

Victorian Projects Diamond Drilling Update

Thursday's Gossan Porphyry Hunt Continues to Gather Momentum As Leading Porphyry Expert Supports Stavely's Approach – 3 Drill Rigs Operating

Well-respected porphyry expert Greg Corbett completes his third site visit to review six months of drill core; Drilling commences at Honeysuckle Gold Prospect

Highlights

- A site review by respected porphyry expert Dr Greg Corbett, including a review of the 13 diamond holes completed since his last visit in November 2017, has provided strong support for Stavely's targeting approach and recent progress.
- New assays received for three recent drill holes which intersected broad intervals of low-grade porphyry copper mineralisation with narrower zones of higher-grade copper-gold mineralisation in peripheral alteration/veining.
- Drill hole SMD017 intersected:
 - 37m at 0.17% Cu from 21m in the chalcocite-enriched blanket outside the current Mineral Resource including 3m at 0.75g/t Au, demonstrating the presence of significant shallow gold in this system not yet included in the Mineral Resource;
 - 2m at 2.80g/t Au, 15.3g/t Ag and 2.06% Zn from 653m in quartz-carbonate veins demonstrating significant telescoping of late/cooler carbonate-base metals-precious metals mineralisation overprinting earlier porphyry-style mineralisation
- Drill hole SMD020 has intersected:
 - 194m at 0.16% Cu associated with moderate quartz-pyrite ± chalcopyrite ± molybdenite stockwork veins and occasional quartz-pyrite ± molybdenite ± chalcopyrite ± chalcocite porphyry 'D' veins hosted within peripheral inner-propylitic alteration including:
 - 13m at 0.14g/t Au and 0.33% Cu including 3m at 0.29g/t Au and 0.44% Cu;
 - 1m at 0.35g/t Au and 0.81% Cu; and
 - 1m at 0.31g/t Au and 0.86% Cu

This hole demonstrates that very attractive grades could be expected in the potassic core to this copper-gold porphyry system
- Drill hole SMD022 intersected:
 - 62m at 0.17% Cu from 233m with patchy gold mineralisation including:
 - 1m at 0.36g/t Au and 0.77% Cu; and
 - 1m at 0.48g/t Au and 0.36% Cu
 - 11m at 0.1g/t Au, 22.5g/t Ag and 0.54% Cu from 344m including:
 - 1m at 0.18g/t Au, 77.4 g/t Ag and 1.94% Cu; and
 - 1m at 0.44g/t Au, 183g/t Ag and 1.75% Cu
- Drill hole SMD024 intersected 75m of porphyry "M" veins below the low angle structure (LAS) and drill hole SMD025 intersected 19m of quartz-magnetite ± hematite "M" veining before going into the LAS at 279m depth.

Stavely Minerals Managing Director, Chris Cairns, said: “Our observations from recent drilling, together with Dr Corbett’s recent site visit, have given us even greater confidence that we are very close to drilling a hole into the centre of the Thursday’s Gossan copper-gold porphyry. We have seen all the key ingredients we would want to see for a well-mineralised copper-gold system, including strong copper and gold mineralisation from late porphyry ‘D’ veins, strongly oxidised fluids responsible for well-developed ‘M’ (magnetite) veins equating to enhanced gold potential, patchy K-spar alteration, actinolite alteration, and multiple phases of intrusion, alteration, veining and mineralisation.

“Collectively, these indicators tell us both that we are very close to tagging the core of this system with a drill hole in the near future and, once we do, that we could expect that it will be well-mineralised with copper and gold.

“While the drilling programme is continuing with two drill rigs at Thursday’s Gossan and a third testing regional targets in the Ararat and Stavely Projects, I do appreciate that investors have been patiently waiting for the drilling to finally penetrate the potassic core at Thursday’s Gossan. While it does take around a month to drill each 800m hole, we certainly hope the results will justify the wait.”

Stavely Minerals Limited (ASX Code: **SVY** – “Stavely Minerals”) is pleased to provide a further update from the ongoing diamond drilling program at its 100%-owned **Stavely Copper-Gold Project** in western Victoria (Figure 1), where drilling at the Thursday’s Gossan porphyry target continues to deliver significant encouragement.

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 1.83g/t gold and 0.63% copper for a contained 4.5 million ounces of gold and 483,000 tonnes of copper¹.

During the week of the 13th May, well-respected porphyry expert Dr Greg Corbett visited site for three days to review drill holes SMD013 through to SMD026. Dr Corbett has been to site a number of times, most recently in November 2017. Stavely Minerals considers his visits as a regular technical ‘health check’ in the context that:

1. We seek validation that the observations we see in the drill core and that the interpretations we derive from those observations are consistent with his experience;
2. We want to ensure that our drilling is being targeted at the best opportunities for discovery and that, at ~\$200,000 per drill hole for the deeper holes, we want to be confident that we are not drilling any holes in areas that don’t warrant testing;
3. Dr Corbett has seen so many different porphyry deposits all around the world that:
 - a. He picks up subtle variations and observations that even our most experienced people do not (Managing Director included);

¹ Source: Porter GeoConsultancy Pty Ltd.

- b. The exchange of information is of great benefit to our geologists as they go through the core together;
- c. His suggestions for ‘next steps’ and features to note during logging improves our data capture and observations going forward.

While not wanting to put any words into Dr Corbett’s mouth (and when available we will ask his permission to post his report on our website), after his visit we have enhanced confidence that our observations of multiple phases of alteration, veining and mineralisation and the types of veining we are seeing are all strong indications of proximity to the main body of a mineralised copper-gold porphyry, that we are at the top of the system, that the main body of mineralisation should be preserved and that the current drilling program is targeting the best opportunities for discovery.

