



## HALF-YEAR REPORT FOR THE SIX MONTHS ENDED 31 DECEMBER 2023

### Highlights

#### Stavely Project, western Victoria

- A review of 2022 field season soil auger and reconnaissance aircore drilling geochemistry has identified additional compelling regional porphyry targets.
- The Junction 1 prospect, and the porphyry signature S2 and S3 soil auger geochemical anomalies are attractive targets for low-cost, high-impact exploration along strike from the Thursday's Gossan and Cayley Lode copper-gold deposit.
- The S41 gold breccia remains prospective with only 1 diamond hole having been drilled into a 2km by 750m system and there remains the opportunity to map out the margins of the system and potentially locate the better developed sphalerite-associated gold mineralisation.

#### Hawkstone Project, western Kimberley, Western Australia

- Following the recent successful Falcon® gravity gradiometer and magnetic survey over the Hawkstone Project, located in the emerging magmatic nickel province in the West Kimberley, Stavely Minerals has entered into an agreement with the WA Government for Exploration Incentive Scheme (EIS) co-funding for up to \$220,000 towards the cost of a proposed 800m deep diamond drill-hole.
- During the half-year, IGO and Buxton Resources announced high-grade Ni-Cu-Co assays from the initial drill hole into the Dogleg Ni-Cu-Co discovery<sup>1</sup>, including:
  - 13.85m @ 4.35% Ni, 0.34% Cu and 0.15% Co from 177.34m, incl.
    - 5.86m @ 7.47% Ni, 0.31% Cu and 0.25% Co
 A follow-up hole targeted 65m down dip of the discovery hole returned<sup>2</sup>
  - 2.98m @ 4.17% Ni, 0.83% Cu and 0.14% Co from 233.63m
- The Hawkstone Project represents a relatively under-explored opportunity for a significant discovery in an emerging mineral field where the prospectivity and fertility of the Ruins Dolerite has already been demonstrated by the high-tenor Merlin and recent Dogleg (Buxton Resources/IGO Joint Venture) Ni-Cu-Co magmatic nickel discoveries.
- The Hawkstone Project is also highly prospective for pegmatite-associated lithium mineralisation, with a number of historic tin-tungsten-tantalum mines/occurrences in the area indicative of potentially lithium-prospective pegmatites derived from the highly fractionated Mondooma and Lennard Granites.

<sup>1</sup> See ASX: BUX announcement 6 November 2023

<sup>2</sup> See ASX: BUX announcement 1 February 2024

## Major Achievements

- Stavely Minerals completed the acquisition of the Hawkstone Nickel-Copper-Cobalt Project in the West Kimberley region of Western Australia from Chalice Mining Limited through the issuance of \$1.35m equivalent in Stavely Minerals shares and performance rights.
- A regionally significant gravity high has been identified in the recently acquired Falcon© gravity gradiometer survey over the Hawkstone Ni-Cu-Co Project that may represent a deeper mafic magma chamber, potentially an analogue to the Eastern Deeps intrusion at the world-class Voisey's Bay deposit in Canada.

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**Directors**

Christopher Cairns (Executive Chair)  
Jennifer Murphy (Technical Director)  
Peter Ironside (Non-Executive Director)  
Robert Dennis (Non-Executive Director)  
Amanda Sparks (Non-Executive Director)

**Company Secretary**

Amanda Sparks

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Your Directors submit their interim financial report on the consolidated entity consisting of Stavely Minerals Limited ("Stavely") and the entities it controls at the end of the half-year ended 31 December 2023.

## DIRECTORS

The Directors in office at the date of this report and at any time during the half-year are as follows. Directors were in office for the entire period unless otherwise stated.

Christopher Cairns  
Jennifer Murphy  
Peter Ironside  
Amanda Sparks  
Robert Dennis

## PRINCIPAL ACTIVITY

The Group's principal activity was mineral exploration during the half-year. There were no significant changes in the nature of the principal activities during the half-year.

## REVIEW AND RESULTS OF OPERATIONS

### SUMMARY OF FINANCIAL PERFORMANCE

Cash and cash equivalents held at half-year end was \$1,378,031 (30 June 2023: \$1,654,418)

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

	Six Months Ended 31 December 2023 \$	Six Months Ended 31 December 2022 \$
Net profit/(loss) for the half-year after tax	(3,411,268)	(2,435,750)
Basic profit/(loss) per share (cents)	(0.91)	(0.77)
Net cash from/(used in) operating activities	(3,605,877)	(2,763,936)
Net cash from/(used in) investing activities	28,851	(2,497,250)
Net cash from/(used in) financing activities	3,300,639	10,528,600

During the half-year, significant items were:

- Expenditure on exploration totalled \$2,264,908 (2022 half-year: \$1,366,862);
- Financing costs of \$84,560 (2022 half-year \$132,602)
- Impairment of land of \$448,916 (2022 half-year \$nil); and
- Share based payments expense for equity-based remuneration payments granted of \$61,924 (2022 half-year: \$204,545).

### Placement

On 6 July 2023, 39,444,454 shares were issued pursuant to a Placement to sophisticated and institutional investors. Gross proceeds were \$3,550,000. Each Placement subscriber received one free attaching quoted option for every two new Shares issued. Upon Shareholder approval received on 11 August 2023, the Directors also participated in the placement under the same terms with proceeds received by Stavely of \$100,000. The 24,277,766 Options were issued on 29 August 2023 (including 4 million broker options) and are exercisable at \$0.15 each with an expiry date of 30 June 2024.

## SUMMARY OF OPERATIONS

The locations of the Company's Projects are presented in Figure 1 and 2.

During the half-year, a deep diamond drill hole (SMD188) was completed to test a porphyry target at the Drysdale Prospect in the Stavely Project. The recently completed hole is enigmatic as it appears to demonstrate abundant multi-phase quartz veining with vein textures that imply that they formed at the top, or above, a porphyry intrusion. Additionally, while the quartz veining is not well mineralised with sulphides for most of the drill hole, the abundant sulphides as associated with a phyllic alteration overprint over an interval of approximately 200m. The sulphide mineralisation is not considered economically significant and no significant intercepts were returned.

The most notable sulphide veins include some of the tennantite-tetrahedrite family of arsenic/ antimony copper sulphides normally found in intermediate epithermal settings, which again suggest being above – or a cooler overprint on – the porphyry-style stockwork quartz veining.

A number of compelling new regional porphyry targets have been identified at the Stavely Project. New regional porphyry targets were generated by Dr Dan Core of Fathom Geophysics utilising Stavely's regional soil auger and aircore geochemistry data. The process used to identify these targets is derived from the work completed by Dr Scott Halley, et al<sup>3</sup> using the vertical distribution of various geochemical elements above known porphyry systems. The targets are particularly robust given they are supported by similar gravity signatures to those at the Toora West and the Thursday's Gossan porphyry centres.

Plans are underway to test two of the new porphyry targets (S2 & S3) with aircore drilling.

At the Hawkstone Project a Falcon Gravity Gradiometer survey was completed during the half-year and it has highlighted the outstanding nickel-copper prospectivity of the project. The survey shows that the highly prospective Ruins Dolerite intrusion, which hosts the nearby high-tenor Merlin magmatic Ni-Cu-Co discovery, extends into Stavely's tenements.

With the location of the Merlin discovery in the Ruins Dolerite just 1km from the Hawkstone tenement boundary and the very recent Dogleg discovery also in the Ruins Dolerite, it demonstrates that the geological processes required to form a magmatic nickel sulphide deposit have occurred within the Ruins Dolerite – and the Hawkstone Project contains some 30 kilometres of strike continuation of this highly prospective yet under-explored unit. The nature of this style of magmatic Ni-Cu mineralisation is that it provides for multiple mineralisation positions within the host intrusions. Additionally, magmatic Ni-Cu sulphide deposits such as Norilsk (Russia), Jinchuan (China), Voisey's Bay (Canada) and Nova-Bollinger (Australia) dominate the lowest quartile of global production costs.

Reprocessing of existing airborne and ground electromagnetic data has been completed. Planning of a new moving loop electromagnetic (MLEM) survey over the regionally significant gravity feature identified by the recent Falcon gravity gradiometer survey is in the process of being finalised.

A WA government EIS (Exploration Incentive Scheme) application was submitted to diamond drill test a magma chamber which has been interpreted from the recently acquired gravity at the Hawkstone Project. The application was successful and the WA Government will co-fund an 800m deep diamond drill for a maximum amount of \$220,000, to test for magmatic nickel-copper sulphide mineralisation.

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<sup>3</sup> Halley, S., Dilles, J.H., and Tosdal, R.M., 2015, Footprints: Hydrothermal alteration and geochemical dispersion around porphyry copper deposits. SEG Newsletter, no. 100, pp 1 and 12-17.

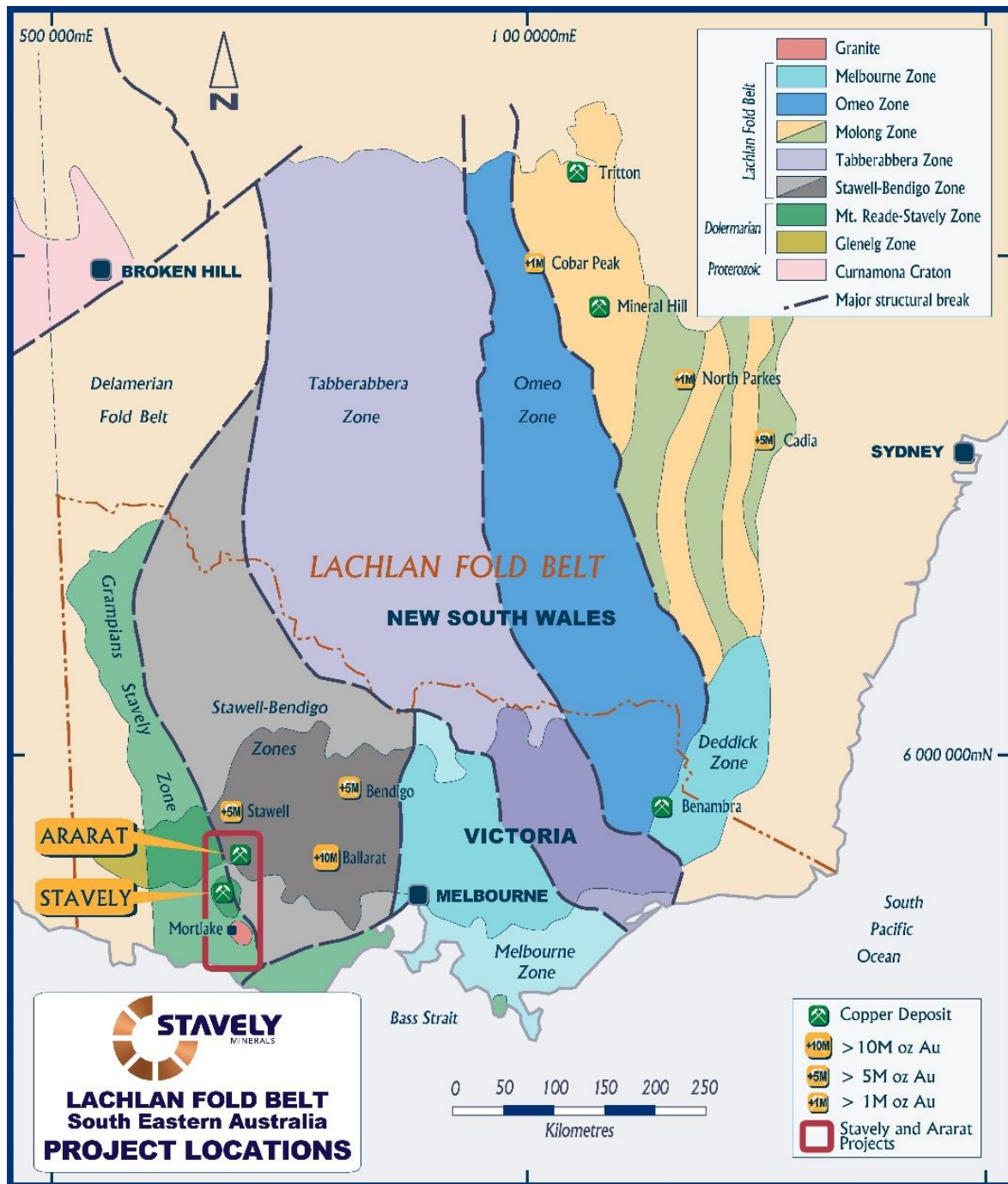


Figure 1. Western Victoria Project location plan.



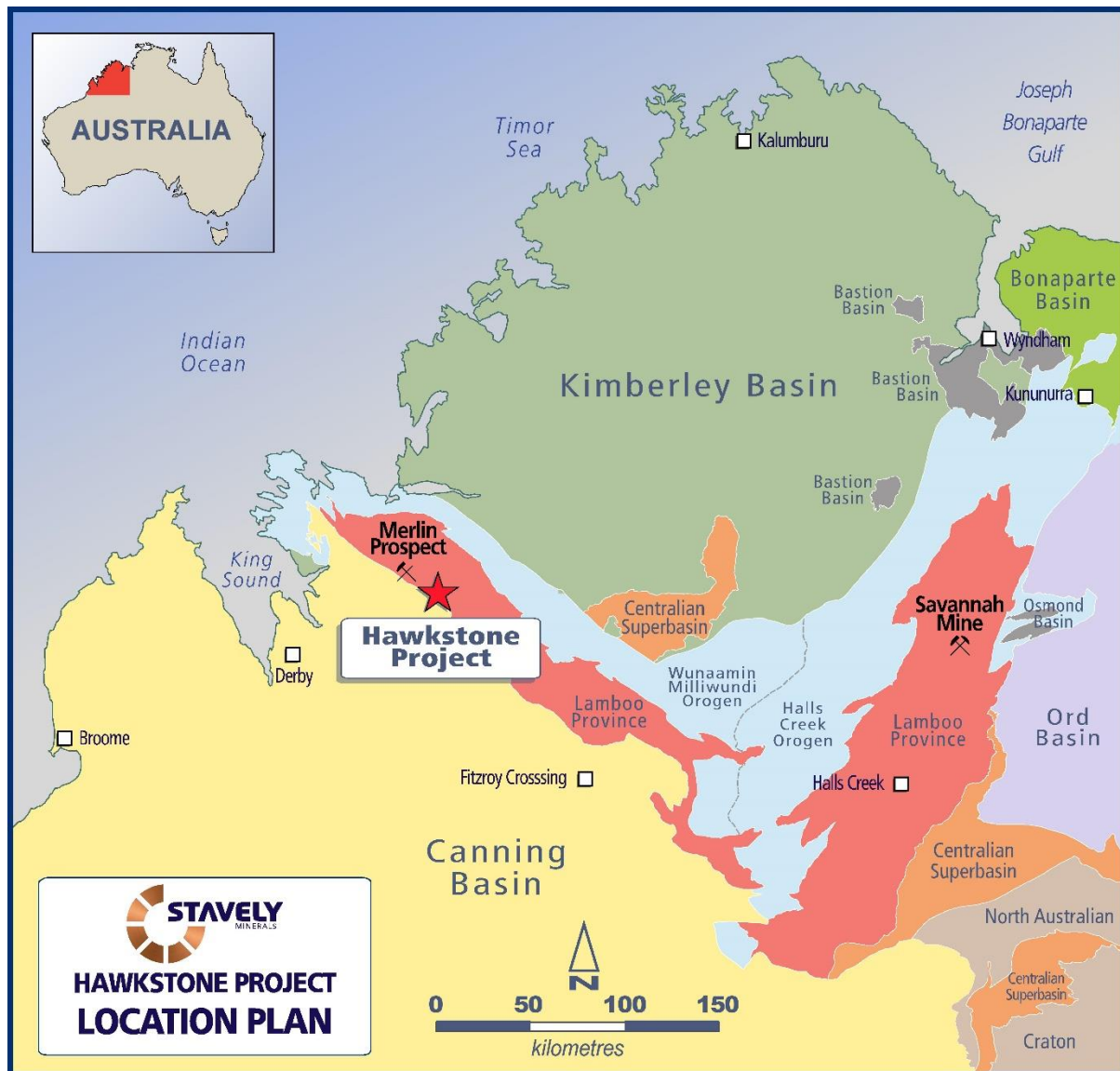


Figure 2. West Kimberley Project Location Plan.



## **Stavely & Ararat Project (RL2017, RL2020, EL5425, EL6870, EL7347, EL7921, EL7922, EL7923 & EL7924)**

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The tenement location plan for the Stavely and Ararat Project is located in Figure 3.

### **ARARAT PROJECT (RL2020)**

No exploration was conducted on the Ararat Project during the half-year.

### **STAVELY PROJECT (RL2017)**

#### **Thursday's Gossan & Drysdale Prospects**

During the half-year a deep diamond drill hole (SMD188) was completed to a depth of 779.9m to test a revised porphyry target at the Drysdale Prospect (Figures 4, 5 and 6).

The target was generated following an extensive review of previous diamond drilling data, undertaken by porphyry expert Dr Steve Garwin in collaboration with Stavely Minerals' in-house geological team.

Drill hole SMD188 was positioned to test beneath a near-surface chalcocite blanket secondary-enrichment and a number of deeper structural offsets that may have hosted an offset of the causative deep porphyry.

SMD188 was not successful in identifying significant porphyry-style sulphide mineralisation, despite the drill core demonstrating very dense porphyry quartz veining with several generations of over-printing veins evident.

In addition, abundant porphyry-style 'A' veins, unidirectional solidification textures and aplite vein/dykes in intrusive phases and host unit sandstones, all indicate that the drill hole may have drilled the top, or above, a porphyry system.

The abundance of sulphides was generally low in SMD188 despite the intensity of multiple generations of quartz veins. An interval of approximately 200m from ~500m to ~700m did host more abundant sulphides - mainly pyrite - associated with a phyllic (pyrite-sericite) alteration overprint with some indications of sericite replacing 'shreddy' biotite, which could indicate an earlier pro-grade potassic alteration assemblage (Figure 6).

