,528)</b>	<b>1,377,494</b>
<b>At 1 July 2013</b>	<b>1,500,022</b>	-	<b>(122,528)</b>	<b>1,377,494</b>
Profit/(loss) for the year	-	-	(961,133)	(961,133)
Other comprehensive income/(loss)	-	-	-	-
<b>Total comprehensive loss for the year, net of tax</b>	-	-	(961,133)	(961,133)
<b>Transactions with owners in their capacity as owners:</b>				
Issue of share capital	8,286,400	-	-	8,286,400
Cost of issue of share capital	(685,059)	-	-	(685,059)
Share based payments	-	284,404	-	284,404
	7,601,341	284,404	-	7,885,745
<b>As at 30 June 2014</b>	<b>9,101,363</b>	<b>284,404</b>	<b>(1,083,661)</b>	<b>8,302,106</b>

The above statement of changes in equity should be read in conjunction with the accompanying notes.

**STATEMENT OF CASH FLOWS**  
FOR THE YEAR ENDED 30 JUNE 2014

		Year ended 30 June 2014	Year ended 30 June 2013
	Note	\$	\$
<b>Cash flows from operating activities</b>			
Receipts in the ordinary course of activities (mostly GST)		385,652	-
Payments to suppliers and employees		(724,146)	(405,010)
Interest received		22,594	42
Interest paid		(72,548)	-
<b>Net cash flows used in operating activities</b>	5(i)	<u>(388,448)</u>	<u>(404,968)</u>
<b>Cash flows from investing activities</b>			
Payments for plant and equipment		(102,225)	(647)
Payments for exploration expenditure capitalised		(2,878,378)	(1,082,011)
Payments for bonds		-	(30,000)
<b>Net cash flows used in investing activities</b>		<u>(2,980,603)</u>	<u>(1,112,658)</u>
<b>Cash flows from financing activities</b>			
Proceeds from issue of shares and options		6,286,400	1,500,014
Payment of share issue costs		(685,059)	-
Advances / loans from related parties		2,355,000	50,000
Repayment of advances / loans from related parties		(405,000)	-
<b>Net cash flows from financing activities</b>		<u>7,551,341</u>	<u>1,550,014</u>
<b>Net increase/(decrease) in cash and cash equivalents held</b>		4,182,290	32,388
Add opening cash and cash equivalents brought forward		34,427	2,039
<b>Closing cash and cash equivalents carried forward</b>	5	<u><b>4,216,717</b></u>	<u><b>34,427</b></u>

The above statement of cashflows should be read in conjunction with the accompanying notes.

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**(a) Basis of Preparation**

These financial statements are general purpose financial statements, which have been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. The financial report has also been prepared on a historical cost basis.

The financial report is presented in Australian dollars, which is the Company's functional and presentation currency.

Stavely Minerals Limited is a for-profit entity for the purpose of preparing the financial statements.

The annual report of Stavely Minerals Limited for the year ended 30 June 2014 was authorised for issue in accordance with a resolution of the Directors on 22 September 2014.

**(b) Statement of Compliance**

These financial statements comply with Australian Accounting Standards and International Financial Reporting Standards (IFRS).

**(c) Adoption of new and revised standards**

**Early adoption of accounting standards**

The Company has not elected to apply any pronouncements before their operative date in the annual reporting year beginning 1 July 2014.

**New and amended standards adopted by the Company**

None of the new standards and amendments to standards that are mandatory for the first time for the financial year beginning 1 July 2013 affected any of the amounts recognised in the current year or any prior period and are not likely to affect future periods.

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2014 reporting year. The Company's assessment of the impact of these new standards and interpretations that may have an impact on the Company is set out below:

**AASB 9 Financial Instruments (effective from 1 January 2015)**

AASB 9 includes requirements for the classification and measurement of financial assets. There is no material impact for Stavely. This standard is not applicable until the financial year commencing 1 July 2017.

**(d) Significant accounting estimates and judgments**

***Significant accounting judgments***

In the process of applying the Company's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements.

***Exploration assets***

The Company's accounting policy for exploration expenditure is set out at Note 1(i). The application of this policy necessarily requires management to make certain estimates and assumptions as to future events and circumstances. Any such estimates and assumptions may change as new information becomes available. If, after having capitalised expenditure under the policy, it is concluded that the expenditures are unlikely to be recovered by future exploitation or sale, then the relevant capitalised amount will be written off to the income statement.

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued**

***Significant accounting estimates and assumptions***

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting year are:

***Impairment of assets***

In determining the recoverable amount of assets, in the absence of quoted market prices, estimations are made regarding the present value of future cash flows using asset-specific discount rates and the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

***Share-based payment transactions***

The Company measures the cost of equity-settled transactions by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using a Black-Scholes model.

