

Thursday's Gossan Porphyry Project – Diamond Drilling Update

Strong Copper and Polymetallic Mineralisation in Porphyry 'D' Veins as Drilling Targets Magnetic Features

Latest assay results include 3m at 1.24% Cu, 0.35 g/t Au, 13 g/t Ag, 2.45% Zn and 0.40% Pb in peripheral porphyry 'D' veins as drilling strategy focuses on magnetic features and porphyry 'M' veins as a vector to the hotter part of the mineralised system

Highlights

- Strong peripherally-located mineralisation in sulphide-rich porphyry 'D' veins intersected in diamond drill hole SMD023; including:
 - 14m at 0.36% copper; and
 - 16m at 0.34% copper, including:
 - 3m at 0.44% copper, 0.16 g/t gold and 9 g/t silver
 - 10m at 0.37% copper, 0.20 g/t gold and 93 g/t silver, including:
 - 3m at 0.51% copper, 0.31 g/t gold and 206 g/t silver
- Strong polymetallic mineralisation in porphyry 'D' veins encountered in hole SMD024, including:
 - 3m at 1.24% copper, 0.35 g/t gold, 13 g/t silver, 2.45% zinc and 0.40% lead;
 - 70m at 0.22% copper, including:
 - 3m at 1.01% copper, 0.16 g/t gold and 8 g/t silver
 - 13m at 0.38% copper and 4 g/t silver
- Recent drilling at Thursday's Gossan has been testing previously un-drilled magnetic features interpreted to reflect hydrothermal magnetite as disseminations and porphyry 'M' veins.
- These features are considered to be a vector to the hotter part of the mineralised system, where higher-grade copper and significantly higher-grade gold are expected.
- Additional high-powered track-mounted drill rig due on site next week.

Stavely Minerals Limited (ASX Code: **SVY** – "Stavely Minerals") is pleased to announce further highly encouraging drilling results from its 100%-owned **Thursday's Gossan prospect** in the Stavely Copper-Gold Project, located in western Victoria (Figure 1).

Strong peripheral mineralisation in sulphide-rich porphyry 'D' veins has been intersected by drill hole SMD023, with assays including (Figures 2 and 3):

- 14m at 0.36% copper
- 16m at 0.34% copper including:
 - 3m at 0.44% copper, 0.16 g/t gold and 9 g/t silver
- 10m at 0.37% copper, 0.20 g/t gold and 93 g/t silver including:
 - 3m at 0.51% copper, 0.31 g/t gold and 206 g/t silver

Strong polymetallic mineralisation was intersected in porphyry 'D' veins in hole SMD024, including:

- 3m at 1.24% copper, 0.35 g/t gold, 13 g/t silver, 2.45% zinc and 0.40% lead
- 70m at 0.22% copper including:
 - 3m at 1.01% copper, 0.16 g/t gold and 8 g/t silver
- 13m at 0.38% copper and 4 g/t silver

