

Stavely Hits Thick Zone of Strong Near-Surface Gold Mineralisation at Fairview North

Impressive intercept of 30m at 1.4 g/t Au including 11m at 2.4 g/t Au follows new structural interpretation which opens up the prospect for further drilling

Highlights

- Drill testing based on a reinterpretation of the structural controls on gold mineralisation at the Fairview North gold prospect in Victoria has returned a wide mineralised interval of:
 - 30 metres at 1.4 g/t gold from 47 metres drill depth, including
 - 11 metres at 2.4 g/t gold
- Previous drilling at Fairview North produced shallow but inconsistent high-grade gold intercepts such as:
 - 2 metres at 16.1 g/t gold;
 - 6 metres at 6.1 g/t gold;
 - 6 metres at 4.6 g/t gold;
 - 6 metres at 3.5 g/t gold; and
 - 4 metres at 3.9 g/t gold
- Reinterpreted structural controls envisage a series of stacked, shallowly NW plunging sub-horizontal zones of gold mineralisation.
- This explains why historical holes drilled vertically and inclined towards a NE direction produced such inconsistent results.
- Further drilling planned, specifically targeting the revised geometry of the gold mineralised veins.

Stavely Minerals Limited (ASX Code: **SVY** – “Stavely Minerals”) is pleased to advise that it has intersected a significant wide zone of strong gold mineralisation in a recently completed diamond drill hole at the Fairview North gold prospect, part of its 100%-owned **Stavely Project** in western Victoria (Figure 1).

A new interpreted orientation of shallowly NW dipping mineralised vein arrays at Fairview North (see Figures 3 and 4) was tested by drill hole SMD011, which intersected:

- 30 metres at 1.4 g/t gold from 47 metres drill depth, including
 - 11 metres at 2.4 g/t gold

Previous explorers have tested the Fairview North gold prospect with a large number of aircore drill holes, eleven RC drill holes and two diamond drill holes (Figure 2).

Strong near-surface gold grades up to 1 metre at 28 g/t gold were achieved but had proven inconsistent along section and between sections.

The newly interpreted shallow NW plunge of the vein arrays would account for the inconsistency of the previous drill sections oriented to 070 degrees magnetic given that these drill sections would have been approximately parallel to the strike of the mineralised veins.

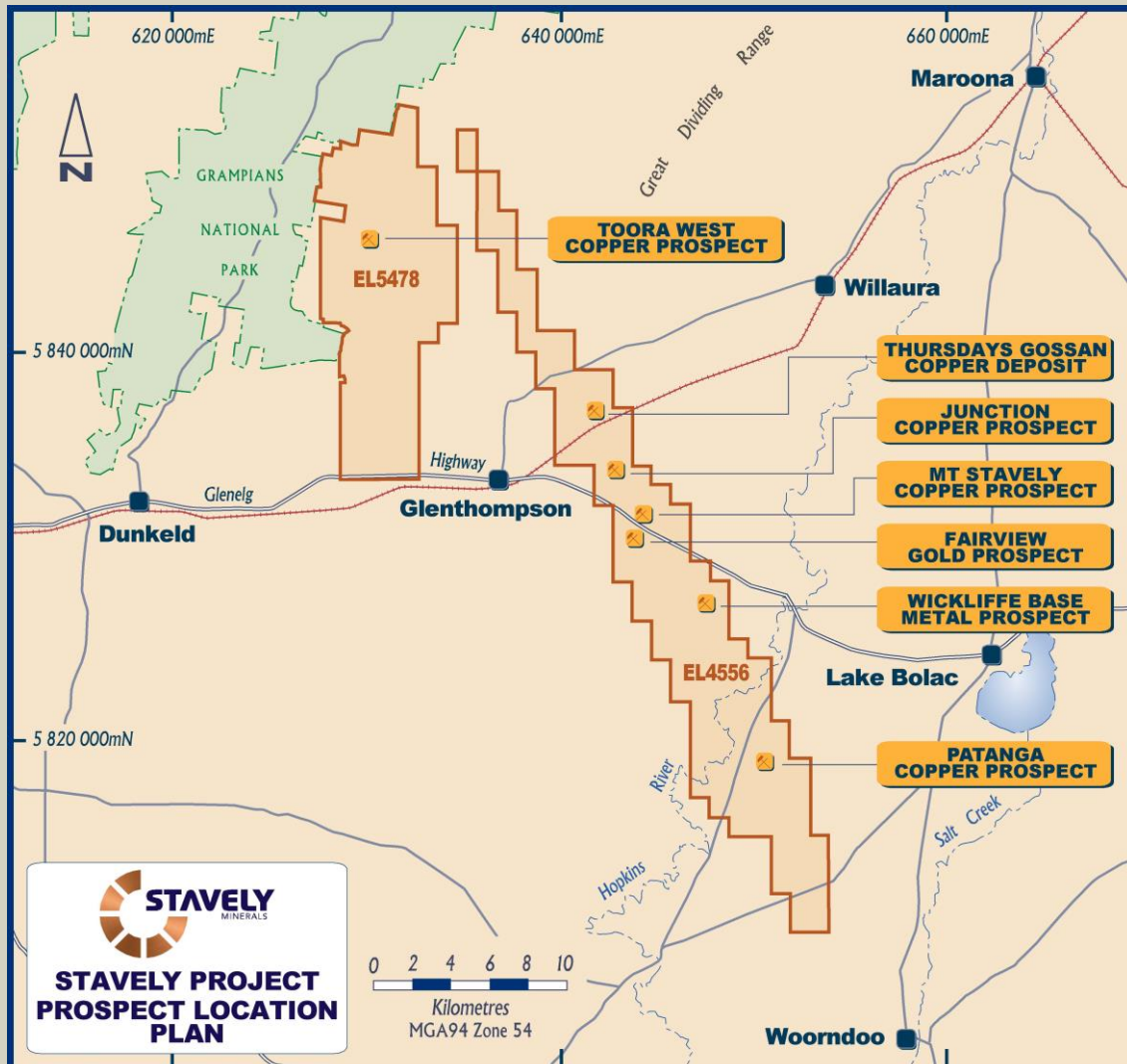


Figure 1. Stavely Project prospect location plan.