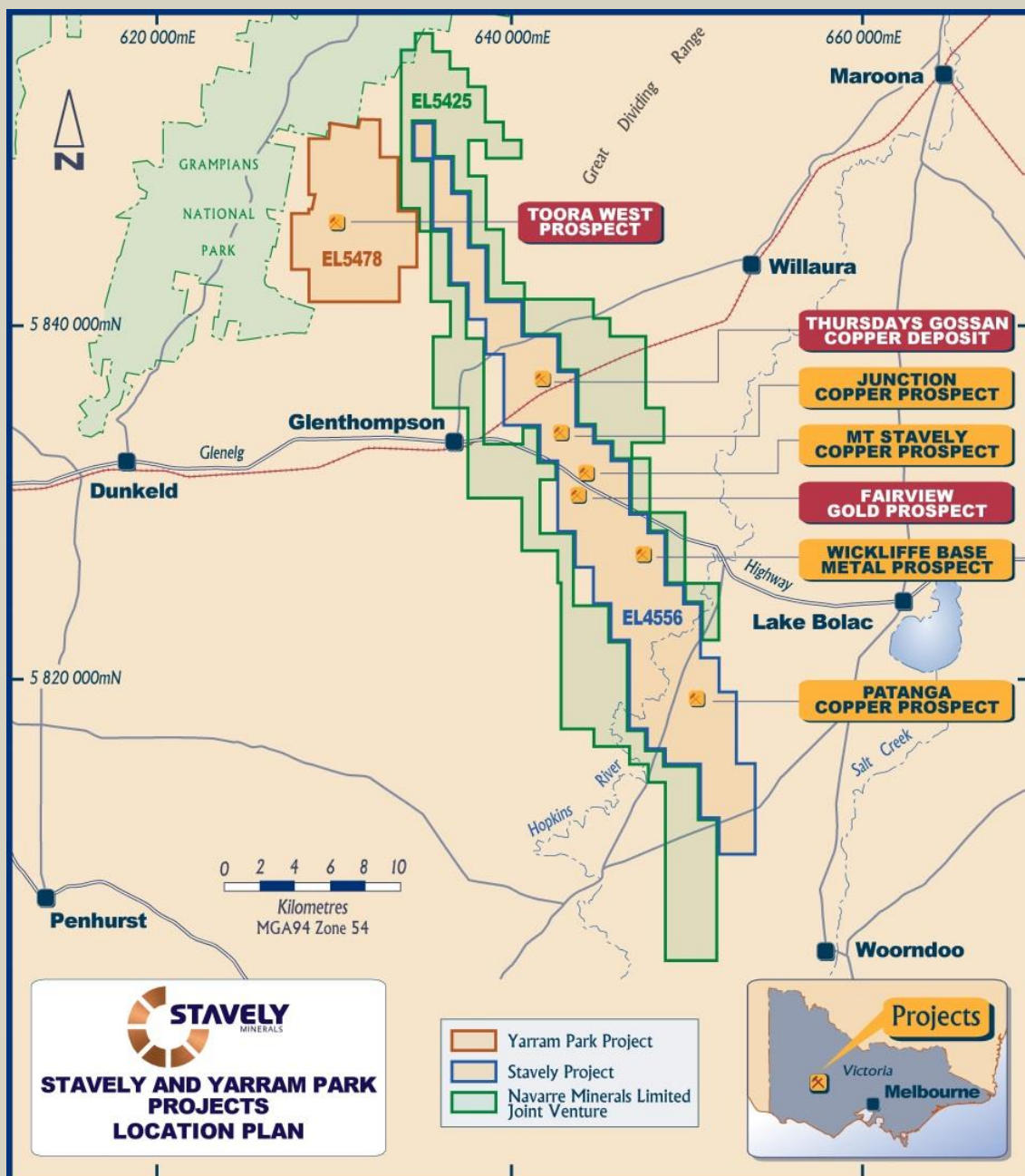


Figure 1. Project location map.

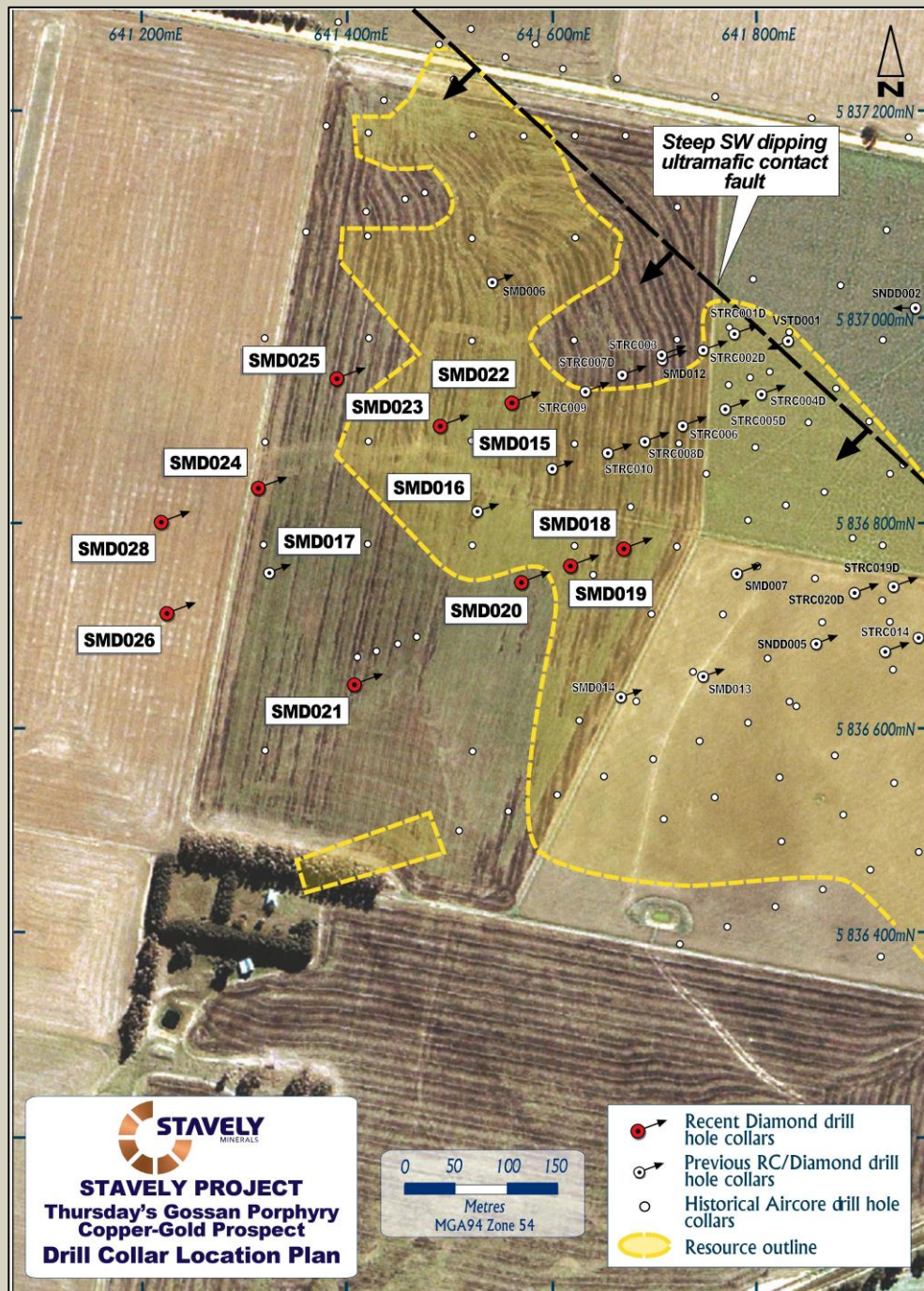


Figure 2. Drill collar location plan.