***Commitments - Exploration***

The Company has certain minimum exploration commitments to maintain its right of tenure to exploration permits. These commitments require estimates of the cost to perform exploration work required under these permits.

**(e) Cash and cash equivalents**

Cash comprises cash at bank and in hand. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purposes of the Cash Flow Statement, cash and cash equivalents consist of cash and cash equivalents as described above, net of outstanding bank overdrafts.

**(f) Trade and other receivables**

Receivables are initially recognised at fair value and subsequently measured at amortised cost, less provision for doubtful debts. Current receivables for GST are due for settlement within 30 days and other current receivables within 12 months. Cash on deposit is not due for settlement until rights of tenure are forfeited or performance obligations are met.

**(g) Impairment of financial assets**

The Company assesses at each balance sheet date whether a financial asset or Company of financial assets is impaired. If there is objective evidence that an impairment loss on loans and receivables carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced either directly or through use of an allowance account. The amount of the loss is recognised in profit or loss.

**(h) Property, plant and equipment**

Property, plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses. Depreciation is calculated on a straight-line basis over the estimated useful life of the assets as follows:

Plant and equipment - 2 to 5 years  
Motor vehicles - 2 to 5 years

The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year end.

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued**

*Disposal*

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

**(i) Exploration and evaluation expenditure**

Costs related to the acquisition of properties that contain resources and costs incurred for ongoing exploration and evaluation activities are allocated separately to specific areas of interest. These costs are capitalised until the viability of the area of interest is determined. Any exploration costs that cannot be allocated to a specific area of interest are expensed as incurred.

Exploration and evaluation expenditure is stated at cost and is accumulated in respect of each identifiable area of interest.

Such costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area of interest (or alternatively by its sale), or where activities in the area have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active operations are continuing. Accumulated costs in relation to an abandoned area are written off to the income statement in the period in which the decision to abandon the area is made.

The Directors review the carrying value of each area of interest as at the balance date and any exploration expenditure which no longer satisfies the above policy is written off.

Once an area of interest enters the development phase, all capitalised acquisition, exploration and evaluation expenditures will be transferred to mineral development or oil and gas properties, as appropriate.

**(j) Impairment of non-financial assets**

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. Where an indicator of impairment exists, the Company makes a formal estimate of recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount.

Recoverable amount is the greater of fair value less costs to sell and value in use. It is determined for an individual asset, unless the asset's value in use cannot be estimated to be close to its fair value less costs to sell and it does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years.



**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued**

**(k) Other financial assets**

Financial assets in the scope of AASB 139 *Financial Instruments: Recognition and Measurement* are classified as either financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, or available-for-sale investments, as appropriate. When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transactions costs. The Company determines the classification of its financial assets after initial recognition and, when allowed and appropriate, re-evaluates this designation at each financial year-end.

All regular way purchases and sales of financial assets are recognised on the trade date, i.e. the date that the Company commits to purchase the asset. Regular way purchases or sales are purchases or sales of financial assets under contracts that require delivery of the assets within the period established generally by regulation or convention in the marketplace.

*(i) Financial assets at fair value through profit or loss*

Financial assets classified as held for trading are included in the category 'financial assets at fair value through profit or loss'. Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term. Gains or losses on investments held for trading are recognised in profit or loss. The fair values of quoted investments are based on last trade prices. If the market for financial assets is not active (and for unlisted securities), the Company establishes fair value by using valuation techniques.

*(ii) Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

**(l) Trade and other payables**

Trade payables and other payables are carried at amortised costs and represent liabilities for goods and services provided to the Company prior to the end of the financial year that are unpaid and arise when the Company becomes obliged to make future payments in respect of the purchase of these goods and services.

**(m) Provisions**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

**(n) Employee leave benefits**

*(i) Wages, salaries and, annual leave*

Liabilities for wages and salaries, including non-monetary benefits and annual leave and expected to be settled wholly within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled.

*(ii) Other long-term employee benefit obligations*

The liability for long service leave and annual leave not expected to be settled wholly within 12 months of the reporting date are recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures, and period of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows. The obligations are presented as current liabilities if the Company does not have an unconditional right to defer settlement for at least 12 months of the reporting date, regardless of when actual settlement is expected to occur.

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued**

**(o) Issued capital**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

**(p) Leases**

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

**(q) Revenue recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Interest revenue is recognised as it accrues, taking into account the effective yield on the financial asset.