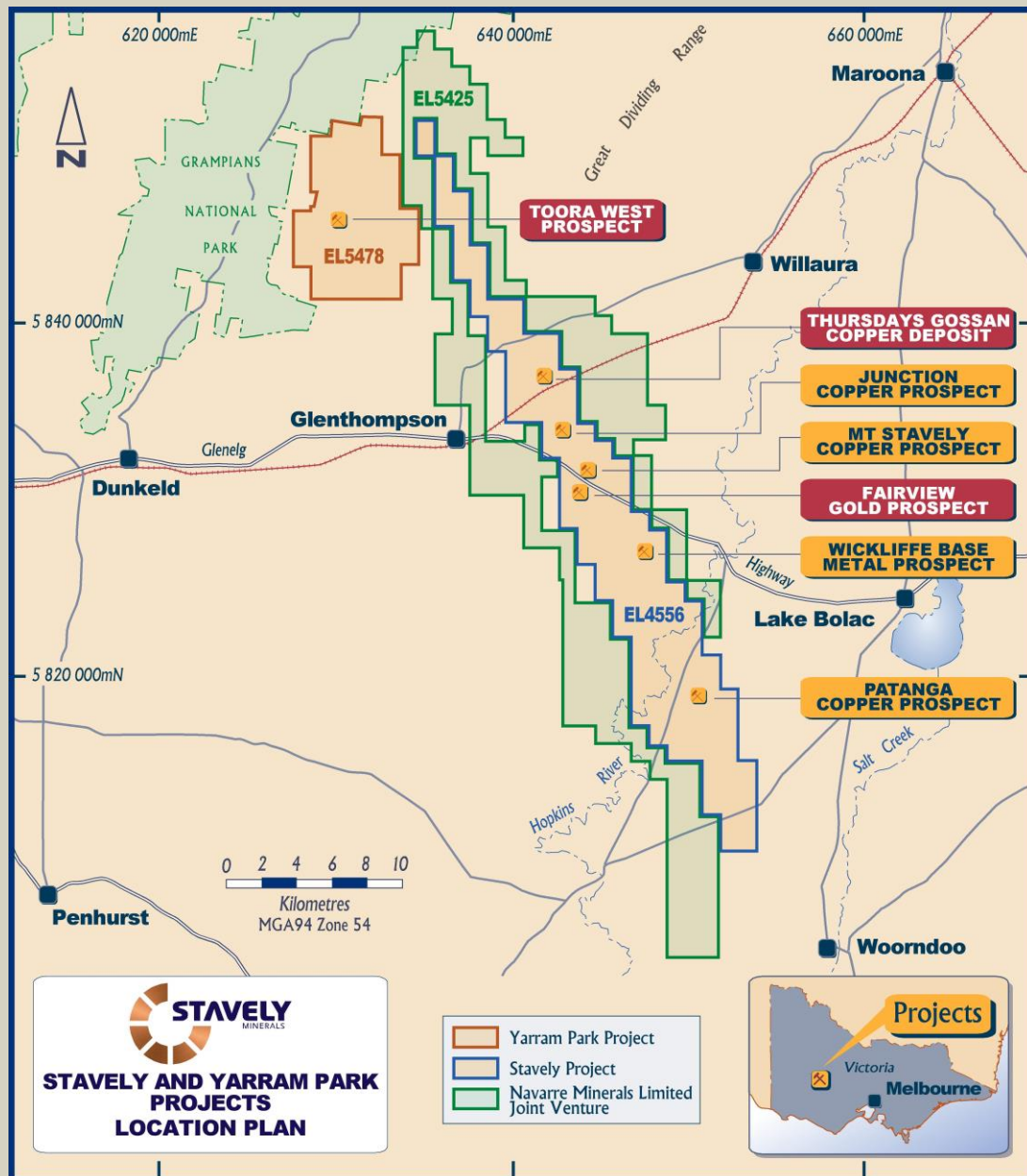


Figure 1. Stavely Project location map.

Current Drill Strategy

Recent drilling at Thursday's Gossan has been testing previously un-drilled magnetic features (Figure 4) interpreted to reflect hydrothermal magnetite as disseminations and porphyry 'M' veins as a vector to the hotter part of the mineralised system, where higher-grade copper and significantly higher-grade gold are expected.