Drilling Results

SMD017

Drill hole SMD017 intercepted **37 metres at 0.17% copper** from 58 metres depth (Figure 3). This interval is part of the chalcocite enriched blanket but is outside the currently estimated Mineral Resource. The intercept included zone of **3 metres at 0.75g/t gold** from 52 metres demonstrating there is significant gold in the system which was not included in the current Mineral Resource.

SMD017 also intercepted **2 metres at 2.80g/t gold, 15.3g/t silver and 2.06% zinc** (including **1metre at 5.22g/t gold**) from 653 metres depth in quartz-carbonate veins. This intercept

demonstrates the significant telescoping of late / cooler carbonate-base metals-precious metals mineralisation overprinting earlier porphyry style mineralisation. The zinc is associated with pale white / yellow sphalerite indicating a low temperature of mineralisation.

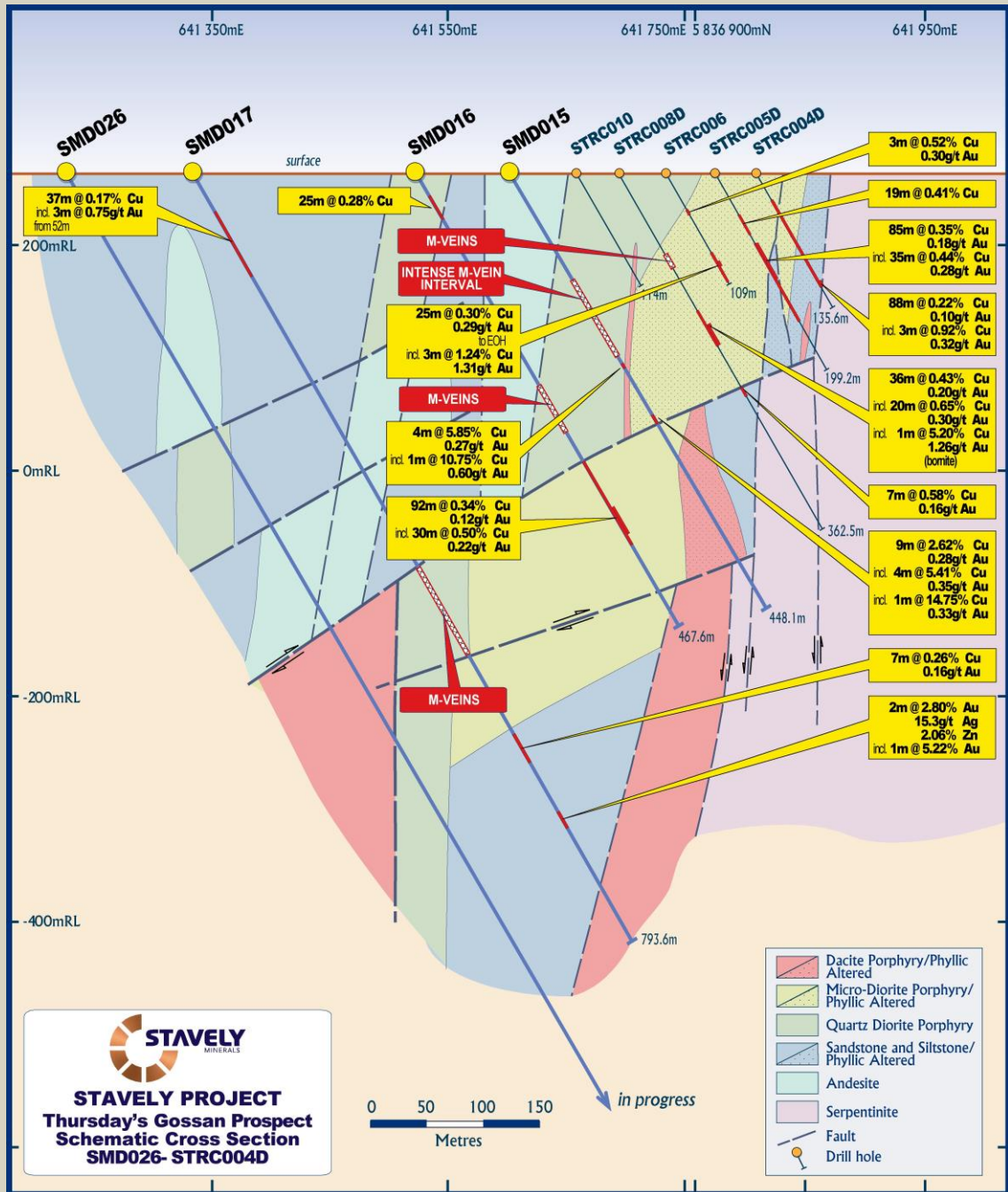


Figure 3. Drill section with SMD017.

SMD020

Partial assays have been received for the interval 180 metres to 380 metres drill depth (Figure 4).

Drill hole SMD020 intercepted a large, low-grade interval of **194 metres at 0.16% copper** with patchy gold from 180m depth including:

- **13m at 0.14g/t gold and 0.33% copper** from 337 metres depth, including
 - **3m at 0.29g/t gold and 0.44% copper**
- **1m at 0.45g/t gold and 0.22% copper** from 180 metres depth
- **1m at 0.28g/t gold and 0.48% copper** from 222 metres depth
- **1m at 0.35g/t gold and 0.81% copper** from 302 metres depth
- **2m at 0.19g/t gold and 0.60% copper** from 310 metres depth
- **1m at 0.31g/t gold and 0.86% copper** from 324 metres depth

The broad low-grade mineralised interval was associated with moderate quartz-pyrite ± chalcopyrite ± molybdenite stockwork veins and occasional quartz-pyrite ± molybdenite ± chalcopyrite ± chalcocite porphyry D veins.

While these intercepts are considered part of the peripheral inner-propylitic alteration halo, the gold and copper grades demonstrate that very attractive grades could be expected in the potassic core to this copper-gold porphyry system.