Diamond drill hole SMD011 was drilled at -55 degrees dip to 155 degrees azimuth – almost at right-angles to previous drilling.

The mineralisation is associated with fine quartz veins with central terminations, within which are hosted base-metal sulphides sphalerite (zinc), galena (lead) and minor chalcopyrite (copper). The sphalerite is a pale yellow to honey-coloured low-iron species, indicating a low temperature of formation typical of a distal porphyry environment.

The high angle of incidence of most of the veins to the drill core does indicate that SMD011 was drilled perpendicular to the mineralised veins.

The Fairview North and Fairview South prospects are marginal to the interpreted Mount Stavely porphyry at depth, as indicated by a distinct gravity low (Figure 2).

The Company plans to drill a number of additional RC drill holes in this new orientation to confirm the interpreted NW dip of the mineralised vein arrays.

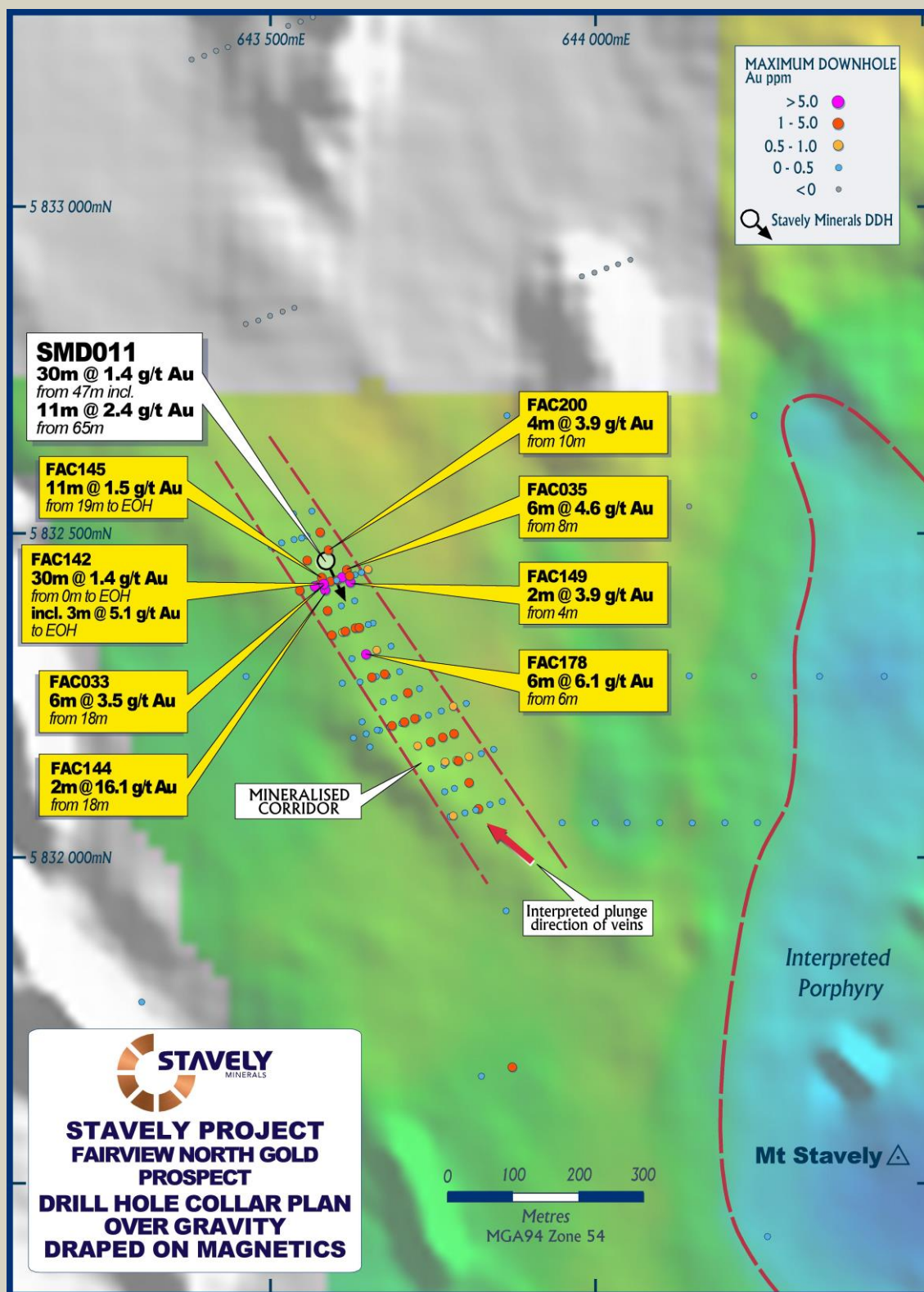


Figure 2. Fairview North gold prospect drill hole location plan.