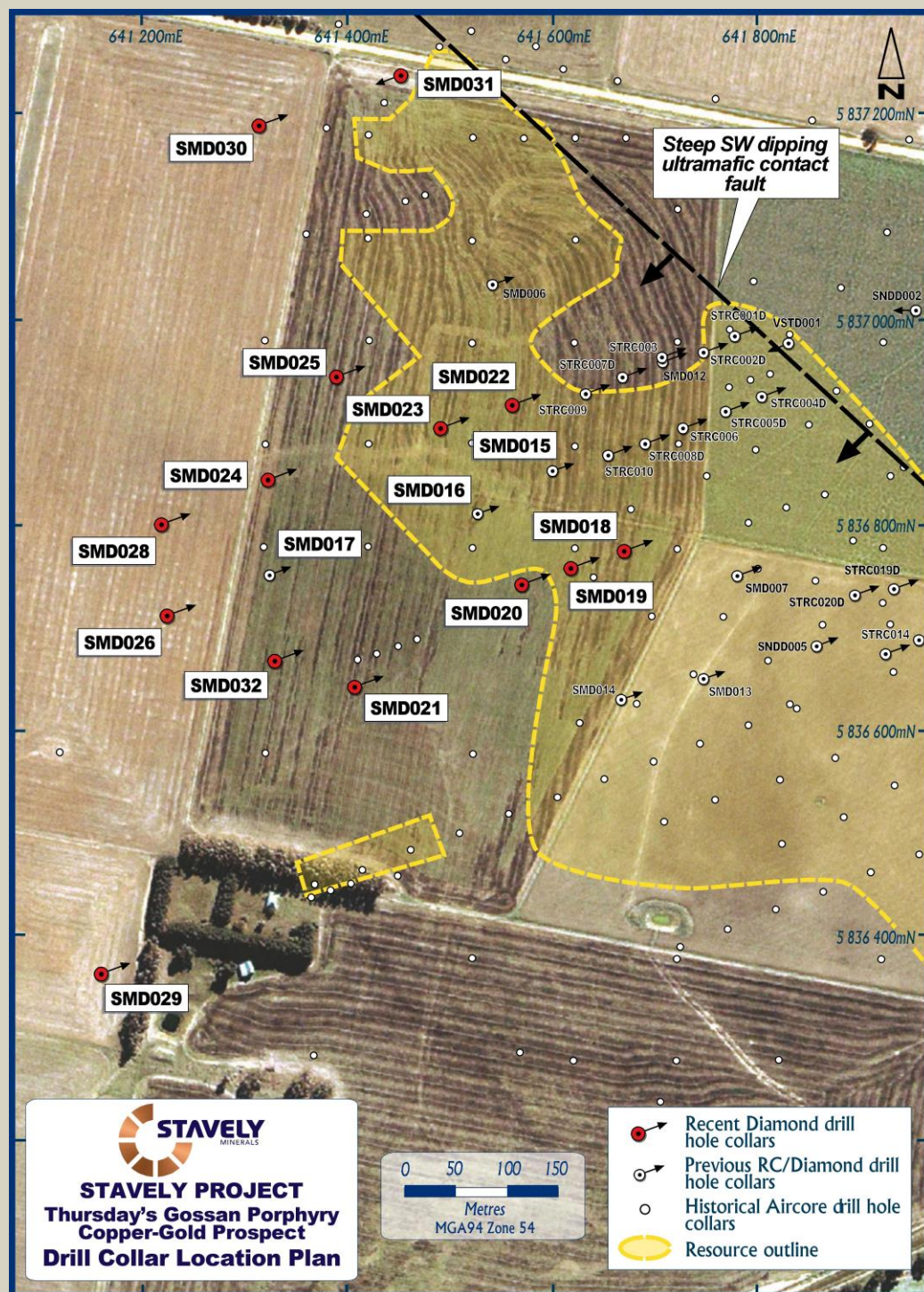


Figure 2. Thursday's Gossan drill collar location plan.

In his recent report reviewing drill holes from Thursday's Gossan (refer to www.stavely.com.au/technical-data), respected porphyry expert Dr Greg Corbett noted that the laminated quartz-magnetite porphyry 'M' veins are the primary interest for future exploration.

Dr Corbett's key observation was that the laminated 'M' veins encountered to date in drill holes SMD017 and SMD024 – both intercepts located below the low-angle structure (LAS) – were developed in cooler conditions than would otherwise be conducive to precipitation of the copper sulphides chalcopyrite and bornite.

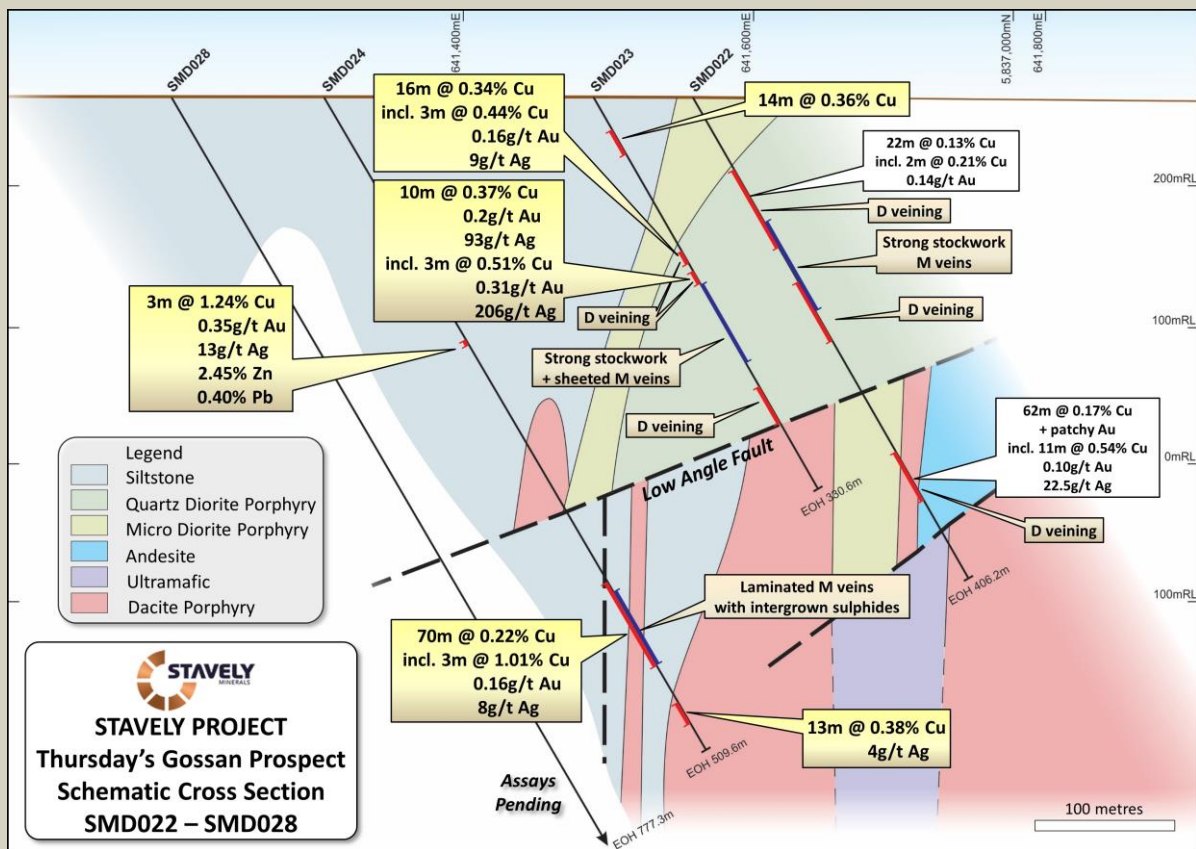


Figure 3. Drill section including SMD023 and SMD024.