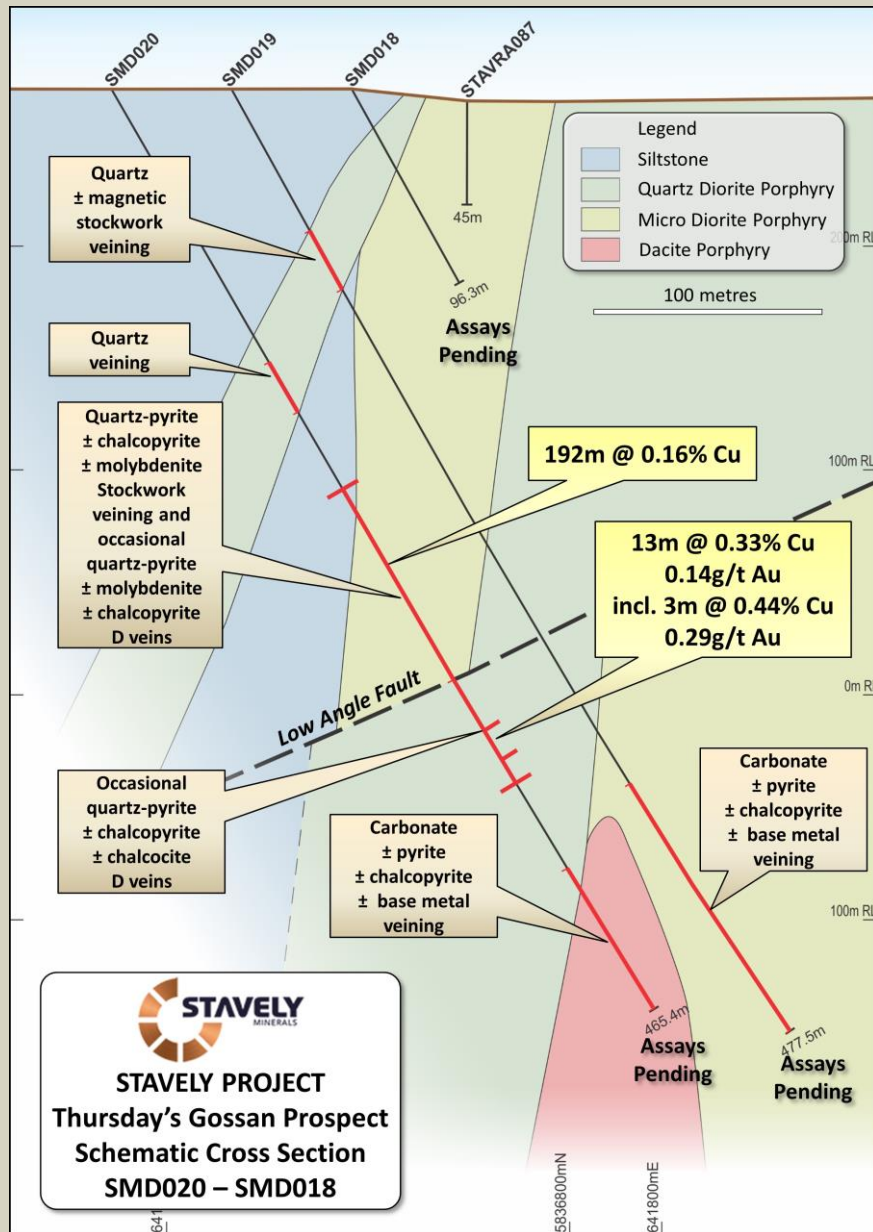


Figure 4. Drill section with SMD020.

SMD022

Drill hole SMD022 intercepted sporadic intervals of copper-gold mineralisation (Figure 5) associated with porphyry D veins including:

- **1m at 0.22g/t gold and 0.26% copper** from 165 metres drill depth
- **1m at 0.26g/t gold and 0.20% copper** from 173 metres drill depth
- **1m at 0.19g/t gold and 0.26% copper** from 177 metres drill depth
- **22m at 0.13% copper** with patchy gold from 233 metres drill depth, including
 - **2m at 0.14g/t gold and 0.21% copper** from 253 metres associated with chalcopyrite intergrown with magnetite in M veins

SMD022 also intercepted a broad interval of low-grade copper mineralisation **62m at 0.17% copper** with patchy gold from 293 metres drill depth, including

- **1m at 0.36g/t gold and 0.77% copper** from 293 metres drill depth
- **1m at 0.48g/t gold and 0.36% copper** from 300 metres drill depth
- **1m at 0.17g/t gold and 0.46% copper** from 314 metres drill depth
- **1m at 0.23g/t gold and 0.29% copper** from 311 metres drill depth, and
- **11m at 0.10g/t gold, 22.5g/t silver and 0.54% copper** from 344 metres drill depth, including
 - **1m at 0.18g/t gold, 77.4g/t silver and 1.94% copper** from 344 metres, and
 - **1m at 0.44g/t gold, 183g/t silver and 1.75% copper** from 350 metres

All of the intercepts in SMD022 are hosted within peripheral inner-propylitic hematite alteration with epidote veins and patches.

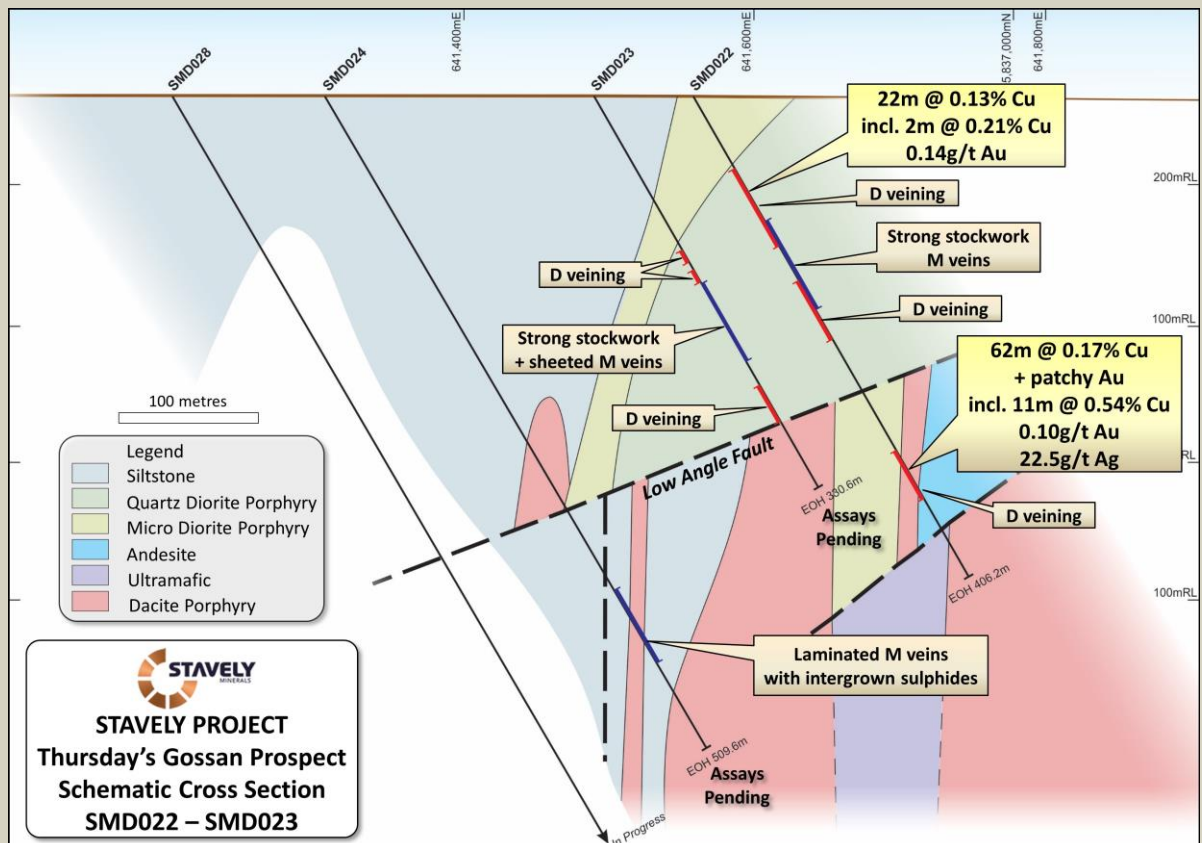


Figure 5. Drill section with SMD022 and SMD023.