Narrow intervals of tennantite-tetrahedrite copper arsenic/antimony sulphide were noted but are not considered of economic significance. However, tennantite-tetrahedrite is considered an intermediate-sulphidation sulphide that typically forms at temperatures below those of porphyry-style copper mineralisation. Either this indicates that these sulphides formed in cooler environs above a hotter porphyry system or they are a cooler over-print.

Selected intervals of SMD188 were sampled and submitted to the laboratory for analysis however they did not return any significant intercepts.

Dr Greg Corbett spent a few days at the Stavely Project during the half-year and inspected drill core from Drysdale (SMD188), S41 (STDD001) and Thursday's Gossan (SMD114, SMD046, SMD173 and SMD185).

Dr Corbett concluded that the origin of the tennantite-chalcopyrite D veins (545 to 560m) in SMD188 remained unknown and that there remained some potential in investigating the source of the Cu-bearing veins in the upper portion of the drill hole.

Assay results from the selective sampling of the deep porphyry drill holes (SMD183 to SMD187) were received during the half-year for the 'fence' of holes completed from January to May 2023. The program was characterised by extremely challenging drilling conditions, especially in the south-east, where drill holes SMD184, SMD184W1, SMD186 and SMD186W1 all failed to reach target depth (Figure 7).

Only narrow intervals of lode mineralisation were encountered while there were broad intervals of low-grade copper and locally stronger zinc mineralisation. Sphalerite (zinc sulphide) mineralisation is interpreted as lower-temperature and has often been noted as occurring below the plunge of the hotter, high-grade copper-gold mineralised Cayley Lode which hosts an initial Mineral Resource Estimate (MRE) of 9.3Mt at 1.23%Cu, 0.23g/t Au and 7g/t Ag (Table 1).

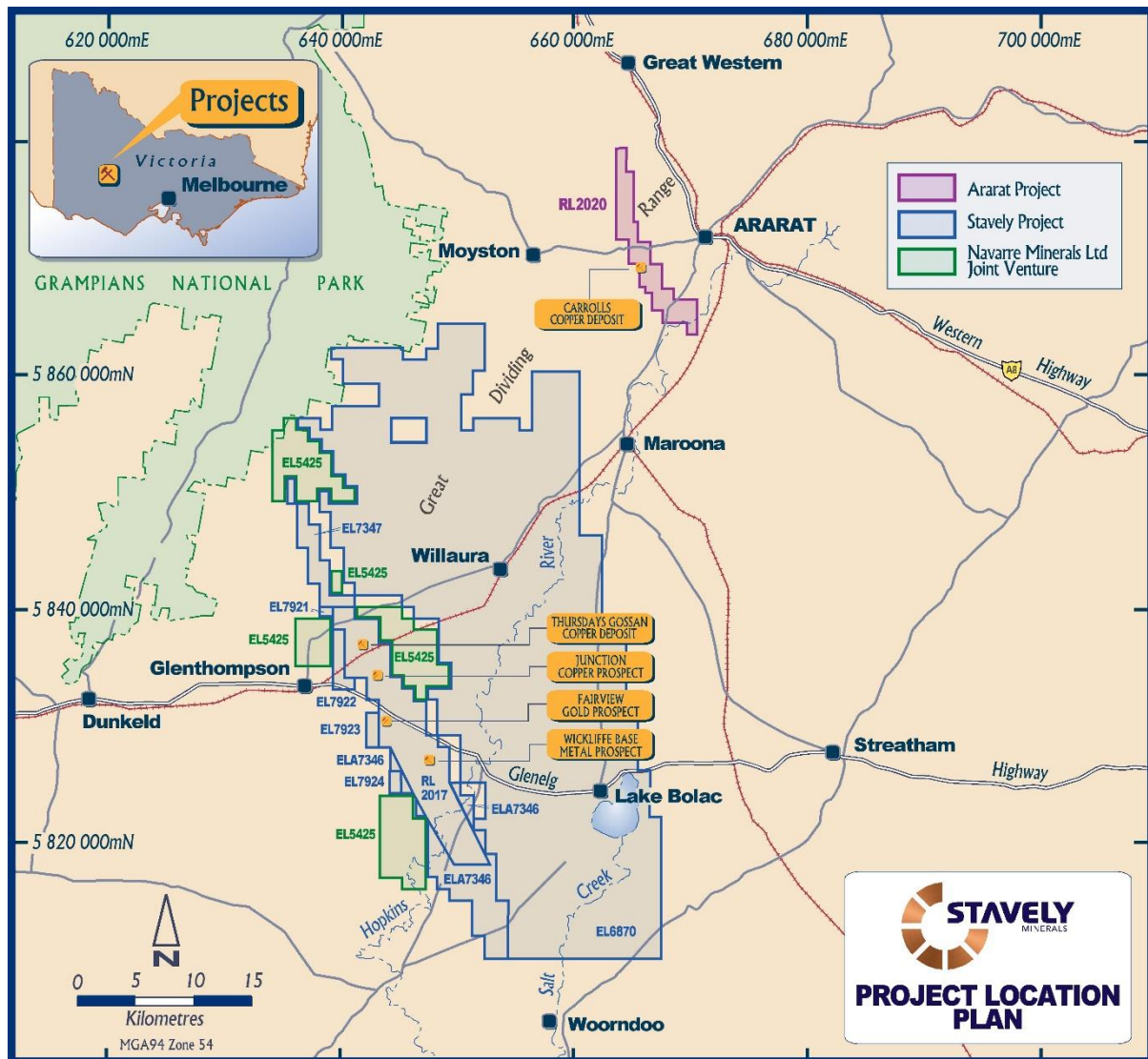


Figure 3. Stavely and Ararat Project tenement plan.





Figure 4. Drill Hole Location Plan on aerial photo.



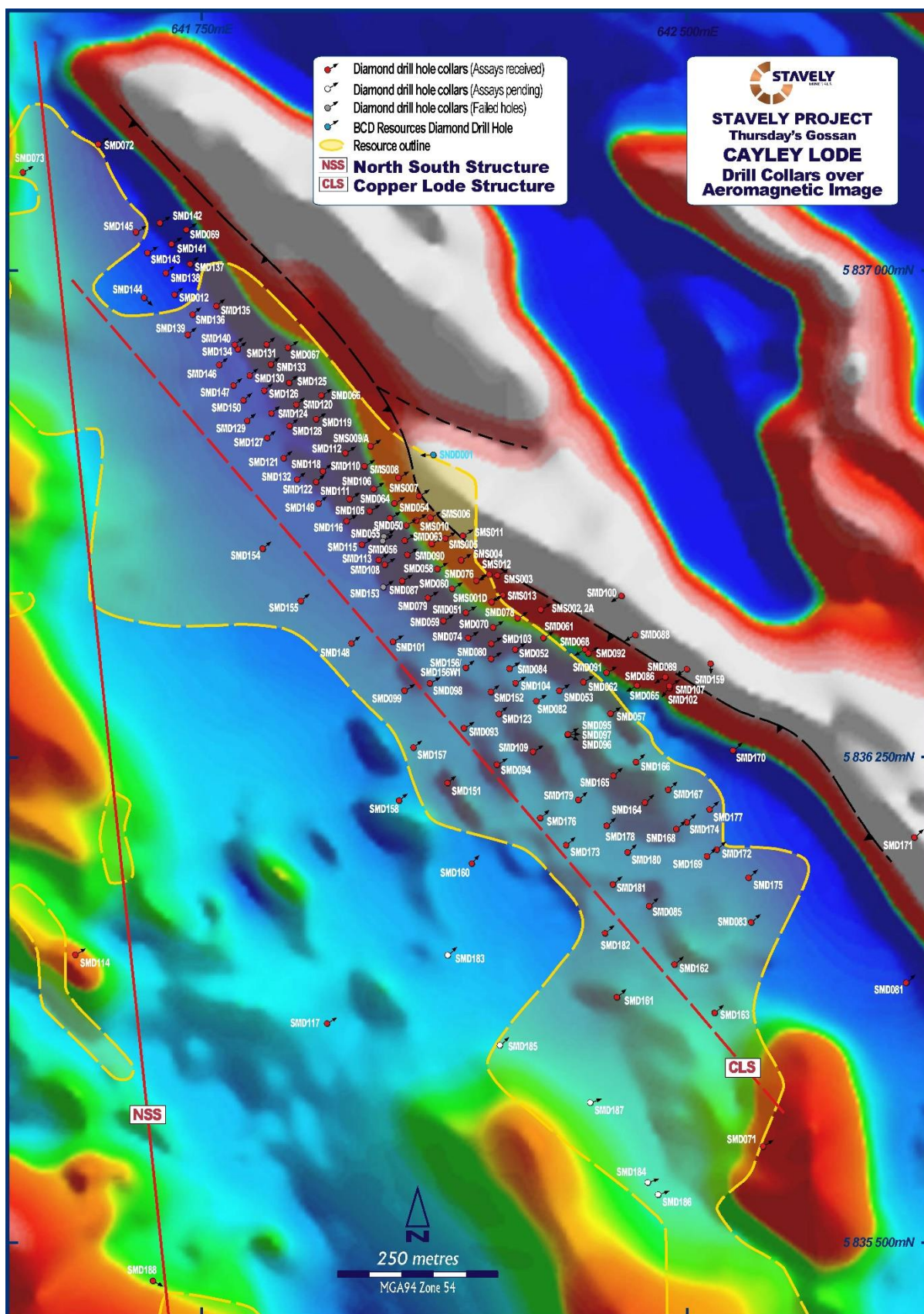


Figure 5. Drill Hole Location Plan on aeromagnetic image.

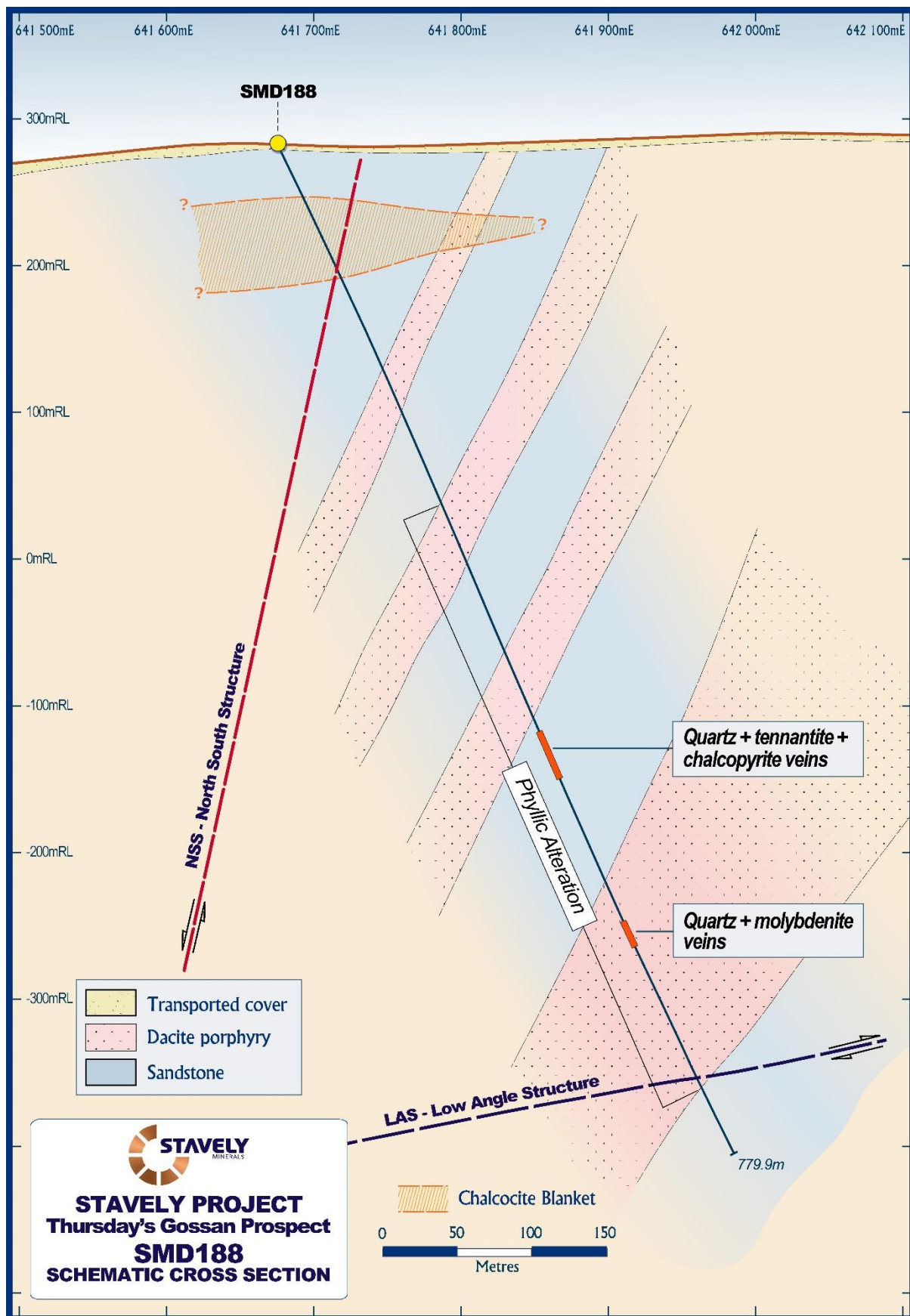


Figure 6. Drill section for drill hole SMD188.

Table 1. Cayley Lode initial Mineral Resource Estimate (see ASX announcement 14 June 2022).

Resource Material	Resource Category	Cut-off (Cu %)	Tonnes (Mt)	Grade (Cu %)	Cont. Metal (Mlbs Cu)	Grade (Au g/t)	Cont. Metal (oz Au)	Grade (Ag g/t)	Cont. Metal (oz Ag)
Primary Mineralisation (OP)	Indicated	0.2	5.87	1.04	134.4	0.23	43,407	7	1,321,074
	Inferred	0.2	1.7	1.3	49	0.2	11,000	9	500,000
<b>Sub-Total Primary OP</b>			<b>7.6</b>	<b>1.1</b>	<b>183</b>	<b>0.2</b>	<b>54,338</b>	<b>7.4</b>	<b>1,808,158</b>
Primary Mineralisation (UG)	Indicated	1.0	-	-	-	-	-	-	-
	Inferred	1.0	1.7	1.8	69	0.2	11,000	6	330,000
<b>Sub-Total Primary UG</b>			<b>1.7</b>	<b>1.8</b>	<b>69</b>	<b>0.2</b>	<b>11,000</b>	<b>6</b>	<b>330,000</b>
<b>Total Cayley Lode</b>			<b>9.3</b>	<b>1.2</b>	<b>252</b>	<b>0.2</b>	<b>65,000</b>	<b>7.1</b>	<b>2,100,000</b>

Drill hole intercepts include:

SMD183

- 90m at 0.20% Cu from 379m, including:
  - 1m at 1.10% Cu from 441m
- 1.1m at 1.30% Cu from 555.9m

SMD184W1

- 6m at 0.27% Cu from 366m

SMD185

- 18m at 0.26% Cu from 426m, including:
  - 1m at 1.48% Cu from 443m
- 44m at 0.27% Zn from 772m, including:
  - 1m at 1.95% Zn from 775m; and including:
  - 1m at 1.38% Zn from 801m; and including:
  - 1m at 1.72% Zn from 810m

SMD187

- 3m at 1.04% Cu from 610m, including:
  - 1m at 2.14% Cu from 611m

Drill sections are shown in Figures 8 to 11.



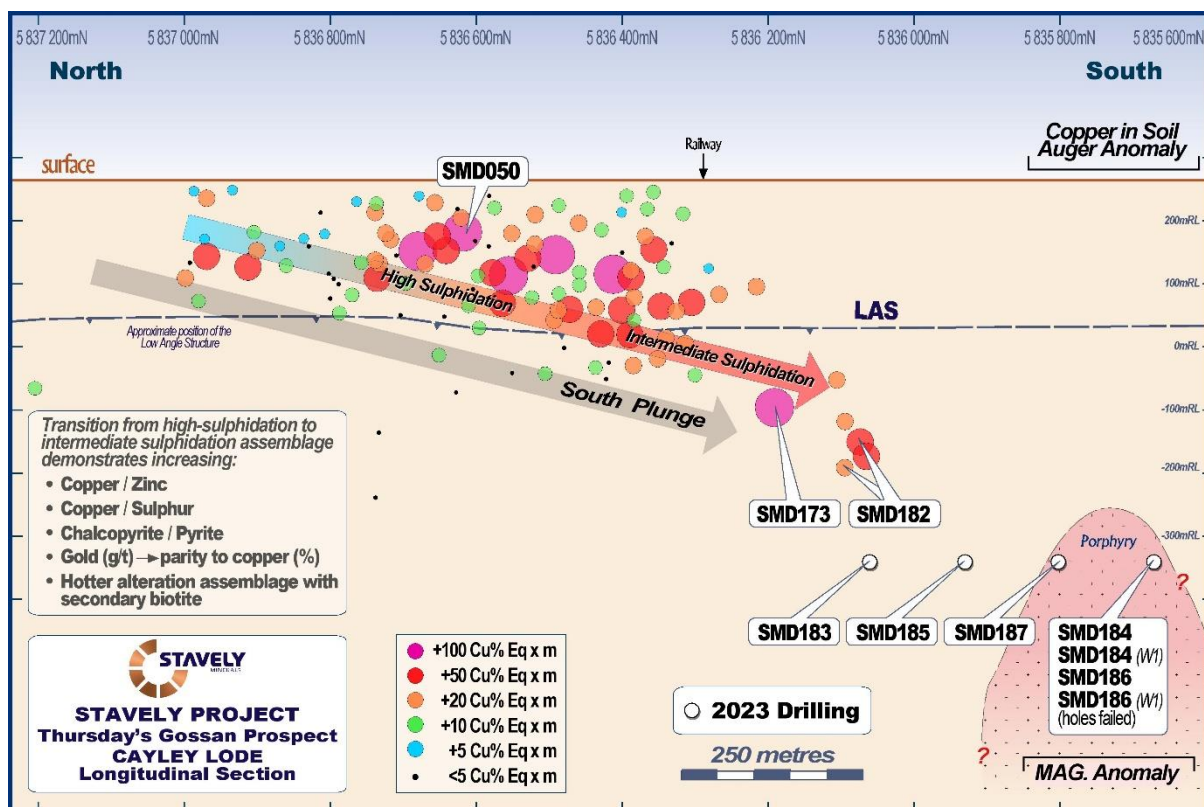


Figure 7. Long section showing the notional pierce points for the early 2023 deep porphyry drilling campaign.