**(r) Share-based payment transactions**

*Equity settled transactions:*

The Company provides benefits to executive directors, employees and consultants of the Company in the form of share-based payments, whereby those individuals render services in exchange for shares or rights over shares (equity-settled transactions).

When provided, the cost of these equity-settled transactions with these individuals is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value of options is determined using a Black-Scholes model.

In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of Stavely Minerals Limited (market conditions) if applicable.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant individuals become fully entitled to the award (the vesting date).

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects:

- (i) the grant date fair value of the award;
- (ii) the extent to which the vesting period has expired; and
- (iii) the number of awards that, in the opinion of the Directors of the Company, will ultimately vest taking into account such factors as the likelihood of non-market performance conditions being met.

This opinion is formed based on the best available information at balance date.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is only conditional upon a market condition.

If an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. If an equity-settled award is forfeited, any expense previously recognised for the award is reversed. However, if a new award is substituted for a cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued**

**(s) Income tax**

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

Deferred income tax is provided on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except:

- when the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint operations, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint operations, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in profit or loss.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income legislation and the anticipation that the Company will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued**

**(t) Other taxes**

Revenues, expenses and assets are recognised net of the amount of GST except:

- when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet. Cash flows are included in the Cash Flow Statement on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority, are classified as operating cash flows. Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

**(u) Borrowing Costs**

Borrowing costs are expensed in the period in which they are incurred except borrowing costs that are directly attributable to the acquisition, construction, or production of a qualifying asset that necessarily takes a substantial period to get ready for its intended use or sale. In this case, borrowing costs are capitalised as part of the cost of such a qualifying asset.

**(v) Earnings per share**

Basic earnings per share is calculated as net profit attributable to members of the parent, adjusted to exclude any costs of servicing equity (other than dividends), divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings per share is calculated as net profit attributable to members of the parent, adjusted for:

- costs of servicing equity (other than dividends);
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares; divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

**(w) Segment reporting**

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity), whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available. This includes start up operations which are yet to earn revenues. Management will also consider other factors in determining operating segments such as the existence of a line manager and the level of segment information presented to the board of Directors.

Operating segments have been identified based on the information provided to the chief operating decision makers – being the executive management team.

The Company aggregates two or more operating segments when they have similar economic characteristics, and the segments are similar in each of the following respects:

- Nature of the products and services,
- Type or class of customer for the products and services,
- Methods used to distribute the products or provide the services, and if applicable
- Nature of the regulatory environment.

Operating segments that meet the quantitative criteria as prescribed by AASB 8 are reported separately. However, an operating segment that does not meet the quantitative criteria is still reported separately where information about the segment would be useful to users of the Financial Statements.

	Year ended 30 June 2014	Year ended 30 June 2013
	\$	\$
<b>NOTE 2 - EXPENSES</b>		
<b>(a) Administration and Corporate Expenses</b>		
Administration and corporate expenses include:		
Depreciation - administration	699	-
Operating lease rental expense	164,177	22,639
Other administration and corporate expenses	388,311	86,844
	<u>553,187</u>	<u>109,483</u>
<b>(b) Exploration Costs Expensed</b>		
Exploration costs expensed include:		
Depreciation - exploration	14,732	-
Other exploration costs expensed	58,856	14,892
	<u>73,588</u>	<u>14,892</u>
<b>(c) Finance Costs</b>		
Interest paid to related parties – refer note 16	72,301	-
Other	247	-
	<u>72,548</u>	<u>-</u>

**NOTE 3 - INCOME TAX EXPENSE**

**(a) Income Tax Expense**

The reconciliation between tax expense and the product of accounting profit/(loss) before income tax multiplied by the Company's applicable income tax rate is as follows:

Profit/(loss) for year	(961,133)	(124,333)
Prima facie income tax (benefit) @ 30%	(288,340)	(37,300)
Tax effect of non-deductible items	97,321	1,307
Other items	-	(261)
Net deferred tax assets not brought to account	191,019	36,254
Income tax attributable to operating loss	<u>-</u>	<u>-</u>

**(b) Net deferred tax assets not recognised relate to the following:**

DTA - Tax losses	1,538,219	984,109
DTL - Other Timing Differences	(1,310,946)	(947,855)
	<u>227,273</u>	<u>36,254</u>

These deferred tax assets have not been brought to account as it is not probable that tax profits will be available against which deductible temporary differences can be utilised.

**(c) Franking Credits**

The franking account balance at year end was \$nil (2013: \$nil).

