Thursday's Gossan Copper-Gold Porphyry – Diamond Drilling Update

Discovery of Thick Zone of Magnetite-Rich 'M' Veins Strengthens Potential for Nearby Porphyry

~100m intercept of magnetite-rich 'M'-veins and fine disseminated sulphides in 'sighter' holes provides compelling evidence that gold-rich porphyry-style mineralisation is very close and at a shallower depth than previously expected

Highlights

- **'Sighter' drill-hole SMD015 has intersected ~100m of magnetite-rich 'M'-veins, considered to be part of the proximal potassic hydrothermal alteration of nearby copper-gold porphyry mineralisation.**
- **Importantly, the 'M'-veins in SMD015 have been intersected from ~100m to 196m drill depth and are located above the low-angle structure, indicating that copper-gold mineralisation could be at much shallower depths than previously anticipated.**
- **'M'-veins are characteristic of gold-rich copper porphyries, and are typically the early precursors to the main copper-gold mineralising phase.**
- **The intensity of the magnetite and quartz veining and associated pervasive hydrothermal alteration are compelling indications of a very hydrous and oxidised mineralising fluid system that has had the potential to develop significant copper-gold mineralisation.**
- **The 'M'-veins observed in the core are remarkably similar in character to those well documented at the world-class Cadia-Ridgeway copper-gold mine and host fine-grained pyrite and lesser chalcopyrite.**
- **Drill holes SMD013 and SMD014 intersected variable degrees of hematite/epidote inner-propylitic alteration and, significantly, SMD014 intersected a ~60m zone of disseminated magnetite alteration with a narrower interval of disseminated bornite and chalcopyrite below the low-angle structure, indicating that any structural offset to copper-gold mineralisation may not be significant.**
- **Assays for holes SMD013, SMD014 and SMD015 are pending.**
- **Drilling of the fourth and final diamond drill hole in the current 'sighter' programme, SMD016, is currently in-progress.**

Stavely Minerals Limited (ASX Code: **SVY** – "Stavely Minerals") is pleased to provide an update on the current diamond drilling program at its 100%-owned **Stavely Copper Project** in western Victoria (Figures 1 and 2), where ongoing drilling at the Thursday's Gossan porphyry target continues to deliver significant encouragement.

The current 'sighter' drill programme follows on from previously announced copper, gold and silver mineralised drilling intercepts and technical results (see ASX announcements 3rd July, 23rd August, 5th September 2017 and 20th November 2017).

Over the past several months drilling at Thursday's Gossan has been systematically progressing with the objective of discovering copper-gold mineralisation associated with an alkalic porphyry system, similar to the Cadia Valley or the North Parkes copper-gold mines in central New South Wales.

Recent drilling has strongly vindicated the application of this mineralisation model with three recent diamond drill holes intersecting both inner-propylitic hematite-epidote alteration as well as sodic-potassic hydrothermal alteration hosting significant widths of early proximal magnetite-rich 'M'-veins and associated fine sulphides.

Stavely Minerals Managing Director Mr Chris Cairns said: "*The recent drilling has returned the strongest possible indications to date of proximity to a significant copper-gold porphyry system at Thursday's Gossan – which is a very exciting development for our shareholders. The parallels to the Cadia-Ridgeway system are now undeniable, with broad intervals of well-developed 'M'-veins observed in the recent drilling. The downside risks to discovery would include additional structural complexity displacing the copper-gold mineralised zone or a late intrusion 'stoping out' the mineralisation. However, if and when we find it, this style of mineralisation has a track record of hosting some of the largest gold deposits in the world.*"

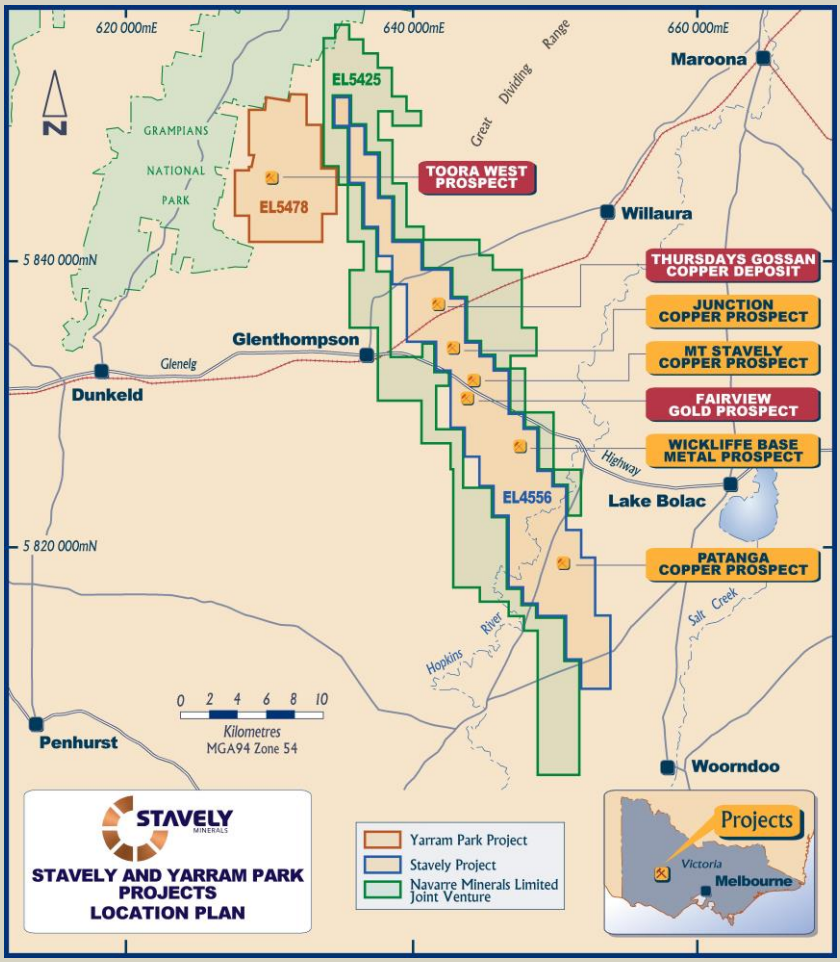

Figure 1. Project location map.

The Cadia Ridgeway gold-copper deposit had total production to March 2012 of 76.7Mt at 1.83g/t gold and 0.63% copper for a contained 4.5 million ounces of gold and 483,000 tonnes of copper[1].