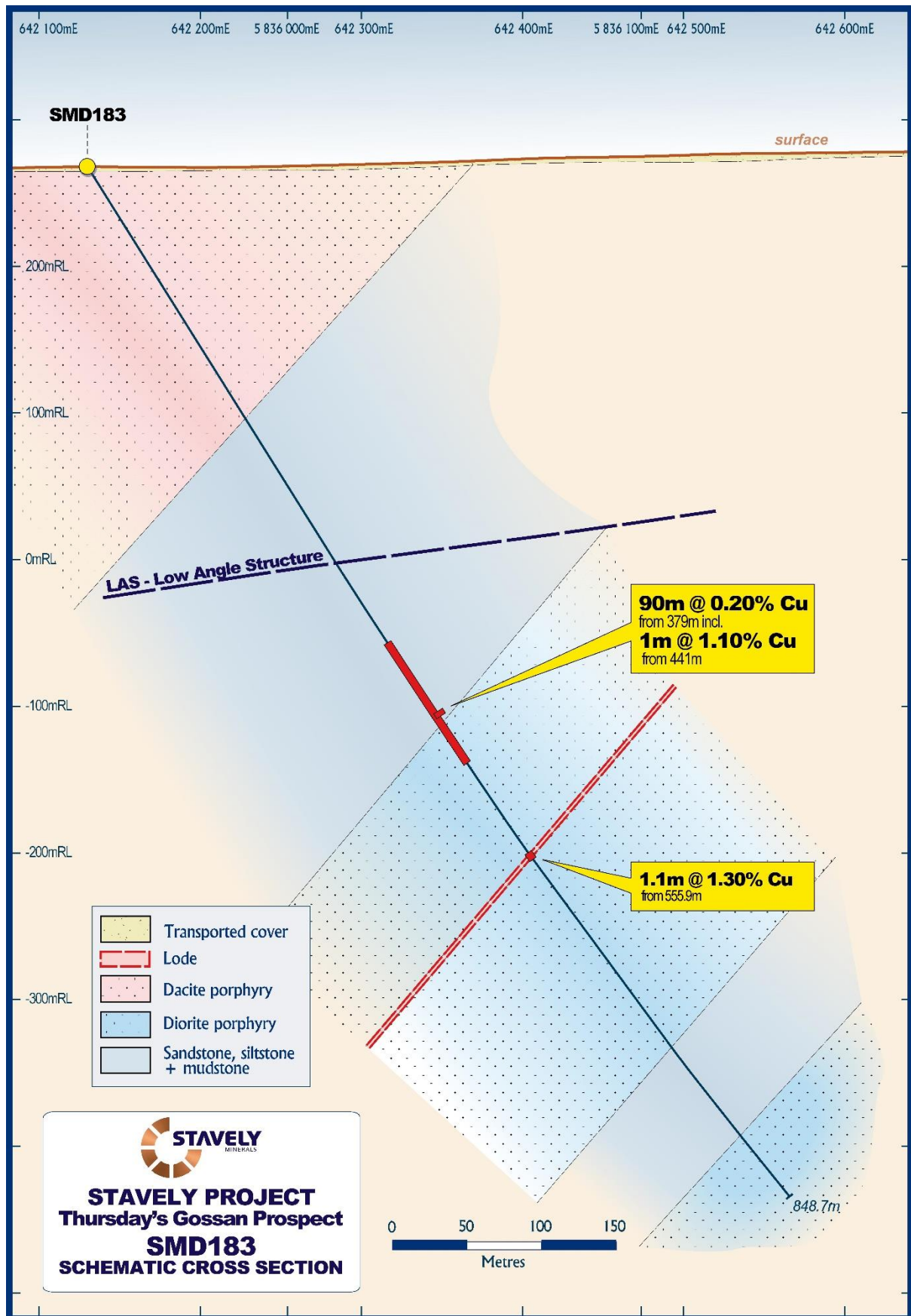


Figure 8. Drill section for drill hole SMD183.

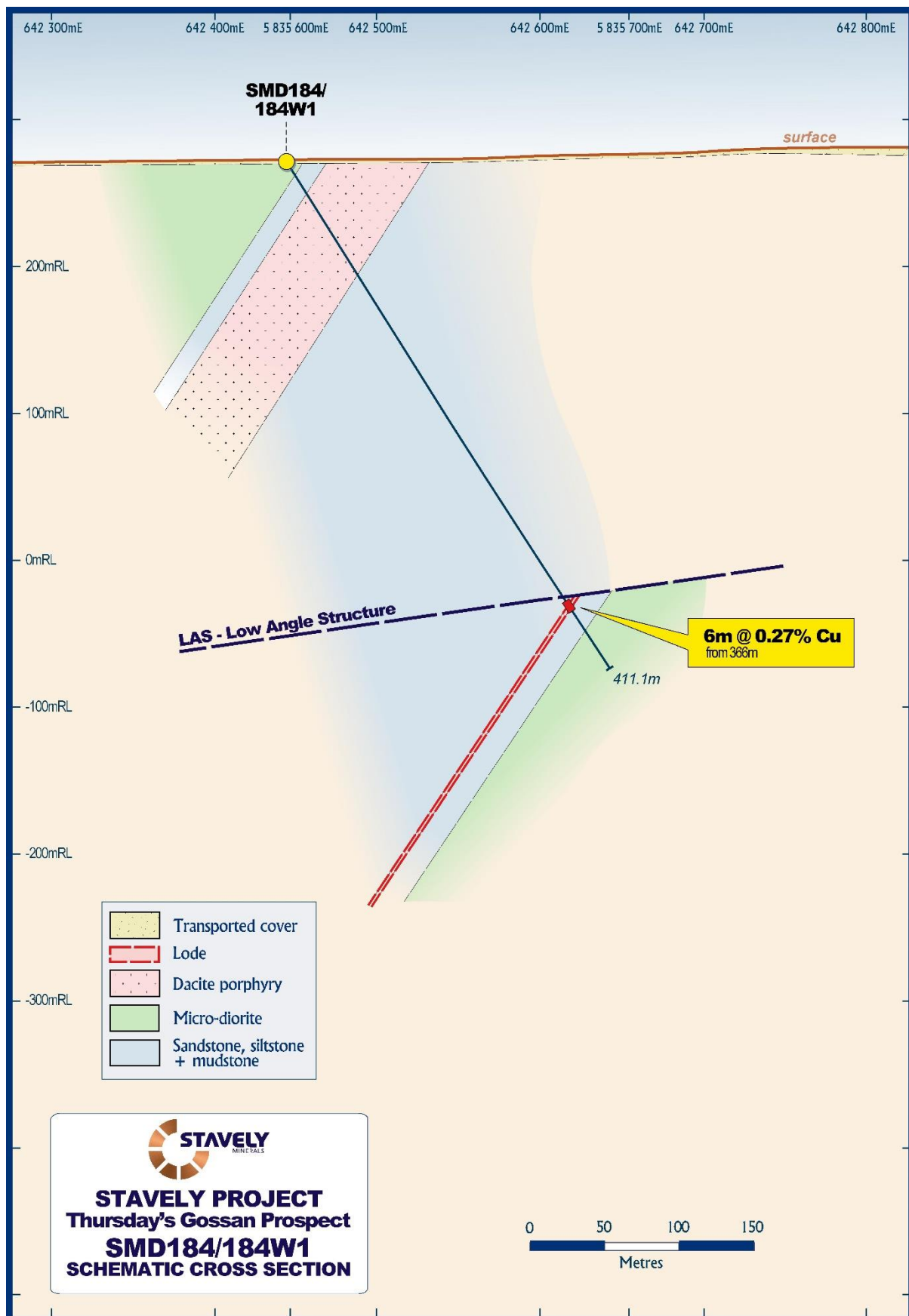


Figure 9. Drill section for drill hole SMD184W1 (failed to reach target depth).

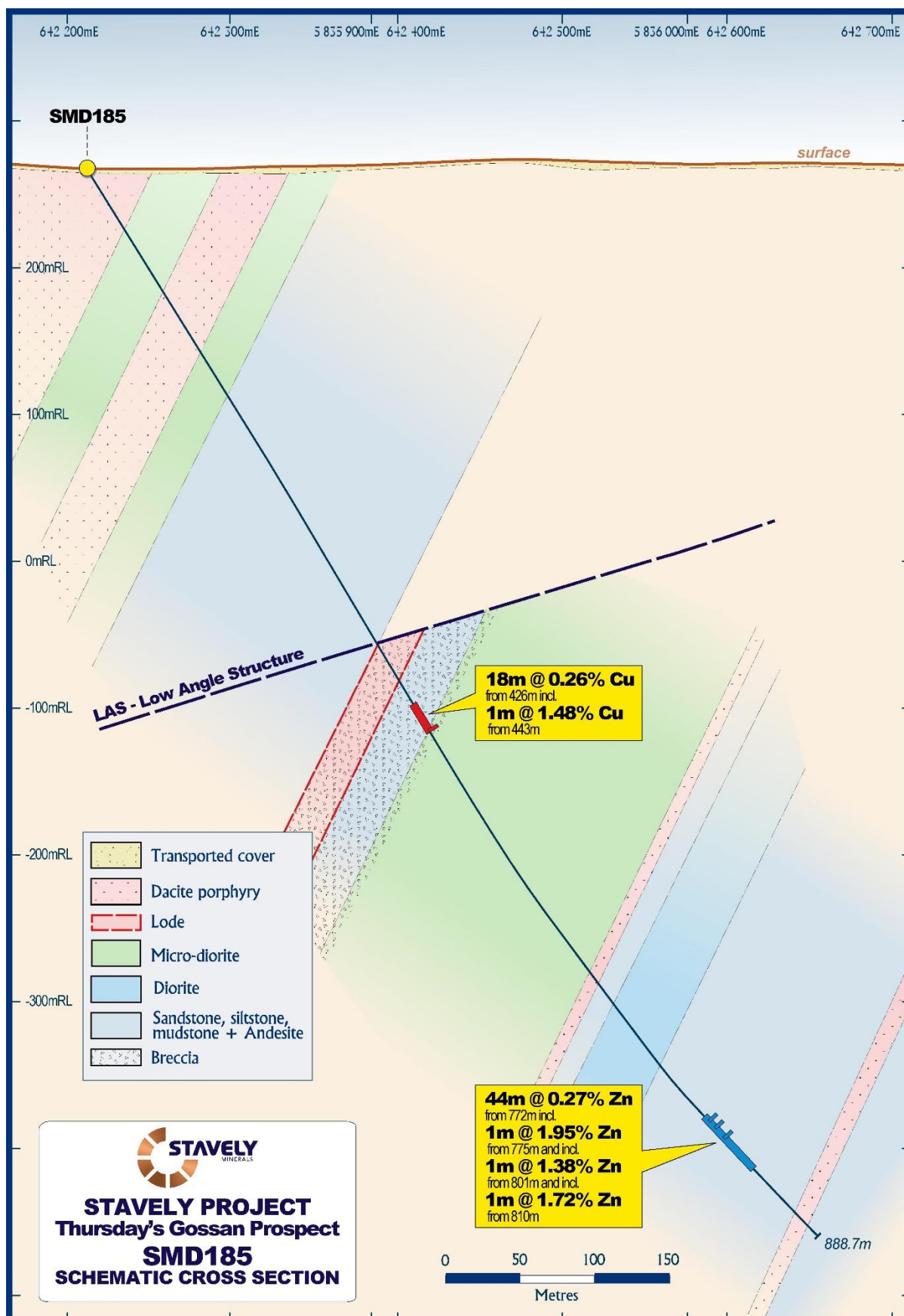


Figure 10. Drill section for drill hole SMD185.

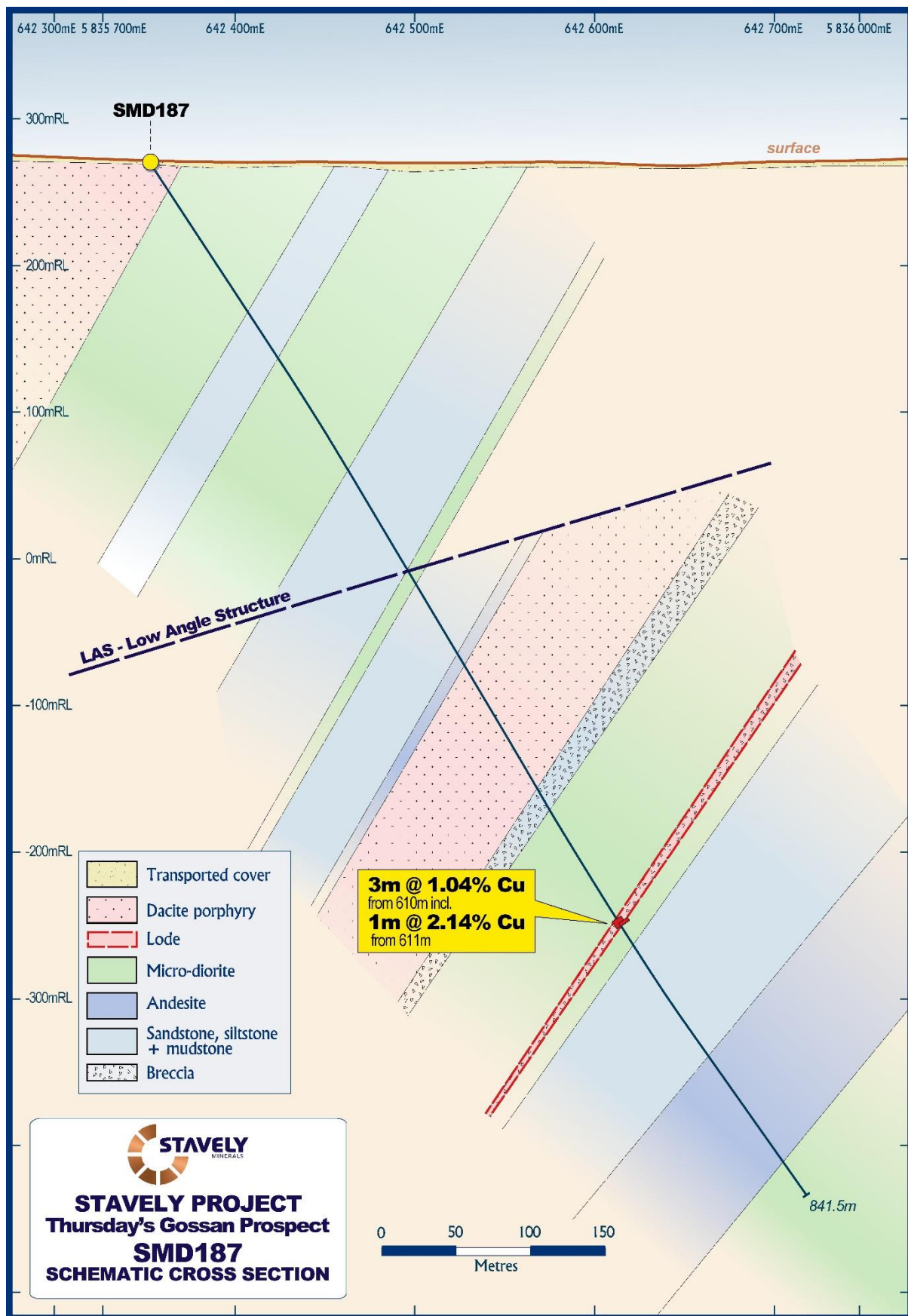


Figure 11. Drill section for drill hole SMD187.



## Regional Exploration

The Company has received the results of an independent review of the geochemical sampling, both from soil auger and aircore drilling, completed last field season in conjunction with historic data. This review, which was completed by Dr Dan Core of Fathom Geophysics (Fathom), has identified a number of compelling new regional porphyry targets.

Dr Core from Fathom had developed interpretive algorithms based on the vertical geochemical zonations above known porphyry copper deposits. This vertical geochemical zonation model has been based on a study of the Ann Mason porphyry copper deposit by Dr Scott Halley, Dr John Dilles, researchers from Oregon State University and the Mineral Deposit Research Unit at the University of British Columbia (Figure 12).

The algorithms recognise the multi-element 'signal' of a porphyry deposit and can, in a fashion, indicate the expected depth to the porphyry-style copper mineralisation. This allows prioritisation of targets based on both the target score and the expected depth of the target copper mineralised zone (Table 2) and shown in Figure 13.