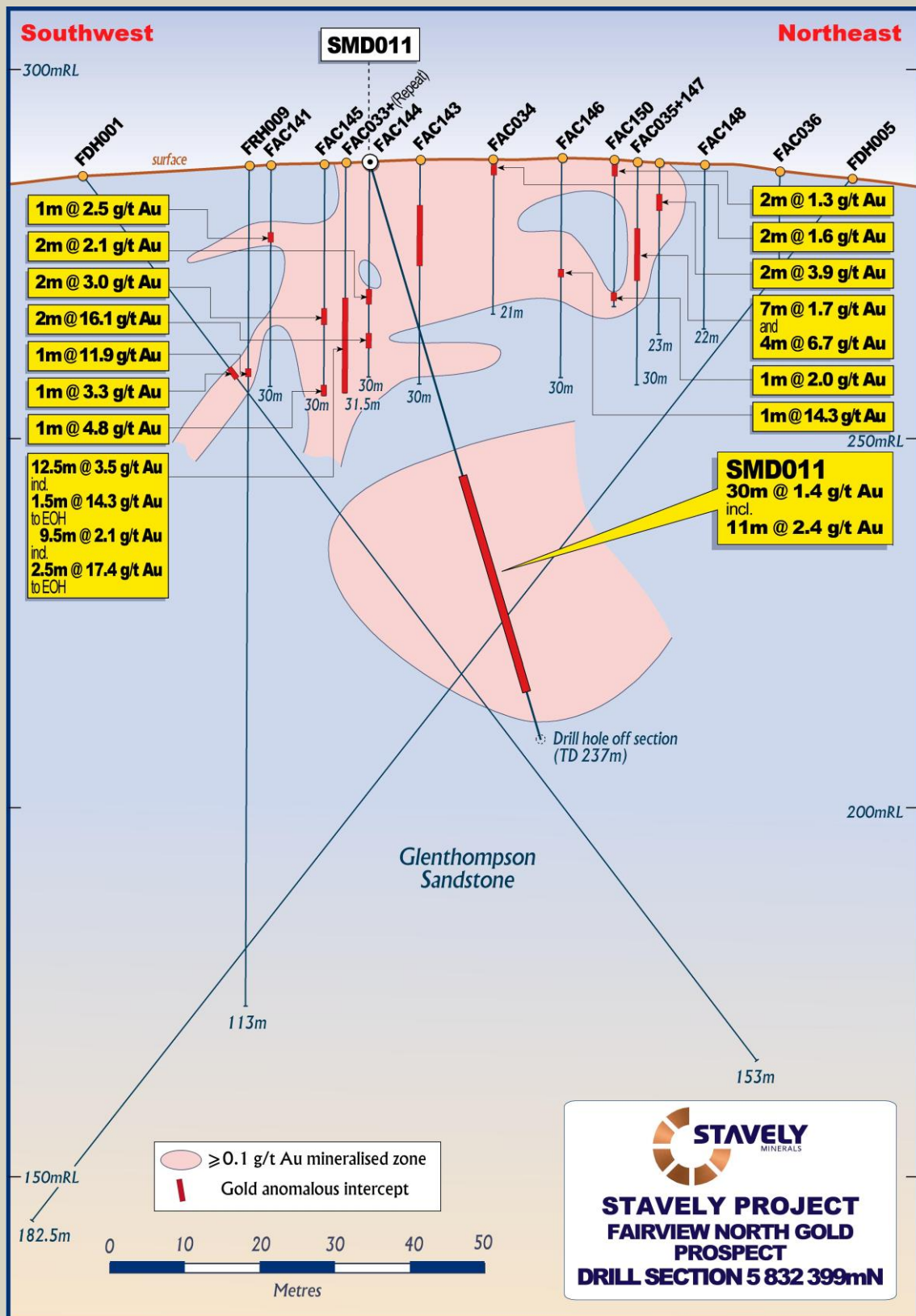


Figure 3. Fairview North gold prospect drill section 5832399mN (section oriented to 070 degrees).