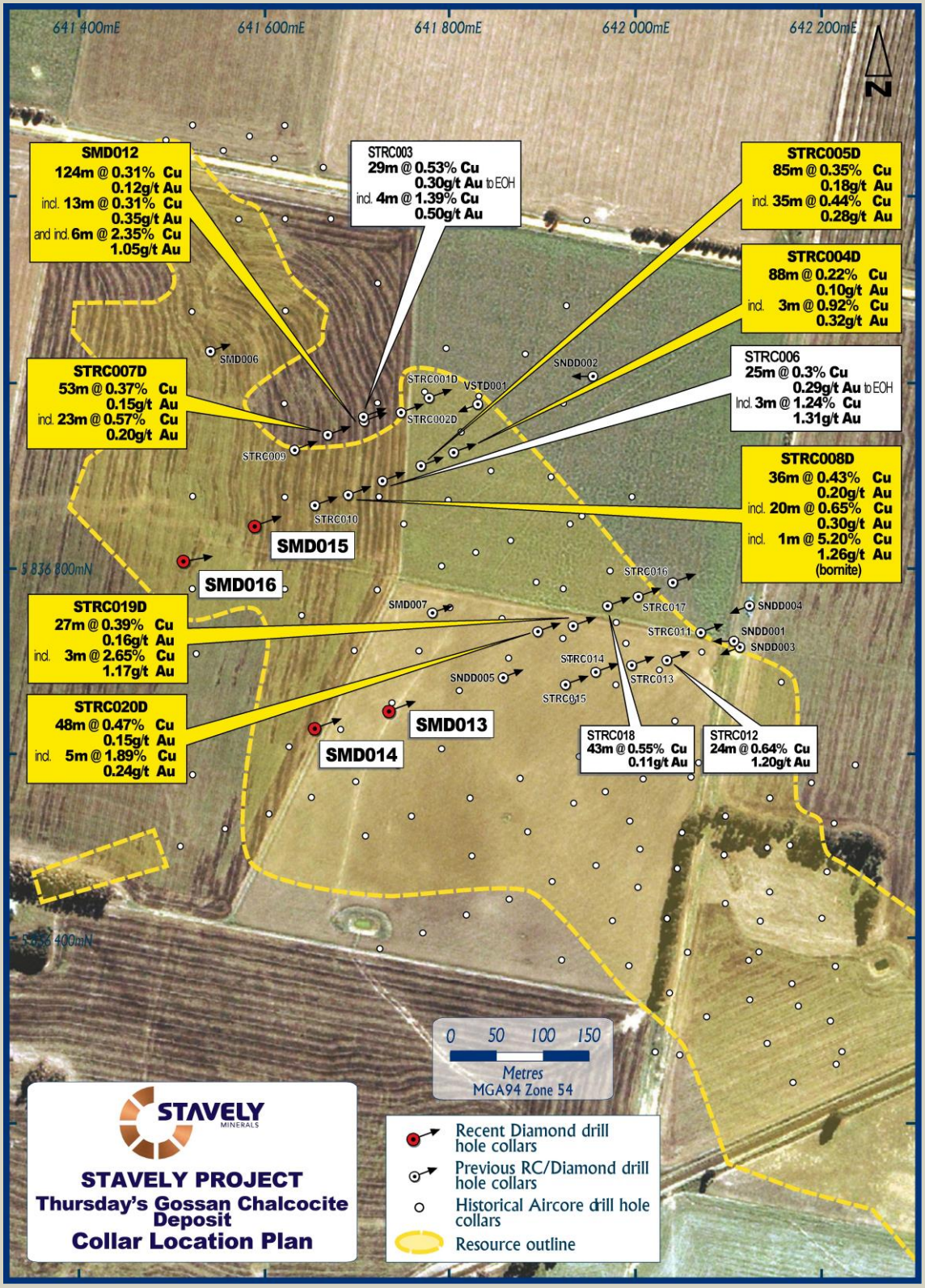

Figure 2. Drill collar location plan.

[1] Source: Porter GeoConsultancy Pty Ltd.

In his PhD thesis on the Cadia gold-copper porphyry deposits, Wilson (2003)[2] describes early veining as characterised by:

> *"Veinlets of magnetite-actinloite (E-1A) and quartz-magnetite-bornite (E-1B)…cut by thick, grey coloured quartz veins with characteristic laminations of magnetite-bornite±actinolite (E-2). White quartz-bornite-chalcopyrite veins (E-4) have cut older vein stages."(Photo 1).*

Wilson uses the 'E' terminology to denote that these M-veins are early in the mineralising sequence at Cadia Ridgeway. It is apparent from Wilson's thesis that the high-grade gold core to the Cadia- Ridgeway deposit is centred on the distribution of the E-2 veins he describes as extending up to 80m from the Ridgeway Intrusive Complex (RIC), while the E-1 veins can extend further outward up to 350m from the RIC.

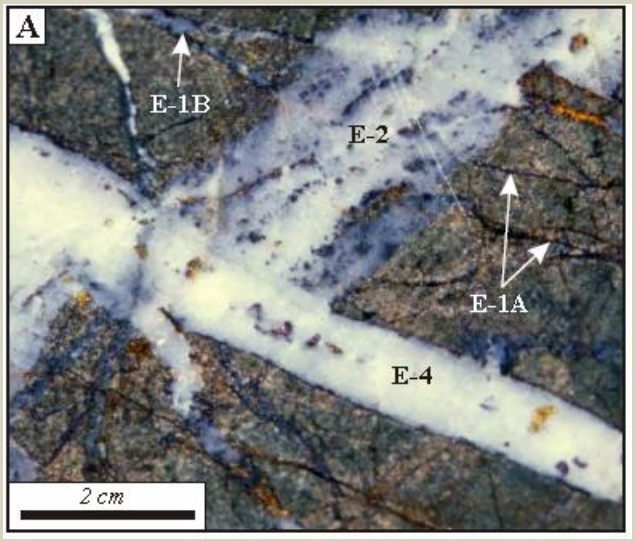

Photo 1. Early stage alteration and veining at Cadia Ridgeway. Multiple vein stages in calc-potassically altered volcaniclastic sandstone. Veinlets of magnetite-actinolite (E-1A) and quartz-magnetite-bornite (E-1B) have thin alteration envelopes of orthoclase and have been cut by thick, grey coloured quartz veins with characteristic laminations of magnetite-bornite±actinolite (E-2). White quartz-bornite-chalcopyrite veins (E-4) have cut older vein stages. Drill hole NC526W, 1053.3 m. (from Wilson, 2003)

In drill hole SMD015 at Thursday's Gossan, a ~100m interval of magnetite-actinolite veins comparable to Wilson's E-1A and quartz-magnetite ± pyrite ± chalcopyrite comparable to Wilson's E-1B veins are observed from ~100m depth to 196m drill depth (Figure 4 and Photos 2, 3 and 4).

While equivalents to Wilson's E-2 veins are not observed in SMD015, it is expected, by analogy with the respective distributions of E-1 and E-2 veins as described at Cadia-Ridgeway, that SMD015 has, in a relative sense, penetrated the zone between the

[2] The geology, genesis and exploration context of the Cadia gold-copper porphyry deposits, New South Wales, Australia, Alan J. Wilson, submitted in fulfillment of the requirements for the degree of Doctor of Philosophy, University of Tasmania, November 2003

outer extent of the high-grade gold-related E-2 veins and the outer extent of the E-1 magnetite ± quartz veins (Figure 3).

Photo 2. Intense magnetite veining at ~130m in SMD015 from Thursday's Gossan. These veinlets are interpreted to be comparable to Wilson's E-1A veinlets at Cadia Ridgeway.

Photo 3. Intense quartz magnetite veining at 141m in SMD015 at Thursday's Gossan. These veins are interpreted to be comparable to Wilson's E-1A and E-1B veinlets described at Cadia Ridgeway.

Photo 4. Magnetite and quartz-magnetite veining at 154.0m in SMD015.

