

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

## Further Strong Indications of Nearby Copper-Gold Porphyry Mineralisation in latest Diamond Drill-Hole

*Additional intervals of porphyry 'M' veins, 'A' veins, disseminated bornite and chalcopyrite mineralisation, plus 80m of 'D' veins below the low-angle structure provide further indications of proximity to copper-gold porphyry mineralisation*

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### *Highlights*

- Further highly encouraging indications from recently completed diamond drill-hole SMD016 at Thursday's Gossan, with:
  - *Another interval of porphyry 'M' veins from 225m to 265m;*
  - *Fine disseminated bornite and chalcopyrite copper sulphide noted from 307m to 325m, immediately above the low-angle structure (LAS); and*
  - *An 80m interval of multiple porphyry 'D' veins intersected immediately below the LAS – this is the first instance of 'D' veins observed below the LAS.*
- These are strong indications that SMD016 was drilled in a proximal location to a copper-gold mineralised porphyry.
- One further drill hole, SMD017, has been added to the current 'sighter' drilling programme before the drill rig moves to test the large IP chargeability feature at the Toora West prospect.

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Stavelly Minerals Limited (ASX Code: **SVY** – “Stavelly Minerals”) is pleased to provide an update from the current diamond drilling programme at its 100%-owned **Stavelly Copper-Gold 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 of 3 July 2017, 23 August 2017, 5 September 2017, 20 November 2017, 12 January 2018 and 19 January 2018).

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

Recent drilling has strongly vindicated the application of this mineralisation model with four 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.

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<sup>1</sup> Source: Porter GeoConsultancy Pty Ltd.

SMD016 was collared 85m to the west of SMD015 and drilled to intersect at depth the mineralisation and alteration seen in SMD015 and STRC008D (Figures 2 and 3).

Patchy trace biotite and magnetite alteration was intersected from approximately 130m to 220m in a porphyritic micro diorite. Throughout this biotite-magnetite zone there are occasional 'AB' veins of centrally terminating quartz with pyrite centres. Some of these 'AB' veins at 200m to 220m contain trace molybdenite (Photo 1).