Consequently, Dr Corbett's recommendation is to follow the 'M' veins down towards the source intrusion into the hotter central potassic hydrothermal alteration zone. It could be expected that, as the 'M' veins become developed in progressively hotter conditions, they would host chalcopyrite, followed by mixed chalcopyrite-bornite and then bornite as the main copper sulphides towards the core of the mineralised porphyry.

Further, it is expected that the gold grade will increase proportionately as the bornite abundance increases, given gold's high affinity with bornite.

Based on these observations – and the observation by the Company's field-based geology team that a number of magnetic features from a 2006 airborne magnetic survey had yet to be tested with drilling but could reflect disseminated or vein-hosted magnetite in 'M' veins – recent drilling has been targeting prominent magnetic highs in the area of interest (Figure 4).

Figure 4 shows an image of the first vertical derivative of an airborne magnetic survey flown in 2006 with drill collar locations. Magnetic anomaly 'A' is a serpentinite unit with abundant metasomatic magnetite and is of no economic interest. Magnetic anomaly 'B' has been modelled at 80-150m depth and SMD030, which was designed to test magnetic anomaly 'B', was a failed hole due to poor ground conditions.

SMD031 was shifted to the north-eastern side of magnetic anomaly 'B' and drilling to the south-west is currently in progress in much better ground conditions and will be reported in-

full when the hole is completed but has intercepted hydrothermal magnetite alteration as disseminations, veins and within a hydrothermal breccia.

The large and strong magnetic feature 'D' was modelled at 400m depth; hole SMD029 intersected abundant disseminated magnetite and lesser magnetite in veins in a predominantly sandstone host from 150m to 400m.

The magnetite is clearly hydrothermal in origin and part of the mineralising system. However, the sandstone is quite porous and the hydrothermal fluids responsible for mineralisation could have flowed some considerable distance from the source porphyry within this unit.

