Sneaking up on Elephants – The Hunt for Ancient Porphyries in Western Victoria

Melbourne Mining Club – Cutting Edge Series
September 2017

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The information contained in this presentation is not a substitute for detailed investigation or analysis of any particular issue. Current and potential investors should seek independent advice before making any investment decision in regard to the Company or its activities.

STAVELY MINERALS

ASX Code – SVY
Share Price - $0.155
Cash (30/06/17) - $2.54M*

Shares on Issue – 121.2M
Market Cap - $18.79M
Management ~50% equity

**Excludes Titeline Drilling agreement and Victorian Gov't co-funding*

<u>Directors</u>

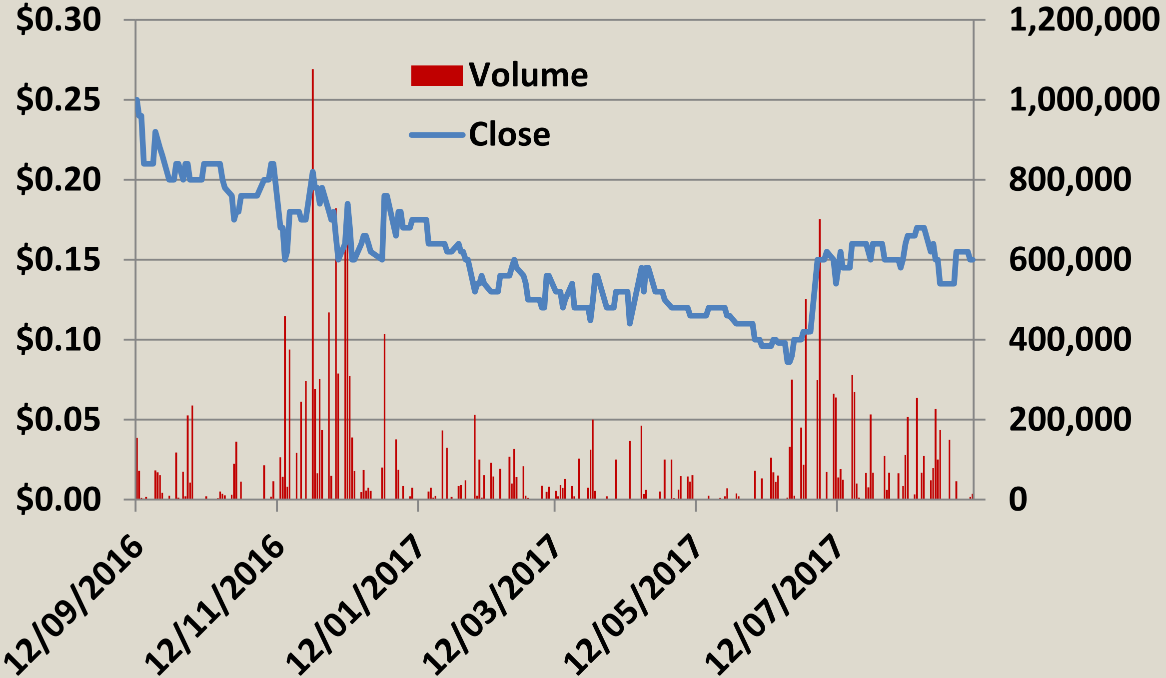
Bill Plyley
Non-executive Chairman

Chris Cairns
Managing Director

Jennifer Murphy
Technical Director

Peter Ironside
Non-executive Director

Amanda Sparks
Company Secretary



STAVELY MINERALS

Exploration Efficiency Percentage:

STAVELY MINERALS

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Name of entity

Stavely Minerals Limited

ABN	Quarter ended ("current quarter")
33 119 826 907	30 June 2017

Consolidated statement of cash flows		Current quarter $A'000	Year to date (12 months) $A'000
1.	**Cash flows from operating activities**		
1.1	Receipts from customers - Victorian Government Co-Funding for exploration	289	289
1.2	Payments for		
	(a) exploration & evaluation	(481)	(2,033)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(92)	(324)
	(e) administration and corporate costs	(86)	(522)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	15	45
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Research and development refunds	-	-
1.8	Other (GST)	101	251
1.9	**Net cash from / (used in) operating activities**	**(254)**	**(2,294)**

Providing Investors Good Value

Exploration Efficiency Percentage

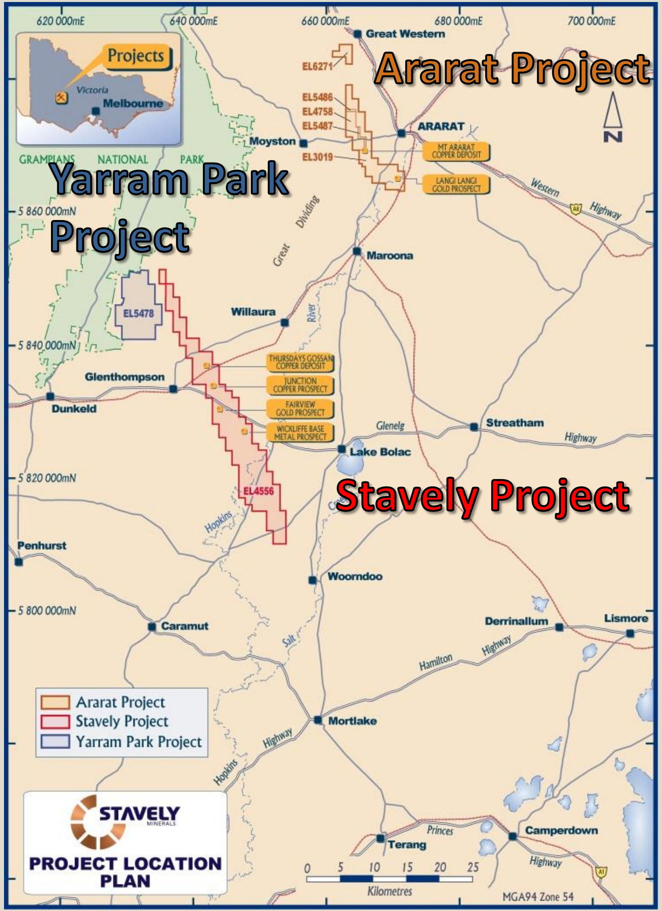
$$= \frac{\text{Exploration expenditure \$}}{(\text{Exploration\$} + \text{Staff\$} + \text{Admin\$})} \times 100$$

= **71% of expenditure goes 'in the ground'**

Exploration & evaluation	= $2,033,000
Staff costs	= $324,000
Administration and corporate	= $522,000

PROJECTS

VICTORIAN PROJECT LOCATIONS



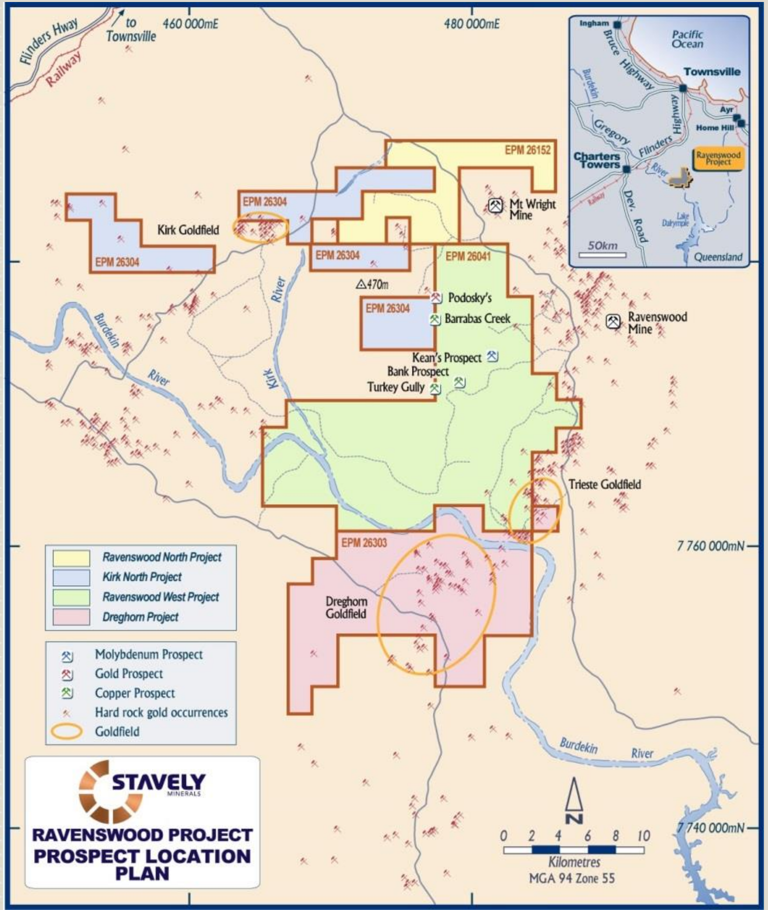
Victorian Projects

The Ararat Project is prospective for VMS base metals-gold and ‘Stawell-style’ gold mineralisation.

The Stavely Project is prospective for ancient porphyry copper-gold, VMS base metals-gold and intrusive related gold mineralisation.

The Yarram Park Project is prospective for ancient porphyry copper-gold and intrusive related gold mineralisation.

QUEENSLAND PROJECT LOCATION



Queensland Project

The Ravenswood Project is prospective for:

- porphyry copper-moly-gold,
- quartz-sulphide vein-hosted gold
- breccia-hosted gold mineralisation
- epithermal gold
- VMS copper-gold

Active exploration currently in the Dreghorn Goldfield.

MINERAL RESOURCES[1]

At the **Ararat Project**, hosted in a Besshi-style VMS:

- Inferred Mineral Resources of **1.3Mt at 2.0% copper, 0.5 g/t gold, 0.4% zinc and 6 g/t silver** for 30kt of contained copper

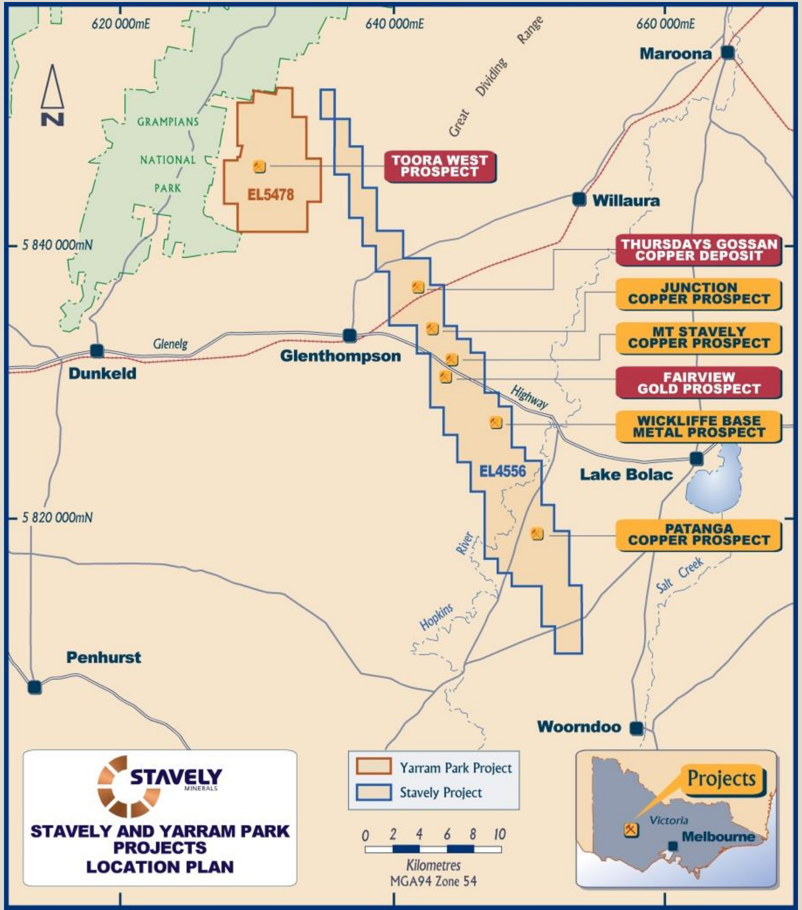
At the **Stavely Project** hosted in a secondary chalcocite-enriched blanket:

- Inferred Mineral Resources of **28Mt at 0.4% copper** for 110kt of contained copper

[1] reported in compliance with JORC 2012, see ASX announcement 8 September 2015 and available from www.stavely.com.au