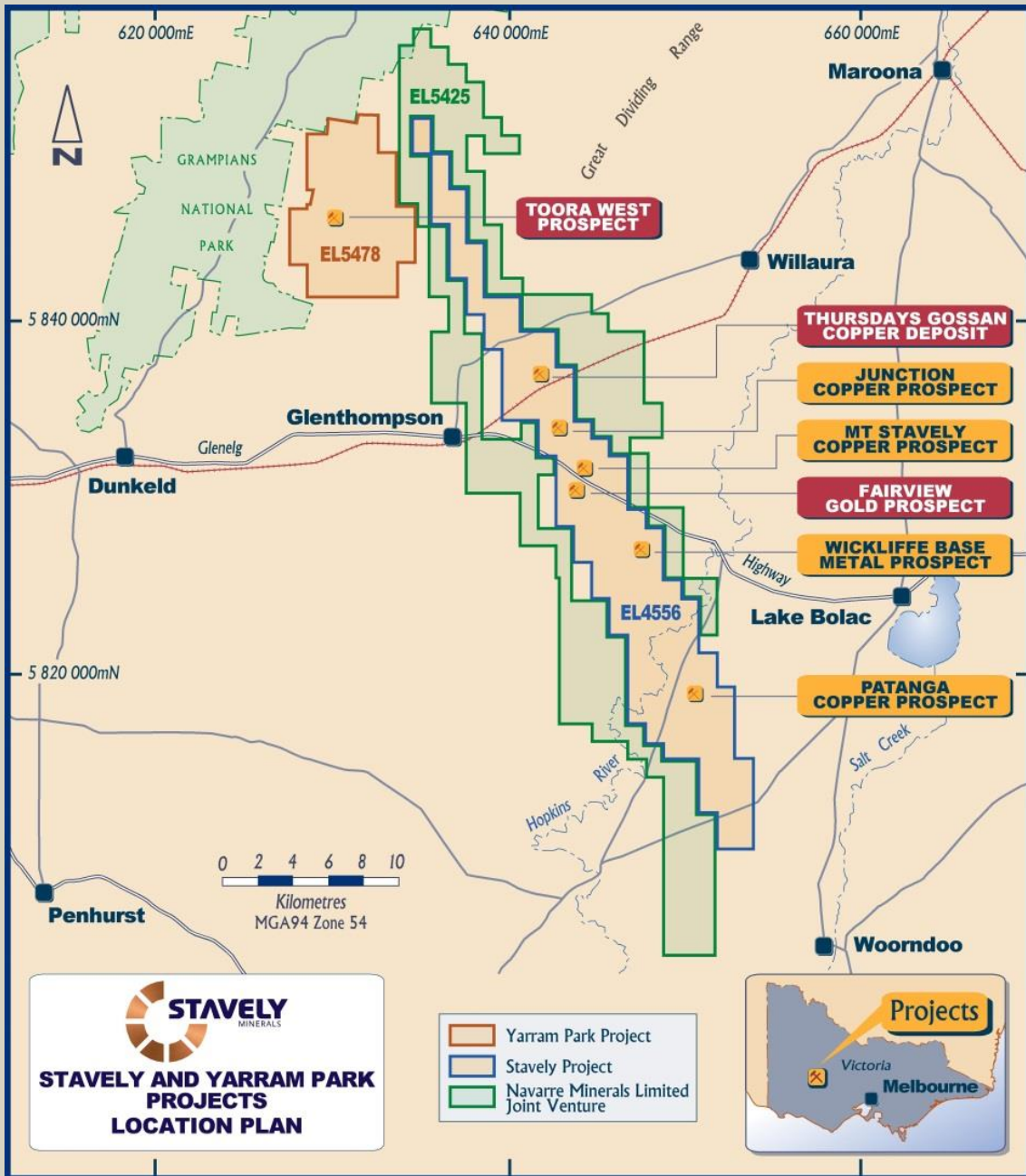


Figure 1. Project location map.

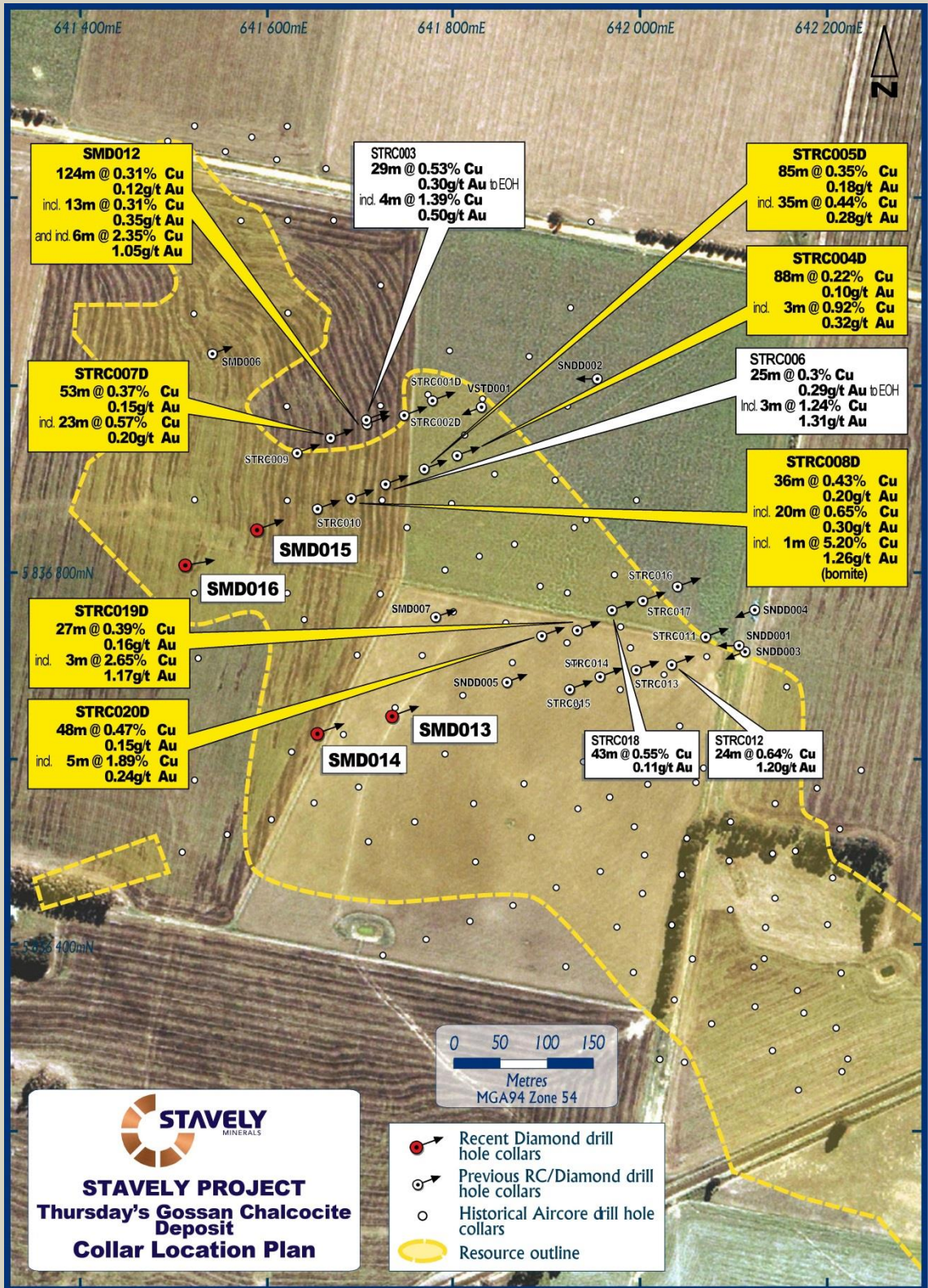


Figure 2. Drill collar location plan.