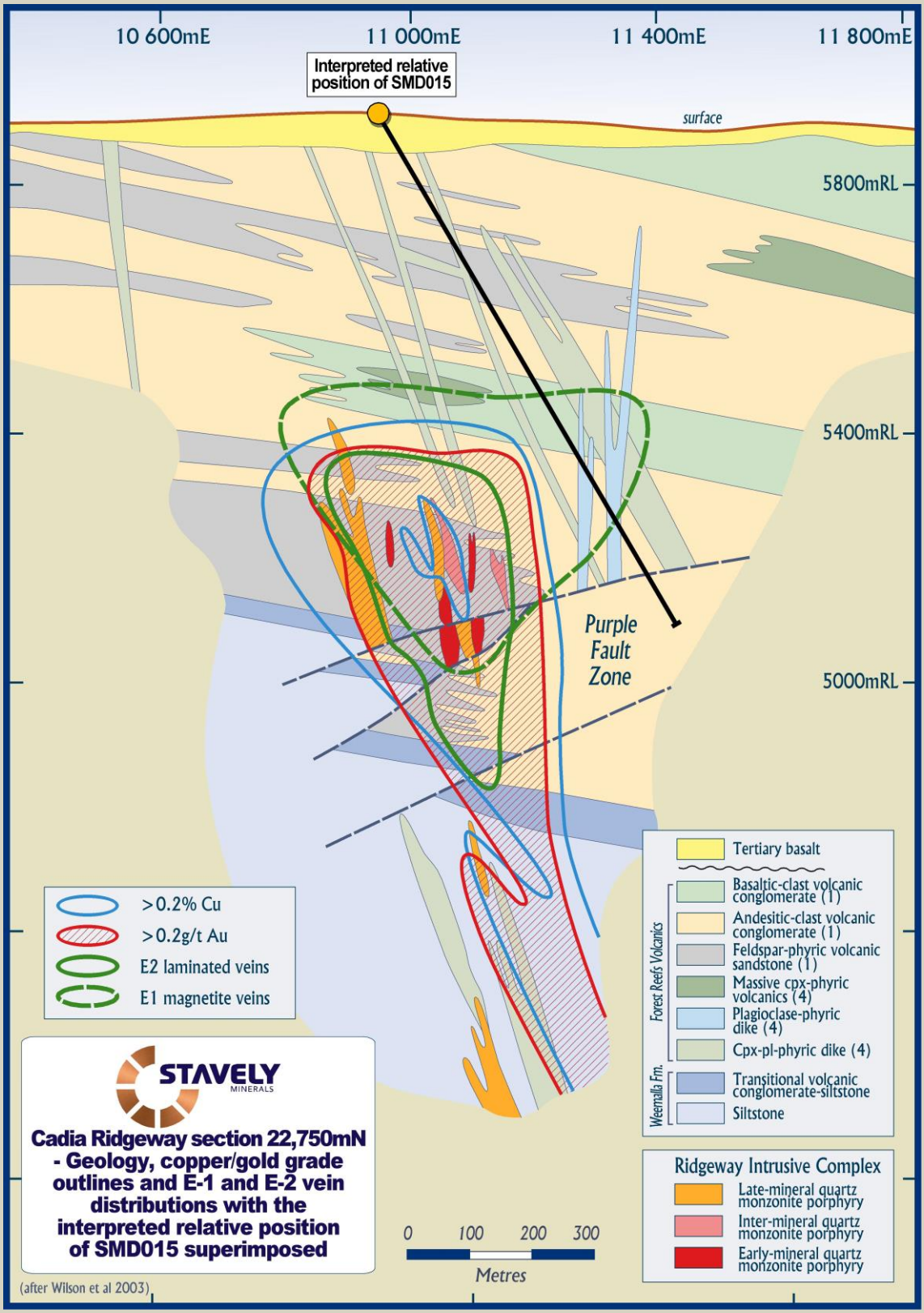

Figure 3. Cadia Ridgeway section 22,750mN showing geology, copper and gold grade outlines and E-1 and E-2 vein distributions (modified after Wilson, 2003). The interpreted relative position of SMD015 is superimposed on the section.

The occurrence of abundant 'M'-veining at Thursday's Gossan is interpreted as further evidence that this porphyry system is an alkalic copper-gold system. As described by noted porphyry expert Richard Sillitoe in his synopsis paper titled "Porphyry Copper Systems (2010)[3]":

> *"Magnetite ± actinolite (M-type) and quartz-magnetite (A-type) veinlets are far less common in Mo- [molybdenum] than Au- [gold] rich porphyry Cu [copper] deposits, the latter typified by particularly elevated hydrothermal magnetite contents, commonly attaining 5 to 10 vol percent."*

Below the intensely 'M'-veined interval, at 196m, SMD015 intersected a massive pyrite-chalcopyrite-bornite-chalcocite D-vein (Photo 5) followed by an 8m zone of pyrite-bornite-chalcopyrite stockwork veining (Photo 6).

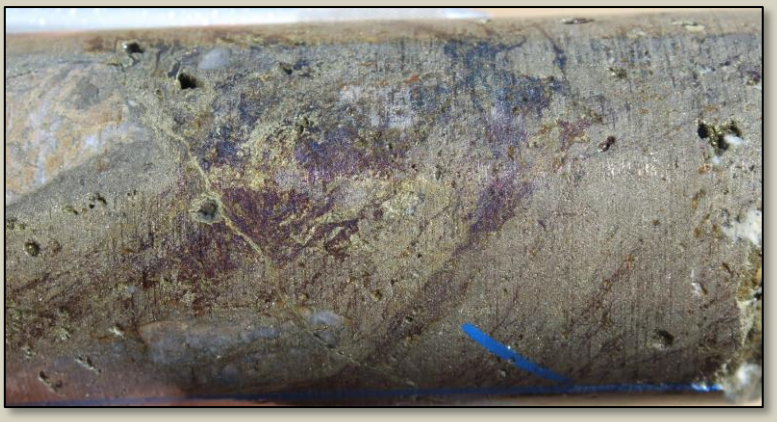

Photo 5. Pyrite-bornite-chalcopyrite+-chalcocite vein at 196.6m in SMD015. Bornite is the purple sulphide. Drill core is HQ3 with a diameter of 61mm.

Photo 6. Pyrite-bornite-chalcopyrite-chalcocite veining at 198.3m in SMD015.

The low-angle structure is seen from 247m to 258m in SMD015. Elsewhere, the veining associated with this structure is typically pyrite-quartz ± chalcopyrite, however, SMD015 hosts pyrite-chalcocite-bornite-chalcopyrite-quartz veining (Photo 7), possibly indicating a more proximal location to the source porphyry intrusion.

[3] Porphyry Copper Systems, Richard H. Sillitoe, Economic Geology, vol. 105 pp 3-41, 2010