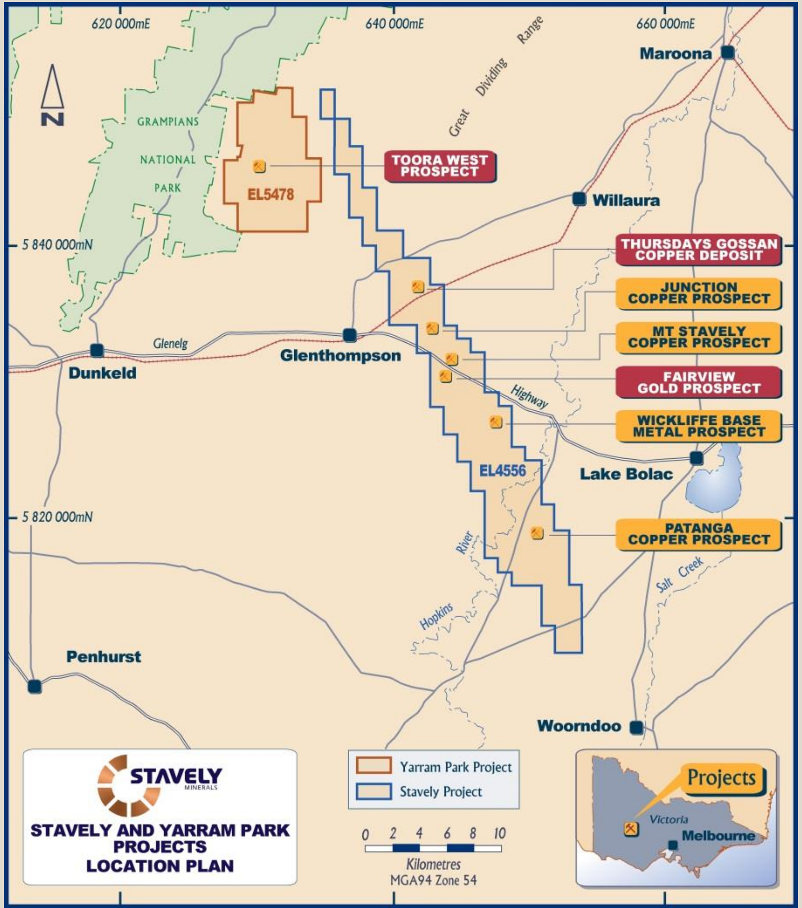
PORPHYRY DISCOVERY OPPORTUNITIES:
THURSDAY’S GOSSAN, TOORA WEST AND OTHERS

STAVELY AND YARRAM PARK PROJECTS



- Thursday’s Gossan chalcocite enriched blanket – Inferred Mineral Resource of **28Mt at 0.4% copper** containing 110kt copper
- Thursday’s Gossan porphyry
- Junction porphyry
- Mount Stavely porphyry
- Fairview Gold prospect
- Wickliffe VMS prospect
- Patanga copper prospect
- Toora West porphyry prospect

STAVELY AND YARRAM PARK PROJECTS



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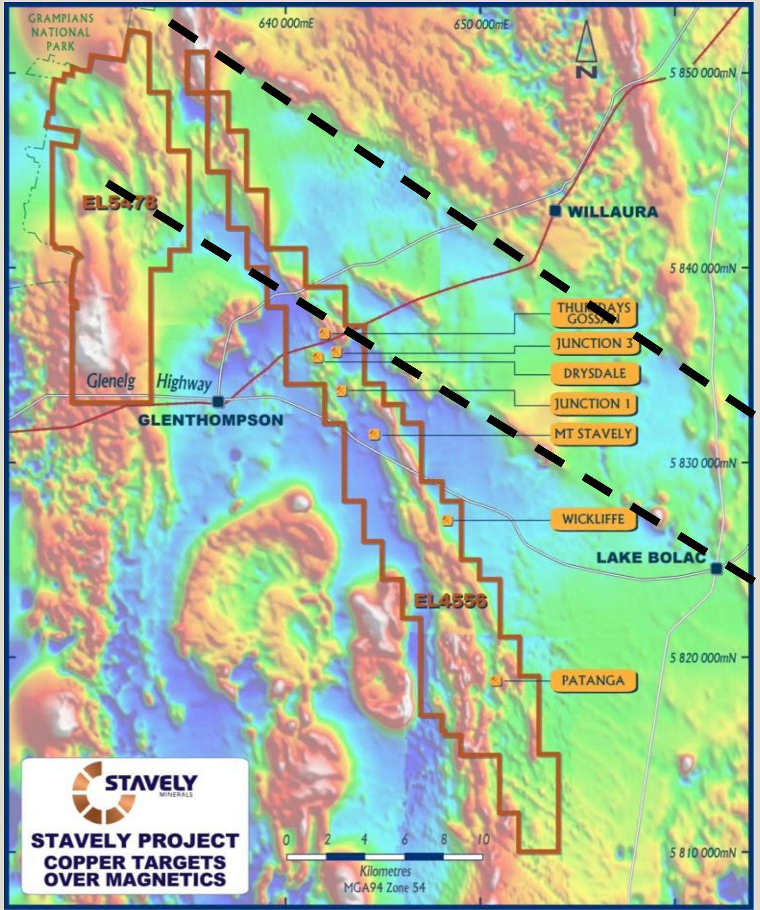
STAVELY AND YARRAM PARK PROJECTS

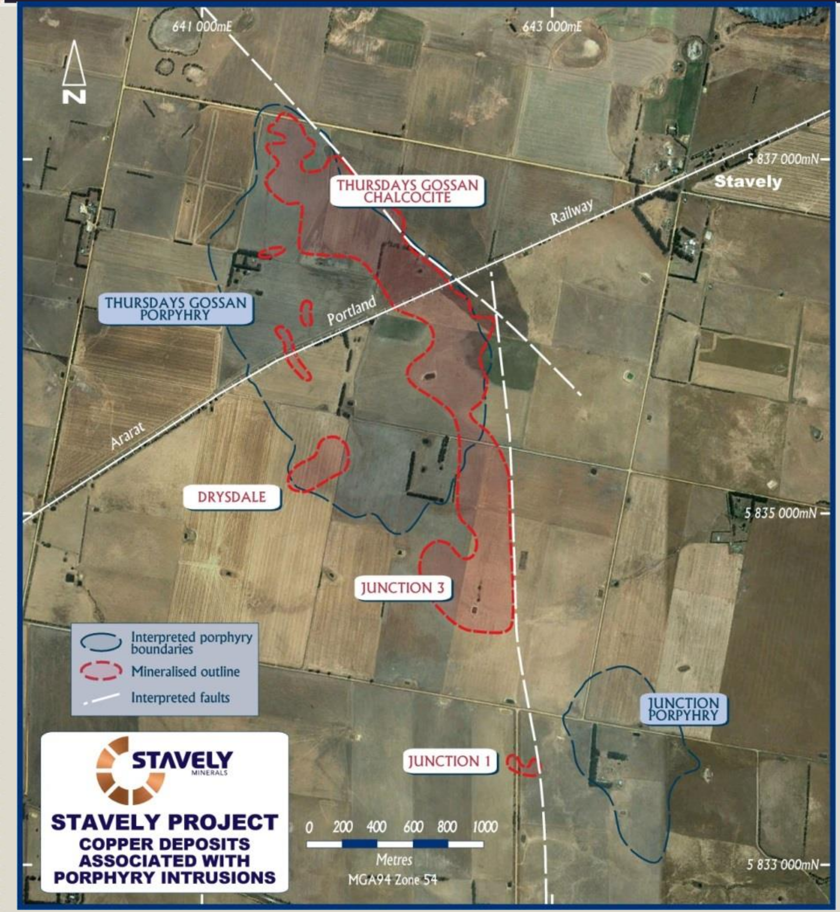


Stavely Volcanic Arc

Similar structural setting to Cadia Valley

- ~N-S trending volcanic belt
- Major NW trending structures

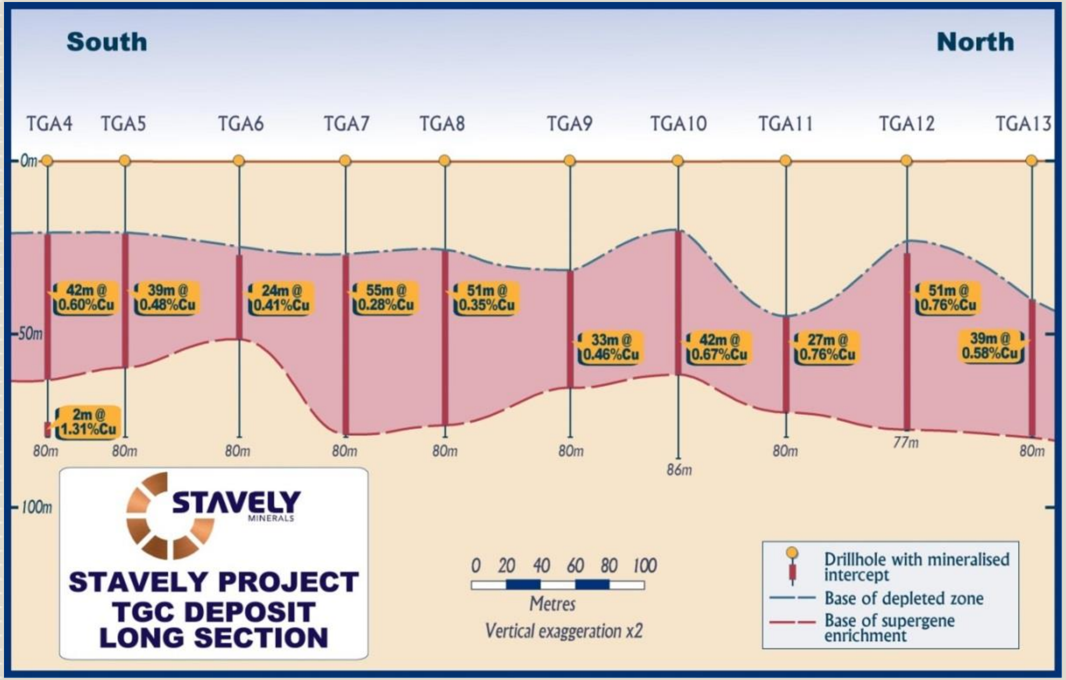
THURSDAY'S GOSSAN PORPHYRY



Thursday's Gossan Chalcocite Blanket

Inferred Mineral Resources of **28Mt at 0.4% copper** for 110kt of contained copper

THURSDAY'S GOSSAN PORPHYRY

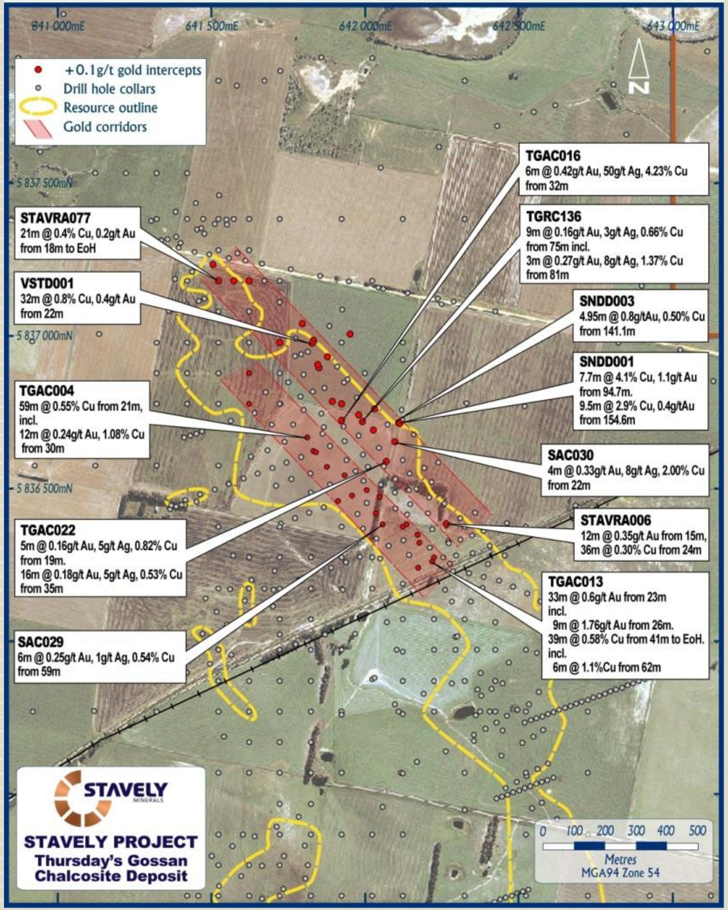


Thursday's Gossan Chalcocite Blanket

Conceptual Study provided sufficiently positive economic outcomes to progress to a Scoping Study[1] – but then we realised there was a lot of gold potential!