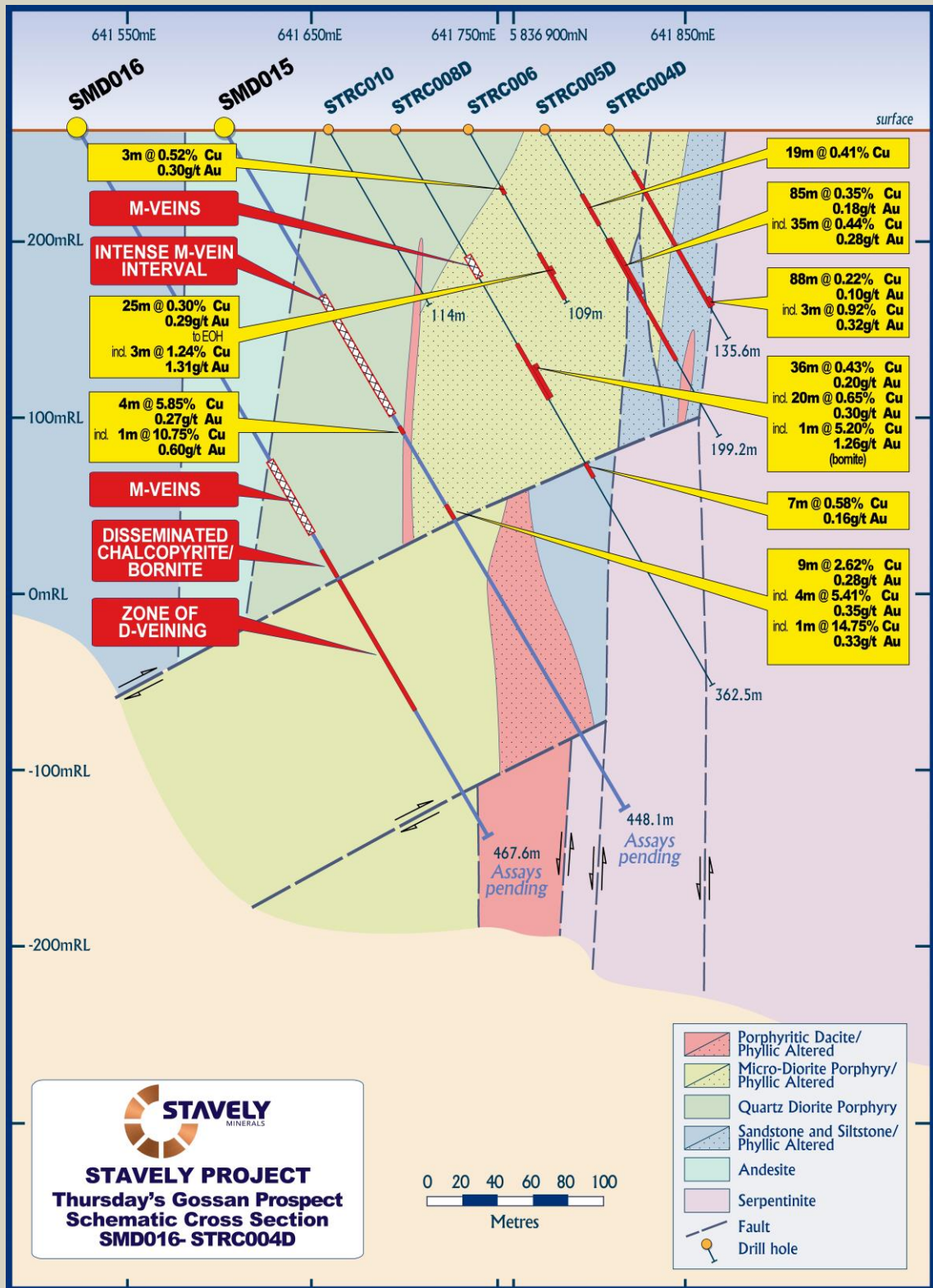


Figure 3. Drill section with SMD016.



**Photo 1. 'AB' style veining at 216.8m.**

Weak to moderate quartz-magnetite 'M' veining was seen from 220m to 265m in a quartz diorite along with porphyry 'A' style (wormy) quartz veins (Photos 2, 3 and 4). Porphyry 'A' veins are among the earliest formed veins in the evolution of a porphyry system and characteristically do not have linear straight edges. As early veins, they are typically unmineralised.

This zone is vertically beneath the quartz-magnetite veining intersected in SMD015. The intensity of 'M' veining in SMD016 is slightly less than that observed in SMD015 but SMD016 was drilled on a slightly different azimuth (10 degrees further to the south). The 'A' style veins are more prominent in SMD016 however.



**Photo 2. Quartz-magnetite veining at 249m in SMD016.**



**Photo 3. 'A' style quartz veins at 254.5m.**



**Photo 4. 'M' and 'A' style quartz veins at 256.7m in SMD016.**

At around 228m there are quartz veins with very fine sulphides which have been cut by later pyrite-chalcopyrite 'C' veins as seen in Photo 5.



**Photo 5. Pyrite vein cutting earlier quartz-sulphide vein at 228.6m.**

Moderate to strong hematite-magnetite  $\pm$  actinolite alteration is visible from 307m to 325m with very fine disseminated bornite and chalcopyrite (Photo 6). This style of hematite alteration is also seen in SMD015 between 260m and 280m but without the bornite chalcopyrite disseminations and is weakly overprinted by suspected argillic alteration.