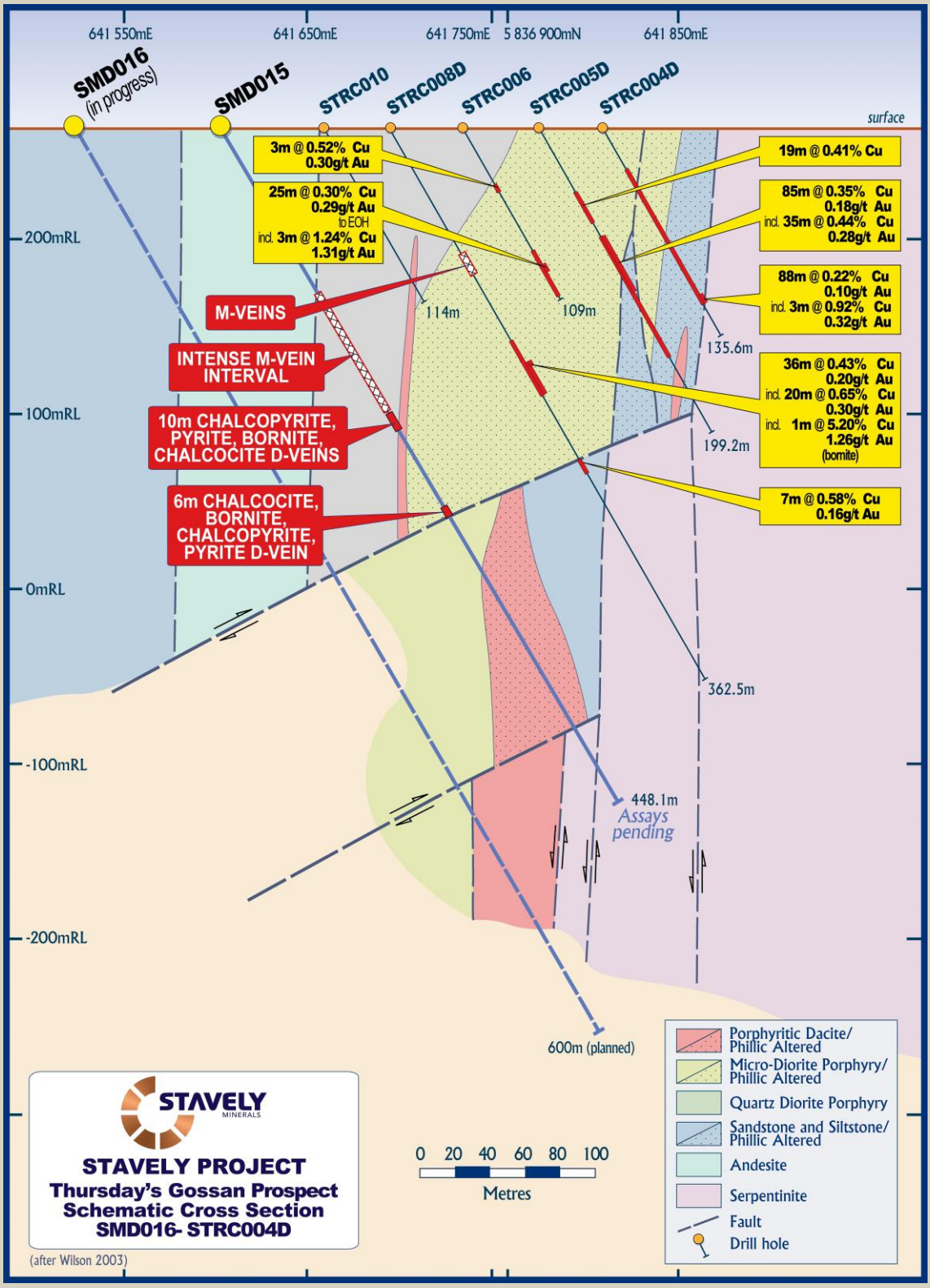

Figure 4. Drill section with SMD015.

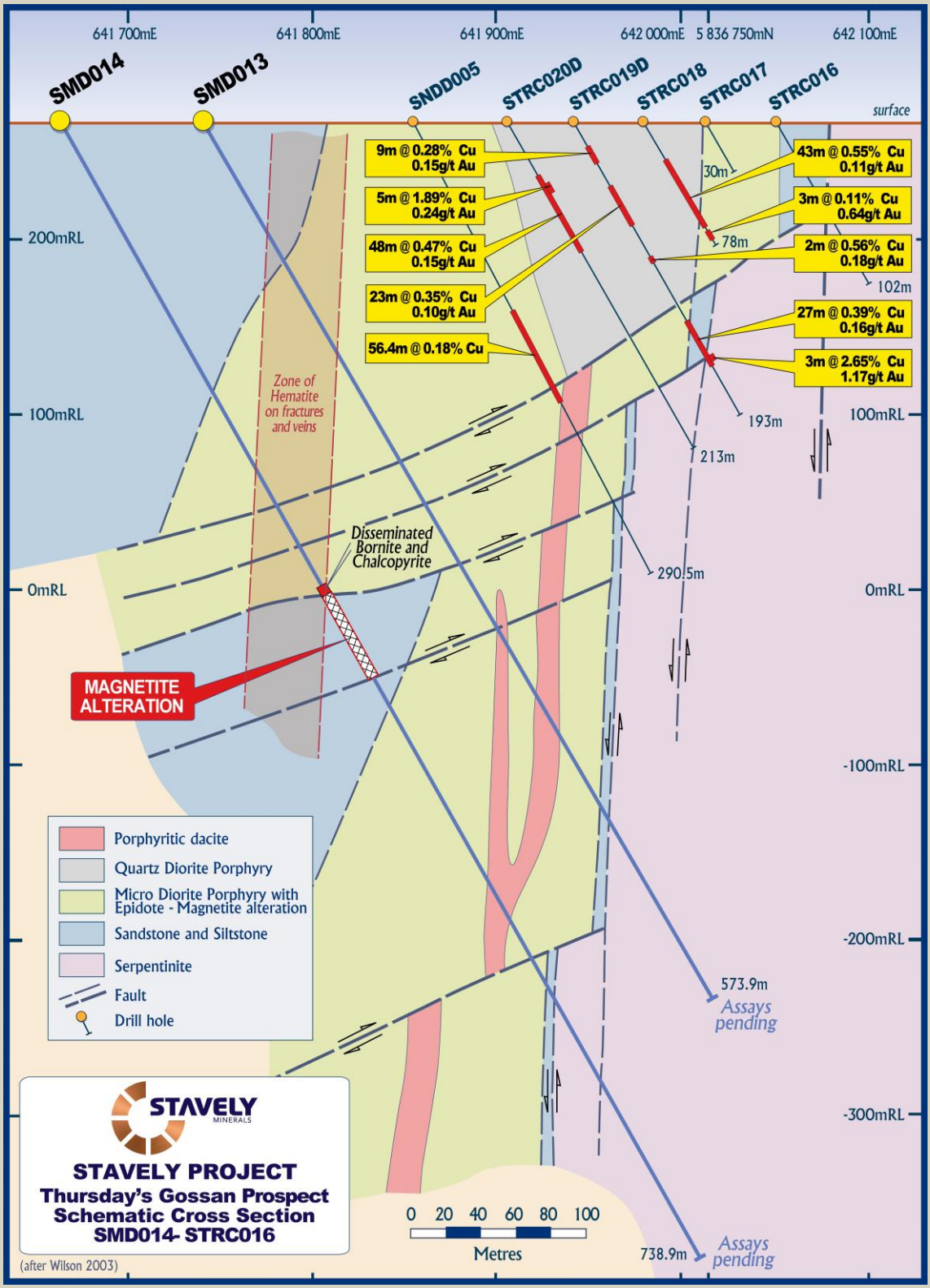

Figure 5. Drill section with SMD013 and SMD014.

Photo 7. Chalcocite-bornite-pyrite-chalcopyrite veining at 255.0m on the low-angle structure.

SMD014 was drilled to the west of SMD013 to a depth of 738.9m (Figure 5). The top of the hole went through siltstone and fine grained sandstone to 160m after which the rock type changed to porphyritic microdiorite. Porphyry 'B'-veins of quartz with a central termination and pyrite centres are seen at 220m (Photo 8). The vein density of 'B'-veins is similar to the quartz-magnetite veining in STRC008D at 116m. Also around this depth there is trace disseminated magnetite noted.

Photo 8. Porphyry 'B'-veins at 220m in SMD014

The low-angle structure was intersected from 299m to 303m and hosted pyrite-quartz 'D'-veining with sericite alteration halos (Photo 9).