[1] see ASX announcement 19 July 2016 and available from www.stavely.com.au

THURSDAY’S GOSSAN PORPHYRY

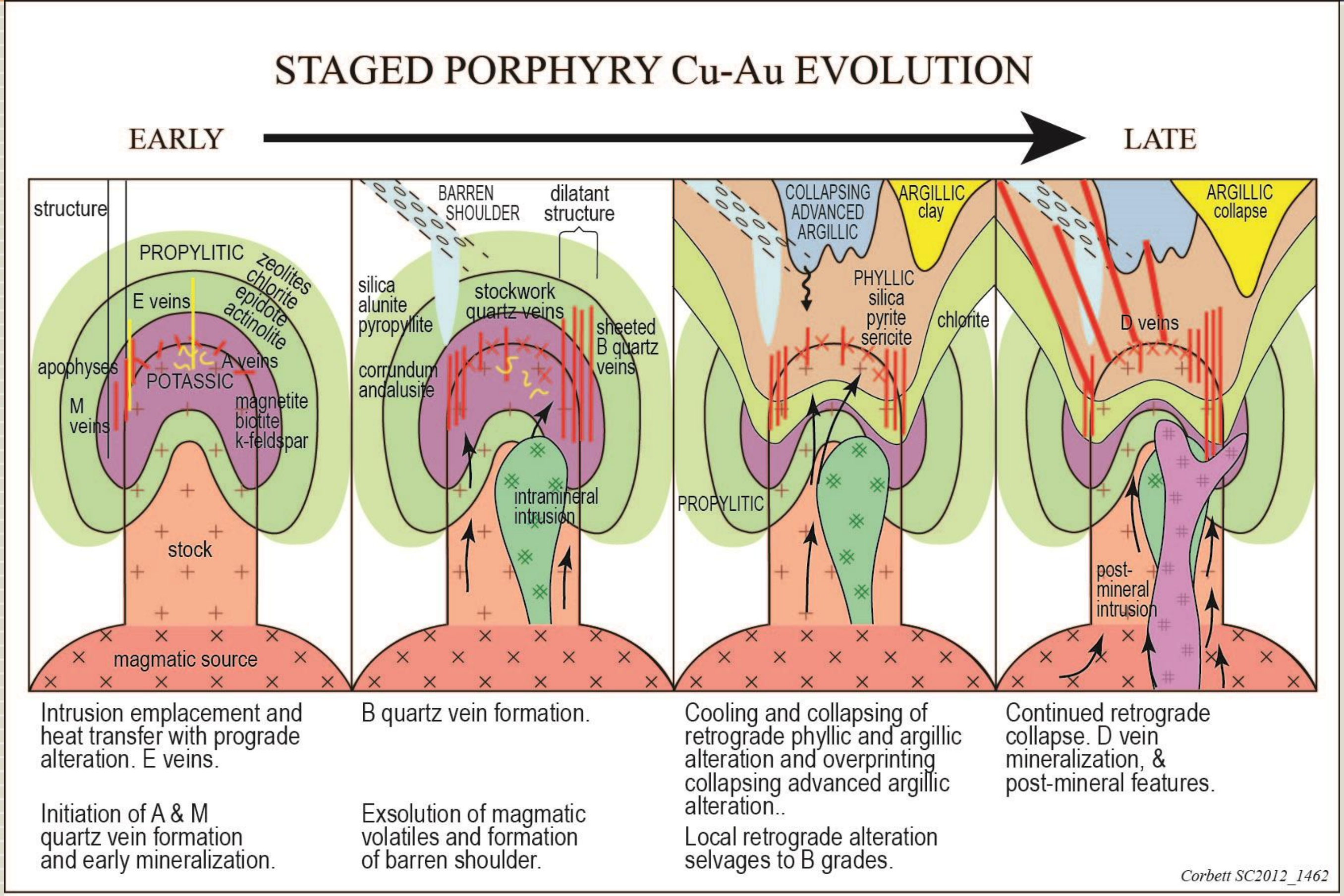


Thursday’s Gossan Porphyry

It is now recognised that there are two parallel zones of near-surface high-tenor copper mineralisation with associated silver and gold….

And, these zones correspond to the near-surface expression of low-angle structures hosting sulphidic porpyhry ‘D’ veins

WHAT ARE 'D' VEINS?



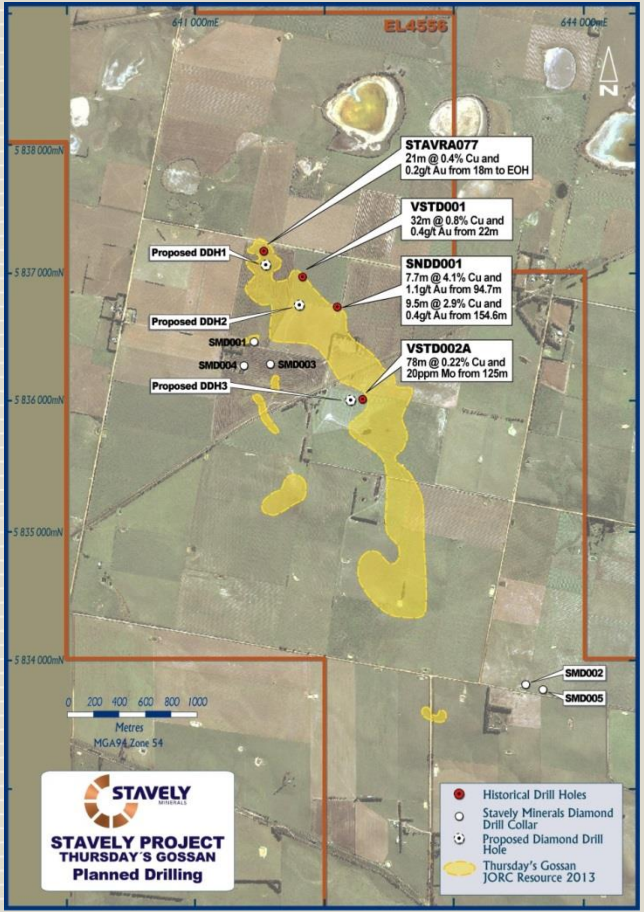
'D' veins are late-stage sulphide-rich veins with characteristic sericite alteration selvedges.

They should be a 'yellow brick road' down to the source porphyry.

After Corbett, 2012

THURSDAY'S GOSSAN PORPHYRY

STAVELY MINERALS



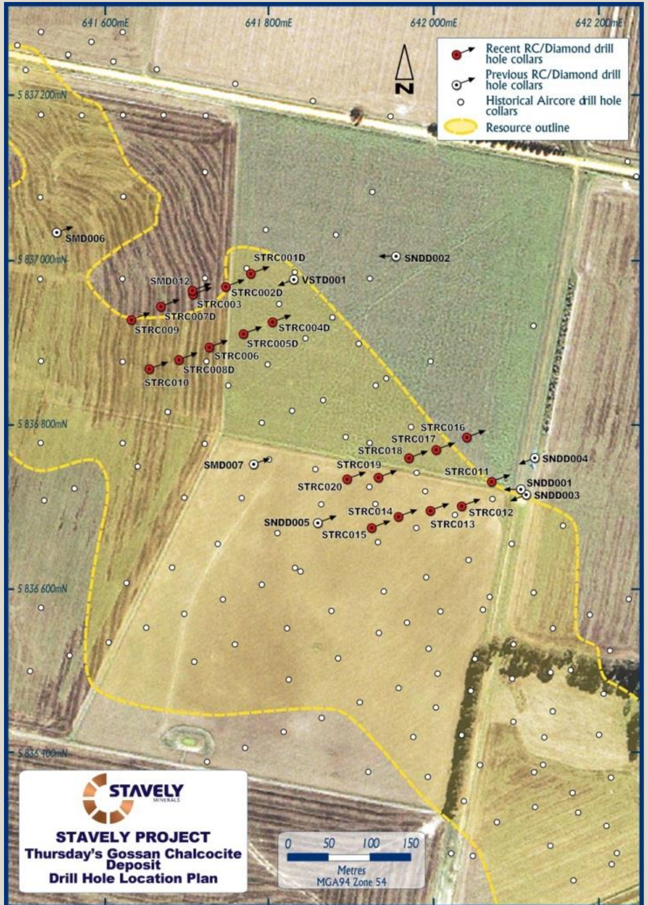
Thursday's Gossan Porphyry

Historic drill results included:

- **21m at 0.4% copper and 0.2g/t gold**
- **32m at 0.8% copper and 0.4g/t gold**
- **7.7m at 4.1% copper and 1.1g/t gold**
- **9.5m at 2.9% copper and 0.4g/t gold**

[1] see ASX announcement 28 June 2016 and available from www.stavely.com.au

THURSDAY'S GOSSAN PORPHYRY



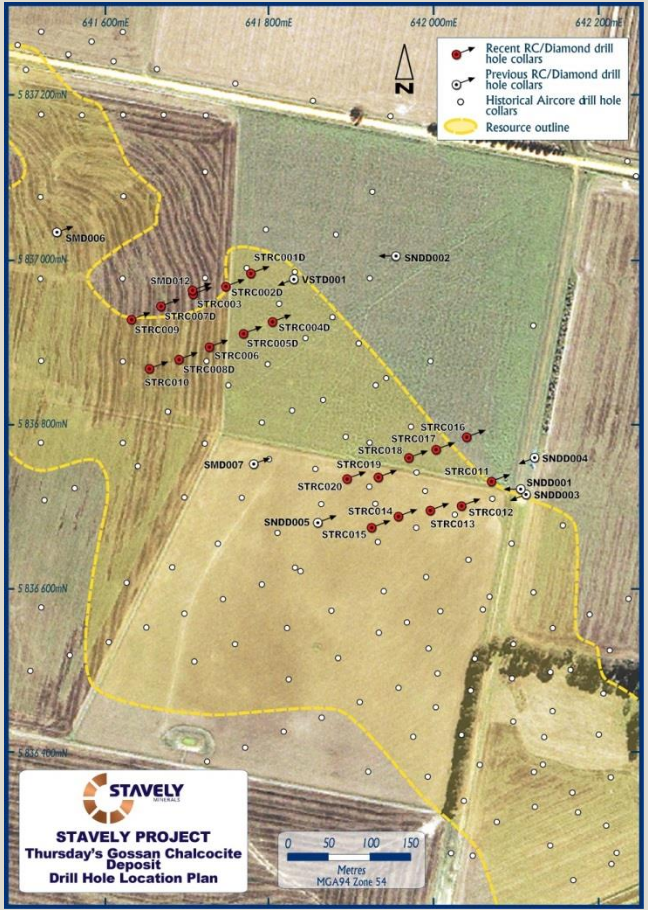
Thursday's Gossan Porphyry

Completed 20 x drill hole RC drilling programme to target these high-tenor copper, silver and gold zones

- ✓ Potential for material impact on Mineral Resources update given **NO** silver and gold ever estimated within the Mineral Resource
- ✓ Help us understand where the gold and silver are coming from

see ASX announcement 22/02/2017 and available from www.stavely.com.au

THURSDAY'S GOSSAN PORPHYRY



Thursday's Gossan Porphyry RC drilling

- 24 metres at 0.64% copper and 1.2 g/t gold including:
  - 14 metres at 0.82% copper and 1.99 g/t gold including
  - 1 metre at 0.84% copper and 22.2 g/t gold
- 29 metres at 0.53% copper and 0.30 g/t gold to end of hole (EoH), including
  - 4 metres at 1.39% copper, 0.5 g/t gold and 55 g/t silver
- 25 metres at 0.52% copper and 0.37 g/t gold to EoH
- 3 metres at 4.14% copper, 0.36 g/t gold and 59 g/t silver
- 43 metres at 0.55% copper and 0.11 g/t gold
- 28 metres at 0.59% copper and 0.19 g/t gold
- 8 metres at 0.74% copper and 0.17 g/t gold
- 25 metres at 0.30% copper and 0.29 g/t gold to EoH including
  - 3 metres at 1.24% copper and 1.31 g/t gold

see ASX announcements on 03/07/2017, 23/08/2017 and 05/09/2017 and available from www.stavely.com.au