The Low Angle Structure (LAS) is seen at 325m down-hole, below which there is an 80m zone of 'D' veining and associated alteration. A few inter-mineral dacite porphyry dykes are seen with patchy trace hematite alteration. At 336.8m, there is a bornite-chalcopyrite-pyrite vein which has the same appearance to the bornite-chalcopyrite-pyrite vein in SMD015 at 196.6m (Photo 7). At 364m, there is a zone of pyrite-hematite-chalcopyrite-bornite-chalcocite-quartz fracture fill (Photo 9).

However, most of the 'D' veins are pyrite dominant veins with some trace chalcopyrite-bornite  $\pm$  chalcocite and hematite (Photo 8). Commonly, the sulphidic 'D' veins in SMD016 are brecciated and in-filled with banded chalcedony (low temperature quartz / silica), suggesting that the system is significantly 'telescoped' with hotter 'D' veins overprinted by a later, relatively cool retrograde event.

This can be of great significance for enhanced grades. An example would be the Resolution copper deposit in Arizona, which demonstrates a significant grade increase

with a late advanced argillic alteration and chalcopyrite-bornite mineralisation event overprinting of original hypogene mineralisation, with an Inferred Resource of 1.6Bt at 1.47% copper.



**Photo 6. Hematite-magnetite ± actinolite altered porphyritic andesite with very fine trace disseminated bornite and chalcopyrite at 316.2m.**



**Photo 7. Bornite-chalcopyrite-pyrite 'D' vein beneath the low angle structure at 336.8m.**



**Photo 8. Massive pyrite vein at 350.0m.**



**Photo 9. Pyrite-hematite-chalcopryrite-bornite-chalcocite-quartz veining at 364.0m.**

The 'D' veining and alteration continues until approximately 400m, after which the hole intersected a dacite porphyry. This is the same dacite porphyry intersected from 310m in SMD015 and has occasional pyrite-quartz-base metal veins and trace disseminated pyrite, chalcopryrite, and sphalerite.

#### **Forward Programme**

While the original intention was to shift the drill rig to the Toora West porphyry target, some 15km north-west of Thursday's Gossan, to drill a large and strong IP chargeability anomaly, Stavelly Minerals has elected to drill one more hole in the current 'sighter' programme at Thursday's Gossan before shifting to Toora West.

#### **Background**

The significance of drill holes SMD016, and previously announced SMD015, is that they both demonstrate similar characteristics to those that have been well described from the Cadia-Ridgeway gold-copper deposit in New South Wales. Those characteristics indicate that SMD015 and SMD016 are likely to be located very close to well-developed copper-gold mineralisation.

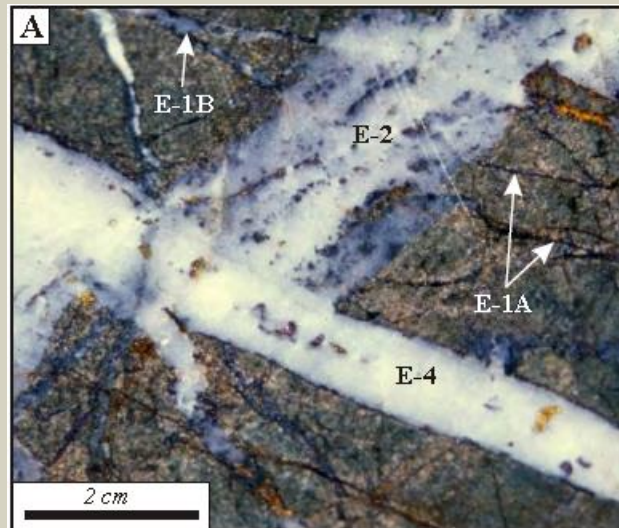
In his PhD thesis on the Cadia gold-copper porphyry deposits, Wilson (2003)<sup>2</sup> describes early veining as characterised by:

*"Veinlets of magnetite-actinolite (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-chalcopryrite veins (E-4) have cut older vein stages."(Photo 10).*

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.

<sup>2</sup> 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





**Photo 10. Early stage alteration and veining at Cadia Ridgeway. Multiple vein stages in calc-potassically altered volcanoclastic 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)**

At Thursday's Gossan, drill-hole SMD015 intersected a ~100m interval and SMD016 intersected a 40m interval of magnetite-actinolite veins comparable to Wilson's E-1A and quartz-magnetite ± pyrite ± chalcopyrite comparable to Wilson's E-1B veins (Figure 3).

While equivalents to Wilson's E-2 veins are not observed in SMD015 or SMD016, it is expected, by analogy with the respective distributions of E-1 and E-2 veins as described at Cadia-Ridgeway, that SMD015 and SMD016 have, in a relative sense, penetrated the zone between the outer extent of the high-grade gold-related E-2 veins and the outer extent of the E-1 magnetite ± quartz veins (Figure 4).

Given the absence of the E-2 equivalent veins in the 'M' vein interval in SMD015 and SMD016, and that the earlier phases of 'M' veins are typically not mineralised in most gold-rich porphyries, it is not expected that this interval will return significant assays.

The importance of the 'M' veins observed in SMD015 and SMD016 is more as an indication of very close proximity to the copper-gold mineralised zone, which can have very sharp boundaries beyond which the copper-gold grade is noted to drop off rapidly.

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.