Photo 9. Pyrite-quartz D-veins with sericite alteration halos on the low angle structure at 302 metres in SMD014.

Below the low-angle structure, SMD014 intersected a sandstone unit with disseminated magnetite and trace disseminated bornite and chalcopyrite sulphides.

The hole intersected porphyritic microdiorite and porphyritic dacite units from 370m to 550m, after which the hole went into serpentinite. The microdiorite and dacite units have weak epidote alteration, patchy pinking of the feldspars, and there is patchy trace disseminated pyrite, sphalerite and chalcopyrite. Carbonate veining is seen from 370m and becomes stronger once in the serpentinite from 550m.

SMD013 was drilled to a depth of 573.9m targeting the down-dip extension of the mineralisation intersected in STRC019D at 153m (**27 metres at 0.39% copper and 0.16g/t gold including 3 metres at 2.65% copper and 1.17g/t gold**). The hole commenced in siltstone and fine grained sandstone before entering a weakly epidote-magnetite altered microdiorite at 90m. Hypogene hematite is associated with fractures and veins in both units from 65m to 130m. A chalcocite-chalcopyrite-pyrite-quartz-hematite vein is seen at 183m.

The low-angle structure was intersected from 277m to 289m and has some massive pyrite-quartz ± sphalerite ± molybdenite veining associated with it (Photo 10).

Photo 10. Pyrite-quartz ± sphalerite ± molybdenite veins at 283m.

Beneath the low-angle structure there is weakly porphyritic microdiorite and porphyritic dacite. Within the microdiorite there is a zone at 321m to 327m of small pyrite-chalcopyrite+-bornite veins with halos of what appear to be actinolite being replaced by chlorite (Photo 11). Below this, carbonate veining becomes the dominant vein type to the end-of-hole.

Photo 11. Pyrite-chalcopyrite+-bornite veining with ?actinolite halo at 322m.

Hematite dusting of feldspars is patchy in both the microdiorite and the dacite (Photo 12), as is weak epidote alteration. In some alkalic porphyry systems this style of alteration is indicative of inner-propylitic type alteration.

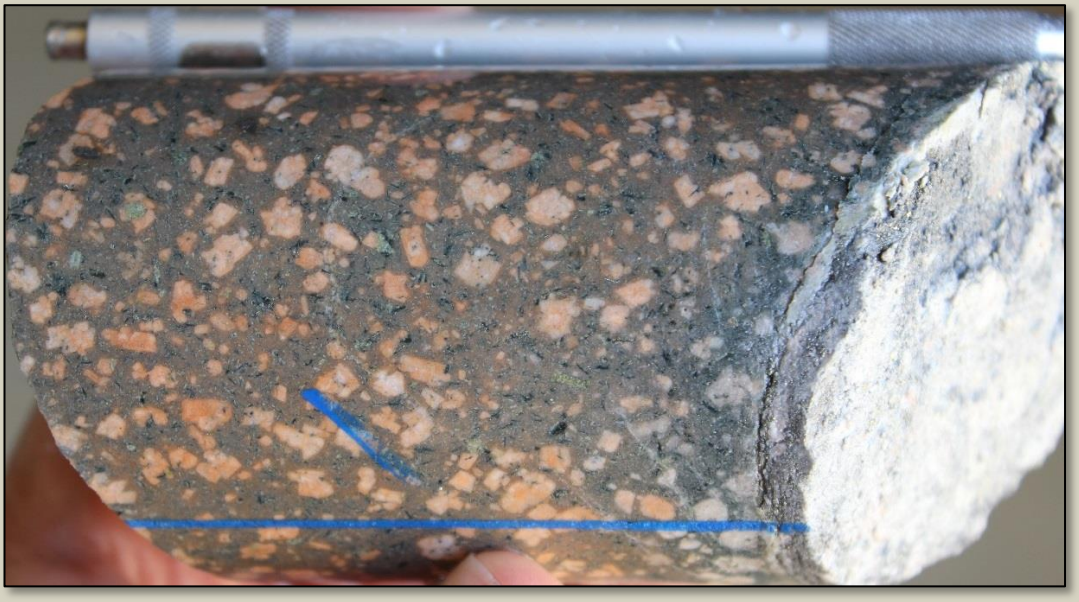

Photo 12. Hematite dusting of feldspars in a porphyritic dacite at 375m in SMD013.

Disseminated sphalerite and rare galena is seen in places in the microdiorite and a quartz-galena vein is seen at 413m (Photo 13).

Photo 13. Quartz-galena vein at 413m in SMD013.

Stavely Minerals is highly encouraged by the very strong proximal copper-gold porphyry signals in the 'sighter hole' drilling programme to date, with the fourth and final hole (SMD016) in the current phase of drilling currently in-progress and assays from the previous three drill holes (SMD013, SMD014 and SMD015) pending.

Following completion of SMD016, the drill rig is scheduled to move to the Toora West copper-gold porphyry target to drill another two diamond drill holes testing an extremely large (~500m in diameter) and strong Induced Polarisation chargeability anomaly of +50mV/V in an area where previous drilling by Stavely Minerals has intersected porphyry host rocks and mild to moderate potassic alteration (see ASX announcement 17 July 2017).

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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Thursday's Gossan Prospect						
		MGA 94 zone 54				
Hole id	Hole Type	East	North	Dip/ Azimuth	RL (m)	Total Depth (m)
SMD013	DD	641745	5836650	-60/070	264	573.9
SMD014	DD	641665	5836630	-60/070	264	738.9
SMD015	DD	641600	5836850	-60/070	265	448.1
SMD016	DD	641525	5836810	-60/080	265	In progress

JORC Code, 2012 Edition – Table 1

Section 1 Sampling Techniques and Data

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

Criteria	JORC Code explanation	Commentary
Sampling techniques	*Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.*	**Stavely Project** **Thursday's Gossan Prospect** **Stavely Minerals' RC Drilling** Reverse Circulation (RC) percussion drilling was used to produce a 1m bulk sample (~25kg) which was collected in plastic bags and representative 1m split samples (12.5% or nominally 3kg) were collected using a cone splitter and placed in a calico bag. The cyclone was cleaned out with compressed air at the end of each hole and periodically during the drilling. The 1m split samples were submitted for analysis. **Stavely Minerals' Diamond Drilling** The diamond core for intervals of interest, ie. Those that contained visible sulphides as well as 5 m above and below were 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 0.4m or greater than 1.2m. **Historical Drilling** Historical aircore hole STAVRA077 was drilled by North Limited in 1994 to a depth of 39m at the Thursday's Gossan prospect. 3m composite samples were analysed. Historical diamond drill hole VSTD001 was drilled by Newcrest in 2002 to a depth of 520.7m to target the porphyry core. 2m composite samples were taken to a depth of 62m and then 1m samples to eoh. The samples were analysed for Au, Ag, As, Bi, Cu, Mo, Pb, S and Zn. Historical aircore hole TGAC004 was drilled by Beaconsfield Gold Mines Pty Ltd in 2006 to a depth of