Drill Logging (Assays Pending)

SMD024

SMD024 was drilled at -60 degrees to 059 magnetic azimuth to test the area beneath the LAS 80 metres north of the 'M' vein intersection in SMD017.

Above the LAS the drill hole intersected siltstone and sandstone (1-105 metres, 200-273 metres), porphyritic andesite (105-200 metres), dacite porphyry (273-321 metres). The LAS was intersected at 321-323 metres depth beneath which the hole intersected sandstone and siltstone with occasional quartz+pyrite+molybdenite 'D' veins (Photo 1).



Photo 1. Quartz-pyrite-molybdenite porphyry 'D' vein at 332 metres depth in SMD024.

At 375 metres depth a major shear zone was intersected which is interpreted to be a major north-south trending structure and is possibly the same structure that was seen in SMD017 below the LAS at 405 metres depth.

Beyond this shear the drill hole intersected approximately 75 metres of quartz+magnetite ± pyrite ± chalcopyrite M veining down to approximately 450 metres depth (Photo 3). The quartz+magnetite ± pyrite ± chalcopyrite M veining has been overprinted in places by strong late pyrite porphyry D veining (Photo 2).

Between 415-432 metres depth there is an intensely sericite altered porphyritic dacite with strong pyrite ± chalcopyrite D veining and moderate disseminated pyrite > chalcopyrite which does not contain 'M' veins.

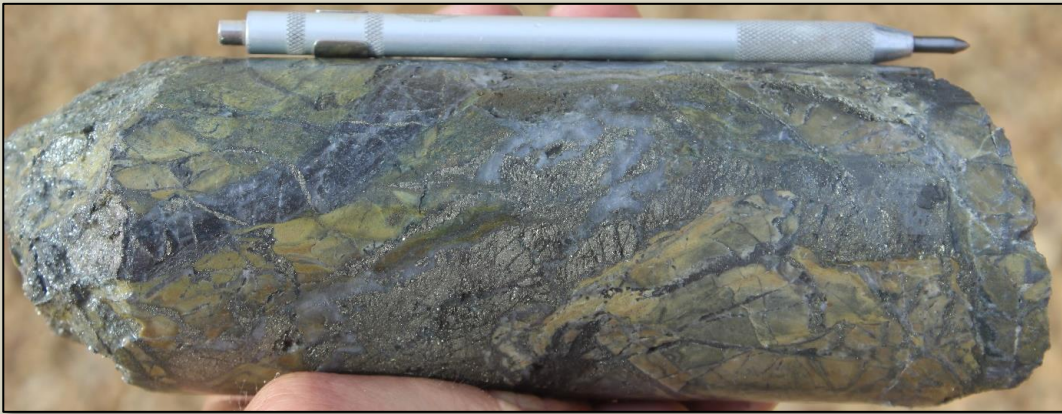


Photo 2. Quartz-magnetite \pm pyrite \pm chalcopyrite M veining being cut by later pyrite veins at 399.5 metres depth in SMD024.



Photo 3. Quartz-magnetite-pyrite-chalcopyrite M veining at 441m in SMD024. Note the 'wormy' nature of the M veins having similar character to porphyry A veins which are likewise part of the earliest vein phases in a porphyry.

SMD025

SMD025 was drilled at -60 degrees to 059 magnetic azimuth to test the area 80 metres north of the M vein intersection in SMD023. Above the LAS the drill hole encountered siltstone and sandstone (1-152 metres, 169-240 metres), porphyritic andesite (152-169 metres), dacite porphyry (240-260 metres) and quartz-diorite porphyry (260-279 metres). The LAS was intersected at 279-282 metres below which the hole encountered mostly porphyritic andesite and dacites (282-399.2 metres).

Occasional pyrite-chalcopyrite-chalcocite porphyry D veins are seen at between 150-157 metres (Photo 4).