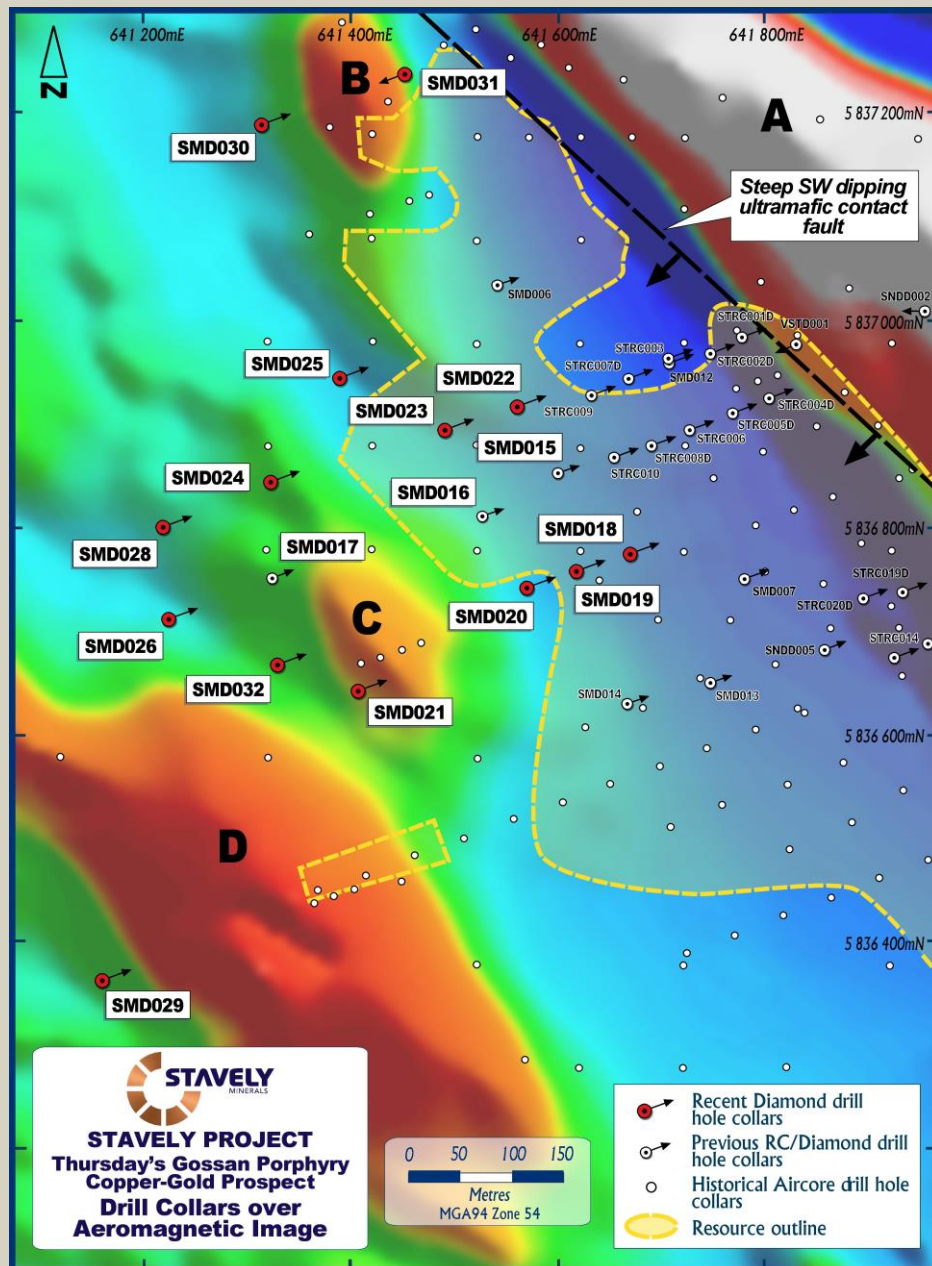


Figure 4. 1VD magnetic image of the area of interest at Thursday's Gossan with drill collars overlaid. All holes drilled at -60 degrees to 070 azimuth with the exception of SMD031. Magnetic features of note annotated A to D.

Drill hole SMD017 hosted the most promising interval of laminated porphyry 'M' veins drilled to date and had minor chalcopyrite intergrown with the magnetite in the 'M' veins. The laminated 'M' veins in SMD017 were located below the LAS and east of a north-south structure. See Figure 3 for the 'M' vein location in SMD024 in a similar structural location to SMD017 – beneath the LAS and east of the north-south structure.

As can be seen in Figure 4, SMD017 drilled the northern edge of magnetic feature 'C'. This magnetic feature appears less intense than the other magnetic features, but this may reflect that it has some 400m of non-magnetic stratigraphy located above it above the LAS. Drill hole SMD024 had intersected laminated 'M' veins in an area with a weak magnetic ridge extending north from magnetic anomaly 'C'.

Stavely had hoped that SMD026 would have intersected the same laminated 'M' veins observed in SMD017 at greater depth, and in hotter conditions of development. Only minor 'M' veins were observed in SMD026 and the Company believes that this hole drilled under the 'M' veins as a north-extending lateral lobe in SMD017.

SMD032 has been collared 80m south of SMD017 and is targeting the central core of magnetic feature 'C'. It is hoped that the core of this magnetic feature is the hotter zone of 'M' vein development and will host increasing abundances of chalcopyrite and bornite with the laminated 'M' veins.

Stavely Minerals is expecting another high-capacity track-mounted drill rig to arrive on-site next week and it will be moved onto a drill collar position located 80m behind SMD032.

Stavely Minerals' MD Chris Cairns said: *"We are well in the hunt for this elusive copper-gold porphyry. All the indications are that the porphyry is intact at depth and that we need to get into the hotter portion to begin seeing well-developed copper-gold mineralisation. We are bringing to bear some of the best minds and advanced technologies available to assist in hunting this one down but we are well funded, we are very close and we are determined to see what this incredible porphyry system has for us when we get to the core."*

Drilling is slow due to difficult ground conditions in the upper portions (~300m) of the drill holes. Apparent 'broken' ground is actually probably a reflection of dissolution of gypsum on fractures when exposed to the water table. At depth we note abundant anhydrite (sulphate) veins which, when exposed to water hydrates to gypsum and then dissolves completely giving the appearance of broken ground. Nevertheless, it is a challenge to drill through in most drill holes recently but once we find the target, we will be able to employ other drill strategies using 'mother' and multiple 'daughter' drill holes to make optimal use of a single casing to ~400 metres. I would ask shareholders to be patient as these very important exploration drill holes go in."

Drill Hole Descriptions

SMD023

SMD023 encountered siltstone (1-75m), porphyritic micro diorite (75-122m) and quartz diorite porphyry (122-275m). The LAS was intersected at 275m-281m, below which the hole encountered mostly porphyritic andesite and dacites (281-330.6m).

Quartz-magnetite \pm hematite stockwork veining was first noticed at 120m, the intensity of which became strong from 150m down to 224m (Photos 1 & 2). Below 224m, the quartz-magnetite \pm hematite veining intensity became markedly less down to 243m.



Photo 1. Quartz-magnetite \pm hematite 'M' veins cross-cut by a quartz-pyrite 'B' vein in a quartz diorite porphyry at 161m.