Criteria	JORC Code explanation	Commentary
		80m. 3m composite samples were taken for the entire hole. Historical diamond hole SNDD001 was drilled by Beaconsfield Gold Mines Pty Ltd in 2008 to a depth of 321.9m. No sampling was done for the first 21m. From 21m to 321.9m composite samples based on lithology were analysed for Au, Ag, Co, Cu, Ni, Pb and Zn. Historical aircore hole TGAC016 was drilled by Beaconsfield Gold Mines Pty Ltd in 2008 to a depth of 78m. Sampling was done at 1m intervals, apart from when sampling the oxide zone where 2m composite samples were collected. Historical reverse circulation holes TGRC110 and TGRC136 were drilled by BCD in 2009 to a depth of 78m and 84m respectively. 1m interval samples were taken for the entire length of the holes. Historical aircore hole TGAC078 was drilled by BCD in 2009 to a depth of 59m. 2m composite samples were taken for the entire length of the hole. Historical aircore holes SAC029 and SAC030 were drilled by BCD in 2010 to a depth of 65m and 62m respectively. 1m interval samples were taken for the entire length of the holes.
	Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.	**Stavely Project** **Thursday's Gossan Prospect** **Stavely Minerals' Diamond and RC Drilling** 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. **Historical Drilling** No information available.
	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	**Stavely Project** **Thursday's Gossan Prospect** **Stavely Minerals' Diamond Drilling** Drill sampling techniques are considered industry standard for the Stavely work programme. 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. 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

Criteria	JORC Code explanation	Commentary
	types (eg submarine nodules) may warrant disclosure of detailed information.	75 microns. 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. **Stavely Minerals' RC Drilling** Drill sampling techniques are considered industry standard for the Stavely work programme. The 1m split 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. The RC samples were analysed by ME-ICP61 – multi acid digest with HF and ICPAES and ICPMS and Au-AA23 – fire assay with AAS finish. **Historical Drilling** No sample preparation is available for the historical drilling.
Drilling techniques	*Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	**Stavely Project** **Thursday's Gossan Prospect** **Stavely Minerals' Diamond Drilling** Diamond drill holes were drilled by Titeline Drilling in 2014 (SMD001, SMD003 and SMD004) and 2017 (SMD006, SMD007, SMD008 and SMD012). Diamond tails were completed on drill holes STRC001D, STRC002D, STRC004D, STRC005D, STRC007D, STRC008D, STRC019D and STRC020D. Holes SMD013, SMD014 and SMD015 were drilled in 2017 by Titeline Drilling. For the diamond drill holes 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. For the diamond tails drilling was used to produce drill core with a diameter of 63.5mm (HQ) was returned. Diamond drilling was standard tube. Diamond core was orientated by the Reflex ACT III core orientation tool. SMD003 was orientated at -60^{o} towards azimuth 060^{o} to a depth of 522.3m. SMD006, SMD007 and SMD008 were orientated at -60^{o} towards azimuth 070^{o} to depths of 353.3m, 355.6m and 240m respectively. SMD012 was orientated at -60^{o} towards azimuth 065^{o} to a depth of 206.6m. SMD013, SMD014 and SMD015 were orientated at -60^{o} towards azimuth 070^{o} to depths of 573.9m, 738.9m and 448.1m respectively. SMD016 was orientated at -60^{o} towards azimuth 080^{o} and was in-progress at the time.

Criteria	JORC Code explanation	Commentary
		Stavely Minerals' RC Drilling The RC holes were drilled by Budd Exploration Drilling P/L. The RC percussion drilling was conducted using a UDR 1000 truck mounted rig with onboard air. A Sullair 350/1150 auxiliary compressor was used. 4" RC rods were used and $5^1/_4$" to $5^3/_4$" drill bits. A Reflex Digital Ezy-Trac survey camera was used. The holes were oriented at -60° towards azimuth 070°. **Historical Drilling** Historical hole STAVRA077 is an aircore hole drilled by North Limited in 1994. The hole was drilled vertically. No other drilling details are known. Historical hole VSTD001 was drilled by Newcrest in 2002 using a diamond drill rig. The drilling was conducted by Silver City Drilling. The first 62m were drilled by aircore. HQ core was drilled between 62m and 255.7m and NQ core between 255.7m and 520.7m. The hole was oriented at -50° towards azimuth 256°. Historical aircore hole TGAC004 was drilled by Beaconsfield Gold Mines Pty Ltd in 2006 to a depth of 80m. The drilling was conducted by Blacklaws Drilling Services using a truck mounted Wallis Mantis rig with a 450cfm/200psi compressor. Historical hole SNDD001 was drilled by Beaconsfield Gold Mines Pty Ltd in 2008 using a diamond drill rig. The drilling was conducted by Silver City Drilling with a Mantis 700 rig. The hole was oriented at -50° towards magnetic azimuth 265°. HQ triple tube was drilled from 0m to 56.6m and then NQ to 321.9m. Historical aircore hole TGAC016 was drilled by Beaconsfield Gold Mines Pty Ltd in 2008 to a depth of 78m. The hole was drilled vertically by Wallis Drilling. Historical reverse circulation holes TGRC110 and TGRC136 were drilled by BCD in 2009 to a depth of 78m and 84m respectively. Drilling was conducted by Budd Exploration Drilling P/L using a Universal drill rig. TGRC110 was oriented at -60° towards magnetic azimuth 349°. TGRC136 was oriented at -60° towards magnetic azimuth 064°. Historical aircore hole TGAC078 was drilled by BCD in 2009 to a depth of 59m. Drilling was conducted by Budd Exploration Drilling P/L using a Universal drill rig. TGAC078 was oriented at -50° towards magnetic azimuth 231°. Historical aircore holes SAC029 and SAC030 were drilled by BCD in 2010 to a depth on 65m and 62m respectively. The holes were drilled vertically by Blacklaws Drilling

Criteria	JORC Code explanation	Commentary
		Services.
Drill sample recovery	*Method of recording and assessing core and chip sample recoveries and results assessed.*	**Stavely Project** **Thursday's Gossan Prospect** **Stavely Minerals' Diamond Drilling** Diamond core recoveries were logged and recorded in the database. Core recovery for SMD001, SMD003 and SMD007 was good. In general the core recovery for SMD012 was good but there were several intervals where core was lost or there was poor core recovery. Core recoveries for SMD013, SMD014 and SMD015 were generally very good, with the vast majority of intervals returning +95% recovery and only a few intervals, mainly near the surface returning poor (<50%) recoveries. **Stavely Minerals' RC Drilling** RC sample recovery was good. Booster air pressure was used to keep the samples dry despite the hole producing a significant quantity of water. RC sample recovery was visually checked during drilling for moisture or contamination. **Historical Drilling** Diamond core recoveries were logged and recorded for historical drill hole SNDD001.
	Measures taken to maximise sample recovery and ensure representative nature of the samples.	**Stavely Project** **Thursday's Gossan 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. **Stavely Minerals' RC Drilling** The RC samples are collected by plastic bag directly from the rig-mounted cyclone and laid directly on the ground in rows of 10. The drill cyclone and sample buckets are cleaned between rod-changes and after each hole to minimise down-hole and/or cross contamination. **Historical Drilling** No details are available for the historical drill holes.
	Whether a relationship exists between sample recovery and grade and whether	**Stavely Project**

Criteria	JORC Code explanation	Commentary
	sample bias may have occurred due to preferential loss/gain of fine/coarse material.	**Thursday's Gossan Prospect** **Stavely Minerals' Diamond Drilling** Not an issue relevant to diamond drilling. **Stavely Minerals' RC Drilling** No analysis has been undertaken as yet regarding whether sample bias may have occurred due to preferential loss/gain of fine/coarse material and is not considered to have a material effect given the good sample recovery. **Historical Drilling** No details are available for the historical drill holes.
Logging	*Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.*	**Stavely Project** **Thursday's Gossan Prospect** **Stavely Minerals' Diamond and RC 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 RC and diamond core interval. **Historical drilling** All holes were geologically logged.
	Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.	**Stavely Project** **Thursday's Gossan 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. **Stavely Minerals' RC Drilling** All logging is quantitative, based on visual field estimates. Chip trays with representative 1m RC samples were collected and photographed then stored for future reference. **Historical Drilling** All logging is quantitative, based on visual field estimates.
	The total length and percentage of the relevant	**Stavely Project** **Thursday's Gossan Prospect**