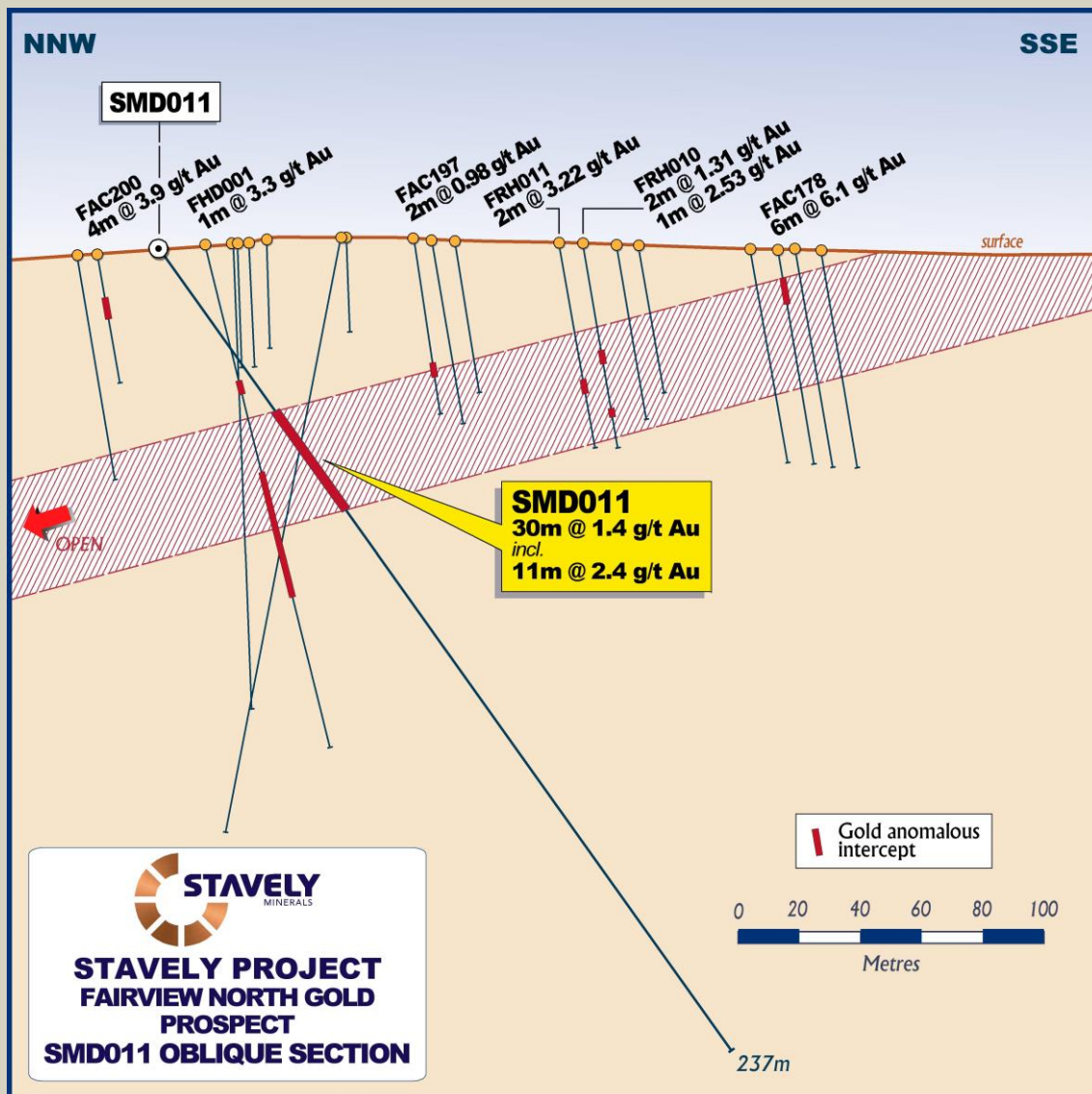


Figure 4. SMD011 cross section showing the interpreted NW plunge of the mineralised vein array (section is oblique to the 070 degrees oriented section of previous drilling).

Yours sincerely,



Chris Cairns
Managing Director

The information in this report that relates to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Chris Cairns, a Competent Person who is a Member of the Australian Institute of Geoscientists. Mr Cairns is a full-time employee of the Company. Mr Cairns is the Managing Director of Stavely Minerals Limited, is a substantial shareholder of the Company and is an option holder of the Company. Mr Cairns has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Cairns consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

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SMD011 Intercept Table

Stavely Project										
MGA 94 zone 54							Intercept			
Hole id	Hole Type	East	North	Dip/ Azimuth	RL (m)	Total Depth (m)	From (m)	To (m)	Width (m)	Au (g/t)
Fairview Gold Prospect										
SMD011	DD	643585	5832452	-55/155	293	237.2	47	77	30	1.4
						Incl.	65	76	11	2.4

JORC Code, 2012 Edition – Table 1**Section 1 Sampling Techniques and Data**

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

Criteria	JORC Code explanation	Commentary
<i>Sampling techniques</i>	<i>Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.</i>	<p>Stavely Project</p> <p>Fairview Gold Prospect</p> <p>Stavely Minerals' Diamond Drilling</p> <p>For SMD011 the diamond core for the entire hole was sampled. PQ quarter core and HQ half core was submitted for analysis. Sample intervals were based on lithology but in general were 1m. No intervals were less than 0.3m or greater than 1.8m.</p> <p>Historical Drilling</p> <p>In 2006 Beaconsfield Gold Mines Pty Limited drilled aircore, RC and diamond holes at the Fairview prospect.</p> <p>Beaconsfield drilled 167 aircore holes (FAH001-FAH167) for 3,844m to test anomalous soil samples that had returned >100ppb Au. The holes were drilled vertical using a multipurpose drill rig and assayed for gold only. A total of 7 diamond holes (FDH001 – FDH007) were completed for 874 metres. The holes were drilled at -60° either to the east or the west. The diamond holes targeted immediately beneath the best geochemistry and were assayed for gold only. A total of 51 RC drill holes (FRH001 – FRH051) for 3,588 metres were also drilled to target various soil/ aircore geochemical anomalies. Apart from FRH020 which was drilled at -60° on an azimuth of 240°, the holes were drilled at -60° on an azimuth of 060°.</p>