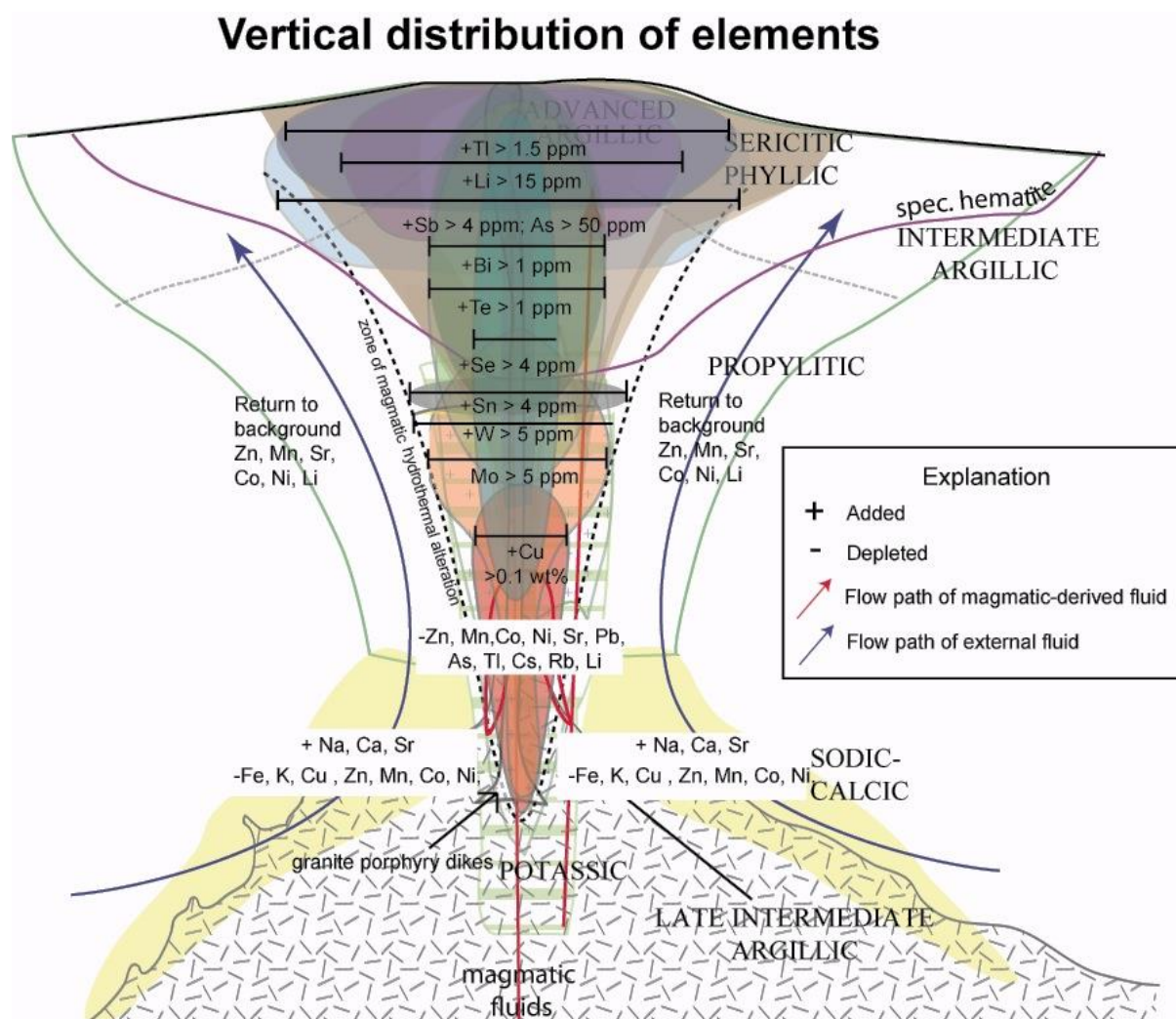


Figure 12. A summary diagram of the Mineral Deposit Research Unit – University of British Columbia generalised model of geochemical and alteration zonation around a porphyry copper-gold deposit (after Cohen, 2011 and Halley et al., 2015). The column of alteration and geochemical zonation depicted may be in the order of 5 kilometres vertically.

**Table 2. Fathom soil auger and aircore geochemistry review porphyry targets, predicted depths, scores and comments.**

Target	X	Y	RL	DEM	Depth	Score	Comments
FG-Stavely-S-1	641940	5836030	-46	270	316	0.11	Coincident with target AC-3A. Relatively low scoring target, but coincidence with the AC results means it is probably worth following up.
FG-Stavely-S-2	647070	5824260	-800	240	1040	0.18	Target is relatively high scoring but is quite deep.
FG-Stavely-S-3	649270	5821230	-300	210	510	0.2	High scoring target at explorable depth. Aircore should be completed over this target.
FG-Stavely-S-4	645790	5816430	-350	220	570	0.11	Target score is similar to target S-1. It appears to be around the same depth as S-3. Follow-up should be completed if any other data support the area as a target.
FG-Stavely-AC-1	640150	5847930	-320	270	590	0.25	Reasonably high scoring but poorly constrained target at the edge of the sampling. Additional <u>aircore</u> samples are required to better constrain the target location and depth.
FG-Stavely-AC-2	630300	5845980	-380	250	630	0.31	Highest scoring AC target. Better constrained than AC-1, but it could still use better sample density to optimize drill targeting. The target is worth following up.
FG-Stavely-AC-3A	641950	5835540	130	280	150	0.12	Poorly constrained at the edge of sampling. The score is relatively low, but that may be because samples were not taken directly over the soils target (S-1) that is nearby. Aircore should probably be extended over the soils target.
FG-Stavely-AC-3B	642500	5834930	110	280	170	0.2	Relatively high-scoring target on the edge of sampling. Soils in this area did not highlight a target. They highlighted S-1 to the NNW of AC-3B. Extending <u>aircore</u> coverage to the west to cover the highest scoring part of this target and north to cover the soils target would help with constraining drill targets in this area.
FG-Stavely-S-Epi1	643830	5818120	-1750	220	1970	0.1	Very deep target that may be more likely to be an epithermal system. The target scores relatively low, but the area has significant metal enrichment and is probably worth following up.

Of particular interest are the S-2 and S-3 porphyry targets (Figures 14 and 15). Both prospects show a spatial association with gravity lows and are both at least partially covered by transported alluvium or duricrust. Aircore drilling has been planned to test the S-2 and S-3 targets. The predicted depth to target for S-3 is estimated at 510m. It should be noted that these depth estimates are quite imprecise and can be better constrained once the planned aircore drilling geochemical results are integrated into the model.

Enhancing the potential for discovery is the close association of the S-2 and, especially, the S-3 porphyry targets to distinct gravity lows within the Falcon gravity gradiometer survey.

Confidence is drawn from the clear association of known prospects including the Toora West Porphyry, Toora Road, Thursday's Gossan and the Northern Flexure being associated with gravity lows (Figure 16). These gravity lows are interpreted to be related to intense hydrothermal clay alteration associated with the ascending hot mineralising fluids. The clay alteration results in centres of lower density compared to the surrounding unaltered host rocks.

The aircore and soil datasets were processed separately. A total of five targets were generated from the regional soil geochemistry data and four targets were generated from the aircore geochemical data. Confidence in the veracity of the targets is provided by the highest-ranking aircore target (AC-2), having a target score of 0.31 and

being associated with the 'blind' Toora West porphyry discovered by Stavely Minerals in 2021 (Figure 13). The tenure over Toora West was relinquished as it was considered to host only one phase of porphyry-style mineralisation and typical 'economic' porphyry systems will typically host three or more phases of over-printing mineralisation required to produce the grades needed to be economic. Notwithstanding that, the Fathom Geophysics algorithms have successfully identified the Toora West prospect in what can be considered a blind test.

Other porphyry targets identified in the Fathom review included aircore targets AC-3A and AC-3B and soil target S-1, all located in the vicinity of the Thursday Gossan Prospect and the Cayley Lode deposit.



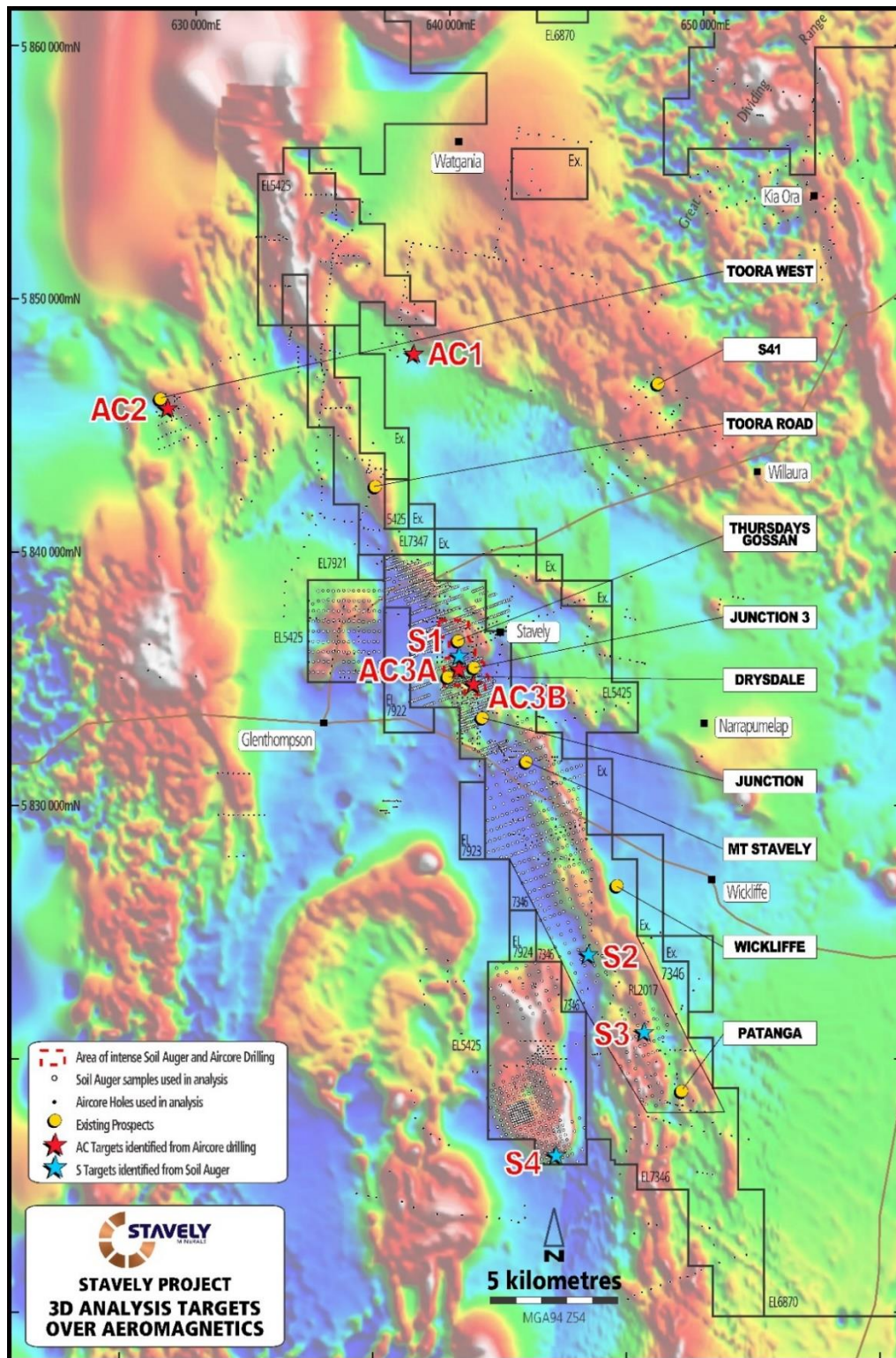


Figure 13. Fathom porphyry targets overlaid on aeromagnetic image with tenement outlines and existing prospects.

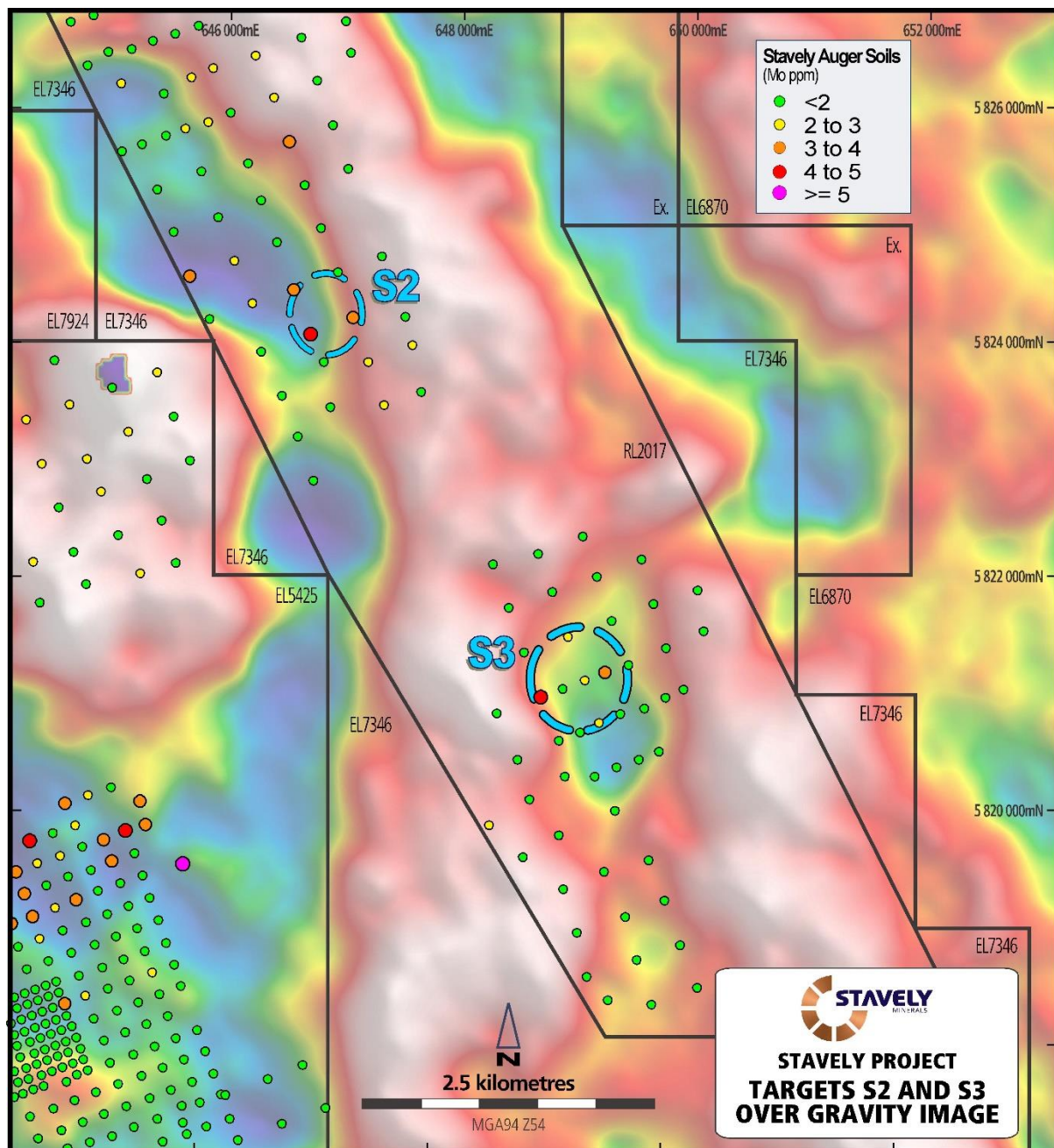


Figure 14. Fathom porphyry targets S-2 and S-3 overlaid on Falcon© gravity image with tenement outlines. Note the close spatial association with gravity lows potentially a product of intense hydrothermal clay alteration typical of that above porphyry systems.



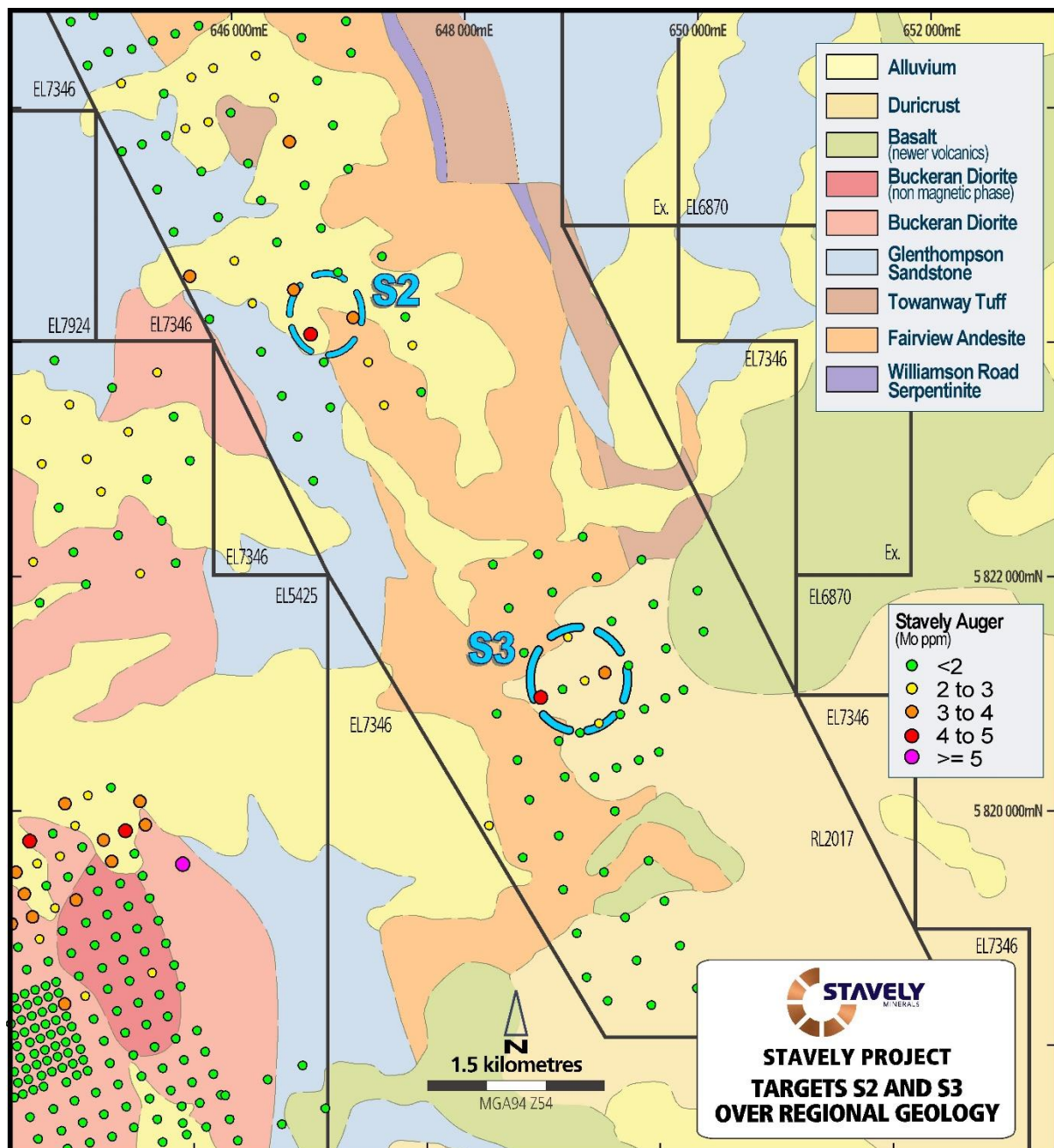


Figure 15. Fathom porphyry targets overlaid on regional geology with tenement outlines. Note that both targets are at least partially covered by transported alluvium or duricrust. The planned aircore drilling will easily penetrate these cover sequences.