Criteria	JORC Code explanation	Commentary
	intersections logged.	**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. **Stavely Minerals' RC Drilling** All RC chip samples were geologically logged by Stavely Minerals' on-site geologist on a 1m basis, with digital capture in the field. **Historical Drilling** Historical holes have been logged in their entirety.
Sub-sampling techniques and sample preparation	*If core, whether cut or sawn and whether quarter, half or all core taken.*	**Stavely Project** **Thursday's Gossan 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** For historical hole SNDD001 half core was sampled. No details are given for VSTD001.
	If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.	**Stavely Project** **Thursday's Gossan Prospect** **Stavely Minerals' RC Drilling** Splitting of RC samples occurred via a rotary cone splitter by the RC drill rig operators. Cone splitting of RC drill samples occurred regardless of whether the sample was wet or dry. **Historical Drilling** No details are given for historical aircore and RC holes.
	For all sample types, the nature, quality and appropriateness of the sample preparation technique.	**Stavely Project** **Thursday's Gossan Prospect** **Stavely Minerals' Diamond and RC 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. **Historical Drilling** No details of sample preparation are given for the historical drilling.

Criteria	JORC Code explanation	Commentary
	Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.	**Stavely Project** **Thursday's Gossan Prospect** **Stavely Minerals' Diamond and RC Drilling** Blanks and certified reference materials are submitted with the samples to the laboratory as part of the quality control procedures. **Historical Drilling** No details of quality control procedures are given for the historical drilling.
	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.	**Stavely Project** **Thursday's Gossan Prospect** **Stavely Minerals' Diamond and RC Drilling** No second-half sampling of the diamond core or field duplicates for the RC drilling has been conducted at this stage. **Historical Drilling** No details are given for the historical drilling.
	Whether sample sizes are appropriate to the grain size of the material being sampled.	**Stavely Project** **Thursday's Gossan Prospect** **Stavely Minerals' Diamond and RC 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.
Quality of assay data and laboratory tests	*The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.*	**Stavely Project** **Thursday's Gossan Prospect** **Stavely Minerals' Diamond and RC Drilling** The core samples and 1m RC split 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 considered an appropriate assay method

Criteria	JORC Code explanation	Commentary
		for porphyry copper-gold systems. The core samples and 1m RC split samples were also analysed for gold using Method Au-AA23. Up to a 30g sample is fused at approximately 1,100^{o}C with alkaline fluxes including lead oxide. During the fusion process lead oxide is reduced to molten lead which acts as a collector for gold. When the fused mass is cooled the lead separates from the impurities (slag) and is placed in a cupel in a furnace at approximately 900^{o}C. The lead oxidizes to lead oxide, being absorbed by the cupel, leaving a bead (prill) of gold, silver (which is added as a collector) and other precious metals. The prill is dissolved in aqua regia 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. **Historical Drilling** Samples from historical diamond hole SNDD001 were analysed at Amdel Laboratory. Gold was analysed by Fire assay and the multi-elements by aqua regia with ICPOES finish. Samples from TGRC110, TGRC136 and TGAC078 were submitted for the analysis of Au, Ag, As, Cu, Co, Fe, Ni, Pb, S and Zn. All elements except Au were assayed by ICP/OES methods. Gold was analysed using the Fire Assay method. Samples were submitted to either Genalysis Laboratory Services Pty Ltd (Amdel) in Adelaide or to Aminya Laboratories Pty Ltd (Onsite Laboratory Services) in Bendigo for analysis. Samples from TGAC016 were submitted to Amdel Laboratory for Au by Fire assay and Ag, As, Cu, Fe, S, Pb and Zn by ICP/OES. Samples for TGAC004 were submitted to Onsite Laboratory Services in Bendigo for Au analysis by Fire Assay and Cu by ICP/OES. Holes SAC029 and SAC030 were submitted to Onsite Laboratory Services in Bendigo. Au was analysed by Fire assay, Hg by cold vapour and Ag, As, Bi, Cu, Pb, S and Zn by ICP/OES.
	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.	

Criteria	JORC Code explanation	Commentary
	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.	**Stavely Project** **Thursday's Gossan Prospect** **Stavely Minerals' Diamond and RC Drilling** Laboratory QAQC involved the submission of standards and blanks. For every 20 samples submitted either a standard or blank was submitted. The analytical laboratory provide their own routine quality controls within their own practices. The results from their own validations were provided to Stavely Minerals. Results from the CRM standards and the blanks gives confidence in the accuracy and precision of the assay data returned from ALS. **Historical Drilling** No quality control data available for historical drilling.
Verification of sampling and assaying	*The verification of significant intersections by either independent or alternative company personnel.*	**Stavely Project** **Thursday's Gossan Prospect** **Stavely Minerals' Diamond and RC Drilling** Either Stavely Minerals' Managing Director or Technical Director has visually verified significant intersections in the core and RC chips at Thursday's Gossan. **Historical Drilling** Stavely Minerals' Managing Director has visually verified the significant intersections in historical diamond hole SNDD001.
	The use of twinned holes.	No twinned holes have been drilled.
	Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.	**Stavely Project** **Thursday's Gossan Prospect** **Stavely Minerals' Diamond and RC Drilling** 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. **Historical Drilling** No details provided for historical drilling.
	Discuss any adjustment to assay data.	No adjustments or calibrations were made to any assay data used in this report.
Location of data points	*Accuracy and quality of surveys used to locate drill holes (collar and down-hole*	**Stavely Project**

Criteria	JORC Code explanation	Commentary
	surveys), trenches, mine workings and other locations used in Mineral Resource estimation.	**Thursday's Gossan Prospect** **Stavely Minerals' Diamond and RC Drilling** Drill collar locations were pegged before drilling and surveyed using Garmin handheld GPS to accuracy of +/- 3m. Collar surveying was performed by Stavely Minerals' personnel. This is considered appropriate at this early stage of exploration. For the diamond holes, down-hole single shot surveys were conducted by the drilling contractor. Surveys were conducted at approximately every 30m down-hole. **Historical Drilling** No details provided for drill collar locations for historical drilling. Downhole surveying was conducted for SNDD001 and VSTD001.
	Specification of the grid system used.	The grid system used is GDA94, zone 54.
	Quality and adequacy of topographic control.	At the Thursday's Gossan 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. 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.
Data spacing and distribution	*Data spacing for reporting of Exploration Results.*	The drill hole spacing is project specific, refer to figures in text.
	Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.	N/A
	Whether sample compositing has been applied.	**Stavely Project** **Thursday's Gossan Prospect** **Stavely Minerals' Diamond Drilling** Sample intervals were based on lithology but in general were 1m. No intervals were less than 0.4m or greater than 1.2m. **Stavely Minerals' RC Drilling** No sample compositing has been applied.