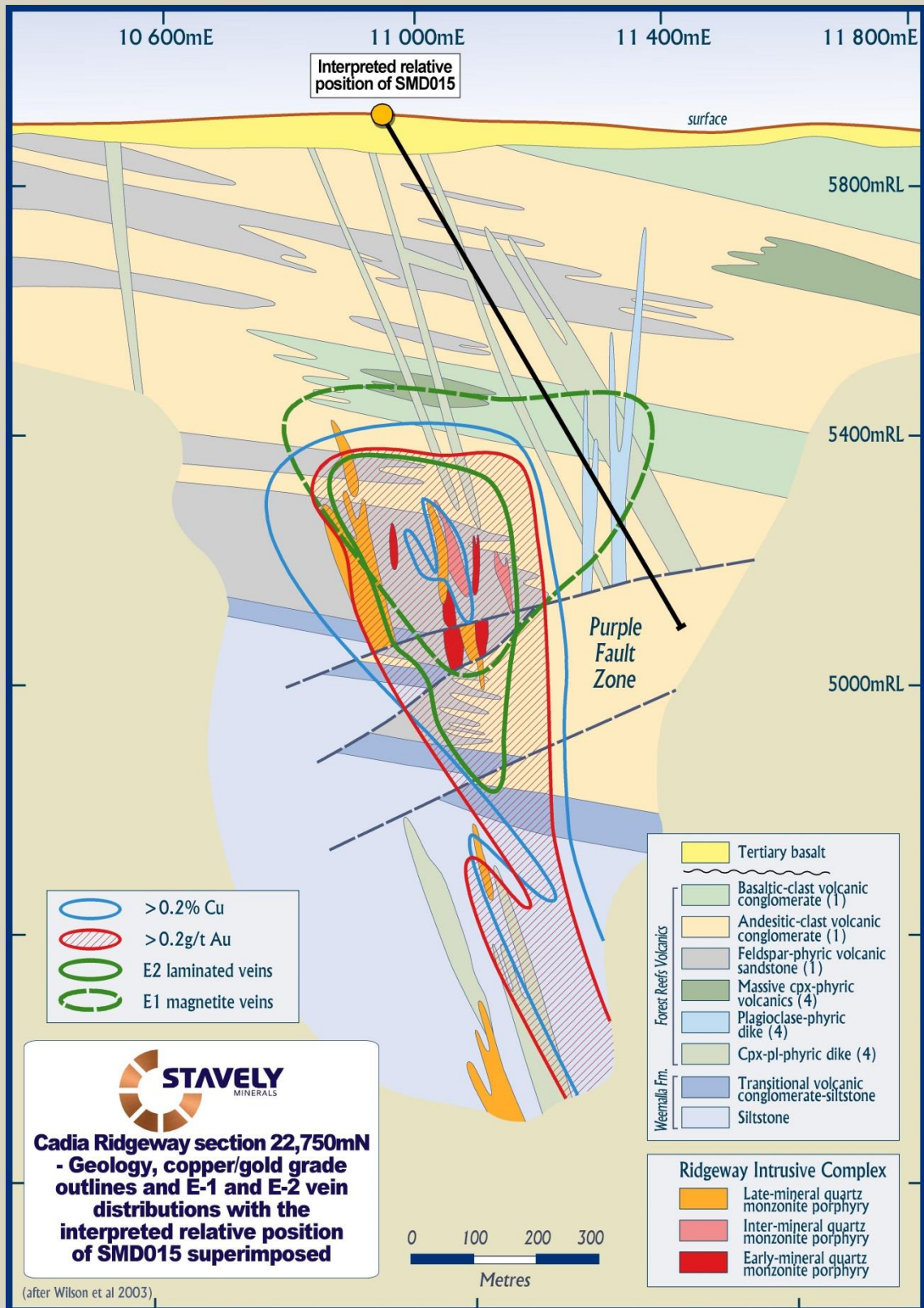


Figure 4. Cadia-Ridgeway section 22,750mN showing geology, copper and gold grade outlines and E-1 and E-2 vein distributions (modified after Wilson, 2003). The interpreted relative position of SMD015 is superimposed on the section.

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)
SMD016	DD	641525	5836810	-60/080	265	467.6

## 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
<b>Sampling techniques</b>	<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><b>Stavely Project</b></p> <p><b>Thursday's Gossan Prospect</b></p> <p><b>Stavely Minerals' RC Drilling</b></p> <p>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.</p> <p><b>Stavely Minerals' Diamond Drilling</b></p> <p>The diamond core for intervals of interest, ie. those that contained visible sulphides as well as 5m 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.</p> <p><b>Historical Drilling</b></p> <p>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.</p> <p>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.</p> <p>Historical aircore hole TGAC004 was drilled by Beaconsfield Gold Mines Pty Ltd in 2006 to a depth of 80m. 3m composite samples were taken for the entire hole.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>Historical aircore hole TGAC078 was drilled by BCD in</p>