	Year ended 30 June 2014	Year ended 30 June 2013
	\$	\$
<b>NOTE 4 - EARNINGS PER SHARE</b>		
	Cents	Cents
Basic earnings/(loss) per share	(2.42)	(1.10)
	\$	\$
Profit/(loss) attributable to ordinary equity holders of the Company used in calculating:		
- basic loss per share	(961,133)	(124,333)
	Number of shares	Number of shares
Weighted average number of ordinary shares outstanding during the year used in the calculation of basic earnings per share	39,663,978	11,339,726

For the year ended 30 June 2014, diluted earnings per share was not disclosed because potential ordinary shares, being options granted, are not dilutive and their conversion to ordinary shares would not demonstrate an inferior view of the earnings performance of the Company.

**NOTE 5 - CASH AND CASH EQUIVALENTS**

Cash at bank and on hand	4,216,717	34,427
<b>(i) Reconciliation of loss for the period to net cash flows used in operating activities</b>		
Profit/(loss) after income tax	(961,133)	(124,333)
Non-Cash Items:		
Depreciation	15,431	-
Share-based payments expensed - options	284,404	-
Change in assets and liabilities:		
(Increase)/decrease in receivables	170,444	(299,681)
Increase/(decrease) in payables	97,764	19,046
Increase/(decrease) in provisions	4,642	-
Net cash flows used in operating activities	(388,448)	(404,968)

**(ii) Non-Cash Financing and Investing Activities**

The following non-cash financing and investing activities were undertaken:

2014 - In April 2014, the Company issued 15,000,000 shares in satisfaction of the repayment of \$2,000,000 loan facility from Chaka Investments Pty Ltd, a company of which Mr Peter Ironside (Stavely Director) is the sole director and Mr Ironside's wife is shareholder. Refer to note 16.

2013 - None.



	30 June 2014 \$	30 June 2013 \$
<b>NOTE 6 – TRADE AND OTHER RECEIVABLES</b>		
<b>Current</b>		
GST refundable	149,537	310,491
Other	1,320	-
Total current receivables	150,857	310,491
<b>Non-Current</b>		
Cash on deposit - security bonds	30,000	30,000

*Fair Value and Risk Exposures:*

- (i) Due to the short term nature of these receivables, their carrying value is assumed to approximate their fair value.
- (ii) The maximum exposure to credit risk is the fair value of receivables. Collateral is not held as security.
- (iii) Details regarding interest rate risk exposure are disclosed in note 19.
- (iv) Other current receivables generally have repayments between 30 and 90 days.

Receivables do not contain past due or impaired assets as at 30 June 2014 (2013: none).

**NOTE 7 - PROPERTY, PLANT AND EQUIPMENT**

Motor vehicles- at cost	28,273	-
Less: Accumulated depreciation	(4,241)	-
	24,032	-
Plant and equipment - at cost	74,599	647
Less: Accumulated depreciation	(11,190)	-
	63,409	647
Total property, plant and equipment	87,441	647

*Reconciliation of property, plant and equipment:*

**Motor Vehicles**

Carrying amount at beginning of year	-	-
Additions	28,273	-
Depreciation	(4,241)	-
Carrying amount at end of year	24,032	-

**Plant and Equipment**

Carrying amount at beginning of year	647	-
Additions	73,952	647
Depreciation	(11,190)	-
Carrying amount at end of year	63,409	647

	30 June 2014 \$	30 June 2013 \$
<b>NOTE 8 - DEFERRED EXPLORATION EXPENDITURE</b>		
Deferred exploration costs brought forward	3,159,516	-
Acquisition of Stavely and Ararat Projects	-	2,969,400
Capitalised expenditure incurred during the year	1,210,306	190,116
Deferred exploration costs carried forward	4,369,822	3,159,516

Ultimate recoupment of exploration and evaluation expenditure carried forward is dependent on successful development and commercial exploitation or, alternatively, sale of the respective areas.

#### Asset Acquisitions

On the 25th March 2013, Stavely Minerals agreed to purchase the Stavely and Ararat Projects from BCD Resources for total consideration of \$2,800,000. The consideration was payable in instalments as follows:

- \$1 million paid as deposit on 17 May 2013
- \$300,000 payable 90 days after completion (paid August 2013)
- \$500,000 payable 180 days after completion (paid November 2013)
- \$500,000 payable 270 days after completion (paid February 2014); and
- \$500,000 payable as cash or shares 360 days after completion (paid April 2014).