THURSDAY'S GOSSAN PORPHYRY

STAVELY MINERALS

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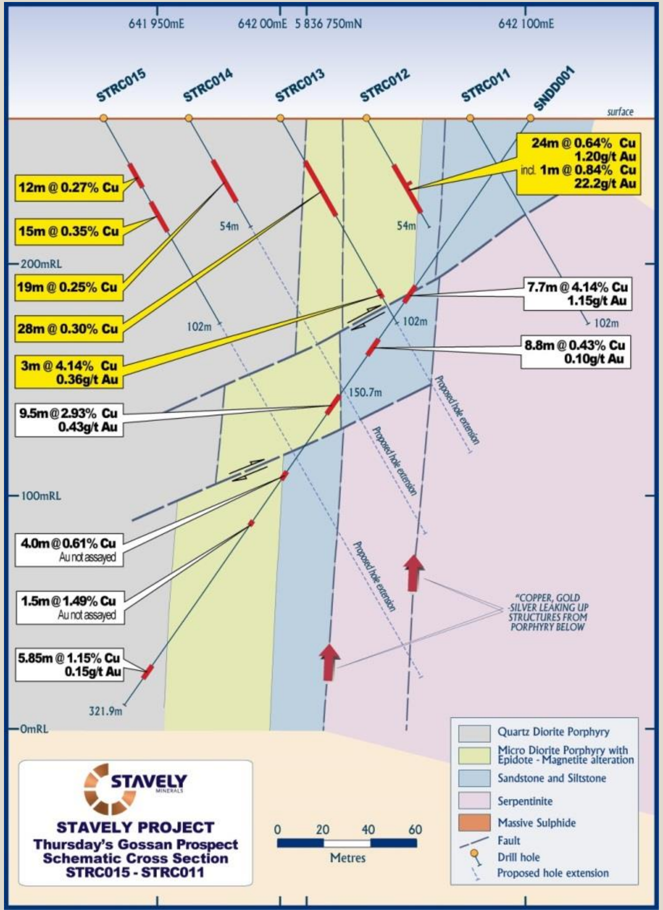
THURSDAY'S GOSSAN PORPHYRY



Thursday's Gossan Porphyry (south section)

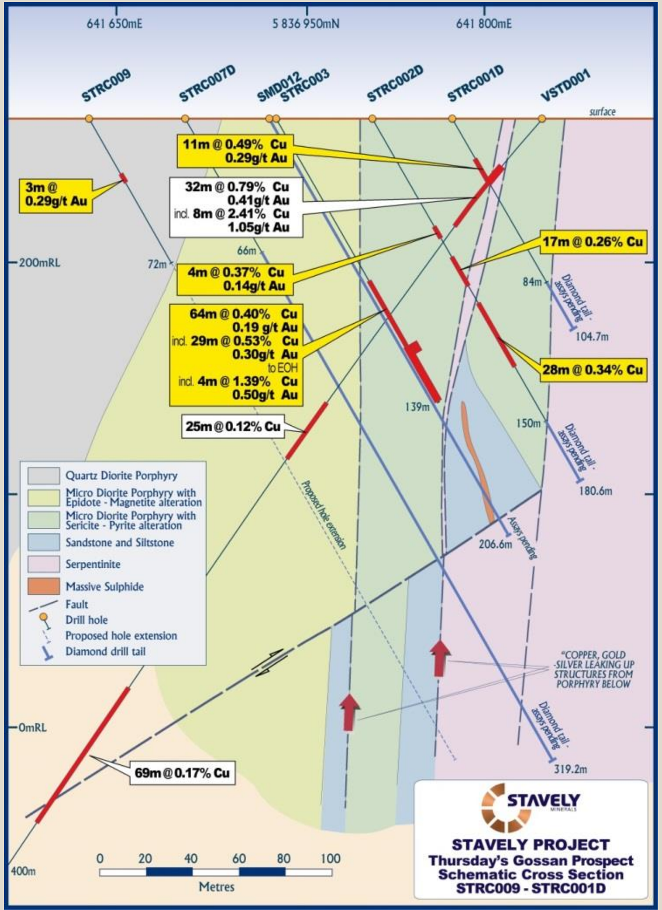
Shallow RC drill results include:

- 24m at 0.64% copper and 1.2g/t gold

For comparative purposes the 2016 Ore Reserve at Cadia Ridgeway is 80 million tonnes at 0.28% copper and 0.54 g/t gold

Newcrest Mining Limited – Explanatory Notes to the Annual Mineral Resources and Ore Reserve Statement – 31 December 2016

THURSDAY'S GOSSAN PORPHYRY



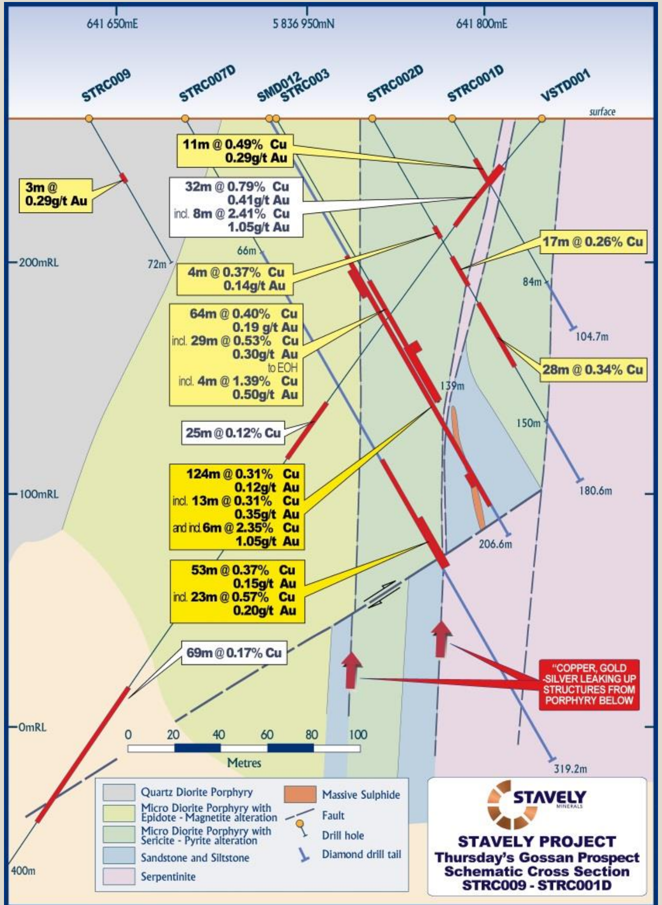
Thursday's Gossan Porphyry (north section)

Shallow RC drill results:

- 11m at 0.49% copper and 0.29g/t gold, and
- 64m at 0.40% copper and 0.19g/t gold, including
  - 29m at 0.53% copper and 0.3g/t gold to end of hole

A number of RC drill holes stopped in grade.

THURSDAY'S GOSSAN PORPHYRY



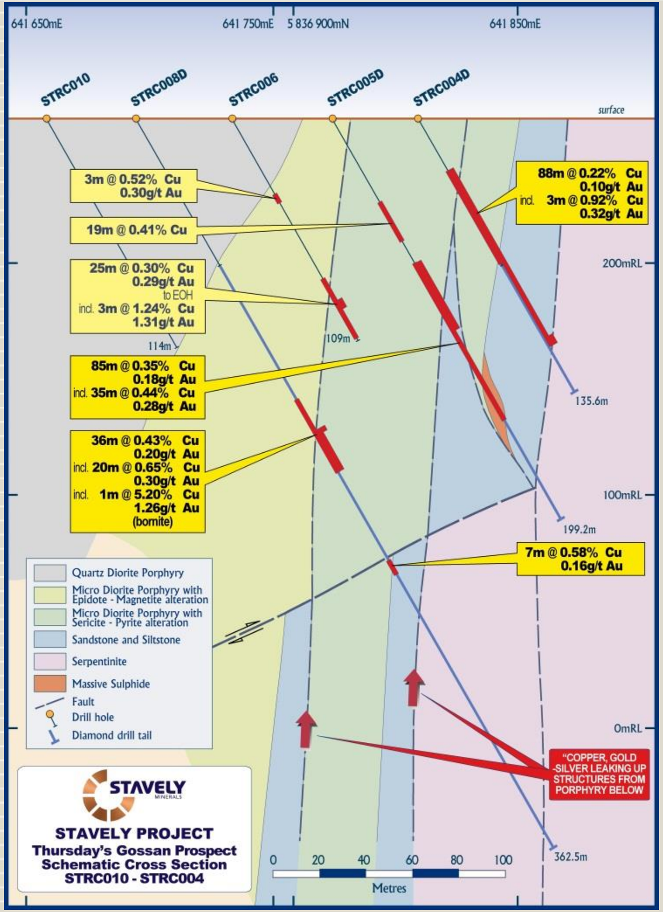
Thursday's Gossan Porphyry (north section)

RC drill holes continued / twinned with diamond drill 'tails'. Diamond drill results:

- 124m at 0.31% copper and 0.12g/t gold, and
- 53m at 0.37% copper and 0.15g/t gold, including
  - 23m at 0.57% copper and 0.20g/t gold

see ASX announcement 23/08/2017 and available from www.stavely.com.au

THURSDAY'S GOSSAN PORPHYRY



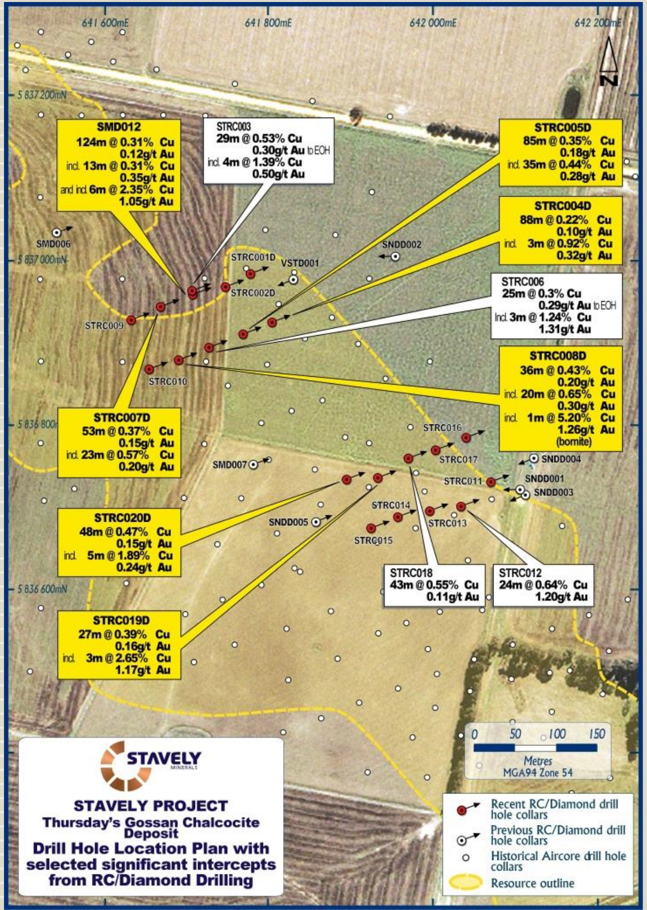
Thursday's Gossan Porphyry (second north section)

RC drill holes continued / twinned with diamond drill 'tails'. Diamond drill results:

- 36m at 0.43% copper and 0.20g/t gold, including
  - 20m at 0.65% copper and 0.30g/t gold
- 85m at 0.35% copper and 0.18g/t gold, including
  - 35m at 0.44% copper and 0.28g/t gold

see ASX announcement 05/09/2017 and available from www.stavely.com.au

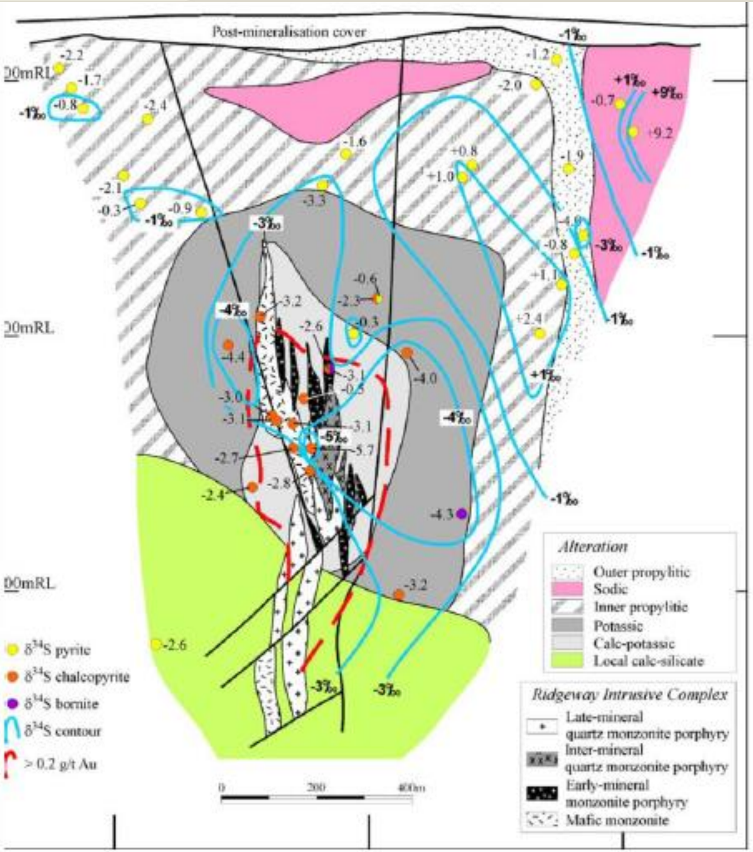
THURSDAY'S GOSSAN PORPHYRY



Thursday's Gossan Porphyry

RC drill results over a strike extent of +400 metres and open in all directions.