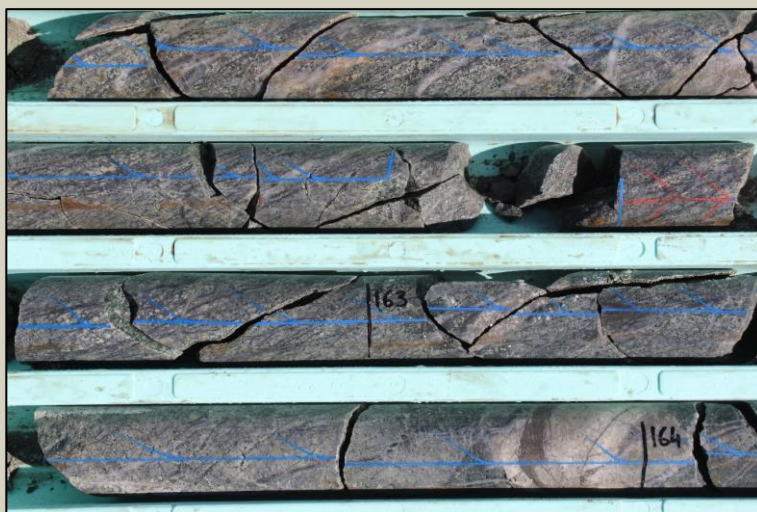


Photo 2. Sheeted quartz-magnetite \pm hematite veining at 163m.

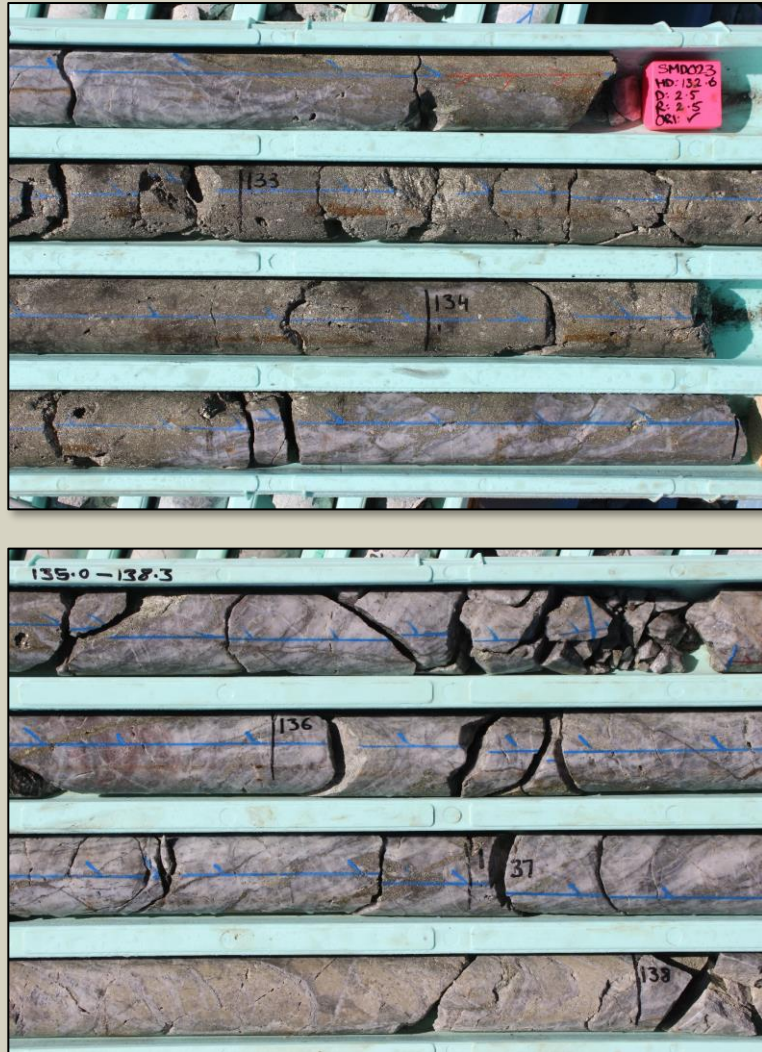


Photo 3a & b. Pyrite-quartz ± hematite veining at 132m to 138m.

A massive pyrite-quartz ± hematite 'D' vein was intersected from 130m to 140m in which the pyrite cross cuts the earlier quartz-hematite vein (Photo 3a & b).

Pyrite ± quartz 'D' veining with strong sericite alteration halos was strong between 147m and 157m and another massive quartz-pyrite ± hematite vein is seen from 224m to 226m again with the pyrite cross cutting the earlier quartz-hematite vein (Photo 4). Below 243m there are regular pyrite ± quartz 'D' veins with sericite halos down to the LAS.



Photo 4. Pyrite-quartz ± hematite veining at 225m.