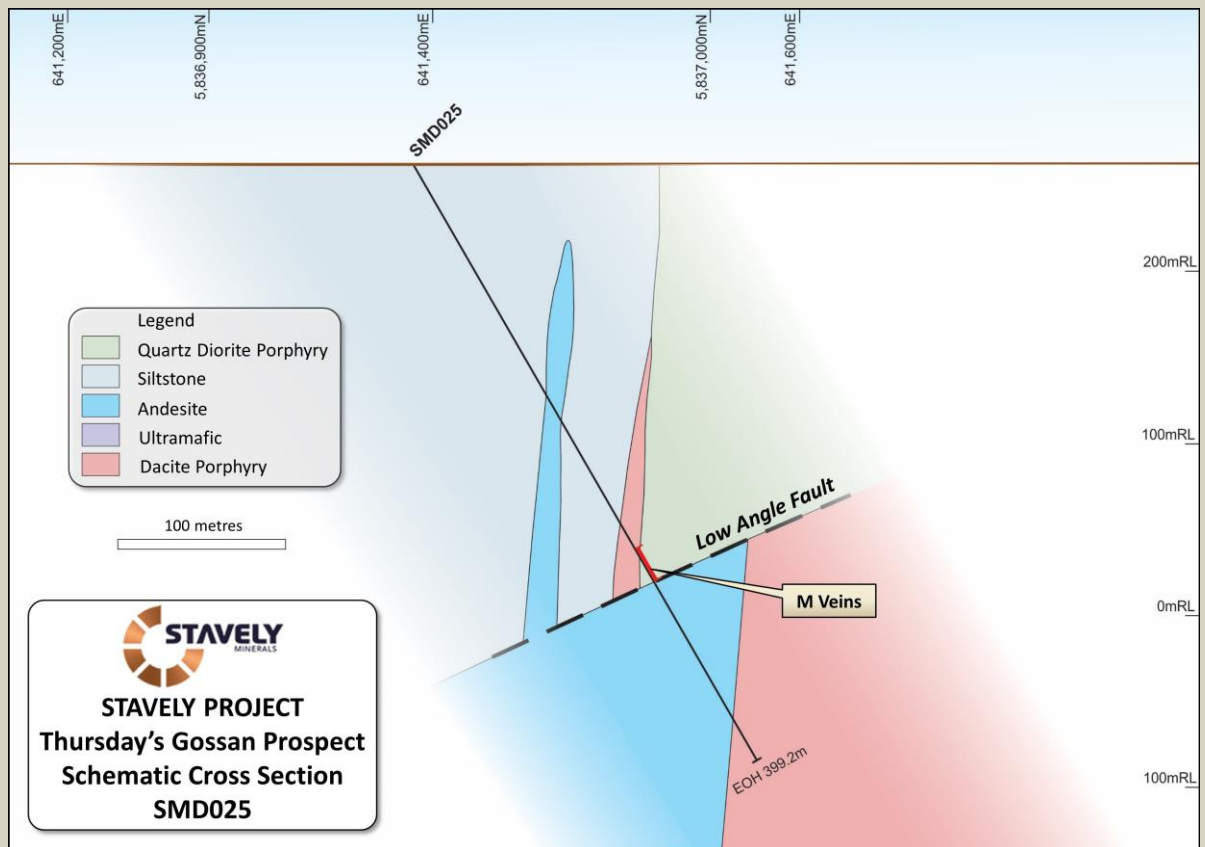


Figure 6. Drill section with SMD025.



Photo 4. Pyrite-chalcopyrite-chalcocite D vein at 151.9 metres in SMD025.

Weak to moderate quartz-magnetite ± hematite M veining is seen between 260-279 metres depth in a variably hematite altered quartz diorite porphyry (Photo 5). It is interpreted that the edge of this unit and M veining has been intersected immediately above the LAS and is offset by the LAS to the west.



Photo 5. Quartz-magnetite ± hematite 'M' veins in a hematite altered quartz-diorite porphyry at 272 metres depth in SMD025.

Conceptual Model

In the context of the geologic observations from the past several drill holes, Stavelly Minerals has updated the conceptual model of the controls on mineralisation and the syn- / post-mineralisation structural offsets observed (Figure 7).

Stavelly minerals believes that:

- The early 'wormy' A and M veins are demonstrating that we are at the top of the porphyry system
- That the entire vertical extent of the mineralised porphyry is preserved and could be expected to be in the order of several hundred metres to a kilometre or more in vertical extent
- That the fluids responsible for the early M veins were strongly oxidised and had enhanced gold mineralisation potential
- That there were multiple overprinting phases of alteration, veining and copper-gold mineralisation, also a key element for enhanced copper and gold grades
- That the very attractive copper and gold grades demonstrated by the late porphyry D veins auger well for the strong copper-gold mineralisation potential in the main phases of mineralisation within the potassic core
- That the abundant and intense A and M veining observed in recent drilling, along with observed potassium feldspar (K-spar) / biotite / actinolite alteration all indicate that our recent drilling is very proximal to what is expected to be a well mineralised copper-gold potassic core to the porphyry system at Thursday's Gossan

The risks to discovery are:

- significant structural dislocation of the mineralisation, and
- the potential for late-stage barren intrusions to obliterate earlier mineralisation.

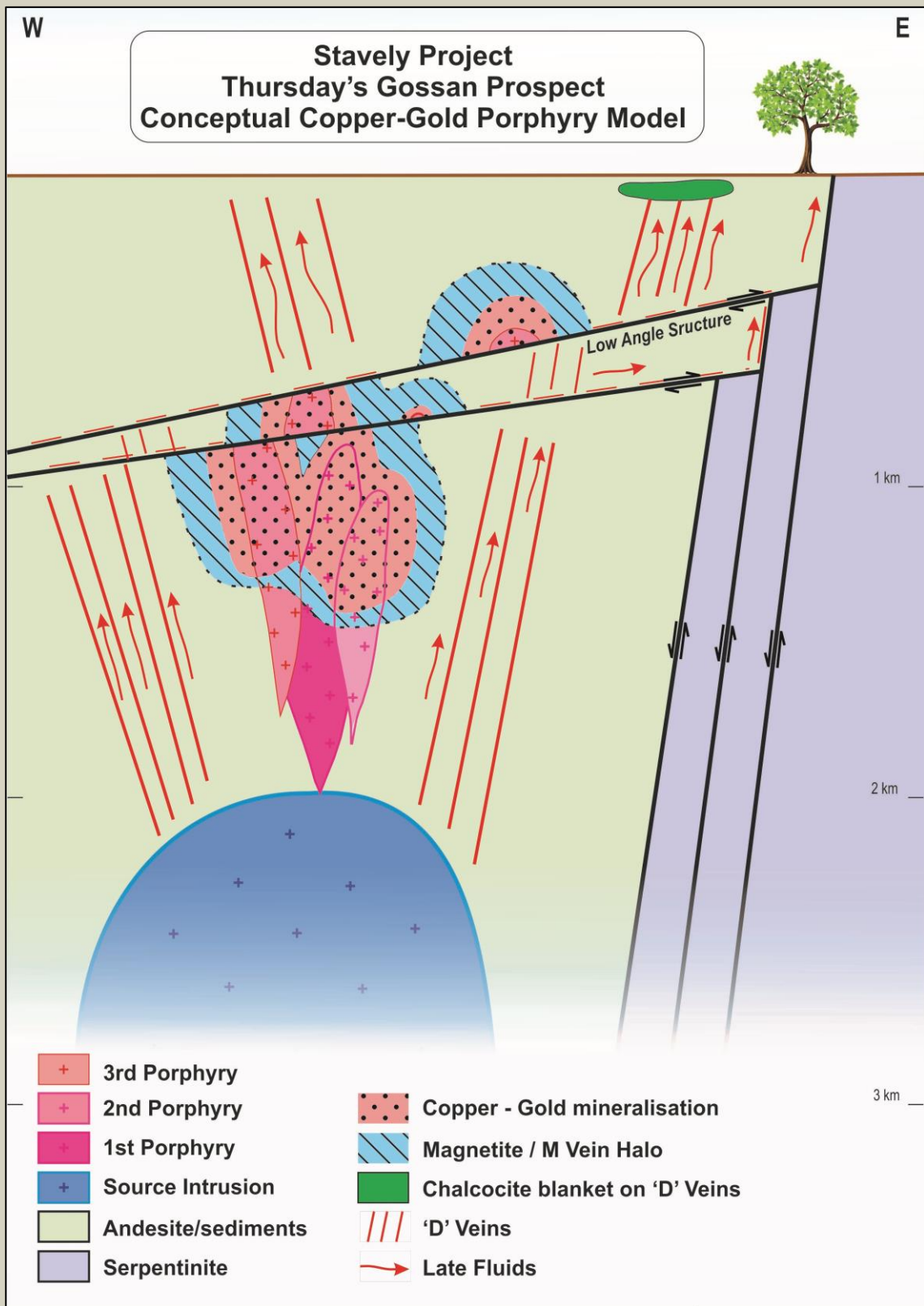


Figure 7. Thursday's Gossan porphyry conceptual model.