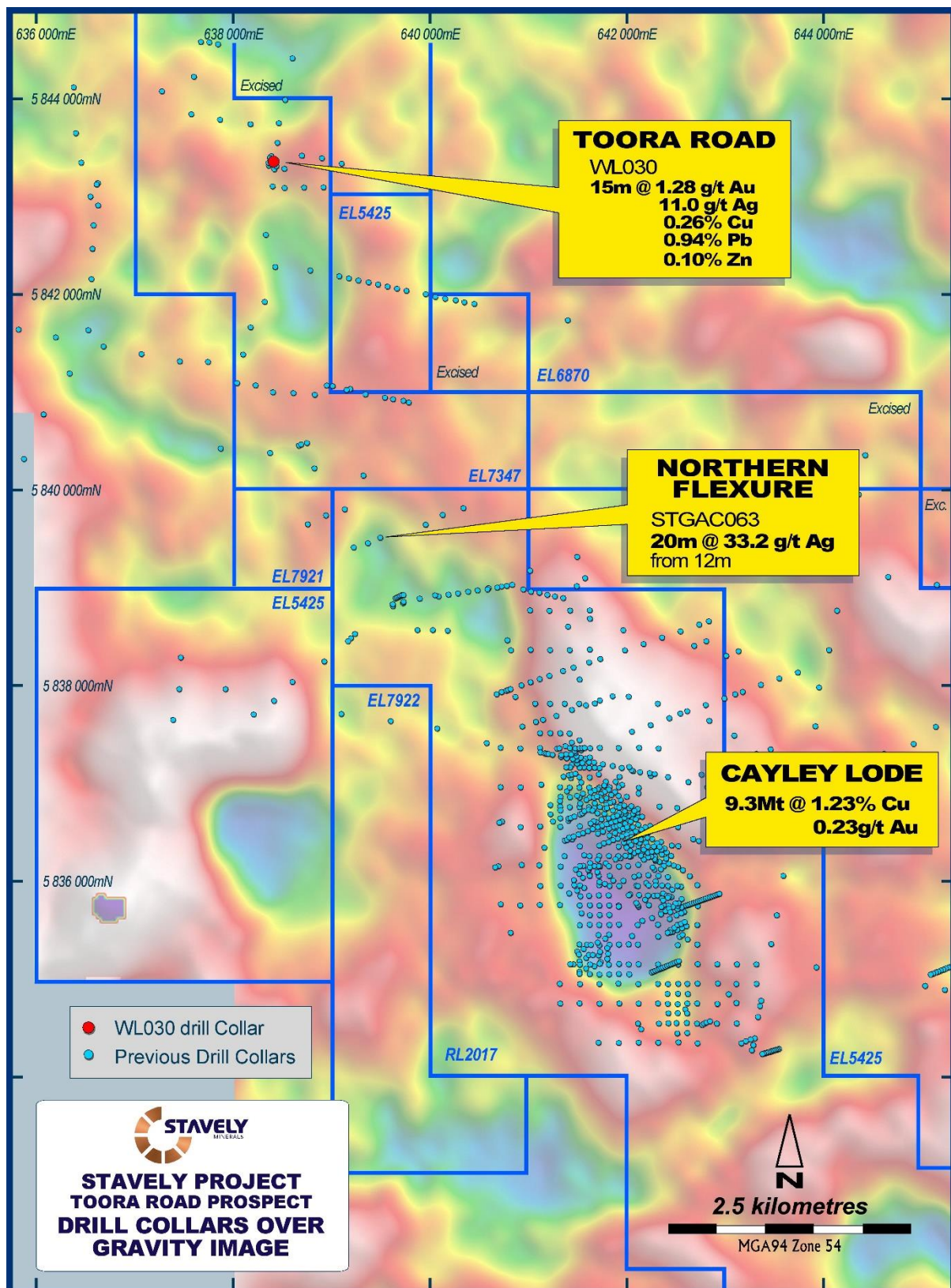


Figure 16. Thursday's Gossan (Cayley Lode), Northern Flexure and Toora Road prospects are associated with distinct gravity lows interpreted to be related to hydrothermal clay alteration which is less dense than the unaltered host rocks.

### **S41 Prospect**

During the half- year Stavely Minerals received the results from RSC Mining & Mineral Exploration whom were engaged to conduct scanning electron microscope (SEM) characterisation on a number of carbonate samples from STDD001 (Figure 17). The purpose of the SEM characterisation is to identify the composition of carbonate mineralogy in the breccia matrix of the S41 prospect. Carbonate mineralogy is an important temperature indicator for mineralisation, and can help to vector to a more productive Au-mineralised portion of the breccia and hydrothermal system.

The results from SEM are ambiguous, in that the occurrence of marcasite and the textures present in the pyrite would suggest low temperatures. However, calcite was found to be the dominate carbonate mineral which would suggest a deeper/hotter environment. This could be due to the fact that there appears to be earlier mineralisation in clasts brought from depth.

The S41 breccia remains prospective with only 1 diamond hole having been drilled into a 2km by 750m system and there remains the opportunity to map out the margins of the system and potentially locate better developed sphalerite-associated gold mineralisation. Diamond drill hole STDD001 (Figure 18) did intercept anomalous gold mineralisation including:

- 1m at 2.16g/t Au from 282m drill depth, and
- 37m at 0.10 g/t Au and 4.8g/t Ag from 320m

During Dr Greg Corbett's visit to the Stavely Project in the December Quarter, he had a look at the core from drill hole STDD001. STDD001 was drilled to test a coincident magnetic and gravity low with anomalous geochemistry which Dr Corbett considered to be consistent with shallow level low sulphidation epithermal gold mineralisation. Dr Corbett described the hole as passing through a series of variably milled and altered magmatic hydrothermal breccias and later intense illite-pyrite altered phreatomagmatic milled matrix breccia. Rhyolite dykes and ragged juvenile intrusion breccia clasts attest to the felsic magmatic driver for brecciation, alteration and mineralisation. Low sulphidation epithermal gold mineralisation evolves from early quartz-sulphide Au ± Cu style characterised by low grade gold (0.1 g/t Au) within pyrite, to later carbonate-base metal gold characterised by higher gold grade (up to 2 g/t Au) associated with low temperature, pale zinc-rich sphalerite and rhodochrosite. These ore systems typically host better gold grades at lower temperatures and are commonly associated with phreatomagmatic (diatreme) matrix pipes. The low temperature of ore (occurrence of sphalerite) and alteration (illite) minerals, provide potential for continuation of the system at depth.

Dr Corbett has commented that the planned IP survey may contribute towards the identification of exploration targets in association with elevated chargeability from pyrite, coincident with magnetic lows from the illite alteration.



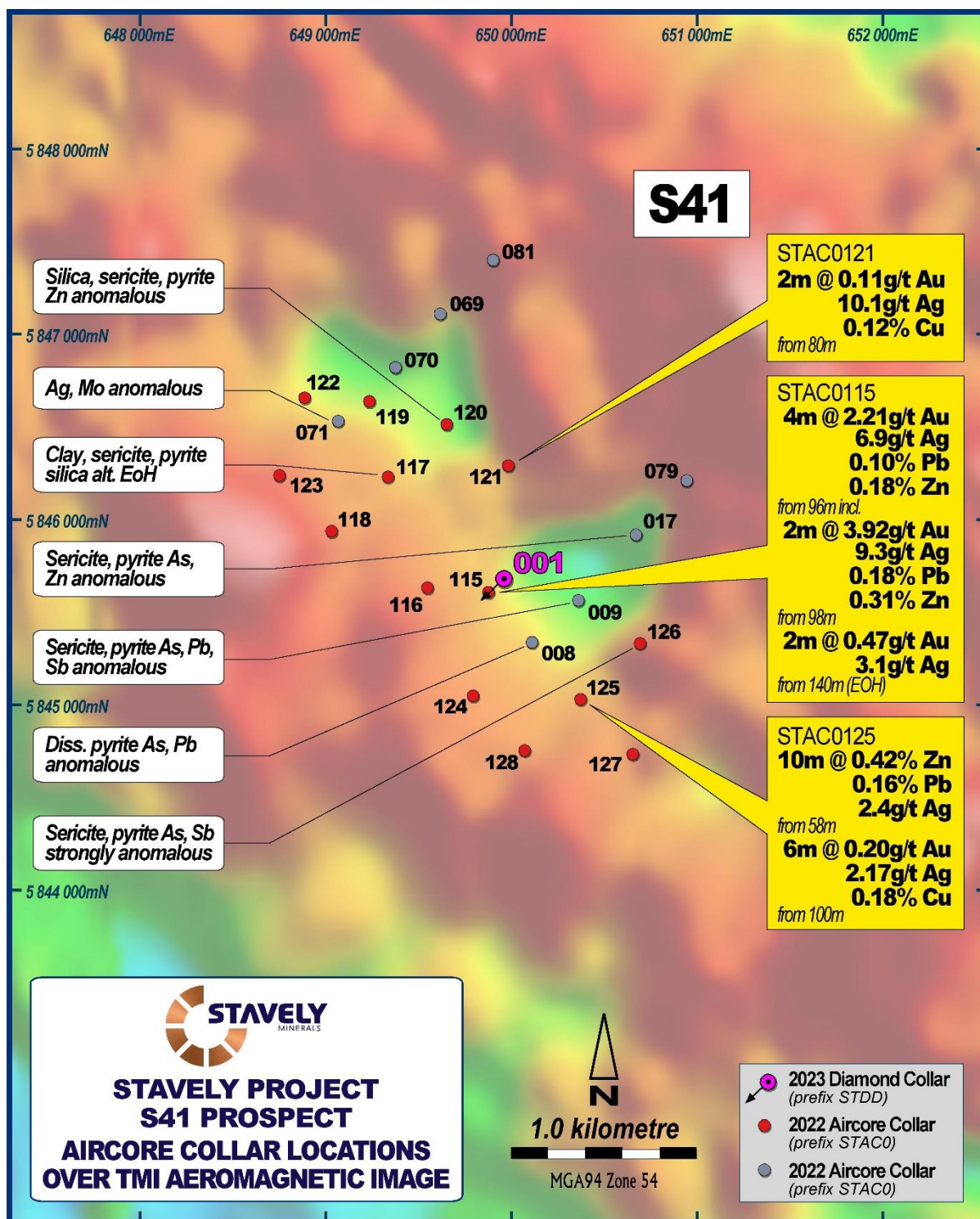


Figure 17. S41 prospect magnetic image with aircore and diamond drill-hole collar locations. The distance between STAC125 and STAC071 is 2km and open along strike NW and SE.

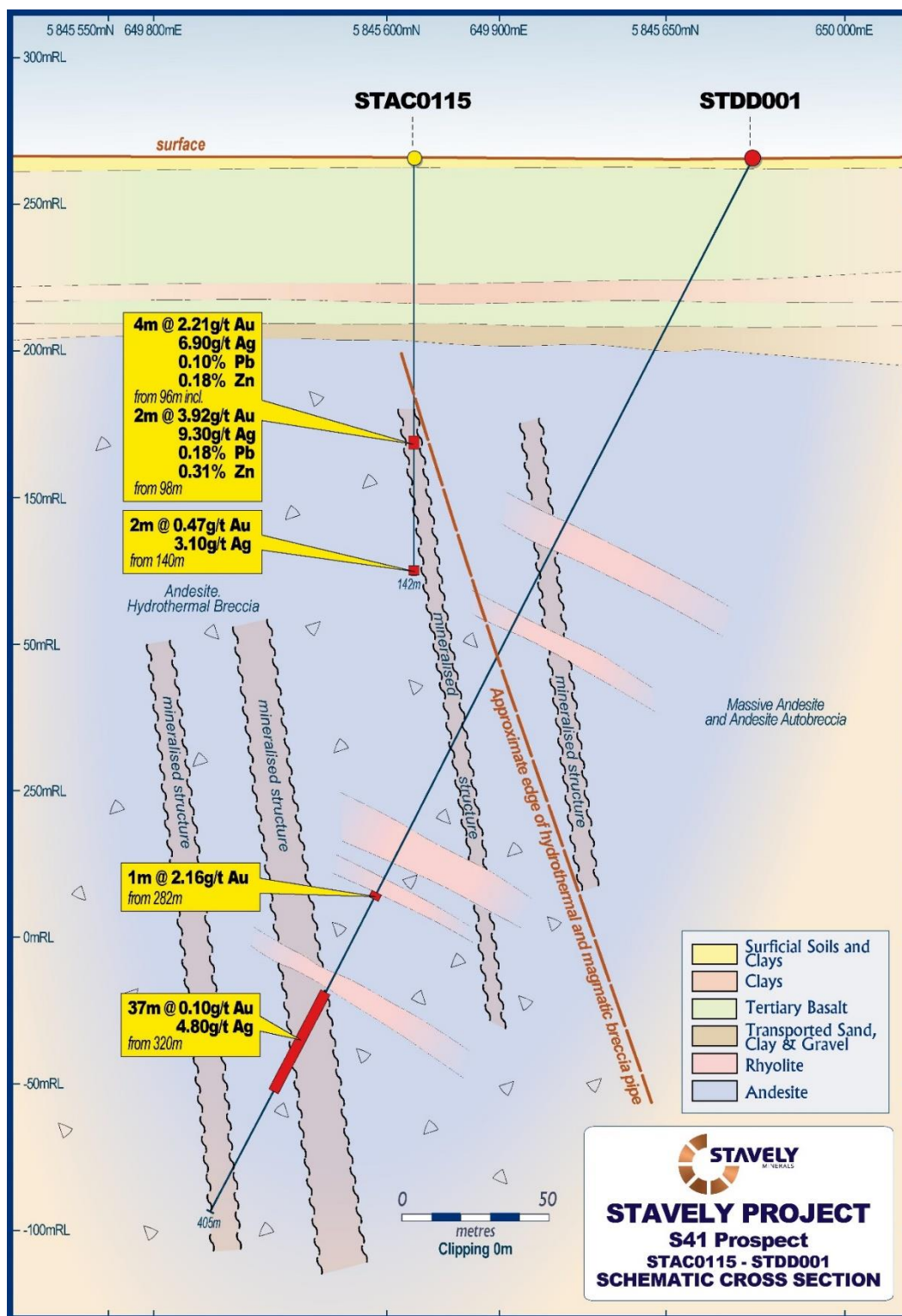


Figure 18. STDD001 drill hole section.

**BLACK RANGE JOINT VENTURE PROJECT (EL 5425)**

No exploration activities were conducted on the Black Range JV Project during the Quarter.



## Hawkstone Project (E04/1169, E04/2299, E04/2325, E04/2563, E04/2405 & E04/2784, E04/2871)

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The tenement location plan for the Hawkstone Project is located in Figure 19.

During the half-year, Stavely engaged Xcalibur Aviation (Australia) Pty Ltd to fly a state-of-the-art airborne gravity survey over the Hawkstone Project using its airborne Falcon™ Plus gravity gradiometer system as well as magnetics sensors.

The survey, comprising some 3,700 line-kilometres, was flown at 80m height above surface, on flight lines spaced 200m apart. With permission from the IGO/Buxton JV, the Falcon survey was also flown over the Merlin/Double Magic Ni-Cu-Co discovery.

The Hawkstone Project is located approximately 1km along strike from the Buxton Resources/IGO Joint Venture at the Double Magic Project, as shown in Figure 20.

Stavely Minerals has received processed data and imagery including gravity, gravity gradient, total magnetic intensity (TMI) and the first vertical derivative (1VD) of the magnetic data (Figures 21- 24).

Of note in the Falcon images is the very large gravity high ridge traversing Stavely Minerals' Hawkstone project and the location of the Merlin Ni-Cu-Co discovery at one end of that gravity ridge (Figure 20).

The Company has entered into agreement with the WA Government, through the Exploration Incentive Scheme (EIS), for co-funding of an 800m deep diamond drill-hole at the Hawkstone Nickel-Copper-Cobalt Project to a maximum amount of \$220,000 of co-funding.

The West Kimberley is an emerging magmatic-nickel province with two recent discoveries within separate IGO/Buxton JV's – the Merlin Ni-Cu-Co discovery in 2015 and the very recent Dogleg Ni-Cu-Co discovery (2023). Both of these discoveries are located directly along strike from Stavely Minerals' Hawkstone Ni-Cu-Co Project.

The recent Dogleg Ni-Cu-Co discovery is located a further 13km north-west of Merlin. Both discoveries are hosted in the Ruins Dolerite, which continues along strike for some 30 kilometres through the Hawkstone Project (Figure 20).

In October 2023 IGO drill tested a 15,000 Siemens MLEM conductor at the Dogleg prospect and intersected 13.85m @ 4.35% Ni, 0.34% Cu and 0.15% Co from 177.34m, including 5.86m @ 7.47% Ni, 0.31% Cu and 0.25% Co<sup>4</sup> in diamond drill hole 23WKDD003.

A follow-up drill hole, 23WKDD004, drilled 65m down-dip of the initial intercept was reported as having intercepted 2.89m (true width 2.63m) of semi-massive sulphides with 4.17% Ni, 0.83% Cu, 0.14% Co from 233.63m<sup>5</sup>.

A key outcome of the Falcon gravity gradiometer survey is the recognition of a large (~20km long) interpreted mafic magma chamber located beneath the Hawkstone Project (Figure 21).

The significance of this mafic magma chamber is that the bulk of the nickel-copper-cobalt mineralisation at both the Nova Bollinger and Voisey's Bay mines is located at or near the base of mafic magma chambers.