#### NOTE 9 – TRADE AND OTHER PAYABLES

##### Current

Trade creditors	483,118	135,312
Deferred payments for tenement acquisitions	-	1,800,000
Accruals	64,971	172,275
	548,089	2,107,587

##### Fair Value and Risk Exposures

- (i) Due to the short term nature of these payables, their carrying value is assumed to approximate their fair value.
- (ii) Trade and other payables are unsecured and usually paid within 60 days of recognition. The deferred payments for tenement acquisitions were paid in instalments from August 2013 until April 2014.

#### NOTE 10 – OTHER PAYABLES – ADVANCES

##### Current

Advance from related parties – interest free – refer note 16	-	50,000
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#### NOTE 11 – PROVISIONS

##### Current

Employee entitlements	4,642	-
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	30 June 2014 \$	30 June 2013 \$
<b>NOTE 12 – ISSUED CAPITAL</b>		
<b>(a) Issued Capital</b>		
80,432,000 (2013: 29,000,000) ordinary shares fully paid	9,101,363	1,500,022

**(b) Movements in Ordinary Share Capital**

Number of Shares	Summary of Movements	\$
8	Opening balance at 1 July 2012	8
4,999,992	Conversion of shares 625,000:1	-
24,000,000	Issue of Shares – March to May 2013	1,500,014
29,000,000	Closing Balance at 30 June 2013	1,500,022
29,000,000	Opening balance at 1 July 2013	1,500,022
2,000,000	Issue of shares on 31 July 2013	200,000
4,000,000	Share split on 13 March 2014	-
15,000,000	Issue of shares on conversion of loans – refer note 16	2,000,000
30,432,000	Initial public offering	6,086,400
-	Costs of placement - cash	(685,059)
80,432,000	Closing Balance at 30 June 2014	9,101,363

**(c) Options on issue at 30 June 2014**

	Number	Issue Price of Shares	Exercise Date
Unlisted Options	14,400,000	27 cents	31 December 2017

During the year:

- (i) 12,000,000 unlisted options were granted to shareholders (2013: nil);
- (ii) 2,400,000 unlisted options were granted as share-based payments (2013: nil);
- (iii) No unlisted options expired (2013: nil); and
- (iv) No unlisted options were exercised (2013: nil).

**(d) Terms and conditions of contributed equity**

Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders' meetings. In the event of winding up of the Company, ordinary shareholders rank after all other shareholders and creditors are fully entitled to any proceeds of liquidations.

**(e) Capital management**

When managing capital, management's objective is to ensure the entity continues as a going concern as well as maintains optimal returns to shareholders and benefits for other stakeholders. Management also aims to maintain a capital structure that ensures the lowest cost of capital available to the entity.

Management may in the future adjust the capital structure to take advantage of favourable costs of capital and issue further shares in the market. Management has no current plans to adjust the capital structure. There are no plans to distribute dividends in the next year.

	30 June 2014 \$	30 June 2013 \$
<b>NOTE 13 - RESERVES</b>		
Equity-based payments reserve	284,404	-
<b>Equity-based payments reserve</b>		
Balance at the beginning of the year	-	-
Equity-based payments expense	284,404	-
Balance at the end of the year	284,404	-

*Nature and purpose of the reserve:*

The Equity-based payments reserve is used to recognise the fair value of options issued but not exercised.

**NOTE 14 – EQUITY-BASED PAYMENTS**

**(a) Value of equity based payments in the financial statements**

Expensed in the profit and loss:

Equity-based payments- options	284,404	-
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**(b) Summary of equity-based payments granted during the year:**

Year ended 30 June 2014 (2013: None).

Granted to key management personnel and a consultant as equity compensation:

- 2,400,000 options expiring 31 December 2017, exercisable at 27 cents each.

The assessed fair values of the options were determined using a Black-Scholes option pricing model, taking into account the exercise price, term of option, the share price at grant date and expected price volatility of the underlying share, expected dividend yield and the risk-free interest rate for the term of the option. The inputs to the model used were:

Grant date	28/4/2014
Option exercise price (\$)	0.27
Expected life of options (years)	3.68
Dividend yield (%)	-
Expected volatility (%)	97
Risk-free interest rate (%)	2.47
Underlying share price (\$)	0.20
Value of Option (\$)	0.1185

The expected life of the options is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome. No other features of options granted were incorporated into the measurement of fair value.

**NOTE 14 – EQUITY-BASED PAYMENTS - continued**

**(c) Weighted average fair value**

The weighted average fair value of equity-based payment options granted during the year was \$0.1185 (2013: nil).

**(d) Range of exercise price**

The range of exercise price for options granted as share based payments outstanding at the end of the year was \$0.27 (2013: nil).

**(e) Weighted average remaining contractual life**

The weighted average remaining contractual life of share based payment options that were outstanding as at the end of the year was 3.5 years (2013: nil).