Criteria	JORC Code explanation	Commentary
		<p>The holes were assayed for gold only.</p> <p>In 2009 BCD Metals Pty Ltd drilled 29 aircore holes (FAC168 – FAC203) for 1,888m at the Fairview North and South prospects. The aircore drilling contractor was Broken Hill Exploration. The holes were assayed for gold only, using Fire Assay.</p>
	<p><i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i></p>	<p>Stavely Project</p> <p>Fairview Gold Prospect</p> <p>Stavely Minerals' Diamond Drilling</p> <p>Sample representivity was ensured by a combination of Company Procedures regarding quality control (QC) and quality assurance/ Testing (QA). Certified standards and blanks were inserted into the assay batches.</p> <p>Historical Drilling</p> <p>QA reported by BCD Metals for the 2009 drilling included the collection of field duplicates and the use of standards and blank samples.</p>
	<p><i>Aspects of the determination of mineralisation that are Material to the Public Report - In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.</i></p>	<p>Stavely Project</p> <p>Fairview Gold Prospect</p> <p>Stavely Minerals' Diamond Drilling</p> <p>Drill sampling techniques are considered industry standard for the Stavely work programme.</p> <p>The diamond core for the entire hole has been sampled. PQ quarter core and HQ half core was submitted for analysis. Sample intervals were based on lithology but in general were 1m. No intervals were less than 0.3m or greater than 1.8m.</p> <p>The diamond drill samples were submitted to Australian Laboratory Services ("ALS") in Orange, NSW. Laboratory sample preparation involved:- sample crush to 70% < 2mm, riffle/rotary split off 1kg, pulverize to >85% passing 75 microns.</p> <p>Diamond core samples were analysed by ME-ICP61 – multi acid digest with HF and ICPAES and ICPMS and Au-AA23 – fire assay with AAS finish.</p> <p>Historical Drilling</p> <p>The field procedures for the aircore drilling consisted of 1m samples from the cyclone being run through a two-tier 25:75 riffle splitter and composited into 2m samples to provide approximately 5kg sample. The reject from the riffle splitter was placed into individual piles on plastic sheeting which were then sieved to provide chips for logging. With the hammer drilling, the sample mass of the 2m composite was often significantly greater than 5kg and these samples were re-split through the lower tier of the riffle splitter (50-50) to reduce the mass. Fairview ground</p>

Criteria	JORC Code explanation	Commentary
		<p>conditions were reported to be generally moderately weathered to fresh rock with generally no major sample loss or groundwater issues.</p> <p>The 1m split samples for the entire length of the RC drill holes were submitted for analysis.</p> <p>The diamond half core was sampled for the entire length of the hole, either on one metre intervals or based on mineralised zones.</p> <p>All field samples were dispatched to Onsite Laboratory Services at Bendigo, with samples from Fairview assayed for gold only by Fire Assay (FA/AAS). Field duplicates and standards were routinely submitted as well as blanks. All samples were dried, crushed and pulverised to -80#.</p>
<i>Drilling techniques</i>	<i>Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).</i>	<p>Stavely Project</p> <p>Fairview Gold Prospect</p> <p>Stavely Minerals' Diamond Drilling</p> <p>Diamond drill hole SMD011 was drilled by Titeline Drilling in February and March 2017. Diamond drilling was used to produce drill core with a diameter of 85mm (PQ) from surface until the ground was sufficiently consolidated and then core with a diameter of 63.5mm (HQ) was returned.</p> <p>Diamond drilling was standard tube. Diamond core was orientated by the Reflex ACT III core orientation tool.</p> <p>SMD011 was orientated at -55° towards azimuth 155° to a depth of 237m.</p> <p>Historical Drilling</p> <p>No details were reported for the diamond drilling. For the 2012 aircore drilling, the rig was 700psi/300cfm and it was found that the conditions at Fairview South were more difficult than anticipated and a down-the-hole hammer had to be used instead. At Fairview North some of the aircore drilling was completed with a RAB-style hammer using a cross-over to provide sample return through the rods. When this hammer failed it was replaced with the same small hammer used at Fairview South.</p> <p>In 2006 the RC and diamond drilling was conducted by a multipurpose drilling rig. The holes were internally surveyed down hole.</p>
<i>Drill sample recovery</i>	<i>Method of recording and assessing core and chip sample recoveries and results assessed.</i>	<p>Stavely Project</p> <p>Fairview Gold Prospect</p> <p>Stavely Minerals' Diamond Drilling</p> <p>Diamond core recoveries were logged and recorded in the database.</p> <p>Core recovery for SMD011 was good.</p>

Criteria	JORC Code explanation	Commentary
		Historical Drilling At Fairview ground conditions were reported by BCD Metals to be generally moderately weathered to fresh rock with generally no major sample loss or groundwater issues.
	<i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i>	Stavely Project Fairview Gold Prospect Stavely Minerals' Diamond Drilling Diamond core is reconstructed into continuous runs on an angle iron cradle for orientation marking. Depths are checked against the depth given on the core blocks and rod counts are routinely carried out by the driller. Historical Drilling No details are available for the historical drill holes.
	<i>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</i>	Stavely Project Fairview Gold Prospect Stavely Minerals' Diamond Drilling Not an issue relevant to diamond drilling. Historical Drilling No details are available for the historical drill holes.
Logging	<i>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</i>	Stavely Project Fairview Gold Prospect Stavely Minerals' Diamond Drilling Geological logging of samples followed Company and industry common practice. Qualitative logging of samples including (but not limited to); lithology, mineralogy, alteration, veining and weathering. Diamond core logging included additional fields such as structure and geotechnical parameters. Magnetic Susceptibility measurements were taken for each 1m diamond core interval. Historical drilling The historical drill holes have been geologically logged on 1m intervals.
	<i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i>	Stavely Project Fairview Gold Prospect Stavely Minerals' Diamond Drilling All logging is quantitative, based on visual field estimates. Systematic photography of the diamond core in the wet and dry form was completed. Historical Drilling All logging is quantitative, based on visual field estimates.