SULPHUR ISOTOPES AS A VECTOR



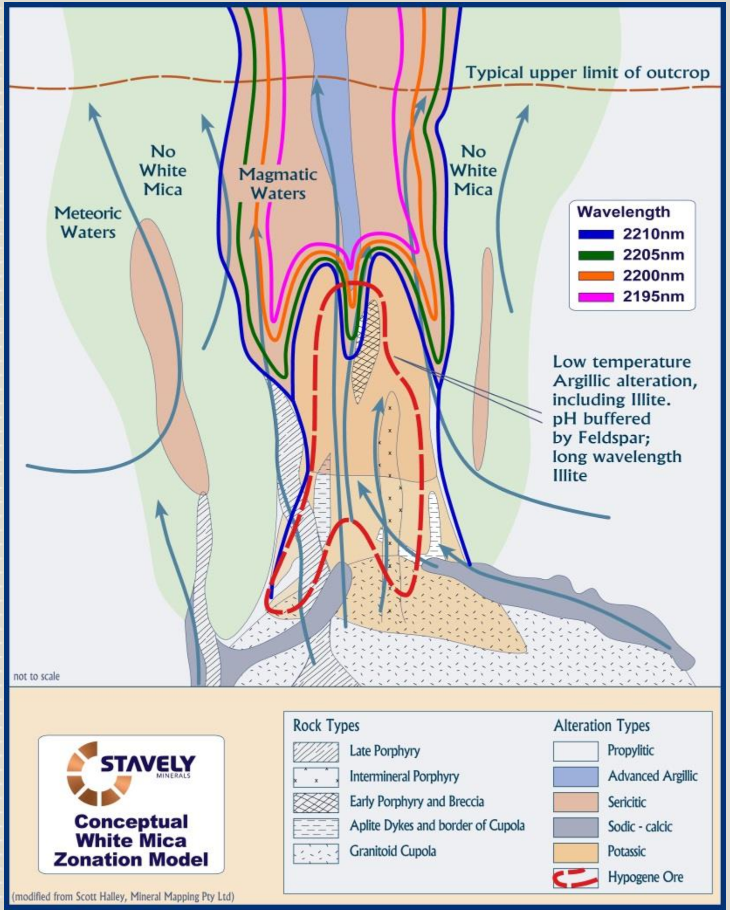
Simple answer: δ34S (sulphur isotope) results are more negative closer to the mineralised porphyry source in alkalic copper-gold porphyries

Alan J. Wilson · David R. Cooke · Benjamin J. Harper · Cari L. Deyell

Sulfur isotopic zonation in the Cadia district, southeastern Australia: exploration significance and implications for the genesis of alkalic porphyry gold–copper deposits

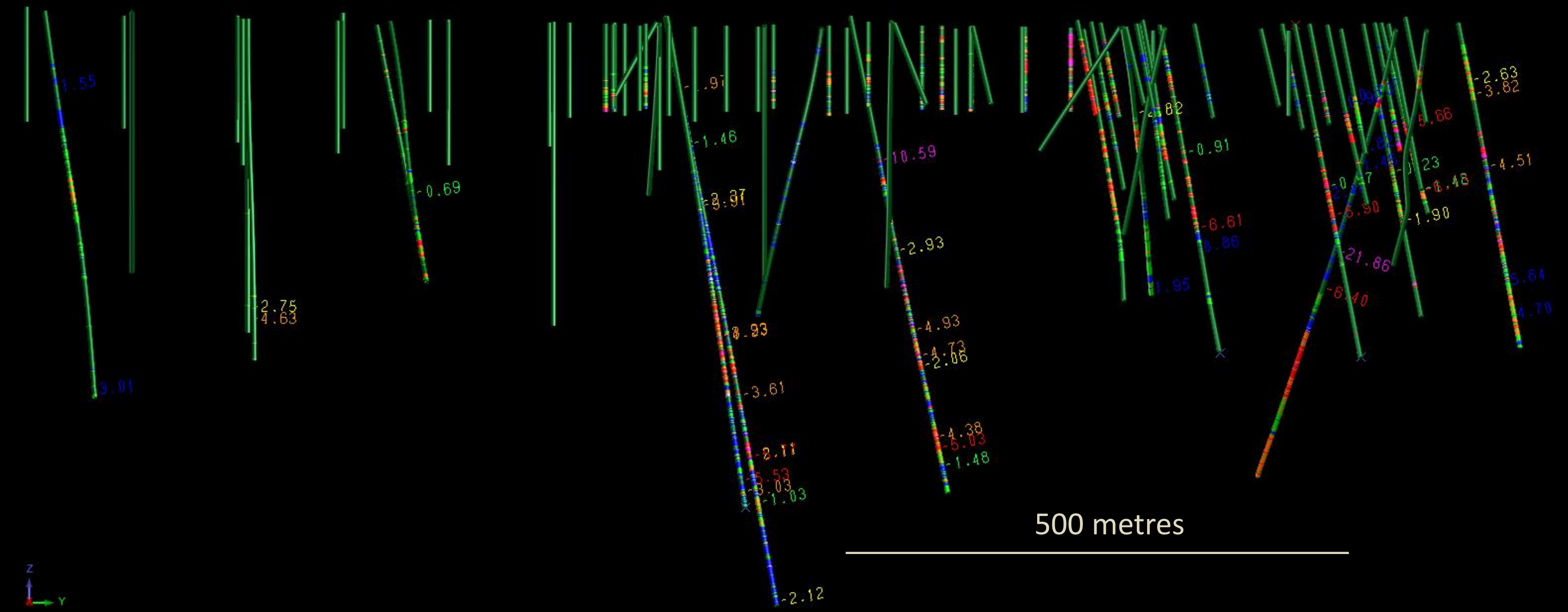
CODES | UNIVERSITY of TASMANIA

WHITE MICA SWIR ABSORPTION



Simple answer: shorter-wavelength white mica absorption features are indicative of proximity to the mineralised porphyry source

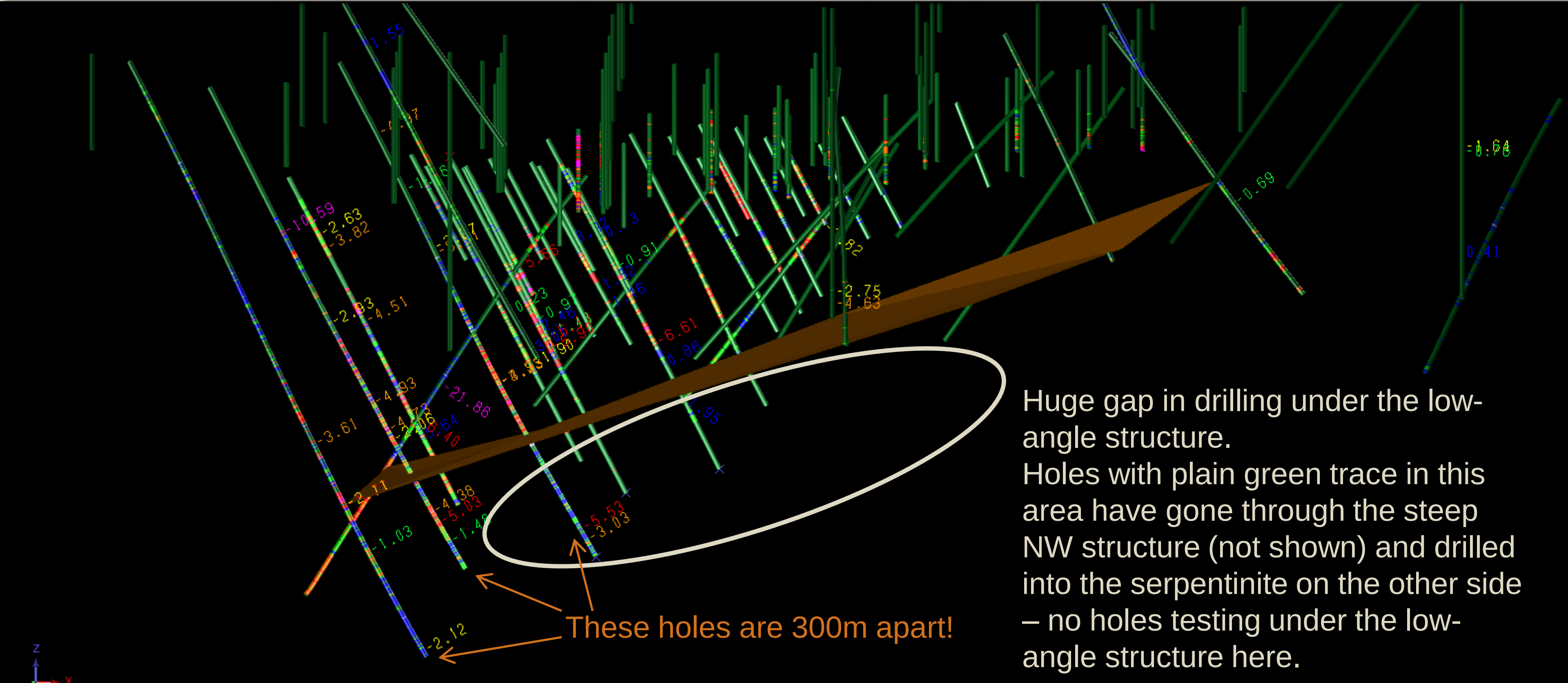
Thursday’s Gossan long section looking West. Drill holes less than 80m depth removed.
Drill traces coloured to sericite absorption wavelength – shorter wavelengths = hotter colours = proximity to porphyry source.
Labels are δ34 Sulphur results – more negative = closer to the porphyry source



Thursday's Gossan oblique section looking NE along the plane of the low-angle structure. Drill holes less than 80m depth removed.

Drill traces coloured to sericite absorption wavelength – shorter wavelengths = hotter colours = proximity to porphyry source.