**(f) Weighted average exercise price**

The following table shows the number and weighted average exercise price ("WAEP") of share options granted as share based payments.

	<b>12 Months to 30 June 2014 Number</b>	<b>12 Months to 30 June 2014 WAEP \$</b>	<b>12 Months to 30 June 2013 Number</b>	<b>12 Months to 30 June 2013 WAEP \$</b>
Outstanding at the beginning of year	-	-	-	-
Granted during the year	2,400,000	0.27	-	-
Exercised during the year	-	-	-	-
Outstanding at the end of the year	2,400,000	0.27	-	-
Exercisable at year end	1,000,000	0.27		

The weighted average share price for options exercised during the year was nil (2013: nil).

**NOTE 15 – COMMITMENTS AND CONTINGENCIES**

	<b>30 June 2014 \$</b>	<b>30 June 2013 \$</b>
<b>(a) Operating leases (non-cancellable):</b>		
Within one year	26,998	11,006
More than one year but not later than five years	4,695	-
	<u>31,693</u>	<u>11,006</u>

These non-cancellable operating leases are primarily for residential premises and a ground lease.

**(b) Exploration Commitments**

**Tenement Expenditure Commitments:**

The Company is required to maintain current rights of tenure to tenements, which require outlays of expenditure in 2014/2015. Under certain circumstances these commitments are subject to the possibility of adjustment to the amount and/or timing of such obligations, however, they are expected to be fulfilled in the normal course of operations.

<u>375,300</u>	<u>335,500</u>
----------------	----------------

**(c) Contingencies**

The Company is party to a Deed of Option and Royalty relating to the Stavely tenement EL 4556. The Company had no other contingent liabilities at year end (2013: same).

**NOTE 16 – RELATED PARTIES**

**(a) Compensation of Key Management Personnel**

	30 June 2014 \$	30 June 2013 \$
Short-term employment benefits	160,914	25,185
Post-employment benefits	6,627	-
Equity-based payment	254,776	-
	<u>422,317</u>	<u>25,185</u>

**(b) Other transactions and balances with Key Management Personnel**

**Loans from Key Management Personnel**

Balance at beginning of the year	-	-
Loans advanced	2,050,000	-
Loans repaid by equity	(2,000,000)	-
Loans repaid by cash	(50,000)	-
Interest charged	72,301	-
Interest paid	(72,301)	-
	<u>-</u>	<u>-</u>
Balance at end of the year	-	-

In the prior year, the Company entered into a loan facility with Chaka Investments Pty Ltd, a company associated with director Mr Peter Ironside. The facility was for an amount of \$2,500,000 with interest at 7%. Interest and the principal were to be repaid by 30 June 2014. During the year, drawdowns of \$2,050,000 were made. In April 2014, the Company issued 15,000,000 shares in satisfaction of the repayment of \$2,000,000 loan facility from Chaka Investments Pty Ltd, a company of which Mr Peter Ironside (Stavely Director) is the sole director and Mr Ironside's wife is shareholder. The remaining \$50,000 was repaid in cash on 14 May 2014. Interest paid on these loans of \$72,301 was paid on 30 June 2014.

**Cash Advances from Key Management Personnel**

Balance at beginning of the year	50,000	-
Loans advanced	305,000	50,000
Loans repaid by cash	(355,000)	-
Interest charged	-	-
	<u>-</u>	<u>50,000</u>
Balance at end of the year	-	50,000

During the year, cash advances were made by Mr Christopher Cairns to Stavely totalling \$50,000. These advances were repaid by the Company on 14 May 2014. Ironside Pty Ltd, a company of which Mr Peter Ironside is a director and shareholder, made advances totalling \$255,000 during the year to the Company. The Company repaid these advances during the year.

**Other Transactions with Key Management Personnel**

Mr Peter Ironside, Director, is a shareholder and director of Ironside Pty Ltd. During the year an amount of \$200,162 (net of GST) was paid/payable to Ironside Pty Ltd for reimbursement of office rental, server costs and other expenses.

**(c) Transactions with Other Related Parties**

There were no transactions with other related parties (2013: none).



	30 June 2014 \$	30 June 2013 \$
<b>NOTE 17 - AUDITORS' REMUNERATION</b>		
Amount received or due and receivable by the auditor for:		
Auditing the financial statements, including audit review - current year audits	15,855	6,000
Other services	18,956	-
Total remuneration of auditors	<u>34,811</u>	<u>6,000</u>

**NOTE 18 – SEGMENT INFORMATION**

Management has determined the operating segments based on the reports reviewed by the board of directors that are used to make strategic decisions. The Company does not have any material operating segments with discrete financial information. The Company does not have any customers and all its' assets and liabilities are primarily related to the mining industry and are located within Victoria. The Board of Directors review internal management reports on a regular basis that is consistent with the information provided in the statement of profit or loss and other comprehensive income, balance sheet and statement of cash flows. As a result no reconciliation is required because the information as presented is what is used by the Board to make strategic decisions.