Criteria	JORC Code explanation	Commentary
	<i>The total length and percentage of the relevant intersections logged.</i>	Stavely Project Fairview Gold Prospect Stavely Minerals' Diamond Drilling Detailed diamond core logging, with digital capture, was conducted for 100% of the core by Stavely's on-site geologist at the Company's core shed near Glenthompson. Historical Drilling The historical drill holes have been geologically logged on 1m intervals in their entirety.
<i>Sub-sampling techniques and sample preparation</i>	<i>If core, whether cut or sawn and whether quarter, half or all core taken.</i>	Stavely Project Fairview Gold Prospect Stavely Minerals' Diamond Drilling Quarter core for the PQ diameter diamond core and half core for the HQ diameter core was sampled on site using a core saw. Historical Drilling Half core was sampled for the diamond drilling at the Fairview prospect. The samples were dried, crushed and pulverised to -80# at the laboratory.
	<i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i>	Stavely Project Fairview Gold Prospect Historical Drilling The field procedures for the aircore drilling consisted of 1m samples from the cyclone being run through a two-tier 25:75 riffle splitter and composited into 2m samples to provide approximately 5kg sample. With the hammer drilling the sample mass of the 2m composite was often significantly greater than 5kg and these samples were re-split through the lower tier of the riffle splitter (50-50) to reduce the mass. The 1m split samples for the RC drill holes were submitted for analysis. The samples were dried, crushed and pulverised to -80# at the laboratory.
	<i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i>	Stavely Project Fairview Gold Prospect Stavely Minerals' Diamond Drilling Company procedures were followed to ensure sub-sampling adequacy and consistency. These included (but were not limited to), daily work place inspections of sampling equipment and practices.

Criteria	JORC Code explanation	Commentary
		Historical Drilling No details of sample preparation are given for the historical drilling.
	<i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i>	Stavely Project Fairview Gold Prospect Stavely Minerals' Diamond Drilling Blanks and certified reference materials are submitted with the samples to the laboratory as part of the quality control procedures. Historical Drilling Field duplicates, blanks and standards were submitted with the samples to the laboratory as part of the quality control procedures for the aircore, RC and diamond drilling.
	<i>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</i>	Stavely Project Fairview Gold Prospect Stavely Minerals' Diamond Drilling No second-half sampling has been conducted at this stage. Historical Drilling Field duplicates were submitted with the samples to the laboratory as part of the quality control procedures for the aircore and RC drilling.
	<i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i>	Stavely Project Fairview Gold Prospect Stavely Minerals' Diamond Drilling The sample sizes are considered to be appropriate to correctly represent the sought mineralisation. Historical Drilling The sample sizes are considered to be appropriate to correctly represent the sought mineralisation.
<i>Quality of assay data and laboratory tests</i>	<i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i>	Stavely Project Fairview Gold Prospect Stavely Minerals' Diamond Drilling The core samples were analysed by multielement ICPAES Analysis - Method ME-ICP61. A 0.25g sample is pre-digested for 10-15 minutes in a mixture of nitric and perchloric acids, then hydrofluoric acid is added and the mixture is evaporated to dense fumes of perchloric (incipient dryness). The residue is leached in a mixture of nitric and hydrochloric acids, the solution is then cooled and diluted to a final volume of 12.5mls. Elemental concentrations are measured simultaneously by ICP Atomic Emission Spectrometry. This technique approaches total dissolution of most minerals and is

Criteria	JORC Code explanation	Commentary
		<p>considered an appropriate assay method for epithermal to mesothermal gold systems.</p> <p>The core samples were also analysed for gold using Method Au-AA23. Up to a 30g sample is fused at approximately 1,100°C with alkaline fluxes including lead oxide. During the fusion process lead oxide is reduced to molten lead which acts as a collector for gold. When the fused mass is cooled the lead separates from the impurities (slag) and is placed in a cupel in a furnace at approximately 900°C. The lead oxidizes to lead oxide, being absorbed by the cupel, leaving a bead (prill) of gold, silver (which is added as a collector) and other precious metals. The prill is dissolved in aqua regia with a reduced final volume. Gold content is determined by flame AAS using matrix matched standards. For samples which are difficult to fuse a reduced charge may be used to yield full recovery of gold. This technique approaches total dissolution of most minerals and is considered an appropriate assay method for detecting gold mineralisation.</p> <p>Historical Drilling</p> <p>The samples were analysed for gold by Fire Assay with a flame atomic absorption spectroscopy finish.</p> <p>A sample is fused at approximately 1,100°C with alkaline fluxes including lead oxide. During the fusion process lead oxide is reduced to molten lead which acts as a collector for gold. When the fused mass is cooled the lead separates from the impurities (slag) and is placed in a cupel in a furnace at approximately 900°C. The lead oxidizes to lead oxide, being absorbed by the cupel, leaving a bead (prill) of gold, silver (which is added as a collector) and other precious metals. The prill is dissolved in aqua regia with a reduced final volume. Gold content is determined by flame AAS using matrix matched standards.</p> <p>Fire Assay is a total digestion method and is suitable for determining ore-grade gold results.</p>
	<p><i>For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</i></p>	N/A