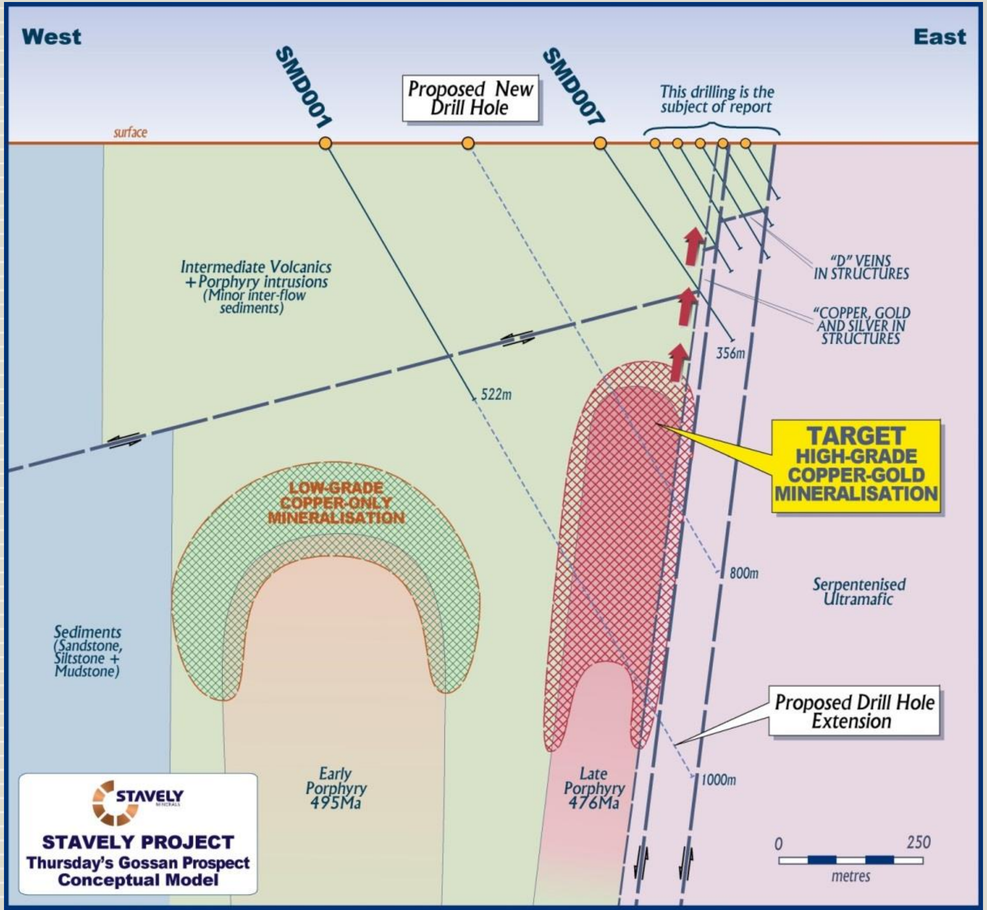
Labels are δ34 Sulphur results – more negative = closer to the porphyry source



Huge gap in drilling under the low-angle structure.

Holes with plain green trace in this area have gone through the steep NW structure (not shown) and drilled into the serpentinite on the other side – no holes testing under the low-angle structure here.

THURSDAY'S GOSSAN PORPHYRY



The conceptual model has 2 separate porphyry events – The first is a large low-grade copper only event (495Ma). The second is a potentially smaller but higher grade copper-gold event possibly circa 476Ma – getting close to a Cadia Ridgeway date.

This is the target.

THURSDAY'S GOSSAN PORPHYRY

STAVELY MINERALS

Alkalic Porphyry Deposits of BC, Yukon and Alaska*

Deposit	Category	Location	Tonnage (Millions)	Cu %	Au g/t	Mo %	Ag g/t
Casino	Proven and Probable Mineral Reserve (Mill)	Yukon	965	**0.2**	**0.24**	0.023	1.74
Huckleberry	Pre-production Mineral Reserves	British Columbia	160	**0.47**	**0.055**	0.14	
Mt Milligan	Proven and Probable Mineral Reserve	British Columbia	506	**0.2**	**0.35**		
Copper Mountain	Measured and Indicated Mineral Resource (0.12% cut-off)	British Columbia	387	**0.26**	**0.09**		1.08
Highland Valley	Proven and Probable Mineral Reserve	British Columbia	577	**0.29**		0.007	
Gibraltar	Measured and Indicated Mineral Resource (0.15% cut-off)	British Columbia	1092	**0.25**		0.008	
Red Chris	Measured and Indicated Mineral Resource Inferred Mineral Resource	British Columbia	1034.7 787.1	**0.35** **0.29**	**0.35** **0.32**		1.14 1.04
Pebble	Measured and Indicated Mineral Resource	Alaska	6400	**0.4**	**0.34**	0.02	

**Reported in compliance with Canadian National Instrument 43-101*

THURSDAY'S GOSSAN PORPHYRY

STAVELY MINERALS

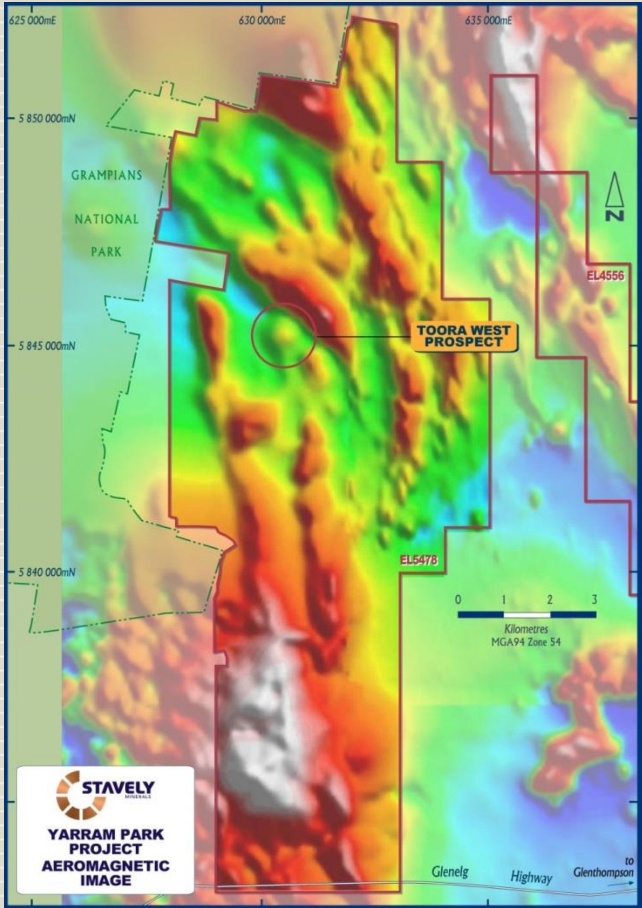
After three phases of drilling, what has Stavely Minerals learned that was not previously known?

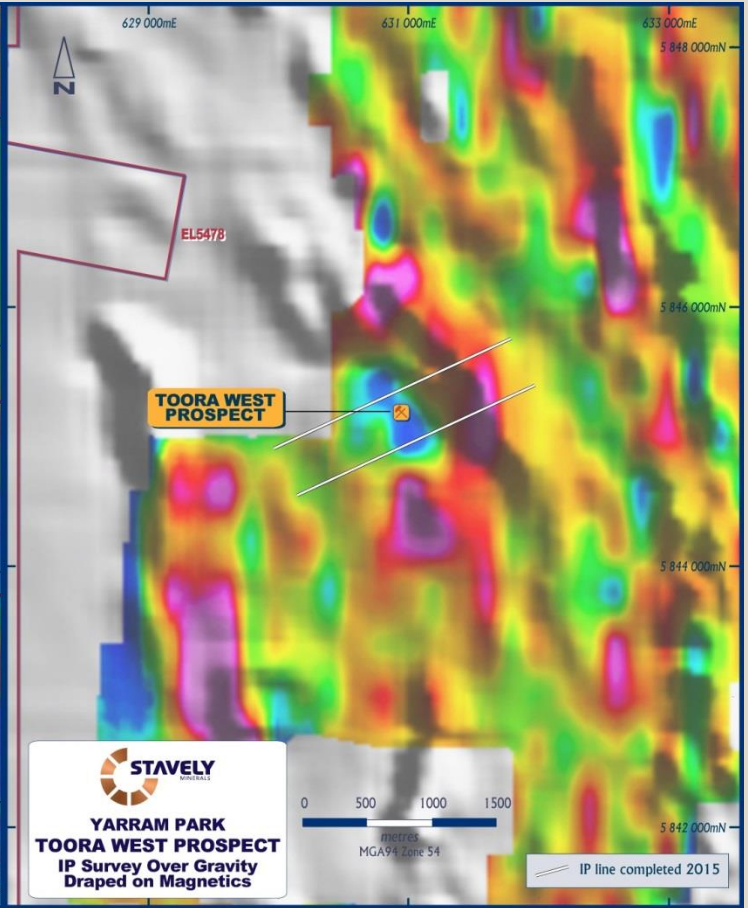
- ✓ That there is widespread gold and silver in the system
- ✓ That it is an alkalic porphyry system – good for gold!
- ✓ That there are likely at least 2-phases of porphyry intrusion
- ✓ That the higher-grades of copper-gold-silver mineralisation are associated with high-level alteration and sulphides
- ✓ Better copper and gold grades could be expected in a well developed potassic alteration zone not yet seen

All of these attributes are very positive indications for a well mineralised copper-gold-silver porphyry at depth.

TOORA WEST

YARRAM PARK PROJECT



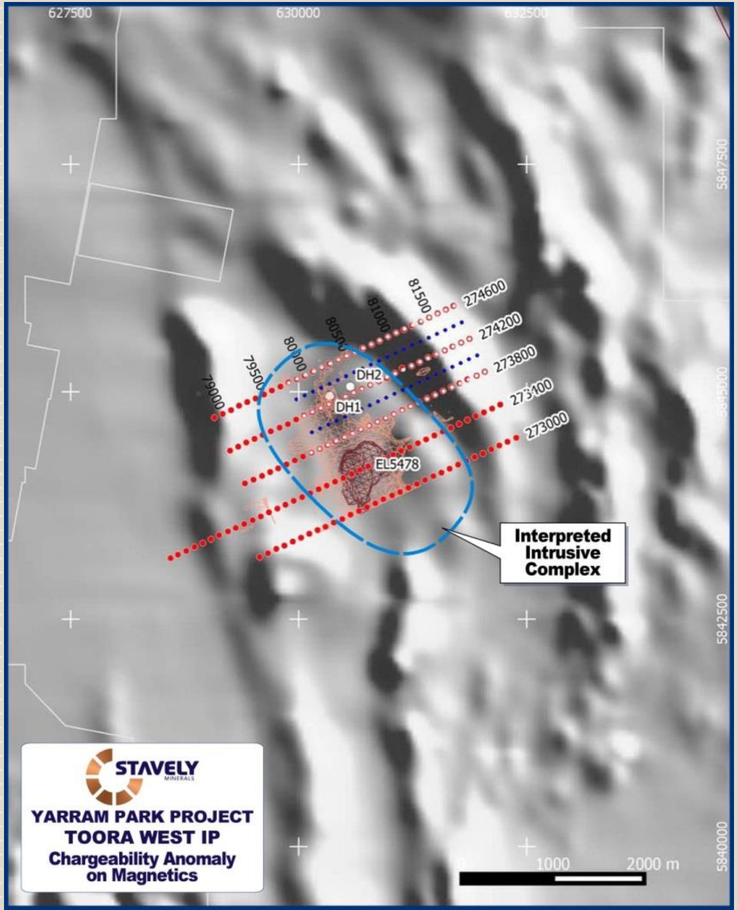


Toora West prospect

- ✓ Magnetic / gravity geophysical anomaly
- ✓ ‘Blind’ target beneath younger transported cover

see ASX announcement 12/07/2017 and available from www.stavely.com.au

YARRAM PARK PROJECT

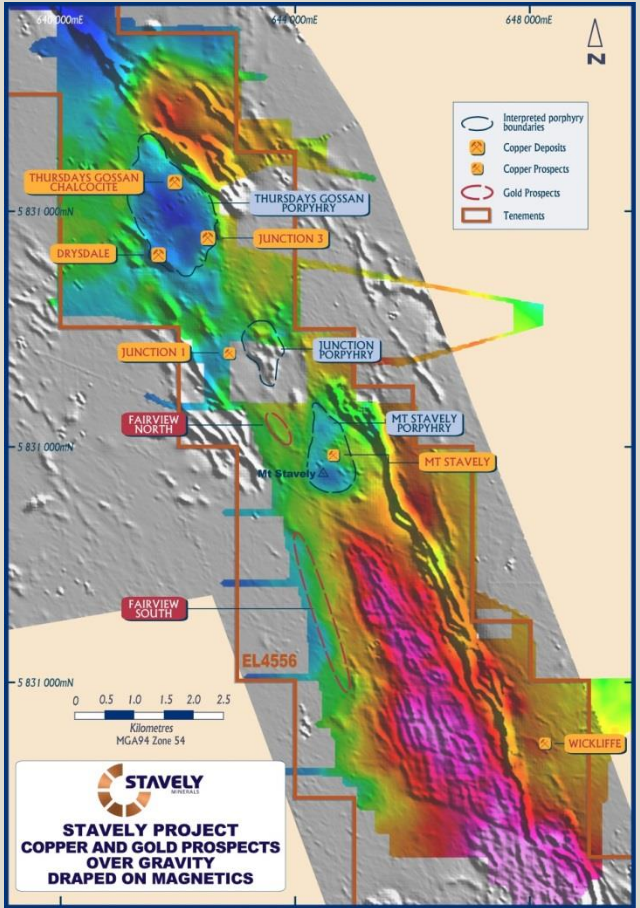


Toora West prospect

- ✓ Early 2017 drilling by Stavely Minerals has identified early, hot potassic porphyry-style alteration
- ✓ Subsequent extension to IP geophysical survey has identified a very large and very strong chargeability anomaly **500m in diameter at 50mV/V**
- ✓ Potentially disseminated sulphides associated with copper-gold mineralisation
- ✓ For drill testing late 2017