Forward Programme

Two diamond drill rigs are currently operating at Thursday's Gossan. Drill holes SMD026 and SMD028 are in progress and are targeting underneath the M vein intervals in SMD017 and SMD024 underneath the LAS.

It is hoped that current / future drill holes will intersect the better mineralised 'core' of the system, especially below the LAS, that chalcopyrite will transition to bornite as the dominant copper sulphide, and that gold grades should improve markedly due to gold's greater affinity with bornite.

A third drill rig is testing copper-gold and gold targets in the Ararat Project before moving to the Stavely Project to drill test some of the regional targets near Thursday's Gossan. Stavely Minerals believes there are several compelling yet untested porphyry targets in the area.

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 – Collar Table

MGA 94 zone 54						
Hole id	Hole Type	East	North	Dip/ Azimuth	RL (m)	Total Depth (m)
SMD017	DD	641325	5836750	-60/070	262	793.6
SMD018	DD	641670	5836772	-60/070	264	96.3
SMD019	DD	641620	5836755	-60/070	264	477.5
SMD020	DD	641570	5836740	-60/070	264	465.4
SMD021	DD	641410	5836640	-60/070	264	534.9
SMD022	DD	641560	5836915	-60/070	264	406.2
SMD023	DD	641490	5836895	-60/070	264	330.6
SMD024	DD	641315	5836835	-60/070	264	509.6
SMD025	DD	641390	5836940	-60/070	264	399.2
SMD026	DD	641225	5836710	-60/070	264	In progress
SMD028	DD	641220	5836800	-60/070	264	In progress

Thursday's Gossan Prospect – Intercept Table													
Hole id	Hole Type	MGA 94 zone 54					Intercept						
		East	North	Dip/ Azimuth	RL (m)	Total Depth (m)	From (m)	To (m)	Width (m)	Cu (%)	Au (g/t)	Ag (g/t)	Zn (%)
SMD017	DD	641325	5836750	-60/070	262	793.6	21	58	37	0.17			
						Incl.	52	55	3		0.75		
							566	573	7	0.26	0.16	7.57	
						Incl.	653	655	2		2.80	15.3	2.06
							654	655	1		5.22	16.3	2.13
SMD020	DD	641570	5836740	-60/070	264	465.4	180	374	194	0.16			
						Incl.	180	181	1	0.22	0.45		
						Incl.	222	223	1	0.48	0.28		
						Incl.	302	303	1	0.81	0.35	13.8	
						Incl.	310	312	2	0.60	0.19	5.15	
						Incl.	324	325	1	0.86	0.31	6.3	
						Incl.	337	350	13	0.33	0.14		
						Incl.	347	350	3	0.44	0.29	8.93	
SMD022	DD	641560	5836915	-60/070	264	406.2	165	166	1	0.26	0.22		
							173	174	1	0.20	0.26	6.5	
							177	178	1	0.26	0.19	6.1	
							233	255	22	0.13			
						Incl.	253	255	2	0.21	0.14		
							293	355	62	0.17			
						Incl.	293	294	1	0.77	0.36	14.5	
						Incl.	300	301	1	0.36	0.48	18.8	
						Incl.	311	312	1	0.29	0.23	7.5	
						Incl.	314	315	1	0.46	0.17		
						Incl.	344	355	11	0.54	0.10	22.5	
						Incl.	344	345	1	1.94	0.18	77.4	
						Incl.	350	351	1	1.75	0.44	183	

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	<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>Stavelly Project</p> <p>Thursday's Gossan Prospect</p> <p>Stavelly Minerals' RC Drilling</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>Stavelly Minerals' Diamond Drilling</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>
	<i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i>	<p>Stavelly Project</p> <p>Thursday's Gossan Prospect</p> <p>Stavelly Minerals' Diamond and RC Drilling</p> <p>Sample representivity was ensured by a combination of Company Procedures regarding quality control (QC) and quality assurance/ testing (QA). Certified standards and blanks were inserted into the assay batches.</p>
	<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</i>	<p>Stavelly Project</p> <p>Thursday's Gossan Prospect</p> <p>Stavelly Minerals' Diamond Drilling</p> <p>Drill sampling techniques are considered industry standard for the Stavelly 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% < 2mm, riffle/rotary split off 1kg, pulverize to >85% passing 75 microns.</p> <p>Diamond core samples were analysed by ME-ICP61 – multi acid digest with HF and ICPAES and ICPMS and Au-AA23 – fire assay with AAS finish.</p> <p>Stavelly Minerals' RC Drilling</p> <p>Drill sampling techniques are considered industry standard for the Stavelly work programme.</p>

Criteria	JORC Code explanation	Commentary
	<i>warrant disclosure of detailed information.</i>	<p>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.</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>
Drilling techniques	<i>Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).</i>	<p>Stavelly Project</p> <p>Thursday’s Gossan Prospect</p> <p>Stavelly Minerals’ Diamond Drilling</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. Holes SMD016, SMD017, SMD018, SMD019, SMD020, SMD021 SMD022, SMD023, SMD024, SMD025, SMD026 and SMD028 were 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>SMD017, SMD018, SMD019, SMD020, SMD021, SMD022 SMD023, SMD024 and SMD025 were orientated at -60° towards azimuth 070° to depths of 793.6m, 96.3m, 477.5m, 465.4m, 534.9m, 406.2m, 330.6m, 509.6m and 399.2m respectively. SMD026 and SMD028 were orientated at -60° towards azimuth 070° and are still in progress.</p> <p>Stavelly Minerals’ RC Drilling</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</p>

Criteria	JORC Code explanation	Commentary
		<p>5¹/₄" to 5³/₄" drill bits. A Reflex Digital Ezy-Trac survey camera was used.</p> <p>The holes were oriented at -60° towards azimuth 070°.</p>
Drill sample recovery	<i>Method of recording and assessing core and chip sample recoveries and results assessed.</i>	<p>Stavelly Project Thursday's Gossan Prospect Stavelly Minerals' Diamond Drilling</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, SMD016, and SMD017 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. Core recoveries for SMD018, SMD019, SMD020, SMD021, SMD022, SMD023 and SMD024 were good with the holes averaging above 92% recovery for the total hole. Core recoveries for SMD025 averaged 84.5% recovery.</p> <p>Stavelly Minerals' RC Drilling</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>
	<i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i>	<p>Stavelly Project Thursday's Gossan Prospect Stavelly Minerals' Diamond Drilling</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>Stavelly Minerals' RC Drilling</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>
	<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>Stavelly Project Thursday's Gossan Prospect Stavelly Minerals' Diamond Drilling</p> <p>Not an issue relevant to diamond drilling.</p> <p>Stavelly Minerals' RC Drilling</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>