Criteria	JORC Code explanation	Commentary
	<i>Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.</i>	<p>Stavely Project</p> <p>Fairview Gold Prospect</p> <p>Stavely Minerals' Diamond Drilling</p> <p>The analytical laboratory provide their own routine quality controls within their own practices. The results from their own validations were provided to Stavely Minerals.</p> <p>Results from the CRM standards and the blanks gives confidence in the accuracy and precision of the assay data returned from ALS.</p> <p>Historical Drilling</p> <p>The quality control data for the historical drilling has not been assessed.</p>
Verification of sampling and assaying	<i>The verification of significant intersections by either independent or alternative company personnel.</i>	<p>Stavely Project</p> <p>Fairview Gold Prospect</p> <p>Stavely Minerals' Diamond Drilling</p> <p>Both Stavely Minerals' Managing Director and Technical Director has visually verified significant intersections in the core from SMD011.</p> <p>Historical Drilling</p> <p>Stavely Minerals' Managing Director has visually verified the significant intersections in historical diamond drilling.</p>
	<i>The use of twinned holes.</i>	No twinned holes have been drilled.
	<i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i>	<p>Stavely Project</p> <p>Fairview Gold Prospect</p> <p>Stavely Minerals' Diamond Drilling</p> <p>Primary data was collected for drill holes using the OCRIS logging template on Panasonic Toughbook laptop computers using lookup codes. The information was sent to a database consultant for validation and compilation into a SQL database.</p> <p>Historical Drilling</p> <p>No details provided for historical drilling.</p>
	<i>Discuss any adjustment to assay data.</i>	No adjustments or calibrations were made to any assay data used in this report.
Location of data points	<i>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</i>	<p>Stavely Project</p> <p>Fairview Gold Prospect</p> <p>Stavely Minerals' Diamond Drilling</p> <p>The drill collar location was pegged before drilling and surveyed using Garmin handheld GPS to accuracy of +/- 3m. Collar surveying was performed by Stavely Minerals' personnel. This is considered appropriate at this early stage of exploration.</p>

Criteria	JORC Code explanation	Commentary
		<p>For the diamond holes down-hole single shot surveys were conducted by the drilling contractor. Surveys were conducted at approximately every 30m down-hole.</p> <p>Historical Drilling</p> <p>For the diamond holes down-hole single shot surveys were conducted by the drilling contractor. Surveys were conducted at approximately every 40m to 60m down-hole.</p>
	<i>Specification of the grid system used.</i>	The grid system used is GDA94, zone 54.
	<i>Quality and adequacy of topographic control.</i>	<p>At the Fairview gold prospect topographic control is achieved via use of DTM developed from a 2008 airborne magnetic survey conducted by UTS Contractors measuring relative height using radar techniques.</p> <p>For Stavely Minerals' exploration, the RL was recorded for each drill hole and soil sample location from the GPS. Accuracy of the GPS is considered to be within 5m.</p>
<i>Data spacing and distribution</i>	<i>Data spacing for reporting of Exploration Results.</i>	The drill hole spacing is project specific, refer to figures in text.
	<i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i>	<p>Mineral Resource Estimate</p> <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 drill holes.</p>
	<i>Whether sample compositing has been applied.</i>	<p>Stavely Project</p> <p>Fairview Gold Prospect</p> <p>Stavely Minerals' Diamond Drilling</p> <p>For SMD011 the entire drill hole was sampled. Sample intervals were generally 1m. In some cases the sample interval was based on either lithology or visual identification of mineralisation. No intervals were less than 0.3m or greater than 1.8m.</p> <p>Historical Drilling</p> <p>For the aircore drilling 2m composite samples were submitted to the laboratory.</p> <p>For the diamond drill holes sample intervals were generally 1m. In some cases the sample interval was based on either lithology or visual identification of mineralisation. No intervals were less than 0.25m or greater than 3.5m.</p>
<i>Orientation of data in relation to geological structure</i>	<i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i>	<p>Stavely Project</p> <p>Fairview Gold Prospect</p> <p>Stavely Minerals' Diamond Drilling</p> <p>At Fairview, diamond drill hole SMD011 was orientated at</p>

Criteria	JORC Code explanation	Commentary
		<p>minus 55° toward 155° to intercept perpendicularly the ladder veins responsible for mineralisation. Structural measurements of the veins have shown the interpreted plunge direction of the veins to be north northwest.</p> <p>Historical Drilling</p> <p>The aircore holes were drilled vertically. The diamond holes were drilled at 60° either toward 070° or 250° which is not considered the optimal orientations to intercept the ladder veins responsible for mineralisation.</p>
	<i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i>	<p>Stavely Project</p> <p>Fairview Gold Prospect</p> <p>Stavely Minerals' Diamond Drilling</p> <p>There is insufficient drilling data to date to demonstrate continuity of mineralised domains and determine if any orientation sampling bias can be identified in the data.</p> <p>Historical Drilling</p> <p>The drill grid is approximately perpendicular to the strike of the lithological and structural boundaries but may not be optimal for the vein direction.</p>
<i>Sample security</i>	<i>The measures taken to ensure sample security.</i>	<p>Stavely Project</p> <p>Fairview Gold Prospect</p> <p>Stavely Minerals' Diamond Drilling</p> <p>Samples are delivered in closed poly-weave bags to the courier in Hamilton by Stavely Minerals' personnel. The samples are couriered to ALS Laboratory in Orange, NSW.</p> <p>Historical Drilling</p> <p>No available data to assess security.</p>
<i>Audits or reviews</i>	<i>The results of any audits or reviews of sampling techniques and data.</i>	No audits or reviews of the data management system has been carried out.