The quartz diorite porphyry hosting the 'M' veins has mostly pervasive sericite alteration which appears to possibly be overprinting K-feldspar alteration (Photo 5).

Recent petrography work has indicated that there are patches of K-feldspar alteration associated with the 'M' veins which has been overprinted by sericite alteration. The 'wormy' 'A' type quartz veins are interpreted to have formed in the carapace at the top of a cooling porphyry intrusion. The implication is that drilling is intersecting an area near the top of the porphyry system and that the expected copper-gold mineralised porphyry is likely to be preserved.



Photo 5. Quartz diorite porphyry with early 'wormy' 'A' type quartz veins, 'M' type quartz-magnetite veins over-printing sericite alteration over-printing probable k-feldspar alteration at 181m.

SMD024

SMD024 was drilled at -60 degrees to 070 azimuth to test the area beneath the LAS north of the 'M' vein intersection in SMD017.

Above the LAS, the drill hole intersected siltstone and sandstone (1-105m, 200-273m), porphyritic andesite (105-200m), dacite porphyry (273-321m). The LAS was intersected at 321-323m beneath which the hole intersected sandstone and siltstone with occasional quartz-pyrite-molybdenite 'D' veins (Photo 6).



Photo 6. Quartz-pyrite-molybdenite 'D' vein at 332m.

At 375m, a major shear was intersected which is interpreted to be a major north-south trending structure (Figure 3 and Photo 7) and is possibly the same structure that was seen in SMD017 below the LAS at 405m.



Photo 7. Major north-south trending shear at 375m.

Through this shear the drill hole intersected strong quartz-magnetite \pm pyrite \pm chalcopyrite veining down to approximately 450m (Photo 8). The quartz-magnetite \pm pyrite \pm chalcopyrite veining has been overprinted by strong pyrite veining (Photo 9). At 415-432m there is an intensely sericite altered porphyritic dacite with strong pyrite \pm chalcopyrite veining and moderate disseminated pyrite $>$ chalcopyrite which does not contain 'M' veins.



Photo 8. Quartz-magnetite ± pyrite ± chalcopyrite veining at 441m. Note the 'wormy' character of the 'M' veins interpreted to be 'AM' veins – being 'M' veins with 'A' vein characteristic 'wormy' texture.



Photo 9. Quartz-magnetite ± pyrite ± chalcopyrite veining being cut by later pyrite 'D' veins at 399.5m.

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	796
SMD028	DD	641220	5836800	-60/070	264	777.3
SMD029/ SMD029W	DD	641164	5836363	-60/070	264	384/ 837.5
SMD030	DD	641315	5837185	-60/070	264	109.4
SMD031	DD	641455	5837235	-60/250	264	In progress
SMD032	SS	641330	5836665	-60/070	264	In Progress

Thursday's Gossan Prospect – Intercept Table

MGA 94 zone 54							Intercept							
Hole id	Hole Type	East	North	Dip/ Azimuth	RL (m)	Total Depth (m)	From (m)	To (m)	Width (m)	Cu (%)	Au (g/t)	Ag (g/t)	Zn (%)	Pb (%)
SMD023	DD	641490	5836895	-60/070	264	330.6	29	43	14	0.36				
						Incl.	74	90	16	0.34				
							85	88	3	0.44	0.16	9		
							130	140	10	0.37	0.20	93		
						Incl.	132	135	3	0.51	0.31	206		
SMD024	DD	641315	5836835	-60/070	264	509.6	190	193	3	1.24	0.35	13	2.45	0.40
						Incl. and	372	442	70	0.22				
							372	375	3	1.01	0.16	8		
							479	492	13	0.38		4		

JORC Code, 2012 Edition – Table 1

Section 1 Sampling Techniques and Data

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

Criteria	JORC Code explanation	Commentary
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>Stavely Project</p> <p>Thursday's Gossan Prospect</p> <p>Stavely 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>Stavely 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>Stavely Project</p> <p>Thursday's Gossan Prospect</p> <p>Stavely 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 warrant disclosure of</i>	<p>Stavely Project</p> <p>Thursday's Gossan Prospect</p> <p>Stavely Minerals' Diamond Drilling</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 Adelaide, SA. 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>Stavely Minerals' RC Drilling</p> <p>Drill sampling techniques are considered industry standard for the Stavely work programme.</p> <p>The 1m split samples were submitted to Australian</p>

Criteria	JORC Code explanation	Commentary
	<i>detailed information.</i>	<p>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 orientated 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, SMD028, SMD029, SMD029W and SMD030 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, SMD025, SMD026, SMD028 and SMD029/SMD029W 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, 399.2m, 796m, 777.3m and 837.5m, respectively. SMD029 was drilled to a depth of 384m and a wedge SMD029W was continued on to a depth of 837.5m. SMD030 was oriented at -60° towards azimuth 070° to a depth of 109.4m where the hole failed.</p> <p>SMD031 and SMD032 were orientated at -60° towards azimuth 150° and 070°, respectively are in progress. SMD031 is a re-drill of SMD030 from the opposite direction.</p>