Criteria	JORC Code explanation	Commentary
Logging	<i>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</i>	<p>Stavelly Project</p> <p>Thursday's Gossan Prospect</p> <p>Stavelly Minerals' Diamond and RC Drilling</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>
	<i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i>	<p>Stavelly Project</p> <p>Thursday's Gossan Prospect</p> <p>Stavelly Minerals' Diamond Drilling</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>Stavelly Minerals' RC Drilling</p> <p>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.</p>
	<i>The total length and percentage of the relevant intersections logged.</i>	<p>Stavelly Project</p> <p>Thursday's Gossan Prospect</p> <p>Stavelly Minerals' Diamond Drilling</p> <p>Detailed diamond core logging, with digital capture, was conducted for 100% of the core by Stavelly Minerals' on-site geologist at the Company's core shed near Glenthompson.</p> <p>Stavelly Minerals' RC Drilling</p> <p>All RC chip samples were geologically logged by Stavelly Minerals' on-site geologist on a 1m basis, with digital capture in the field.</p>
Sub-sampling techniques and sample preparation	<i>If core, whether cut or sawn and whether quarter, half or all core taken.</i>	<p>Stavelly Project</p> <p>Thursday's Gossan Prospect</p> <p>Stavelly Minerals' Diamond Drilling</p> <p>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>
	<i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i>	<p>Stavelly Project</p> <p>Thursday's Gossan Prospect</p> <p>Stavelly Minerals' RC Drilling</p> <p>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>
	<i>For all sample types, the nature, quality and appropriateness of the</i>	<p>Stavelly Project</p> <p>Thursday's Gossan Prospect</p> <p>Stavelly Minerals' Diamond and RC Drilling</p>

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

Criteria	JORC Code explanation	Commentary
		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.
	<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>	
	<i>Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.</i>	<p>Stavely Project Thursday's Gossan Prospect Stavely Minerals' Diamond and RC Drilling</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> <p>Results from the CRM standards and the blanks gives confidence in the accuracy and precision of the assay data returned from ALS.</p>
Verification of sampling and assaying	<i>The verification of significant intersections by either independent or alternative company personnel.</i>	<p>Stavely Project Thursday's Gossan Prospect Stavely Minerals' Diamond and RC Drilling</p> <p>Either Stavely Minerals' Managing Director or Technical Director has visually verified significant intersections in the core and RC chips at Thursday's Gossan.</p>
	<i>The use of twinned holes.</i>	No twinned holes have been drilled.
	<i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i>	<p>Stavely Project Thursday's Gossan Prospect Stavely Minerals' Diamond and RC Drilling</p> <p>Primary data was collected for drill holes using the OCRIS logging template on Panasonic Toughbook laptop computers using lookup codes. The information was sent to a database consultant for validation and compilation into a SQL database.</p>
	<i>Discuss any adjustment to assay data.</i>	No adjustments or calibrations were made to any assay data used in this report.
Location of data points	<i>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</i>	<p>Stavely Project Thursday's Gossan Prospect Stavely Minerals' Diamond and RC Drilling</p> <p>Drill collar locations were pegged before drilling and surveyed using Garmin handheld GPS to accuracy of +/- 3m. Collar surveying was performed by Stavely Minerals'</p>

Criteria	JORC Code explanation	Commentary
		<p>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>
	<i>Specification of the grid system used.</i>	The grid system used is GDA94, zone 54.
	<i>Quality and adequacy of topographic control.</i>	<p>At the 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.</p> <p>For Stavelly 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>
Data spacing and distribution	<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>Stavelly Project</p> <p>Thursday's Gossan Prospect</p> <p>Stavelly Minerals' Diamond Drilling</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>Stavelly Minerals' RC Drilling</p> <p>No sample compositing has been applied.</p>
Orientation of data in relation to geological structure	<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>Stavelly Project</p> <p>Thursday's Gossan Prospect</p> <p>Stavelly Minerals' Diamond and RC Drilling</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 and reported if material.</i>	<p>Stavelly Project</p> <p>Thursday's Gossan Prospect</p> <p>Stavelly Minerals' Diamond and RC Drilling</p> <p>There is insufficient drilling data to date to demonstrate continuity of mineralised domains and determine if any orientation sampling bias can be identified in the data.</p>
Sample security	<i>The measures taken to ensure sample security.</i>	Stavelly Project

Criteria	JORC Code explanation	Commentary
		<p>Thursday's Gossan Prospect</p> <p>Stavely Minerals' Diamond and RC Drilling</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>
Audits or reviews	<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
Mineral tenement and land tenure status	<i>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</i>	<p>Stavely Project</p> <p>The diamond drilling 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>Stavely Project</p> <p>A retention licence, RL2017, was applied for over the majority of EL4556 in May 2014.</p> <p>The tenement is in good standing and no known impediments exist.</p>
Exploration done by other parties	<i>Acknowledgment and appraisal of exploration by other parties.</i>	<p>Stavely Project</p> <p>Thursday's Gossan Prospect</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> <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>

Criteria	JORC Code explanation	Commentary
		<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 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 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>
Geology	<i>Deposit type, geological setting and style of mineralisation.</i>	<p>Stavely Project</p> <p>Thursday's Gossan Prospect</p> <p>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.</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 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. Stavely</p>

Criteria	JORC Code explanation	Commentary
		Minerals believes the technical evidence indicates there is significant porphyry copper-gold mineralisation potential at depth at Thursday's Gossan.
Drill hole Information	<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: 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.</i>	Included in the drill hole table in the body of the report.
	<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>	No material drill hole information has been excluded.
Data aggregation methods	<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>	Stavelly 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.
	<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>	Stavelly 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 length.
	<i>The assumptions used for any reporting of metal</i>	No metal equivalent values are used for reporting exploration results.

Criteria	JORC Code explanation	Commentary
	<i>equivalent values should be clearly stated.</i>	
Relationship between mineralisation widths and intercept lengths	<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>	Stavelly 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.
	<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.
Diagrams	<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.
Balanced reporting	<i>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</i>	Stavelly 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	<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.

Criteria	JORC Code explanation	Commentary
Further work	<p><i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</i></p> <p><i>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></p>	<p>Stavely Project</p> <p>Thursday's Gossan Prospect</p> <p>Further deep diamond drilling has been planned to test the targeted high grade copper-gold mineralisation both above and below the low-angle structure.</p>