Criteria	JORC Code explanation	Commentary
		<p>2009 to a depth of 59m. 2m composite samples were taken for the entire length of the hole.</p> <p>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.</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><b>Stavely Project</b></p> <p><b>Thursday's Gossan Prospect</b></p> <p><b>Stavely Minerals' Diamond and RC Drilling</b></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><b>Historical Drilling</b></p> <p>No information available.</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><b>Stavely Project</b></p> <p><b>Thursday's Gossan Prospect</b></p> <p><b>Stavely Minerals' Diamond Drilling</b></p> <p>Drill sampling techniques are considered industry standard for the Stavely work programme.</p> <p>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% &lt; 2mm, riffle/rotary split off 1kg, pulverize to &gt;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><b>Stavely Minerals' RC Drilling</b></p> <p>Drill sampling techniques are considered industry standard for the Stavely work programme.</p> <p>The 1m split samples were submitted to Australian Laboratory Services ("ALS") in Orange, NSW. Laboratory sample preparation involved:- sample crush to 70% &lt; 2mm, riffle/rotary split off 1kg, pulverize to &gt;85% passing 75 microns.</p> <p>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.</p> <p><b>Historical Drilling</b></p> <p>No sample preparation is available for the historical drilling.</p>

Criteria	JORC Code explanation	Commentary
<p><b>Drilling techniques</b></p>	<p><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 orientated and if so, by what method, etc).</i></p>	<p><b>Stavely Project</b></p> <p><b>Thursday's Gossan Prospect</b></p> <p><b>Stavely Minerals' Diamond Drilling</b></p> <p>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. Hole SMD016 was drilled in 2018 by Titeline Drilling. For the diamond 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.</p> <p>Diamond drilling was standard tube. Diamond core was orientated by the Reflex ACT III core orientation tool.</p> <p>SMD003 was orientated at -60° towards azimuth 060° to a depth of 522.3m.</p> <p>SMD006, SMD007 and SMD008 were orientated at -60° towards azimuth 070° to depths of 353.3m, 355.6m and 240m respectively. SMD012 was orientated at -60° towards azimuth 065° to a depth of 206.6m.</p> <p>SMD013, SMD014 and SMD015 were orientated at -60° towards azimuth 070° to depths of 573.9m, 738.9m and 448.1m respectively. SMD016 was orientated at -60° towards azimuth 080° to a depth of 467.6m.</p> <p><b>Stavely Minerals' RC Drilling</b></p> <p>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.</p> <p>The holes were orientated at -60° towards azimuth 070°.</p> <p><b>Historical Drilling</b></p> <p>Historical hole STAVRA077 is an aircore hole drilled by North Limited in 1994. The hole was drilled vertically. No other drilling details are known.</p> <p>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 orientated at -50° towards azimuth 256°.</p> <p>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</p>

Criteria	JORC Code explanation	Commentary
		<p>450cfm/200psi compressor.</p> <p>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.</p> <p>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.</p> <p>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°.</p> <p>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°.</p> <p>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 Services.</p>
<p><b>Drill sample recovery</b></p>	<p><i>Method of recording and assessing core and chip sample recoveries and results assessed.</i></p>	<p><b>Stavely Project</b></p> <p><b>Thursday's Gossan Prospect</b></p> <p><b>Stavely Minerals' Diamond Drilling</b></p> <p>Diamond core recoveries were logged and recorded in the database.</p> <p>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.</p> <p>Core recoveries for SMD013, SMD014, SMD015 and SMD016 were generally very good, with the vast majority of intervals returning +95% recovery and only a few intervals, mainly near the surface returning poor (&lt;50%) recoveries.</p> <p><b>Stavely Minerals' RC Drilling</b></p> <p>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.</p> <p><b>Historical Drilling</b></p> <p>Diamond core recoveries were logged and recorded for historical drill hole SNDD001.</p>

Criteria	JORC Code explanation	Commentary
	<i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i>	<p><b>Stavely Project</b></p> <p><b>Thursday's Gossan Prospect</b></p> <p><b>Stavely Minerals' Diamond Drilling</b></p> <p>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.</p> <p><b>Stavely Minerals' RC Drilling</b></p> <p>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.</p> <p><b>Historical Drilling</b></p> <p>No details are available for the historical drill holes.</p>
	<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>	<p><b>Stavely Project</b></p> <p><b>Thursday's Gossan Prospect</b></p> <p><b>Stavely Minerals' Diamond Drilling</b></p> <p>Not an issue relevant to diamond drilling.</p> <p><b>Stavely Minerals' RC Drilling</b></p> <p>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.</p> <p><b>Historical Drilling</b></p> <p>No details are available for the historical drill holes.</p>
<b>Logging</b>	<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>	<p><b>Stavely Project</b></p> <p><b>Thursday's Gossan Prospect</b></p> <p><b>Stavely Minerals' Diamond and RC Drilling</b></p> <p>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.</p> <p>Magnetic Susceptibility measurements were taken for each 1m RC and diamond core interval.</p> <p><b>Historical drilling</b></p> <p>All holes were geologically logged.</p>
	<i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i>	<p><b>Stavely Project</b></p> <p><b>Thursday's Gossan Prospect</b></p> <p><b>Stavely Minerals' Diamond Drilling</b></p> <p>All logging is quantitative, based on visual field estimates. Systematic photography of the diamond core in the wet and dry form was completed.</p> <p><b>Stavely Minerals' RC Drilling</b></p> <p>All logging is quantitative, based on visual field estimates.</p>