MOUNT STAVELY PORPHYRY AND FAIRVIEW GOLD

MOUNT STAVELY

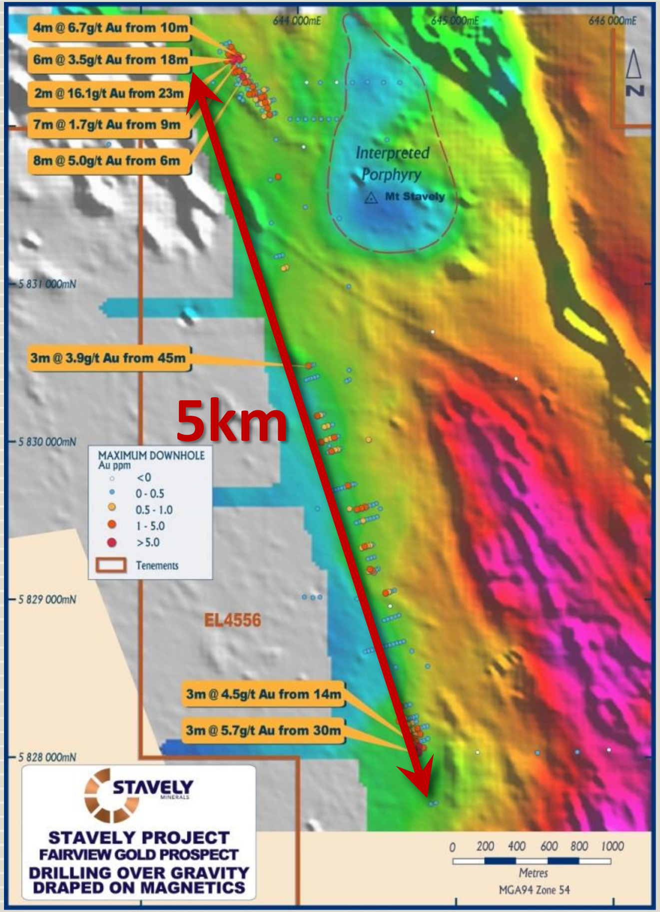


Mount Stavely Porphyry and Fairview Gold

- ✓ Interpreted buried porphyry reflected in pronounced gravity low
- ✓ 5km of peripheral mesothermal to epithermal gold associated with quartz-sulphide veins (adularia noted)

see ASX announcements on 18/04/2017 and 21/07/2017 and available from www.stavely.com.au

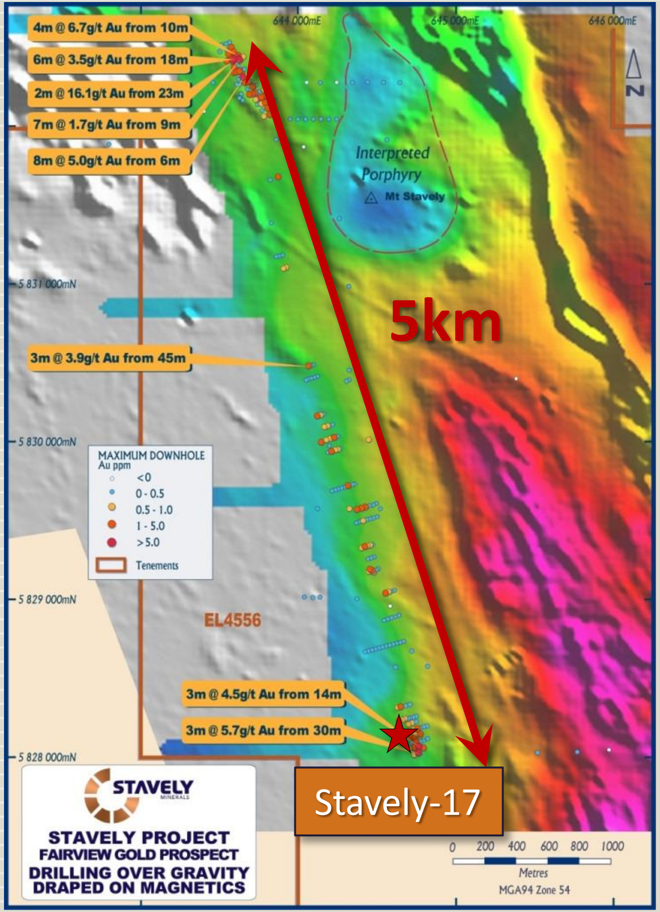
FAIRVIEW GOLD PROSPECT



Fairview Gold Prospect

- ✓ 5km strike of quartz-suphide vein related gold mineralisation
- ✓ Previous drilling intercepts including:
  - ➢ **2.5m at 17.4 g/t gold** from 28m drill depth
  - ➢ **2m at 16.1 g/t gold** from 23m drill depth
  - ➢ **4m at 6.7 g/t gold** from 10m drill depth
  - ➢ **8m at 5.0 g/t gold** from 6m drill depth

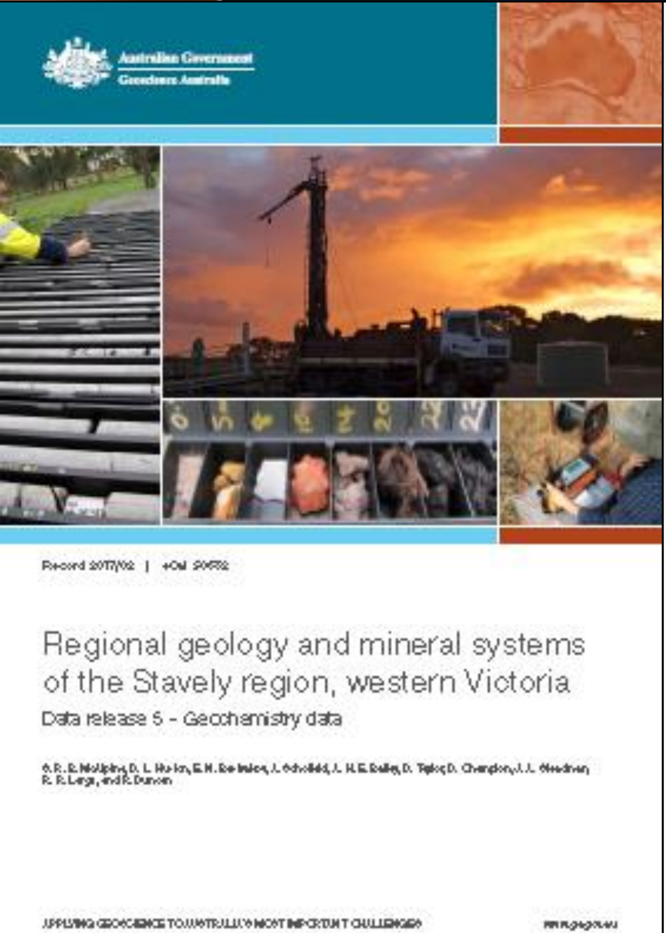
FAIRVIEW GOLD PROSPECT



Recent drilling by Stavely Minerals intercepted wide intervals of shallow gold mineralisation including:

- **30m at 1.4 g/t gold** from 47 metres drill depth, including
  - 11 metres at 2.4 g/t gold
- **17m at 1.23g/t gold** from 23m drill depth within a larger low-grade interval of
  - 57m at 0.57g/t gold from surface
- **16m at 1.04g/t gold** from 6m drill depth within a larger low-grade interval of
  - 68m at 0.42g/t gold from surface

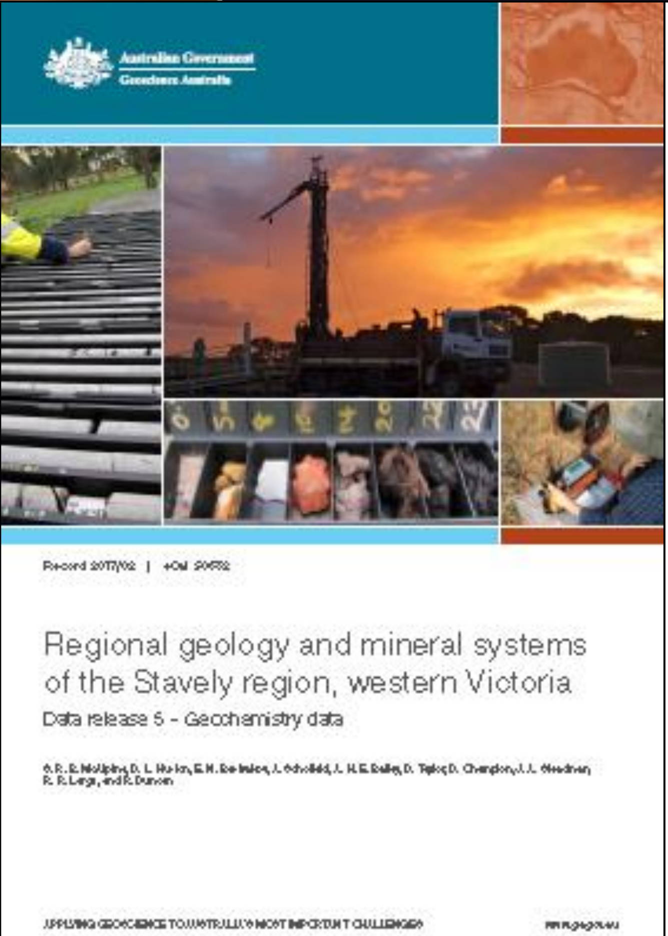
FAIRVIEW GOLD PROSPECT



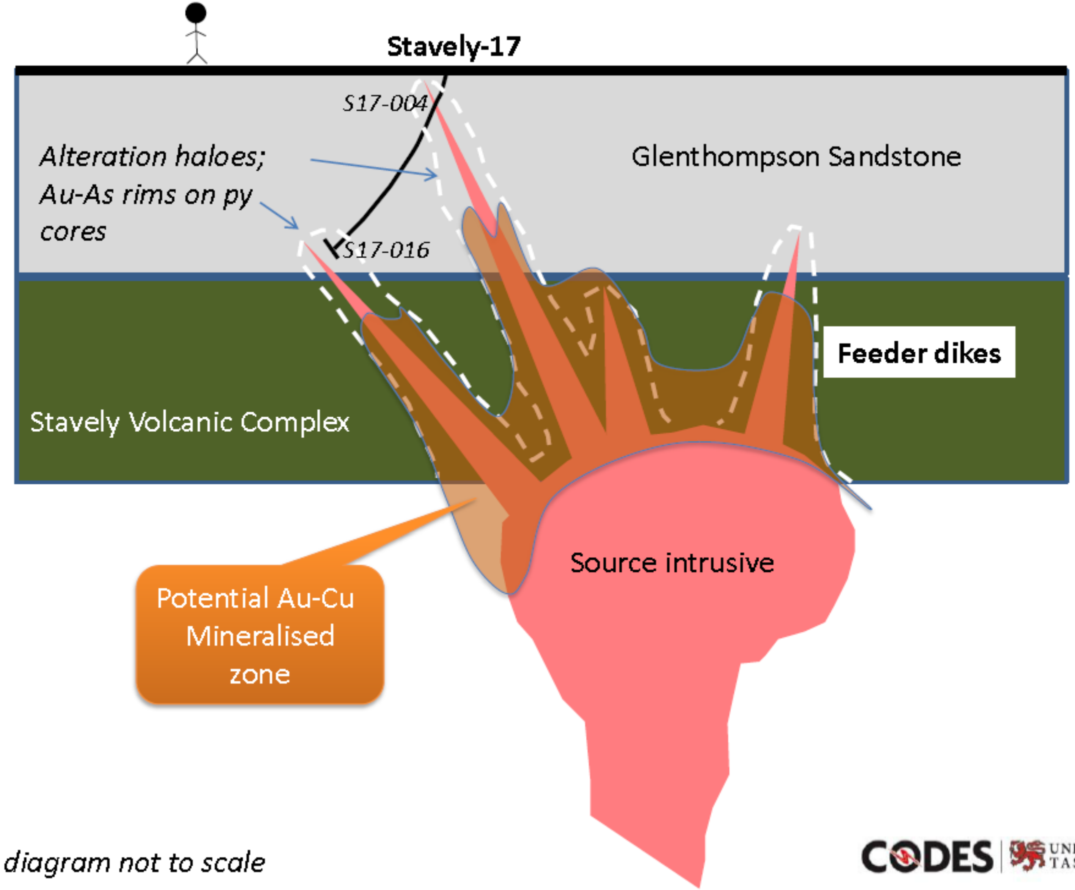
Stavely-17 interpretation

- Two-stage pyrite growth in most samples
  - High T first stage (oscillatory Co-Ni zonation; high Se)
  - Lower T second stage; Cu-As-Ag-Sb-Au-Pb±Mo±Tl±Bi
- The high-T stage likely relates to porphyry-style mineralization at depth
- The low-T stage is likely an epithermal overprint
- Similar to Wafi-Golpu, Lihir, etc. (next slide)
- Based on py chemistry, **estimated distance to target is 0.5-1 km**