**NOTE 19 – FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

The Company's principal financial instrument comprises cash. The main purpose of this financial instrument is to provide working capital for the Company's operations.

The Company has various other financial instruments such as sundry debtors, security bonds and trade creditors, which arise directly from its operations.

It is, and has been throughout the year under review, the Company's policy that no trading in financial instruments shall be undertaken.

The main risk arising from the Company's financial instruments is interest rate risk. The Board reviews and agrees on policies for managing each of these risks and they are summarised below.

**Interest rate risk**

At balance date the Company's exposure to market risk for changes in interest rates relates primarily to the Company's cash and bonds. The Company constantly analyses its exposure to interest rates, with consideration given to potential renewal of existing positions, the mix of fixed and variable interest rates and the period to which deposits may be fixed.

At balance date, the Company had the following financial assets exposed to variable interest rates that are not designated in cash flow hedges:

	30 June 2014 \$	30 June 2013 \$
<i>Financial Assets:</i>		
Cash and cash equivalents - interest bearing	4,203,309	-
Trade and other receivables - bonds	30,000	30,000
Net exposure	<u>4,233,309</u>	<u>30,000</u>

**Sensitivity**

At 30 June 2014, if interest rates had increased by 0.5% from the year end variable rates with all other variables held constant, post tax profit and equity for the Company would have been \$21,166 higher (2013: changes of 0.5% \$750 higher). The 0.5% (2013: 0.5%) sensitivity is based on reasonably possible changes, over a financial year, using an observed range of historical RBA movements over the last year.

**NOTE 19 – FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES - continued**

**Liquidity risk**

The Company has no significant exposure to liquidity risk as there is effectively no debt. The Company manages liquidity risk by monitoring immediate and forecast cash requirements and ensuring adequate cash reserves are maintained.

**Credit risk**

Credit risk refers to the risk that a counter party will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted the policy of dealing with creditworthy counterparties and obtaining sufficient collateral or other security where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company measures credit risk on a fair value basis.

Significant cash deposits are with institutions with a minimum credit rating of AA (or equivalent) as determined by a reputable credit rating agency e.g. Standard & Poor.

The Company does not have any other significant credit risk exposure to a single counterparty or any group of counterparties having similar characteristics.

**Fair value**

Disclosure of fair value measurements by level are as follows:

- Level 1 – the fair value is calculated using quoted prices in active markets
- Level 2 – the fair value is estimated using inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices)
- Level 3 – the fair value is estimated using inputs for the asset or liability that are not based on observable market data

The Company has no assets or liabilities measured at fair value.

**NOTE 20 – SUBSEQUENT EVENTS**

There are no matters or circumstances that have arisen since 30 June 2014 that have or may significantly affect the operations, results, or state of affairs of the Company in future financial years.



Tel: +61 8 6382 4600  
Fax: +61 8 6382 4601  
www.bdo.com.au

38 Station Street  
Subiaco, WA 6008  
PO Box 700 West Perth WA 6872  
Australia

## INDEPENDENT AUDITOR'S REPORT

To the members of Stavelly Minerals Limited

### Report on the Financial Report

We have audited the accompanying financial report of Stavelly Minerals Limited, which comprises the balance sheet as at 30 June 2014, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

#### Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

#### Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



### Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of Stavelly Minerals Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

### Opinion

In our opinion:

- (a) the financial report of Stavelly Minerals Limited is in accordance with the *Corporations Act 2001*, including:
  - (i) giving a true and fair view of the company's financial position as at 30 June 2014 and of its performance for the year ended on that date; and
  - (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
- (b) the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 1.

### Report on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2014. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

### Opinion

In our opinion, the Remuneration Report of Stavelly Minerals Limited for the year ended 30 June 2014 complies with section 300A of the *Corporations Act 2001*.

BDO Audit (WA) Pty Ltd

A handwritten signature in blue ink, appearing to read 'Glyn O'Brien', is written over a faint blue 'BDO' stamp.