Criteria	JORC Code explanation	Commentary
		<p>Chip trays with representative 1m RC samples were collected and photographed then stored for future reference.</p> <p><b>Historical Drilling</b> All logging is quantitative, based on visual field estimates.</p>
	<p><i>The total length and percentage of the relevant intersections logged.</i></p>	<p><b>Stavely Project</b> <b>Thursday's Gossan Prospect</b> <b>Stavely Minerals' Diamond Drilling</b> Detailed diamond core logging, with digital capture, was conducted for 100% of the core by Stavely Minerals' on-site geologist at the Company's core shed near Glenthompson.</p> <p><b>Stavely Minerals' RC Drilling</b> All RC chip samples were geologically logged by Stavely Minerals' on-site geologist on a 1m basis, with digital capture in the field.</p> <p><b>Historical Drilling</b> Historical holes have been logged in their entirety.</p>
<p><b>Sub-sampling techniques and sample preparation</b></p>	<p><i>If core, whether cut or sawn and whether quarter, half or all core taken.</i></p>	<p><b>Stavely Project</b> <b>Thursday's Gossan Prospect</b> <b>Stavely Minerals' Diamond Drilling</b> Quarter core for the PQ diameter diamond core and half core for the HQ diameter core was sampled on site using a core saw.</p> <p><b>Historical Drilling</b> For historical hole SNDD001 half core was sampled. No details are given for VSTD001.</p>
	<p><i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i></p>	<p><b>Stavely Project</b> <b>Thursday's Gossan Prospect</b> <b>Stavely Minerals' RC Drilling</b> 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.</p> <p><b>Historical Drilling</b> No details are given for historical aircore and RC holes.</p>
	<p><i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i></p>	<p><b>Stavely Project</b> <b>Thursday's Gossan Prospect</b> <b>Stavely Minerals' Diamond and RC Drilling</b> 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.</p> <p><b>Historical Drilling</b> No details of sample preparation are given for the historical drilling.</p>

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

Criteria	JORC Code explanation	Commentary
		<p>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><b>Historical Drilling</b></p> <p>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.</p> <p>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.</p> <p>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.</p> <p>Samples for TGAC004 were submitted to Onsite Laboratory Services in Bendigo for Au analysis by Fire Assay and Cu by ICP/OES.</p> <p>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.</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>	
	<p><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>	<p><b>Stavely Project</b></p> <p><b>Thursday's Gossan Prospect</b></p> <p><b>Stavely Minerals' Diamond and RC Drilling</b></p> <p>Laboratory QAQC involved the submission of standards and blanks. For every 20 samples submitted either a standard or blank was submitted.</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>

Criteria	JORC Code explanation	Commentary
		<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><b>Historical Drilling</b> No quality control data available for historical drilling.</p>
<b>Verification of sampling and assaying</b>	<i>The verification of significant intersections by either independent or alternative company personnel.</i>	<p><b>Stavelly Project</b> <b>Thursday's Gossan Prospect</b> <b>Stavelly Minerals' Diamond and RC Drilling</b></p> <p>Either Stavelly Minerals' Managing Director or Technical Director has visually verified significant intersections in the core and RC chips at Thursday's Gossan.</p> <p><b>Historical Drilling</b> Stavelly Minerals' Managing Director has visually verified the significant intersections in historical diamond hole SNDD001.</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><b>Stavelly Project</b> <b>Thursday's Gossan Prospect</b> <b>Stavelly Minerals' Diamond and RC Drilling</b></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><b>Historical Drilling</b> 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.
<b>Location of data points</b>	<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><b>Stavelly Project</b> <b>Thursday's Gossan Prospect</b> <b>Stavelly Minerals' Diamond and RC Drilling</b></p> <p>Drill collar locations were pegged before drilling and surveyed using Garmin handheld GPS to accuracy of +/- 3m. Collar surveying was performed by Stavelly Minerals' personnel. This is considered appropriate at this early stage of exploration.</p> <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><b>Historical Drilling</b> No details provided for drill collar locations for historical drilling.</p> <p>Downhole surveying was conducted for SNDD001 and VSTD001.</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>	At the Thursday's Gossan prospect topographic control is achieved via use of DTM developed from a 2008 airborne

Criteria	JORC Code explanation	Commentary
		<p>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>
<b>Data spacing and distribution</b>	<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>	N/A
	<i>Whether sample compositing has been applied.</i>	<p><b>Stavely Project</b></p> <p><b>Thursday's Gossan Prospect</b></p> <p><b>Stavely Minerals' Diamond Drilling</b></p> <p>Sample intervals were based on lithology but in general were 1m. No intervals were less than 0.4m or greater than 1.2m.</p> <p><b>Stavely Minerals' RC Drilling</b></p> <p>No sample compositing has been applied.</p> <p><b>Historical Drilling</b></p> <p>Sample compositing based on lithology was applied for historical drill hole SNDD001.</p> <p>3m compositing was applied for historical drill holes STAVRA077 and TGAC004.</p> <p>2m compositing was applied for historical drill hole TGAC078.</p> <p>TGRC110, TGRC136, SAC029 and SAC030 were sampled on a 1m basis.</p> <p>A combination of 1m and 2m composite sampling was applied for VSTD001.</p>
<b>Orientation of data in relation to geological structure</b>	<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><b>Stavely Project</b></p> <p><b>Thursday's Gossan Prospect</b></p> <p><b>Stavely Minerals' Diamond and RC Drilling</b></p> <p>The RC and diamond drill holes were orientated at -60° toward 070° (or 080° for SMD016) to perpendicularly intercept the sulphide rich 'D' veins within the low angle structure.</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</i>	<p><b>Stavely Project</b></p> <p><b>Thursday's Gossan Prospect</b></p> <p><b>Stavely Minerals' Diamond and RC Drilling</b></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>