FAIRVIEW GOLD PROSPECT


Australian Government
Geoscience Australia

Regional geology and mineral systems of the Stavely region, western Victoria
Data release 5 - Geochemistry data



Note: diagram not to scale

Sneaking up on Elephants – The Hunt for Ancient Porphyries in Western Victoria

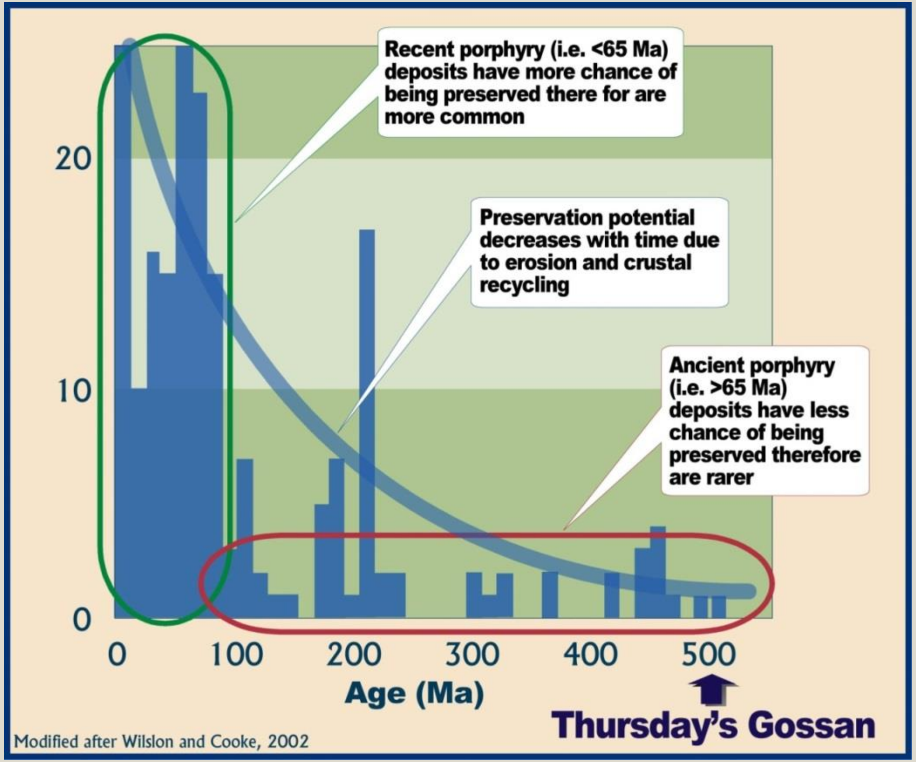
We think we are seeing something different to those who were here before us…

ELEPHANTS

WHY LOOK FOR ~~PORPHYRIES~~ IN WESTERN VICTORIA?

STAVELY PROJECT

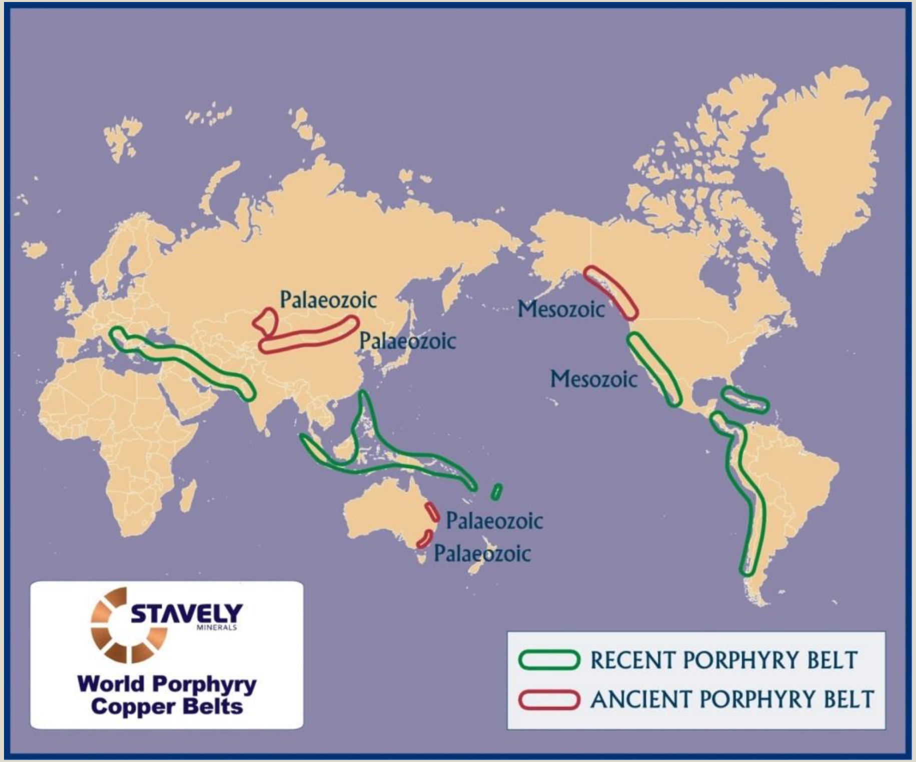
STAVELY MINERALS



Why look for porphyries in western Victoria?

- Porphyry deposit examples from as early as Archean age
- Likelihood of porphyry deposit preservation decreases with age due to erosion and crustal recycling

STAVELY PROJECT

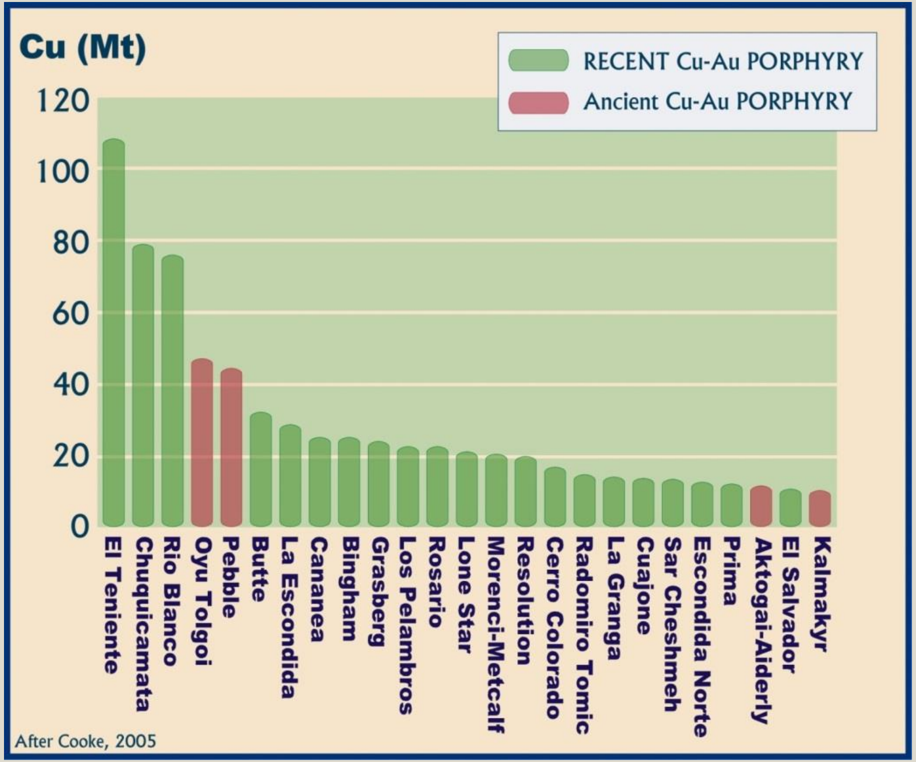


Why look for porphyries in western Victoria?

- ✓ Eastern Australia is one of very few locations hosting ‘ancient’ porphyry deposits

STAVELY PROJECT

STAVELY MINERALS

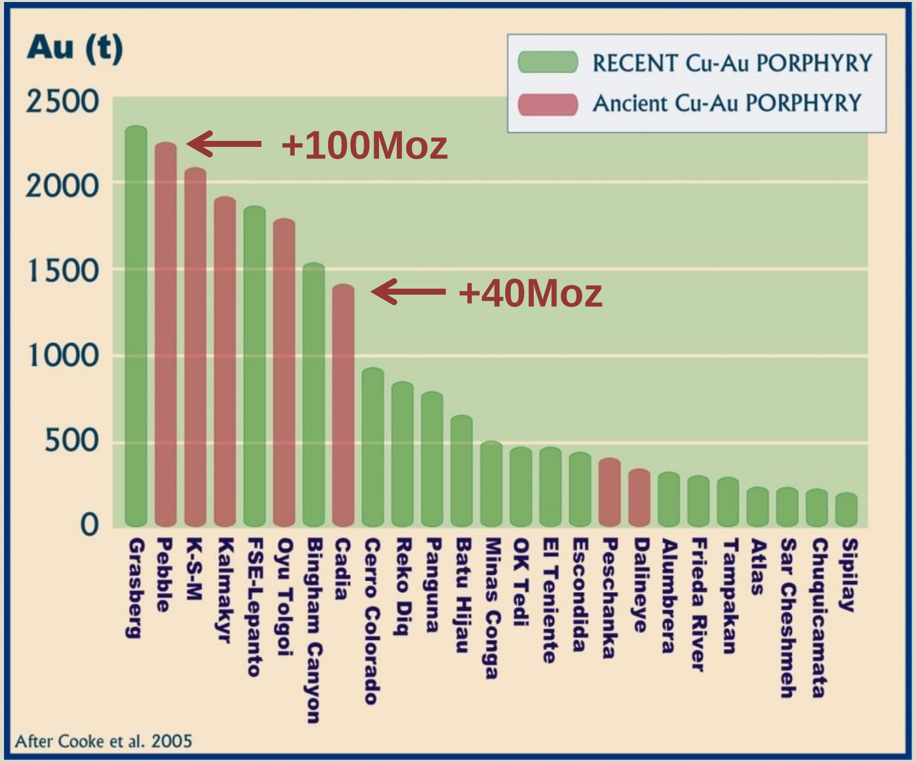


Why look for porphyries in western Victoria?

And while the 'ancient' porphyry deposits can be amongst the largest copper deposits known to man…

STAVELY PROJECT

STAVELY MINERALS



After Cooke et al. 2005

Why look for porphyries in western Victoria?

…they are indeed the ‘elephants’ of gold deposits.

To put it in context, it is like having a chance to discover another Kalgoorlie.

SUMMARY

Take Away Messages

1. Stavely Minerals has conclusively demonstrated that copper ***plus*** gold alkalic porphyry-style mineralisation is present at Thursday's Gossan
2. Results to date are great ***but*** we are not yet in the sweet spot and grades should be very attractive when we do get there
3. Given it is now demonstrated that the Stavely Volcanic Belt is an alkalic copper-gold porphyry belt, other porphyry targets in the belt with very little prior exploration have now become much more significant discovery opportunities eg. Toora West, Mount Stavely (not a single drill hole) and Junction

We promise no animals will be harmed in our hunt for elephants!!

Thank You

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