Nova Bolinger and Voisey's Bay are examples of magmatic nickel-copper sulphide deposits that are the discovery target within the Hawkstone Project. These types of nickel deposits dominate the lowest-quartile of global nickel production costs. The over done fear of Indonesian laterite nickel production has tainted perception of all nickel projects in the eyes of investors. However, the reality is that the Indonesian producers dominate the third quartile of the global nickel production cost curve and that a quality magmatic nickel deposit will be profitable throughout the price cycle.

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<sup>4</sup> Buxton Resources ASX announcement dated 6 November 11, 2023

<sup>5</sup> Buxton Resources ASX announcement dated 1 February 2024

Newexco Exploration Pty Ltd have been engaged to reprocess the SkyTEM and Xcite airborne electromagnetic (AEM) surveys conducted previously by Chalice Mining over the Hawkstone project as well as the moving loop electro-magnetic (MLEM) ground geophysical surveys. Planning of an extensive new MLEM survey based on the interpretations from the Falcon gravity gradiometer survey is underway.

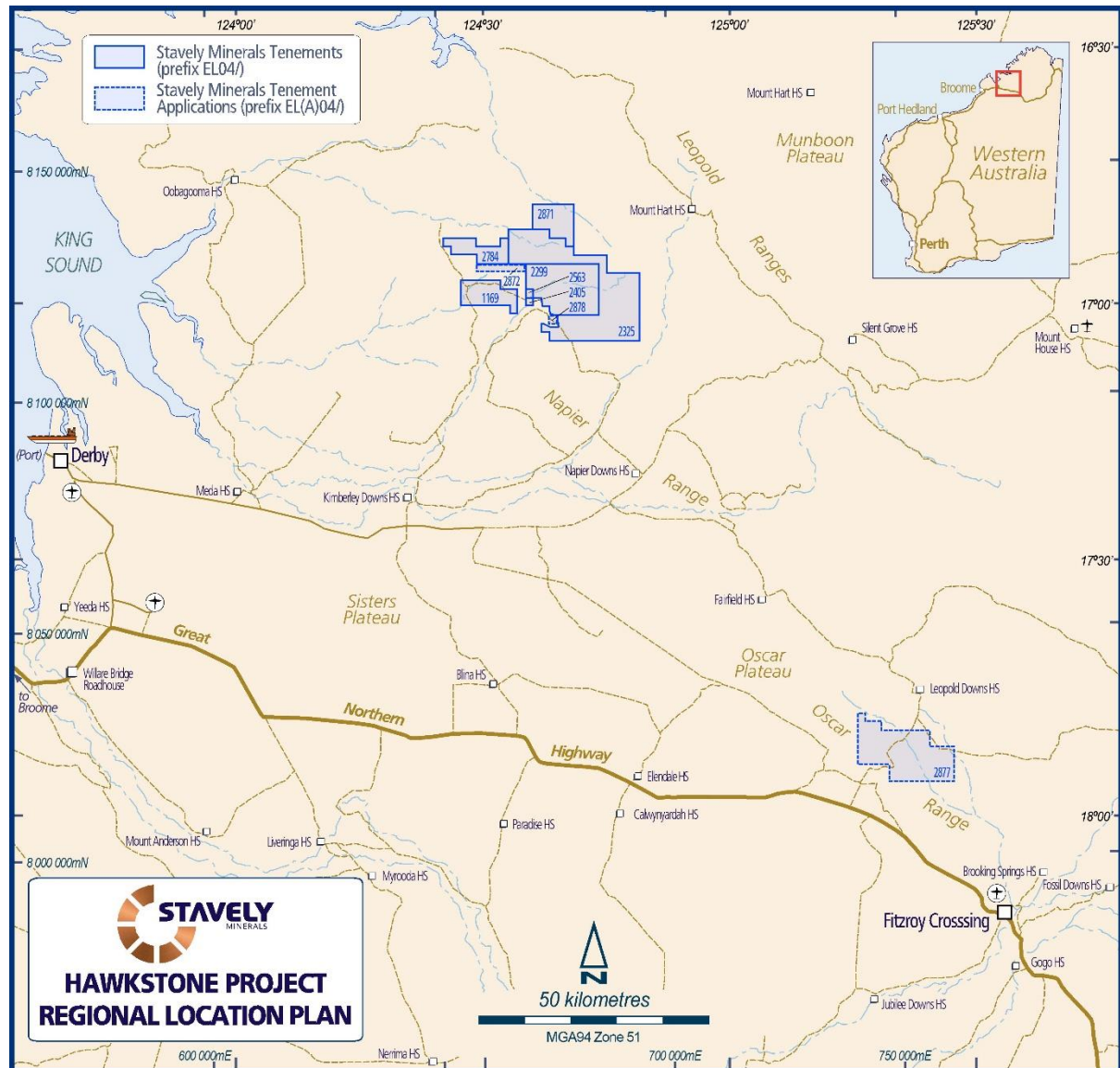


Figure 19. Hawkstone Project tenement plan.

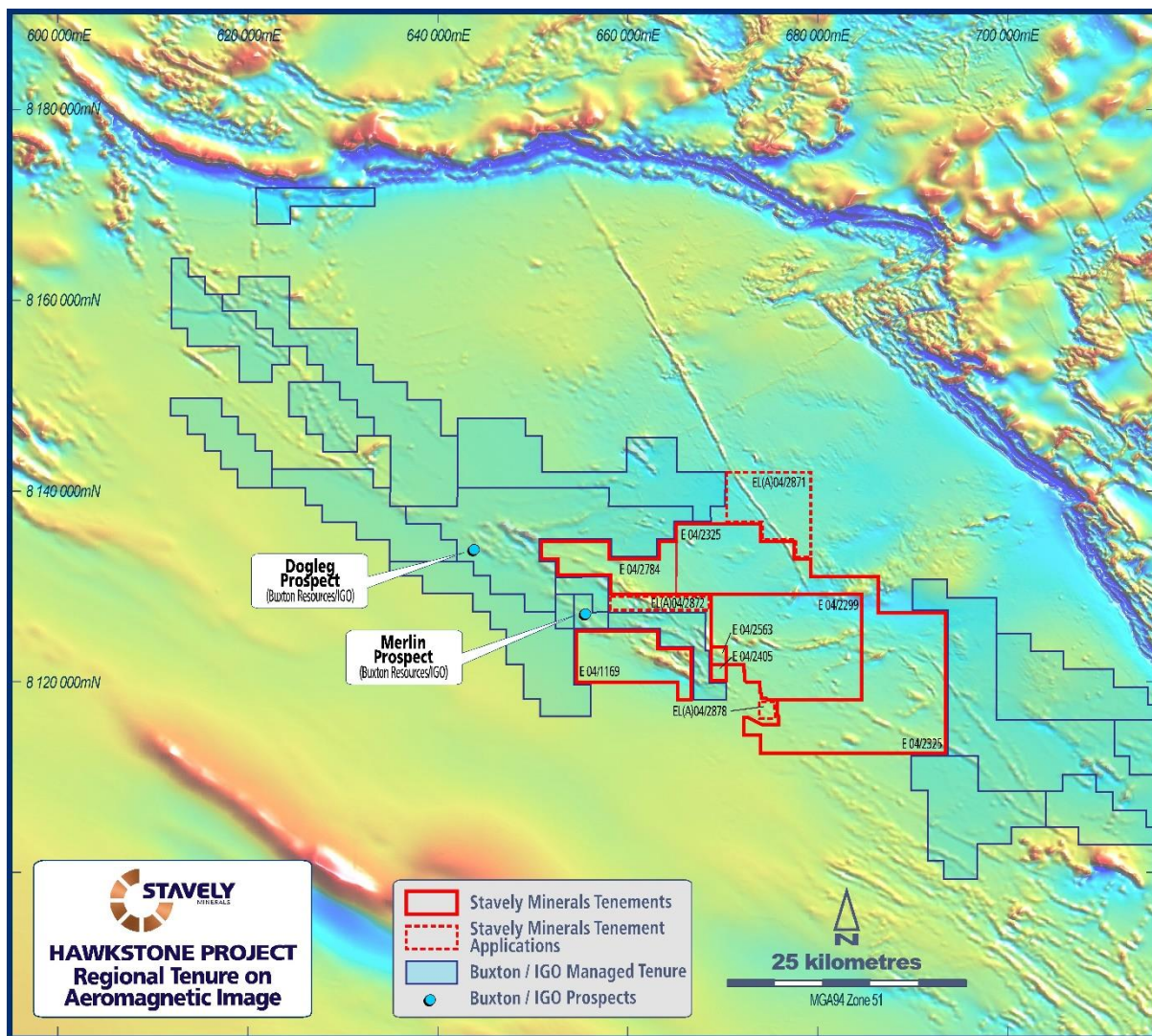


Figure 20. Hawkstone Project location map relative to IGO-controlled tenure and the Merlin (2015) and Dogleg (2023) nickel-sulphide discoveries overlaid on aeromagnetics.



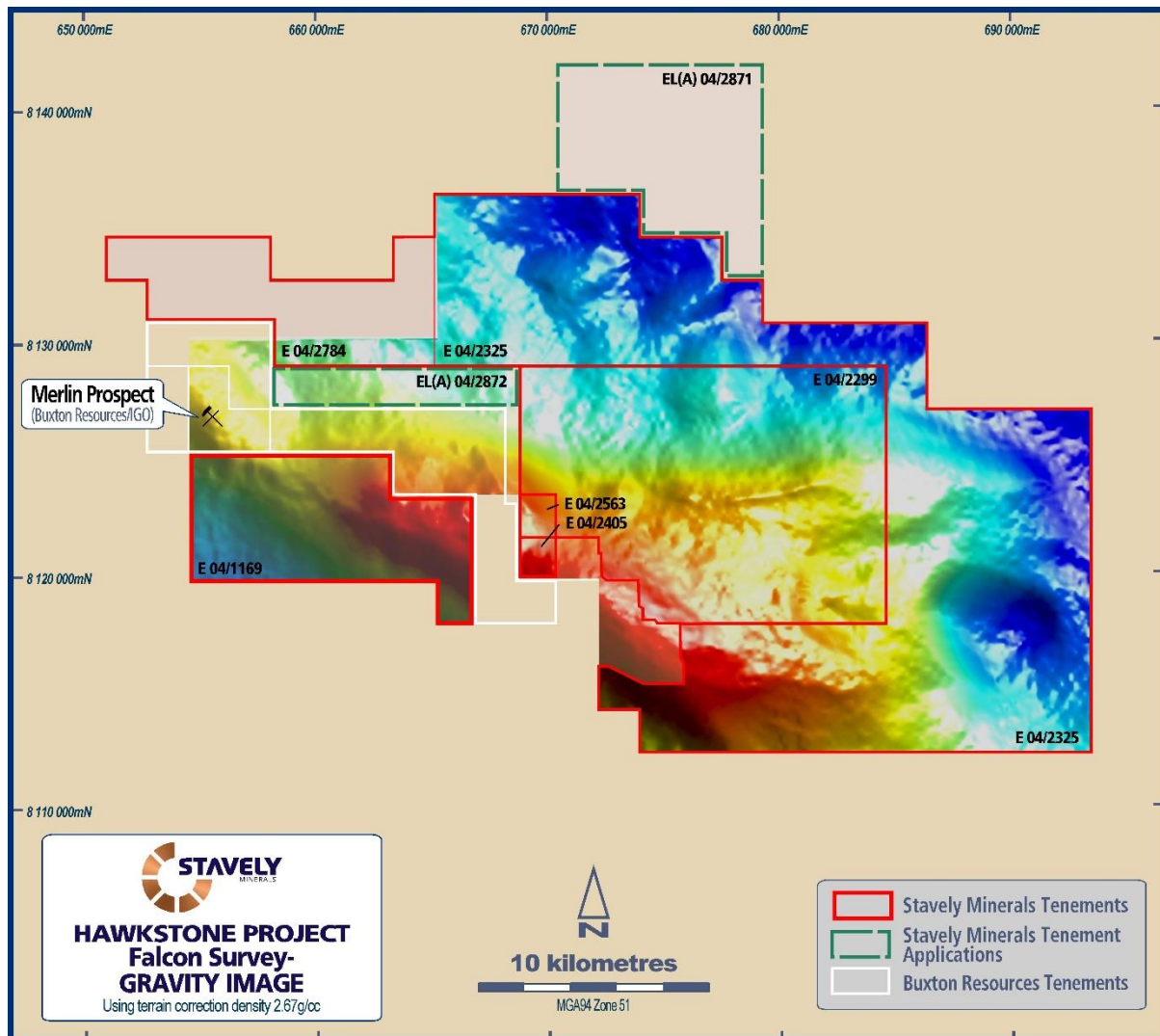


Figure 21. Hawkstone gravity image with tenement outlines and the location of the Merlin Ni-Cu-Co discovery. The large gravity feature is interpreted to reflect a mafic magma chamber at depth.

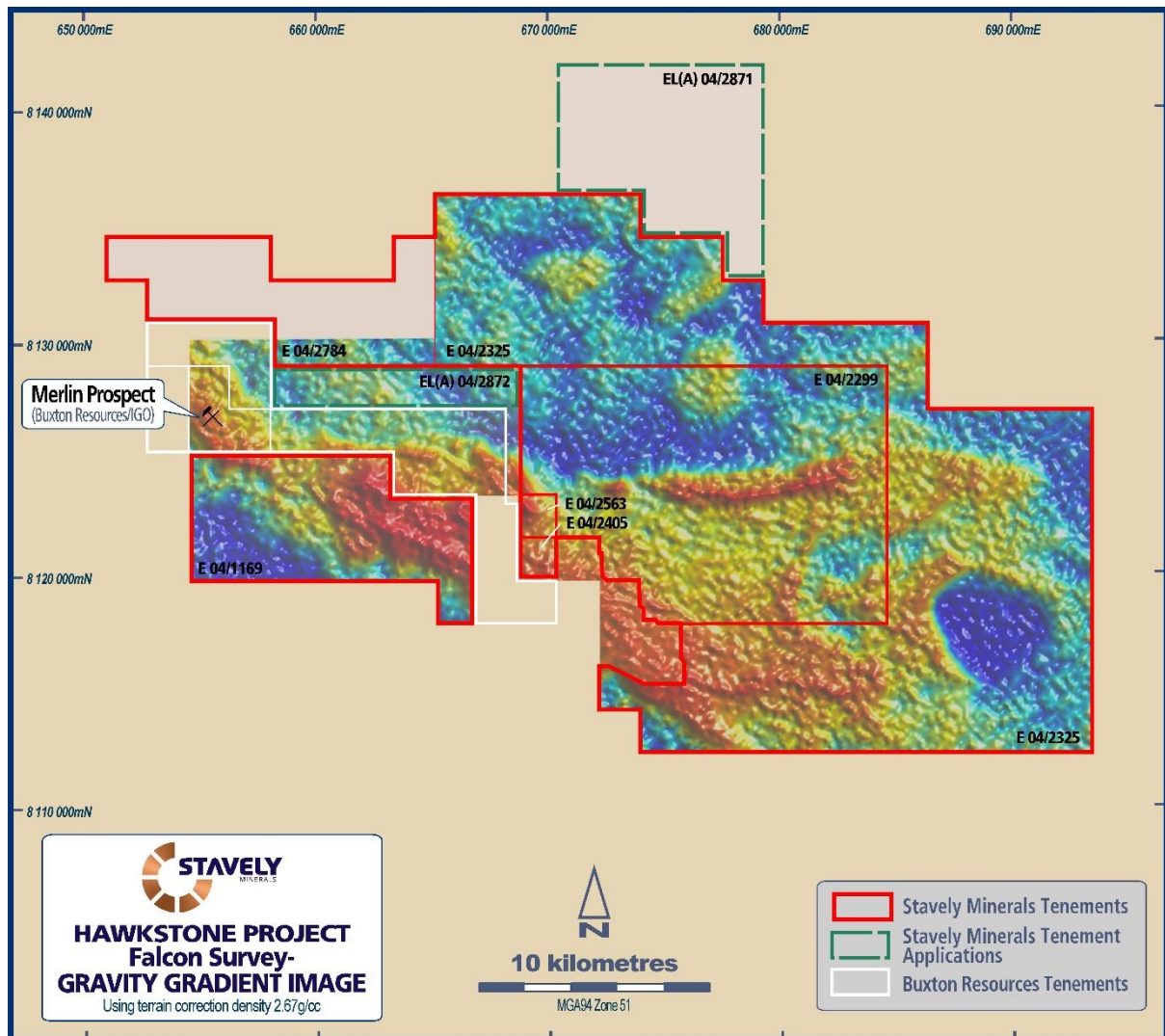


Figure 22. Hawkstone gravity gradient image with tenement outlines and the location of the Merlin Ni-Cu-Co discovery.