Glyn O'Brien

Director

Perth, 22 September 2014

Information as at 10 September 2014

**a) Substantial Shareholders (who have lodged notices with Stavely Minerals Limited)**

Name	Number of Ordinary Shares	Percentage of Issued Capital
Peter Reynold Ironside	29,677,419	36.90%
Christopher John Cairns	14,687,419	18.26%

**b) Shareholder Distribution Schedule**

Size of Holding	Number of Shareholders	Number of Ordinary Shares	Percentage of Issued Capital
1 - 1,000	11	8,616	0.01
1,001 - 5,000	100	339,113	0.42
5,001 - 10,000	194	1,879,994	2.34
10,001 - 100,000	185	6,739,876	8.38
100,001 and over	61	71,467,401	88.85
Total Shareholders	551	80,432,000	100.00
Number of shareholders holding less than a marketable parcel	15		

**c) Voting Rights**

- (i) at meetings of members entitled to vote each member may vote in person or by proxy or attorney, or in the case of a member which is a body corporate, by representative duly appointed under section 250D;
- (ii) on a show of hands every member entitled to vote and present in person or by proxy or attorney or representative duly authorised shall have one (1) vote;
- (iii) on a poll every member entitled to vote and present in person or by proxy or attorney or representative duly authorised shall have one (1) vote for each fully paid share of which he is the holder and in the case of contributing shares until fully paid shall have voting rights pro rata to the amount paid up or credited as paid up on each such share; and
- (iv) a member shall not be entitled to vote at general meeting or be reckoned in a quorum in respect of any shares upon which any call or other sum presently payable by him is unpaid.

**d) Restricted Securities**

31,499,903 Fully Paid ordinary shares  
13,400,000 Unlisted options

Escrowed for 24 months from date of listing (7 May 2014 to 7 May 2016)

**e) Twenty largest shareholders:**

	Name	Number of Ordinary Shares	% of Issued Capital
1	Ironside Pty Ltd <Ironside Super Fund A/C>	14,677,419	18.25
2	Ironside Pty Ltd <Ironside Family A/C>	10,000,000	12.43
3	Goldwork Asset Pty Ltd <The Cairns Family A/C>	9,599,032	11.93
4	Goldwork Asset Pty Ltd <Cairns Family S/F A/C>	5,078,387	6.31
5	Chaka Investments Pty Ltd	5,000,000	6.22
6	Jennifer Elaine Murphy	3,387,097	4.21
7	Citicorp Nominees Pty Limited	2,967,848	3.69
8	Dr Anthony Cairns	2,500,000	3.11
9	Michelle Maria Skinner	2,258,065	2.81
10	DK & SJ Pty Ltd <The DK & SK Investment A/C>	1,250,000	1.55
11	Trading Pursuits Group	1,250,000	1.55
12	JC Holdings Pty Ltd	1,250,000	1.55
13	Mick Ashton Nominees Pty Ltd <Ashton Family A/C>	1,250,000	1.55
14	Sanluri Pty Ltd <Ricciardi Family A/C>	1,250,000	1.55
15	Mr Harle John Mossman	750,000	0.93
16	Mr John O'Connor <The O'Connor A/C>	560,000	0.70
17	DDH 1 Drilling Pty Ltd	500,000	0.62
18	Mr Tom Lance Eilbeck	500,000	0.62
19	Elphick Superannuation Pty Ltd <M R Elphick Superfund A/C>	500,000	0.62
20	ABN AMRO Clearing Sydney Nominees Pty Ltd <Custodian A/C>	402,245	0.50
		<b>64,930,093</b>	<b>80.73</b>
	Shares on issue at 10 September 2014	<b>80,432,000</b>	

**f) Unlisted Options**

<b>Name</b>	<b>31/12/2017 27 cents</b>
<i>Directors:</i>	
W Pyley	1,000,000
C Cairns	5,032,258
J Murphy	1,561,290
P Ironside	5,032,258
<i>Others:</i>	
M Skinner	774,194
A Sparks	750,000
Q Te Tei	250,000
	<b>14,400,000</b>

Area Name	Tenement	Grant Date/ (Application Date)	Size (Km <sup>2</sup> )
East Ararat	ELA 5477	(26 April 2013)	86
Mt Ararat	EL 3019	21 December 1989	42
Ararat	EL 4758	29 January 2004	12
Stavely	EL 4556	5 April 2001	139
Mortlake	EL 5470	17 June 2013	475
Glenthompson	EL 5471	17 June 2013	15
Mt Ararat	EL 5486	14 July 2014	2
Mt Ararat	ELA 5487	(21 June 2013)	5
Ararat	RLA 2020	(12 June 2014)	28
Ararat	RLA 2017	(20 May 2014)	139





**STAVELY MINERALS LIMITED**  
ACN 119 826 907  
[www.stavely.com.au](http://www.stavely.com.au)