Section 2 Reporting of Exploration Results

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

Criteria	JORC Code explanation	Commentary
<i>Mineral tenement and land tenure status</i>	<i>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</i>	<p>Stavely Project</p> <p>The diamond drilling at the Fairview gold prospect is located on EL4556, which forms the Stavely Project.</p> <p>The Stavely Project was purchased by Stavely Minerals (formerly Northern Platinum) from BCD Resources Limited in May 2013. Stavely Minerals hold 100% ownership of the Stavely Project Tenements. The Stavely Project is on freehold agricultural land and not subject to Native Title claims.</p> <p>New Challenge Resources Pty Ltd retains a net smelter return royalty of 3% in EL4556, although there is an option to reduce this to 1% upon payment of \$500k.</p>
	<i>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</i>	<p>Stavely Project</p> <p>A retention licence – RL2017 was applied for over the majority of EL4556 in May 2014.</p> <p>The tenement is in good standing and no known impediments exist.</p>
<i>Exploration done by other parties</i>	<i>Acknowledgment and appraisal of exploration by other parties.</i>	<p>Stavely Project</p> <p>Fairview Gold Prospect</p> <p>The Fairview gold prospect was first identified as a gold-in-soil anomaly approximately 4km in length, hosted in an inferred structural contact between the Fairview Andesite and the Glenthompson Sandstone. A single aircore hole drilled by Newcrest intersected 14m of 0.4 g/t Au from 32m to the end of the hole, confirming a bedrock source for the soil anomaly. Shallow aircore drilling of Fairview North by Beaconsfield Gold Mines Pty Ltd generated significant near-surface gold values in excess of 1 g/t, including 4m of 6.69 g/t Au from 10m (FAH035) and 30m of 1.39 g/t Au from surface (FAH131). BCD Metals Pty Ltd drilled an intercept of 10m of 4.2 g/t Au from 6m in FAC178 from Fairview North in 2012.</p> <p>All work conducted by previous operators at the Fairview gold prospect is considered to be of a high quality.</p>
<i>Geology</i>	<i>Deposit type, geological setting and style of mineralisation.</i>	<p>Stavely Project</p> <p>Fairview Gold Prospect</p> <p>The Fairview gold anomaly is hosted in an inferred structural contact between the Fairview Andesite Breccia and the Glenthompson Sandstone. Petrologic description demonstrates the gold mineralisation is associated with sericite, albite and K-spar (adularia) alteration and quartz sulphide veins with chalcopyrite, sphalerite, galena and</p>

Criteria	JORC Code explanation	Commentary
		gold. Gold is noted as inclusions in galena. The sphalerite is of a pale yellow colour and, in conjunction with the adularia, suggestive of a high-level low-temperature low-sulphidation epithermal affinity.
Drill hole Information	<p>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:</p> <ul style="list-style-type: none"> ○ easting and northing of the drill hole collar ○ elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar ○ dip and azimuth of the hole ○ down hole length and interception depth ○ hole length. 	A table of the significant intercepts reported is provided in the body of the text.
	<p>If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</p>	No material drill hole information has been excluded.
Data aggregation methods	<p>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.</p>	<p>Stavely Project Fairview Gold Prospect</p> <p>Exploration results were reported where the gold interval started and ended in +1 g/t Au and there is no more than 3m at an average of <0.25 g/t Au internal dilution.</p> <p>No top-cutting of high grade assay results have been applied, nor was it deemed necessary for the reporting of significant intersections.</p>
	<p>Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</p>	<p>Stavely Project Fairview Gold Prospect</p> <p>In reporting exploration results, length weighted averages are used for any non-uniform intersection sample lengths. Length weighted average is (sum product of interval x corresponding interval grade %) divided by sum of interval length.</p> <p>Historical Drilling</p> <p>In reporting exploration results, length weighted averages</p>

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		are used for any non-uniform intersection sample lengths. Length weighted average is (sum product of interval x corresponding interval grade %) divided by sum of interval length.
	<i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i>	No metal equivalent values are used for reporting exploration results.
<i>Relationship between mineralisation widths and intercept lengths</i>	<p><i>These relationships are particularly important in the reporting of Exploration Results.</i></p> <p><i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i></p>	<p>Stavely Project</p> <p>Fairview Gold Prospect</p> <p>There is insufficient drilling data to date to demonstrate continuity of mineralised domains and determine the relationship between mineralisation widths and intercept lengths. Further drilling is planned to confirm the orientation of the gold mineralised vein arrays.</p>
	<i>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').</i>	Refer to the Tables and Figures in the text.
<i>Diagrams</i>	<i>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</i>	<p>Refer to Figures in body of text.</p> <p>A plan view of the drill hole collar location is included.</p>
<i>Balanced reporting</i>	<i>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</i>	<p>Stavely Project</p> <p>Fairview Gold Prospect</p> <p>Stavely Minerals' Diamond Drilling</p> <p>All Au values greater than 1m at >1 g/t Au have been reported for SMD011.</p>
<i>Other substantive exploration data</i>	<i>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical</i>	All relevant exploration data is shown on figures and discussed in the text.

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	<i>and rock characteristics; potential deleterious or contaminating substances.</i>	
<i>Further work</i>	<i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large- scale step-out drilling). Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i>	Stavely Project Fairview Gold Prospect An RC drilling programme has been planned to follow-up the results received in SMD011. The RC drilling has been designed to further test the revised interpretation of the plunge direction for the mineralised trend.