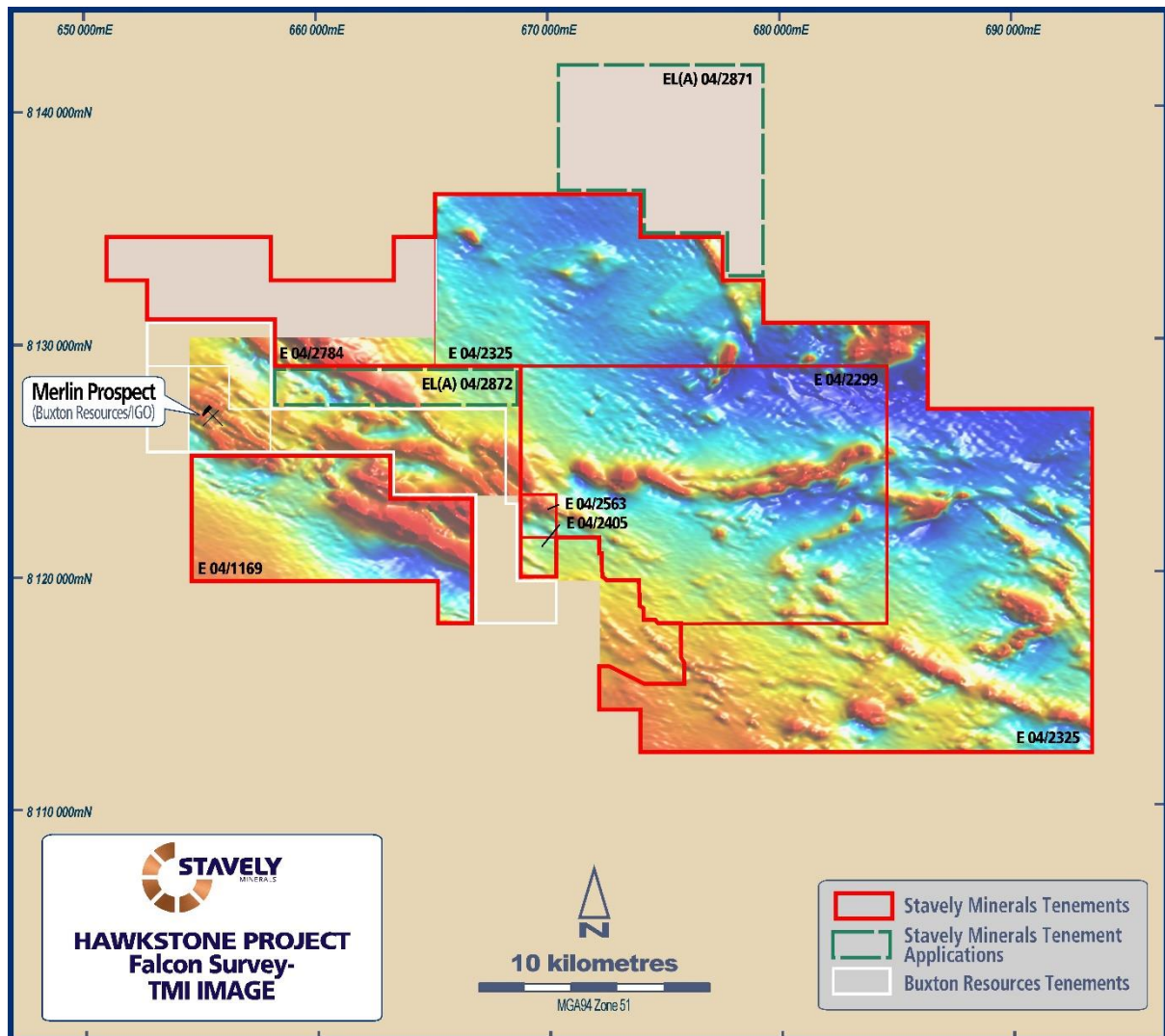
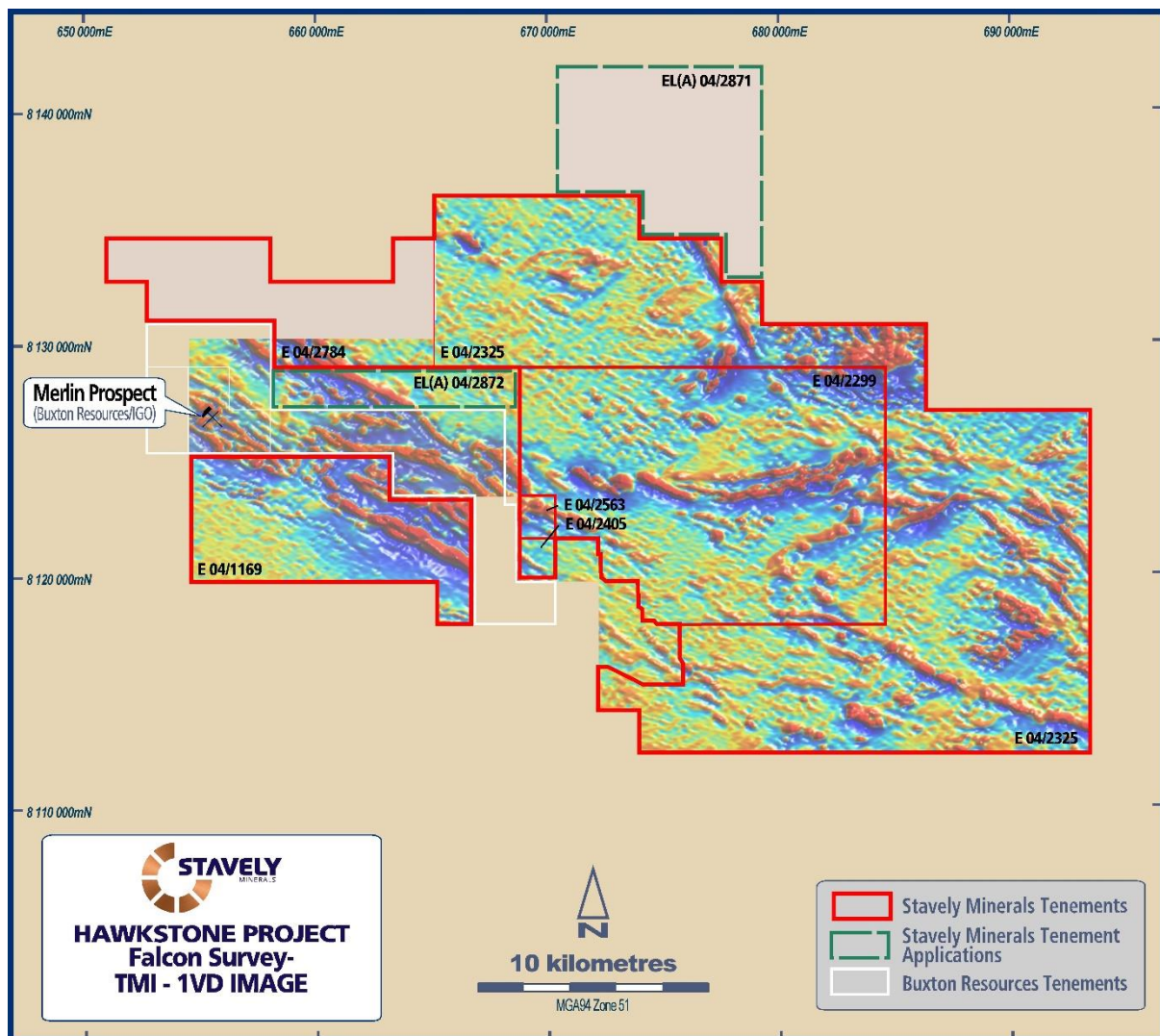


Figure 23. Hawkstone TMI image with tenement outlines and the location of the Merlin Ni-Cu-Co discovery. The NW and E-W trending magnetic units correlate with the Ruins Dolerite.



**Figure 24. Hawkstone 1VD magnetic image with tenement outlines and the location of the Merlin Ni-Cu-Co discovery. The NW and E-W trending magnetic units correlate with the Ruins Dolerite.**

## ANNOUNCEMENTS

The following announcements (available at [www.stavely.com.au](http://www.stavely.com.au)) provide a more detailed description of the Company's operational activities for the half-year ended 31 December 2023:

- 08/08/2023     Deep Porphyry Drilling Underway
- 15/08/2023     Stavely Completes Acquisition of Hawkstone Ni-Cu-Co Project
- 03/10/2023     Compelling New Regional Porphyry Targets Identified
- 05/10/2023     Outstanding Ni-Cu Prospectivity Outlined Hawkstone Project
- 14/11/2023     Successful WA Government Drilling Co-Funding Application

## CORPORATE

Stavely Minerals had a total of \$1.38M cash on hand at the end of December 2023.



## SUBSEQUENT EVENTS

No matter or circumstance has arisen since 31 December 2023 that has significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group, in subsequent financial years.

## AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declarations as required under section 307C of the Corporations Act 2001 is included in this report and can be found on the page following this report.

Signed in accordance with a resolution of the Directors.



Christopher Cairns  
Executive Chair

Perth, Western Australia

5 March 2024

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 Fellow of the Australian Institute of Geoscientists and a Fellow of the Australian Institute of Mining and Metallurgy. Mr Cairns is a full-time employee of the Company. Mr Cairns is Executive Chair and Managing Director of Stavely Minerals Limited and is a shareholder and 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.

**Previously Reported Information:** The information in this report that references previously reported exploration results and mineral resources is extracted from the Company's ASX market announcements released on the date noted in the body of the text where that reference appears. The previous market announcements are available to view on the Company's website or on the ASX website ([www.asx.com.au](http://www.asx.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 announcements. 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 announcements.



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Australia

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

As lead auditor for the review of Stavely Minerals Limited for the half-year ended 31 December 2023, 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 review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Stavely Minerals Limited and the entities it controlled during the period.

**Glyn O'Brien**

**Director**

**BDO Audit (WA) Pty Ltd**

Perth

5 March 2024

		<b>Consolidated</b>	
		<b>Six months ended 31 December 2023</b>	<b>Six months ended 31 December 2022</b>
	<b>Note</b>	<b>\$</b>	<b>\$</b>
<b>Revenue and Income</b>			
Interest revenue		42,218	75,098
Rental sub-lease revenue		35,695	23,041
Proceeds on sale of fixed assets		19,989	9,091
		<u>97,902</u>	<u>107,230</u>
<b>Expenses</b>			
Administration and corporate expenses	2(a)	(631,379)	(825,438)
Exploration expensed	2(b)	(2,264,908)	(1,366,862)
Pastoral land costs		(17,483)	(13,533)
Impairment of land	5	(448,916)	-
Equity based payments expensed	2(c)	(61,924)	(204,545)
Financing costs	2(d)	(84,560)	(132,602)
Total expenses		<u>(3,509,170)</u>	<u>(2,542,980)</u>
<b>Other gains/(losses)</b>			
Other gains/(losses)		-	-
<b>Loss before income tax</b>		<u><b>(3,411,268)</b></u>	<u><b>(2,435,750)</b></u>
Income tax expense		-	-
<b>Loss after income tax attributable to members of Stavely Minerals Limited</b>		<u><b>(3,411,268)</b></u>	<u><b>(2,435,750)</b></u>
<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 period, net of tax</b>		-	-
<b>Total comprehensive loss for the period</b>		<u><b>(3,411,268)</b></u>	<u><b>(2,435,750)</b></u>
<b>Loss per share for the half-year attributable to the members of Stavely Minerals Limited</b>			
		<b>Cents Per Share</b>	<b>Cents Per Share</b>
Basic loss per share	4	<u>(0.91)</u>	<u>(0.77)</u>

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

		<b>Consolidated</b>	
		<b>31 December 2023</b>	<b>30 June 2023</b>
	<b>Note</b>	<b>\$</b>	<b>\$</b>
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents		1,378,031	1,654,418
Other receivables		336,381	286,802
Assets held for sale	5	2,660,000	-
<b>Total Current Assets</b>		<b>4,374,412</b>	<b>1,941,220</b>
<b>Non-Current Assets</b>			
Receivables		81,320	141,320
Right of use assets		246,821	-
Property, plant and equipment	6	79,831	3,231,418
Deferred exploration expenditure acquisition costs	7	5,072,126	3,672,126
<b>Total Non-Current Assets</b>		<b>5,480,098</b>	<b>7,044,864</b>
<b>Total Assets</b>		<b>9,854,510</b>	<b>8,986,084</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and other payables		230,797	948,049
Borrowings	8	1,600,000	-
Lease liabilities – right of use assets		79,712	-
Provisions		190,263	237,946
<b>Total Current Liabilities</b>		<b>2,100,772</b>	<b>1,185,995</b>
<b>Non-Current Liabilities</b>			
Borrowings	8	-	1,600,000
Lease liabilities – right of use assets		169,114	-
Provisions		117	3,651
<b>Total Non-Current Liabilities</b>		<b>169,231</b>	<b>1,603,651</b>
<b>Total Liabilities</b>		<b>2,270,003</b>	<b>2,789,646</b>
<b>Net Assets</b>		<b>7,584,507</b>	<b>6,196,438</b>
<b>Equity</b>			
Issued capital	9	90,841,698	86,156,285
Reserves		8,335,780	8,221,856
Accumulated losses		(91,592,971)	(88,181,703)
<b>Total Equity</b>		<b>7,584,507</b>	<b>6,196,438</b>

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



	<b>Consolidated</b>	
	<b>31 December 2023</b>	<b>31 December 2022</b>
	<b>\$</b>	<b>\$</b>
<b>Cash flows from operating activities</b>		
Receipts in the ordinary course of activities (incl. GST)	368,098	319,463
Payments to suppliers and employees	(3,912,927)	(3,006,021)
Interest received	42,218	75,098
Interest paid	(103,266)	(152,476)
<b>Net cash flows used in operating activities</b>	<b>(3,605,877)</b>	<b>(2,763,936)</b>
<b>Cash flows from investing activities</b>		
Payments for property, plant and equipment	(1,139)	(2,650,034)
Proceeds from disposal of plant and equipment	19,990	9,091
Bonds repaid	10,000	143,693
<b>Net cash flows (used in) investing activities</b>	<b>28,851</b>	<b>(2,497,250)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issue of shares	3,580,001	9,299,000
Payment of share issue costs	(262,588)	(315,782)
Borrowings	-	1,600,000
Payment of lease liabilities (right of use assets)	(16,774)	(54,618)
<b>Net cash flows from/(used in) financing activities</b>	<b>3,300,639</b>	<b>10,528,600</b>
<b>Net increase/(decrease) in cash and cash equivalents held</b>	<b>(276,387)</b>	<b>5,267,414</b>
Add opening cash and cash equivalents	1,654,418	922,218
<b>Closing cash and cash equivalents</b>	<b>1,378,031</b>	<b>6,189,632</b>

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

	Issued Capital \$	Reserves \$	Accumulated Losses \$	Total Equity \$
<b>At 1 July 2022</b>	<b>76,523,067</b>	<b>7,848,968</b>	<b>(79,323,038)</b>	<b>5,048,997</b>
Loss for the half-year	-	-	(2,435,750)	(2,435,750)
Other comprehensive income/(loss)	-	-	-	-
<b>Total comprehensive loss for the half-year, net of tax</b>	<b>-</b>	<b>-</b>	<b>(2,435,750)</b>	<b>(2,435,750)</b>
<b>Transactions with owners in their capacity as owners:</b>				
Issue of share capital	9,299,000	-	-	9,299,000
Cost of issue of share capital	(315,782)	-	-	(315,782)
Share based payments - options	-	204,545	-	204,545
	8,983,218	204,545	-	9,187,763
<b>As at 31 December 2022</b>	<b>85,506,285</b>	<b>8,053,513</b>	<b>(81,758,788)</b>	<b>11,801,010</b>
<b>At 1 July 2023</b>	<b>86,156,285</b>	<b>8,221,856</b>	<b>(88,181,703)</b>	<b>6,196,438</b>
Loss for the half-year	-	-	(3,411,268)	(3,411,268)
Other comprehensive income/(loss)	-	-	-	-
<b>Total comprehensive loss for the half-year, net of tax</b>	<b>-</b>	<b>-</b>	<b>(3,411,268)</b>	<b>(3,411,268)</b>
<b>Transactions with owners in their capacity as owners:</b>				
Issue of share capital	4,600,000	-	-	4,600,000
Cost of issue of share capital	(314,587)	-	-	(314,587)
Share based payments – options and rights	-	113,924	-	113,924
Share based payments – performance rights (note 7)	-	400,000	-	400,000
Transfer from reserves	400,000	(400,000)	-	-
	4,685,413	113,924	-	4,799,337
<b>As at 31 December 2023</b>	<b>90,841,698</b>	<b>8,335,780</b>	<b>(91,592,971)</b>	<b>7,584,507</b>

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

## NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### (a) Basis of Preparation

This half-year financial report for the six months ended 31 December 2023 has been prepared in accordance with AASB 134 Interim Financial Reporting and the Corporations Act 2001 and was authorised for issue in accordance with a resolution of the directors on 5 March 2024.

These half-year financial reports do not include all the notes of the type normally included in annual financial reports and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Group as the full financial reports.

The half-year financial reports should be read in conjunction with the annual financial reports for the year ended 30 June 2023 and any public announcements made by Stavely Minerals Limited during the half-year reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001. For the purpose of preparing the half-year financial statements, the half-year has been treated as a discrete reporting period.

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

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

### (b) Statement of Compliance

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

### (c) Going Concern

The financial report has been prepared in a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business.

As a mineral explorer, the Group does not generate cash flows from operating activities to finance these activities. As a consequence the ability of the Group to continue as a going concern is dependent on the success of capital fundraising or other financing opportunities. The Group incurred a net loss of \$3,411,268 for the half-year ended 31 December 2023 and had a net cash outflow from operations of \$3,605,877. These conditions indicate a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and, therefore, it may be unable to realise its assets and discharge its liabilities in the normal course of business.

Notwithstanding this, the Directors believe that they will be able to raise additional capital as required and are continually evaluating the Group's cash requirements. The Group has signed a listing agreement with an agent to sell all or part of the 524-acre farm property. The Directors believe that the Group will continue as a going concern. As a result, the financial report has been prepared on a going concern basis. However, should the Group be unsuccessful in undertaking additional fundraising or any alternative financing opportunities, the Group may not be able to continue as a going concern. No adjustments have been made relating to the recoverability and classification of assets and liabilities that might be necessary should the Group not continue as a going concern.

Should the going concern basis not be appropriate, the Group may have to realise its assets and extinguish its liabilities other than in the ordinary course of business and at amounts different from those stated in the financial report. No allowance for such circumstances has been made in the financial report.



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

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

**Accounting Policies**

The accounting policies applied and methods of computation for the half-year ended 31 December 2023 are consistent with those of the annual financial report for the year ended 30 June 2023.