Criteria	JORC Code explanation	Commentary
	<i>and reported if material.</i>	
<b>Sample security</b>	<i>The measures taken to ensure sample security.</i>	<p><b>Stavely Project</b> <b>Thursday's Gossan Prospect</b> <b>Stavely Minerals' Diamond and RC Drilling</b></p> <p>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.</p> <p><b>Historical Drilling</b></p> <p>No available data to assess security.</p>
<b>Audits or reviews</b>	<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
<b>Mineral tenement and land tenure status</b>	<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><b>Stavely Project</b></p> <p>The diamond drilling and RC drilling at Thursday's Gossan was located on EL4556, which forms the Stavely Project.</p> <p>The mineralisation at Thursday's Gossan is situated within exploration licence EL4556.</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><b>Stavely Project</b></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>
<b>Exploration done by other parties</b>	<i>Acknowledgment and appraisal of exploration by other parties.</i>	<p><b>Stavely Project</b> <b>Thursday's Gossan Prospect</b></p> <p>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.</p>

Criteria	JORC Code explanation	Commentary
		<p>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.</p> <p>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.</p> <p>The Stavelly Project was optioned to Beaconsfield Gold Mines Pty Ltd in 2006 who flew an airborne survey and undertook an extensive drilling programme focused on 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.</p> <p>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.</p> <p>All work conducted by previous operators at Thursday's Gossan is considered to be of a reasonably high quality.</p>
<b>Geology</b>	<i>Deposit type, geological setting and style of mineralisation.</i>	<p><b>Stavelly Project</b></p> <p><b>Thursday's Gossan Prospect</b></p> <p>The Thursday's Gossan and Junction prospects are located in the Mount Stavelly Volcanic Complex (MSVC). Intrusion of volcanic arc rocks, such as the Mount Stavelly Volcanic Complex, by shallow level porphyries can lead to the formation of porphyry copper ± gold ± molybdenum deposits.</p> <p>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</p>

Criteria	JORC Code explanation	Commentary
		<p>Mineral Resources reside within a higher grade zone of approximate dimensions of 1 kilometre x 300 metres by 35 metres thick.</p> <p>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. Stavelly Minerals believes the technical evidence indicates there is significant porphyry copper-gold mineralisation potential at depth at Thursday's Gossan.</p>
<b>Drill hole Information</b>	<p><i>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:</i></p> <p><i>easting and northing of the drill hole collar</i></p> <p><i>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</i></p> <p><i>dip and azimuth of the hole</i></p> <p><i>down hole length and interception depth</i></p> <p><i>hole length.</i></p>	Included in the drill hole table in the body of the report.
	<p><i>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.</i></p>	No material drill hole information has been excluded.
<b>Data aggregation methods</b>	<p><i>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.</i></p>	<p><b>Stavelly Project</b></p> <p><b>Thursday's Gossan Prospect</b></p> <p>Exploration results are nominally reported where copper results are greater than 0.1% Cu over a down-hole width of a minimum of 3m.</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>The quoted intercept for STRC004D includes "aggregated in total" 3.9m of core loss.</p> <p>The quoted intercept for STRC005D includes "aggregated in total" 2.8m of core loss.</p> <p>The quoted intercept for SMD012 includes "aggregated in</p>



Criteria	JORC Code explanation	Commentary
		total” 7.1m of core loss. The quoted intercept for STRC020D includes “aggregated in total” 2.5m of core loss.
	<i>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.</i>	<b>Stavelly Project</b> <b>Thursday’s Gossan Prospect</b> 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. <b>Historical Drilling</b> 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.
	<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.
<b>Relationship between mineralisation widths and intercept lengths</b>	<i>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.</i>	<b>Stavelly Project</b> <b>Thursday’s Gossan Prospect</b> There is insufficient drilling data to date to demonstrate continuity of mineralised domains and determine the relationship between mineralisation widths and intercept lengths.
	<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.
<b>Diagrams</b>	<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>	Refer to Figures in the text. A plan view of the drill hole collar locations is included.
<b>Balanced reporting</b>	<i>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be</i>	<b>Stavelly Project</b> <b>Thursday’s Gossan Prospect</b> All copper and gold values considered to be significant for porphyry mineralisation have been reported. Some subjective judgement has been used.

Criteria	JORC Code explanation	Commentary
	<i>practiced to avoid misleading reporting of Exploration Results.</i>	
<b>Other substantive exploration data</b>	<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 and rock characteristics; potential deleterious or contaminating substances.</i>	All relevant exploration data is shown on figures and discussed in the text.
<b>Further work</b>	<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>	<b>Stavelly Project</b> <b>Thursday's Gossan Prospect</b> Further deep diamond drilling has been planned to test the targeted high grade copper-gold mineralisation at depth.