Criteria	JORC Code explanation	Commentary
		Historical Drilling Sample compositing based on lithology was applied for historical drill hole SNDD001. 3m compositing was applied for historical drill holes STAVRA077 and TGAC004. 2m compositing was applied for historical drill hole TGAC078. TGRC110, TGRC136, SAC029 and SAC030 were sampled on a 1m basis. A combination of 1m and 2m composite sampling was applied for VSTD001.
Orientation of data in relation to geological structure	*Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.*	**Stavely Project** **Thursday's Gossan Prospect** **Stavely Minerals' Diamond and RC Drilling** The RC and diamond drill holes were orientated at -60^{o} toward 070^{o} (or 080^{o} for SMD016) to perpendicularly intercept the sulphide rich 'D' veins within the low angle structure.
	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.	**Stavely Project** **Thursday's Gossan Prospect** **Stavely Minerals' Diamond and RC Drilling** 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.
Sample security	*The measures taken to ensure sample security.*	**Stavely Project** **Thursday's Gossan Prospect** **Stavely Minerals' Diamond and RC Drilling** Samples in closed poly-weave bags were collected from the Company's Glenthompson shed by a contractor and delivered to Hamilton from where the samples are couriered to ALS Laboratory in Orange, NSW. **Historical Drilling** No available data to assess security.
Audits or reviews	*The results of any audits or reviews of sampling techniques and data.*	No audits or reviews of the data management system has been carried out.

Section 2 Reporting of Exploration Results

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

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	*Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.*	**Stavely Project** The diamond drilling and RC drilling at Thursday's Gossan was located on EL4556, which forms the Stavely Project. The mineralisation at Thursday's Gossan is situated within exploration licence EL4556. 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. 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.
	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.	**Stavely Project** A retention licence, RL2017, was applied for over the majority of EL4556 in May 2014. The tenement is in good standing and no known impediments exist.
Exploration done by other parties	*Acknowledgment and appraisal of exploration by other parties.*	**Stavely Project** **Thursday's Gossan Prospect** Exploration activity became focused on Thursday's Gossan and the Junction prospects following their discovery by Pennzoil of Australia Ltd in the late 1970s. North Limited continued to focus on Thursday's Gossan in the 1990s. North's best drill result at Thursday's Gossan came from VICT1D1 which gave 161m of 0.26% Cu from 43m, including 10m of 0.74% Cu from 43m from a supergene-enriched zone containing chalcocite. The tenement was optioned to CRA Exploration between 1995 and 1997. CRAE drilled several deep diamond drill holes into Thursday's Gossan, including DD96WL10, which intersected 186m from 41m of 0.15% Cu and DD96WL11, which intersected 261.7m from 38.3m of 0.13% Cu. EL4556 was further explored by Newcrest Operations Limited under option from New Challenge Resources Ltd between 2002 and 2004. Their main focus was Thursday's Gossan in order to assess its potential as a porphyry copper deposit. One of their better intersections came from drill hole VSTD01 on the northern edge of the deposit which gave 32m at 0.41 g/t Au and 0.73% Cu from 22m in supergene-enriched material. The Stavely Project was optioned to Beaconsfield Gold Mines Pty Ltd in 2006 who flew an airborne survey and undertook an extensive drilling programme focused on

Criteria	JORC Code explanation	Commentary
		several prospects including Thursday's Gossan. One of their diamond drill holes at Thursday's Gossan, SNDD001, encountered zones with quartz- sulphide veins assaying 7.7m of 1.08 g/t Au and 4.14% Cu from 95.3m and 9.5m of 0.44 g/t Au and 2.93% Cu from 154.6m along silicified and sheared contacts between serpentinite and porphyritic intrusive rocks. Once Beaconsfield Gold Mines Pty Ltd had fulfilled their option requirements, title of EL4556 passed to their subsidiary company, BCD Metals Pty Ltd, who undertook a gravity survey and extensive drilling at prospects including Thursday's Gossan. They also commissioned a maiden Mineral Resource estimate for Thursday's Gossan. All work conducted by previous operators at Thursday's Gossan is considered to be of a reasonably high quality.
Geology	*Deposit type, geological setting and style of mineralisation.*	**Stavely Project** **Thursday's Gossan Prospect** The Thursday's Gossan and Junction prospects are located in the Mount Stavely Volcanic Complex (MSVC). Intrusion of volcanic arc rocks, such at the Mount Stavely Volcanic Complex, by shallow level porphyries can lead to the formation of porphyry copper ± gold ± molybdenum deposits. The Thursday's Gossan Chalcocite deposit (TGC) is considered to be a supergene enrichment of primary porphyry-style copper mineralisation. Mineralisation is characterised by chalcopyrite, covellite and chalcocite copper sulphide mineralisation within a sericite, illite and kaolin clay alteration assemblage. Copper mineralisation is within a flat lying enriched 'blanket' of overall dimensions of 4 kilometres north-south by up to 1.5 kilometres east-west by up to 60 metres thick with an average thickness of approximately 20 metres commencing at an average depth below surface of approximately 30 metres. The majority (circa 60%) of the Mineral Resources reside within a higher grade zone of approximate dimensions of 1 kilometre x 300 metres by 35 metres thick. The Thursday's Gossan area hosts a major hydrothermal alteration system with copper-gold mineralisation over a 10 kilometre long corridor. The Junction porphyry target is defined by a coincident magnetic high, strong soil copper geochemistry, RAB drilling copper anomalism. Stavely Minerals believes the technical evidence indicates there is significant porphyry copper-gold mineralisation potential at depth at Thursday's Gossan.
Drill hole Information	*A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all*	Included in the drill hole table in the body of the report.

Criteria	JORC Code explanation	Commentary
	Material drill holes: ○ *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.*	
	If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.	No material drill hole information has been excluded.
Data aggregation methods	*In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.*	**Stavely Project** **Thursday's Gossan Prospect** Exploration results are nominally reported where copper results are greater than 0.1% Cu over a down-hole width of a minimum of 3m. No top-cutting of high grade assay results have been applied, nor was it deemed necessary for the reporting of significant intersections. The quoted intercept for STRC004D includes "aggregated in total" 3.9m of core loss. The quoted intercept for STRC005D includes "aggregated in total" 2.8m of core loss. The quoted intercept for SMD012 includes "aggregated in total" 7.1m of core loss. The quoted intercept for STRC020D includes "aggregated in total" 2.5m of core loss.
	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	**Stavely Project** **Thursday's Gossan Prospect** 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

Criteria	JORC Code explanation	Commentary
	shown in detail.	length. **Historical Drilling** 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.
	The assumptions used for any reporting of metal equivalent values should be clearly stated.	No metal equivalent values are used for reporting exploration results.
Relationship between mineralisation widths and intercept lengths	*These relationships are particularly important in the reporting of Exploration Results.* *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.*	**Stavely Project** **Thursday's Gossan Prospect** There is insufficient drilling data to date to demonstrate continuity of mineralised domains and determine the relationship between mineralisation widths and intercept lengths.
	If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').	Refer to the Tables and Figures in the text.
Diagrams	*Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	Refer to Figures in the text. A plan view of the drill hole collar locations is included.
Balanced reporting	*Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	**Stavely Project** **Thursday's Gossan Prospect** All copper and gold values considered to be significant for porphyry mineralisation have been reported. Some subjective judgement has been used.
Other substantive exploration data	*Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples –*	All relevant exploration data is shown on figures and discussed in the text.

Criteria	JORC Code explanation	Commentary
	size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.	
Further work	*The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	**Stavely Project** **Thursday's Gossan Prospect** Further deep diamond drilling has been planned to test the targeted high grade copper-gold mineralisation at depth.