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

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

**New Accounting Standards and Interpretations not yet mandatory or early adopted**

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the half-year reporting period ended 31 December 2023. The Group has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

**Significant accounting estimates and assumptions**

The significant accounting judgements, estimates and assumptions adopted in the half-year financial report are consistent with those applied in the preparation of the Company's annual report for the year ended 30 June 2023, except as follows:

*Assets Held For Sale*

An asset is classified as held for sale if its carrying amount will be recovered principally through sale rather than through continuing use, which is when the sale is highly probable, and it is available for immediate sale. Assets classified as held for sale are measured at the lower of the carrying amount upon classification and the fair value less costs to sell. In assessing the fair value less costs to sell for the 524-acre farm land, the Group used market data provided by the agent selling the property on Stavely's behalf. As a result of this data, an impairment charge has been reflected for the six-months ended 31 December 2023.

*Asset Acquisition*

The determination of whether an acquisition of business assets represents an asset acquisition or business combination requires significant judgement.

On 23 May 2023, the Company announced that it had agreed to acquire the Hawkstone Nickel-Copper-Cobalt Project in the West Kimberley region of Western Australia. The Company acquired 100% of the ordinary shares of North West Nickel Pty Ltd, and its 100% owned subsidiary, Strategic Metals Pty Ltd. The transaction has been accounted for as an asset acquisition as it does not meet the definition of a business combination under AASB 3 Business Combinations. Refer to Note 7 for further details.

Six months ended 31 December 2023	Six months ended 31 December 2022
\$	\$

## NOTE 2 - EXPENSES

### (a) Administration and Corporate Expenses

Administration and corporate expenses include:

Depreciation - administration	3,497	2,417
Amortisation – right of use assets	14,519	35,002
Operating lease rental expense	56,882	22,753
Personnel costs – administration and corporate	103,163	370,316
Other administration and corporate expenses	453,318	394,950
Total administration and corporate expenses	631,379	825,438

### (b) Exploration Costs Expensed

Exploration costs expensed include:

Depreciation - exploration	26,103	38,064
Other exploration costs expensed	2,238,805	1,328,798
	2,264,908	1,366,862

### (c) Share Based Payments

Share based payments (refer note 3)

61,924	204,545
--------	---------

### (d) Financing Costs

Interest on borrowings	80,300	92,334
Interest on right of use assets	4,260	2,792
Other financing costs	-	37,476
	84,560	132,602

Six months ended 31 December 2023	Six months ended 31 December 2022
\$	\$

## NOTE 3 – EQUITY-BASED REMUNERATION PAYMENTS

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

*Expensed in the profit and loss:*

Equity-based payments- options and performance rights	61,924	204,545
	61,924	204,545

**NOTE 3 – EQUITY-BASED REMUNERATION PAYMENTS - continued**

**(b) Summary of equity-based remuneration payments - options - granted during the half-year:**

During the half-year ended 31 December 2023, the following unlisted options were granted:

- 2,700,000 unlisted options, as approved by shareholders at the 2023 Annual General Meeting held on 16 November 2023, and allotted to directors or their nominees on 17 November 2023; and
- 475,000 unlisted options granted and allotted on 12 December 2023 to employees pursuant to the Company's Employee Incentive Plan.

The inputs to the valuation models used were:

<b>Grant date - Employees</b>	<b>12/12/2023</b>	
	Options -	
	Employees	
Spot price (\$)	0.047	
Exercise price (\$)	0.14	
Vesting date	Immediately	
Expiry date	30/11/2026	
Expected future volatility (%)	88	
Risk-free rate (%)	3.73	
Dividend yield (%)	-	
Value Each (\$)	0.0157	
Number Granted	475,000	
Valuation Method	Black-Scholes	

<b>Grant date – Directors</b>	<b>16/11/2023</b>	<b>16/11/2023</b>
	Options -	Options -
	Directors	Directors
Spot price (\$)	0.068	0.068
Exercise price (\$)	0.14	0.14
Vesting date	30/06/2024	immediately
Expiry date	30/11/2026	30/11/2026
Expected future volatility (%)	90.88	90.88
Risk-free rate (%)	4.01	4.01
Dividend yield (%)	-	-
Value Each (\$)	0.0299	0.0299
Number Granted	1,800,000	900,000
Valuation Method	Black-Scholes	Black-Scholes

*Black-Scholes option pricing model*

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 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.

	Six months ended 31 December 2023	Six months ended 31 December 2022
<b>NOTE 4 - EARNINGS PER SHARE</b>		
	<b>Cents</b>	<b>Cents</b>
Basic loss per share	(0.91)	(0.77)
	<b>\$</b>	<b>\$</b>
Loss attributable to ordinary equity holders of the Company used in calculating:		
- basic loss per share	(3,411,268)	(2,435,750)
Weighted average number of ordinary shares outstanding during the half-year used in the calculation of basic earnings per share	374,587,864	314,303,811

Diluted earnings per share are 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.

	31 December 2023 \$	30 June 2023 \$
<b>NOTE 5 – ASSETS HELD FOR SALE</b>		
Land (Pastoral) - at cost (secured) – note (a)	3,495,995	-
Less: Accumulated impairment – note (b)	(944,912)	-
	2,551,083	-
Associated buildings - at cost	117,050	-
Less: Accumulated depreciation of buildings	(8,133)	-
	108,917	-
	2,660,000	-

- (a) The assets held for sale consist of the 524-acre farm, residence and an additional residential block adjacent to the Thursday's Gossan prospect, part of its 100%-owned Stavelly Copper-Gold Project in western Victoria. \$1.6 million of loan funding was used towards the acquisition of the land. The land is secured via a 1<sup>st</sup> mortgage.
- (b) In assessing whether an impairment was required for the 524-acre farm land, the Group obtained an appraisal from a third party, and adjusted this appraisal based on market conditions. As a result of this appraisal, an impairment charge of \$448,916 (June 2023: \$495,995) was recorded for the six months ended 31 December 2023.



	31 December 2023	30 June 2023
	\$	\$
<b>NOTE 6 – PROPERTY, PLANT AND EQUIPMENT</b>		
Land (Pastoral) - at cost (secured)	-	3,495,995
Less: Accumulated impairment	-	(495,995)
	-	3,000,000
Associated buildings - at cost (secured)	-	117,050
Less: Accumulated depreciation of buildings	-	(5,207)
	-	111,843
	-	3,111,843
Motor vehicles- at cost	122,598	168,972
Less: Accumulated depreciation	(89,198)	(111,875)
	33,400	57,097
Plant and equipment - at cost	687,413	686,274
Less: Accumulated depreciation	(640,982)	(623,796)
	46,431	62,478
Total property, plant and equipment	79,831	3,231,418
<i>Reconciliation of property, plant and equipment:</i>		
<b>Land and Buildings</b>		
Carrying amount at beginning of period	3,111,843	-
Additions	-	3,613,045
Transfer to Assets Held for Sale (note 5)	(3,108,917)	-
Depreciation	(2,926)	(5,207)
Impairment of land	-	(495,995)
Carrying amount at end of period	-	3,111,843
<b>Motor Vehicles</b>		
Carrying amount at beginning of period	57,097	80,125
Additions	-	4,818
Disposals	(9,505)	-
Depreciation	(14,192)	(27,846)
Carrying amount at end of period	33,400	57,097
<b>Plant and Equipment</b>		
Carrying amount at beginning of period	62,478	76,945
Additions	1,139	46,173
Depreciation	(17,186)	(60,640)
Carrying amount at end of period	46,431	62,478

	31 December 2023	30 June 2023
	\$	\$
<b>NOTE 7 – DEFERRED EXPLORATION EXPENDITURE ACQUISITION COSTS</b>		
Deferred exploration acquisition costs brought forward	3,672,126	3,672,126
Capitalised acquisition expenditure additions	1,400,000	-
Deferred exploration acquisition costs carried forward	5,072,126	3,672,126

*Acquisition of North West Nickel Group*

On 23 May 2023, the Company announced that it had agreed to acquire the Hawkstone Nickel-Copper-Cobalt Project in the West Kimberley region of Western Australia. The Company acquired 100% of the ordinary shares of North West Nickel Pty Ltd, and its 100% owned subsidiary, Strategic Metals Pty Ltd. The transaction has been accounted for as an asset acquisition as it does not meet the definition of a business combination under AASB 3 Business Combinations.

The total consideration paid for the Acquisition comprised:

- (a) \$50,000 cash, paid as a Deposit; and
- (b) the following securities:
  - (i) \$950,000 worth of fully paid ordinary shares in the capital of Stavelly Minerals (SVY Shares), at a deemed issue price equal to the five-day volume weighted average price of SVY's Shares as traded on the Australian Securities Exchange (5-day VWAP) up to and including the day prior to the execution of the Definitive Agreement (being 10,633,534 SVY Shares);
  - (ii) \$350,000 of performance rights (3,917,618), at a deemed issue price equal to the 5-day VWAP up to and including the day prior to the execution of the Definitive Agreement, which convert to ordinary shares on a 1:1 basis, subject to the satisfaction of the milestone of NWN receiving approval of the five-year extension of the term of E04/2299 on or before 31 January 2024; and
  - (iii) \$50,000 of performance rights (559,659), at a deemed issue price equal to the 5-day VWAP up to and including the day prior to the execution of the Definitive Agreement, which convert to ordinary shares on a 1:1 basis, subject to the satisfaction of the milestone of NWN receiving approval of the five-year extension of the term of E04/2325, on or before 31 January 2024,

The Acquisition was completed on 14 August 2023.

On 8 November 2023, the 4,477,277 performance rights vested, and 4,477,277 fully paid ordinary shares were issued.

	31 December 2023	30 June 2023
	\$	\$
<b>NOTE 8 – BORROWINGS</b>		
<b>CURRENT</b>		
Borrowings - at cost	1,600,000	-
<b>NON-CURRENT</b>		
Borrowings - at cost	-	1,600,000

On 15 August 2022, the Company settled on the property purchase of for a 524-acre farm, residence and an additional residential block adjacent to the Thursday's Gossan prospect, part of its 100%-owned Stavelly Copper-Gold Project in western Victoria.

**NOTE 8 – BORROWINGS - continued**

\$1.6 million of loan funding was used towards the acquisition of the land. The funding was provided by two parties to Stavely's wholly owned subsidiary, Stavely Pastoral Pty Ltd, as follows:

Under a loan agreement with Legal Mortgage Holdings Pty Ltd (LMH), LMH advanced \$1 million on the following terms:

- Interest payable at 10% pa, payable quarterly in advance;
- Term of 24 months with a minimum term of 12 months; and
- Secured via a 1<sup>st</sup> mortgage on the land with a guarantee provided by Stavely Minerals Limited.

Under a loan agreement with Anthony Cairns, an unrelated party, Anthony Cairns advanced \$0.6 million on the following terms:

- Interest payable at 10% pa, payable quarterly in advance;
- Term of 24 months with a minimum interest term of 12 months; and
- Unsecured, with a guarantee provided by Stavely Minerals Limited.

**NOTE 9 – ISSUED CAPITAL**

**(a) Issued Capital**

381,940,093 ordinary shares fully paid

(June 2023: 326,273,717)

90,841,698

86,156,285

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

Summary of Movements	Six months ended 31 December 2023		Year ended 30 June 2023	
	Number of Shares	\$	Number of Shares	\$
Opening balance	326,273,717	86,156,285	260,961,452	76,523,067
Issue of shares – Placement	40,555,565	3,650,000	26,666,667	4,000,000
Issue of shares – Share Purchase Plan	-	-	35,326,537	5,299,000
Vesting of performance rights	-	-	666,000	-
Issue of shares – in lieu of drilling services	-	-	2,653,061	650,000
Shares issued to acquire Hawkstone Project (note 7)	10,633,534	950,000	-	-
Vesting of performance rights – Hawkstone Project (note 7)	4,477,277	400,000	-	-
Costs of issues	-	(314,587)	-	(315,782)
Closing Balance	381,940,093	90,841,698	326,273,717	86,156,285

On 6 July 2023, 39,444,454 shares were issued pursuant to a Placement to sophisticated and institutional investors. Gross proceeds were \$3,550,000. Each Placement subscriber received one free attaching quoted option for every two new Shares issued. Upon Shareholder approval received on 11 August 2023, the Directors also participated in the Placement under the same terms with proceeds received by Stavely of \$100,000. The 24,277,766 Options were issued on 29 August 2023 (including 4 million broker Options) and are exercisable at \$0.15 each with an expiry date of 30 June 2024.

**NOTE 9 – ISSUED CAPITAL - continued**

**(c) Options on issue at 31 December 2023**

	<b>Number</b>	<b>Exercise Price</b>	<b>Exercise Date</b>
Listed Options	<u>24,277,766</u>	\$0.15	30 June 2024
	<b>Number</b>	<b>Exercise Price</b>	<b>Exercise Date</b>
Unlisted Options	4,737,500	\$0.71	30 November 2024
Unlisted Options	5,150,000	\$0.22	30 November 2025
Unlisted Options	425,000	\$0.30	30 November 2025
Unlisted Options	<u>3,175,000</u>	\$0.14	30 November 2026
	<u>13,487,500</u>		

During the half-year ended 31 December 2023:

- (i) 3,175,000 unlisted options were granted as share-based payments (six months to 31 December 2022: 5,575,000) (refer note 3);
- (ii) 4,102,000 unlisted options expired (six months to 31 December 2022: 3,291,000); and
- (iii) No unlisted options were exercised (six months to 31 December 2022: nil).

**(d) Performance Rights on issue at 31 December 2023**

No Performance Rights were on Issue as at 31 December 2023. Refer to note 7 for performance rights issued to acquire the Hawkstone project during the year. During the half-year ended 31 December 2023:

- (i) Nil unlisted performance rights were granted as share-based payments (six months to 31 December 2022: 1,232,000) (refer note 3);
- (ii) Nil unlisted performance rights were cancelled (six months to 31 December 2022: 141,000);
- (iii) 425,000 unlisted performance rights lapsed (six months to 31 December 2022: nil); and
- (iv) 116,000 unlisted performance rights vested, with the shares issued on 5 January 2023 (six months to 31 December 2022: 116,000).

**NOTE 10 – COMMITMENTS AND CONTINGENCIES**

Since the last annual reporting date, there has not been a material change to commitments or contingencies other than the following:

As part of the acquisition of the Hawkstone Project (refer note 7), the following contingent liabilities, subject to various milestones, were acquired:

Contingent deferred consideration from June 2019 when Chalice Mining Limited acquired North West Nickel Pty Ltd, whereby, subject to the following milestones being achieved at the Ruins Project, Stavelly will pay to the 2019 vendors of NWN (re *Tenements E04/2299, E04/2325, E04/1169, E04/2405 and E04/256*):

- \$1.75 million in cash or Stavelly shares, at Stavelly's election, within 60 days of Stavelly releasing to the ASX a Mining Scoping Study or Feasibility Study in relation to the Project; and
- \$4.5 million in cash or Stavelly shares, at Stavelly's election, within 60 days of commencement of commercial production and cumulative gross sales exceeding A\$300 million from the Project.

Payable to the original 2019 Vendors of North West Nickel Pty Ltd. Shares based on 20 day VWAP and subject to Shareholder approval.



#### NOTE 10 – COMMITMENTS AND CONTINGENCIES - continued

Contingent deferred consideration from June 2016 (and variations) when North West Nickel Pty Ltd acquired the hard rock rights on several tenements, whereby, subject to the following milestones being achieved, Stavely will pay to the owners of those tenements (re *Tenements E04/1169, E04/2405, E04/2563, E04/2623, E04/2717 and E04/2876*):

- \$200,000 upon milestone of achieving a specific drill intercept;
- \$500,000 upon milestone of receipt from an independent consultant a Mineral Resource Estimate Report showing a JORC Indicated Resource of over 40,000 tonnes contained Ni; and
- \$2,000,000 upon milestone of a commencement of mine construction by the Purchaser for any hard-rock hosted commodity(s).

A 2% Royalty is payable on the sale of hard rock minerals extracted from those tenements, with North West Nickel Pty Ltd able to elect to buyout the royalty.

#### NOTE 11 – CASH FLOW INFORMATION

The following non-cash activities were undertaken:

Six months to 31 December 2023:

- Acquisition of North West Nickel for \$1.4 million, of which \$1.35 million was paid via equity (refer note 7); and
- 4,000,000 listed options granted to the lead manager of the July 2023 placement. The options have an exercise price of 15 cents and expire 30 June 2024 (\$52,000).

Six months to 31 December 2022:

- No non-cash activities undertaken.

#### NOTE 12 – 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 Group does not have any material operating segments with discrete financial information. The Group does not have any customers and all its' assets and liabilities are primarily related to the mining industry and are located within Australia. 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 13 – RELATED PARTY TRANSACTIONS

There have been no new related party transactions entered into since 30 June 2023 other than:

- a) equity based payments as disclosed in Note 3(b); and
- b) the resignation of Stavely's Chief Operating Officer on 30 September 2023.

#### NOTE 14 – SUBSEQUENT EVENTS

There are no matters or circumstances that have arisen since 31 December 2023 that have or may significantly affect the operations, results, or state of affairs of the Group in future financial periods.

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 Group's financial position as at 31 December 2023 and of its performance for the half-year ended on that date; and
- ii) complying with Accounting Standard 134 Interim Financial Reporting and the Corporations Regulations 2001; and

b) there are reasonable grounds to believe that the Group 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 half-year ended 31 December 2023.

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



Christopher Cairns  
Executive Chair

Perth, Western Australia

5 March 2024

## INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Stavely Minerals Limited

### Report on the Half-Year Financial Report

#### Conclusion

We have reviewed the half-year financial report of Stavely Minerals Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2023, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

- (i) Giving a true and fair view of the Group's financial position as at 31 December 2023 and of its financial performance for the half-year ended on that date; and
- (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

#### Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be the same terms if given to the directors as at the time of this auditor's review report.

#### Material uncertainty relating to going concern

We draw attention to Note 1(c) in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and therefore the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our conclusion is not modified in respect of this matter.



### **Responsibility of the directors for the financial report**

The directors of the company are responsible for the preparation of the half-year 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 half-year financial report that is free from material misstatement, whether due to fraud or error.

### **Auditor's responsibility for the review of the financial report**

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including giving a true and fair view of the Group's financial position as at 31 December 2023 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**BDO Audit (WA) Pty Ltd**

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

**Glyn O'Brien**

**Director**

Perth, 5 March 2024