Criteria	JORC Code explanation	Commentary
		Stavely Minerals' RC Drilling <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 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>	Stavely Project Thursday's Gossan Prospect Stavely Minerals' Diamond Drilling <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 recovery for SMD025 averaged 84.5%. Core recovery for SMD026 and SMD028 was 91% and 95% respectively. Core recovery for SMD029 was 90% and for SMD029W was 93%. The core recovery for SMD030 was not good, at an average of 69%. SMD030 was abandoned at 109m.</p> Stavely Minerals' RC Drilling <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>	Stavely Project Thursday's Gossan Prospect Stavely Minerals' Diamond Drilling <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> Stavely Minerals' RC Drilling <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>

Criteria	JORC Code explanation	Commentary
	<i>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</i>	Stavely Project Thursday's Gossan Prospect Stavely Minerals' Diamond Drilling Not an issue relevant to diamond drilling. Stavely Minerals' RC Drilling No analysis has been undertaken as yet regarding whether sample bias may have occurred due to preferential loss/gain of fine/coarse material and is not considered to have a material effect given the good sample recovery.
Logging	<i>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</i>	Stavely Project Thursday's Gossan Prospect Stavely Minerals' Diamond and RC Drilling Geological logging of samples followed Company and industry common practice. Qualitative logging of samples including, but not limited to, lithology, mineralogy, alteration, veining and weathering. Diamond core logging included additional fields such as structure and geotechnical parameters. Magnetic Susceptibility measurements were taken for each 1m RC and diamond core interval.
	<i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i>	Stavely Project Thursday's Gossan Prospect Stavely Minerals' Diamond Drilling All logging is quantitative, based on visual field estimates. Systematic photography of the diamond core in the wet and dry form was completed. Stavely Minerals' RC Drilling All logging is quantitative, based on visual field estimates. Chip trays with representative 1m RC samples were collected and photographed then stored for future reference.
	<i>The total length and percentage of the relevant intersections logged.</i>	Stavely Project Thursday's Gossan Prospect Stavely Minerals' Diamond Drilling 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. Stavely Minerals' RC Drilling All RC chip samples were geologically logged by Stavely Minerals' on-site geologist on a 1m basis, with digital capture in the field.
Sub-sampling techniques and sample preparation	<i>If core, whether cut or sawn and whether quarter, half or all core taken.</i>	Stavely Project Thursday's Gossan Prospect Stavely Minerals' Diamond Drilling Quarter core for the PQ diameter diamond core and half core for the HQ diameter core was sampled on site using a core saw.

Criteria	JORC Code explanation	Commentary
	<i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i>	Stavely Project Thursday's Gossan Prospect Stavely Minerals' RC Drilling Splitting of RC samples occurred via a rotary cone splitter by the RC drill rig operators. Cone splitting of RC drill samples occurred regardless of whether the sample was wet or dry.
	<i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i>	Stavely Project Thursday's Gossan Prospect Stavely Minerals' Diamond and RC Drilling Company procedures were followed to ensure sub-sampling adequacy and consistency. These included, but were not limited to, daily work place inspections of sampling equipment and practices.
	<i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i>	Stavely Project Thursday's Gossan Prospect Stavely Minerals' Diamond and RC Drilling Blanks and certified reference materials are submitted with the samples to the laboratory as part of the quality control procedures.
	<i>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</i>	Stavely Project Thursday's Gossan Prospect Stavely Minerals' Diamond and RC Drilling No second-half sampling of the diamond core or field duplicates for the RC drilling has been conducted at this stage.
	<i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i>	Stavely Project Thursday's Gossan Prospect Stavely Minerals' Diamond and RC Drilling The sample sizes are considered to be appropriate to correctly represent the sought mineralisation.
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>	Stavely Project Thursday's Gossan Prospect Stavely Minerals' Diamond and RC Drilling The core samples and 1m RC split samples were analysed by multielement ICPAES Analysis - Method ME-ICP61. A 0.25g sample is pre-digested for 10-15 minutes in a mixture of nitric and perchloric acids, then hydrofluoric acid is added and the mixture is evaporated to dense fumes of perchloric (incipient dryness). The residue is leached in a mixture of nitric and hydrochloric acids, the solution is then cooled and diluted to a final volume of 12.5mls. Elemental concentrations are measured simultaneously by ICP Atomic Emission Spectrometry. This technique approaches total dissolution of most minerals and is considered an appropriate assay method for porphyry copper-gold systems. The core samples and 1m RC split samples were also analysed for gold using Method Au-AA23. Up to a 30g

Criteria	JORC Code explanation	Commentary
		sample is fused at approximately 1,100°C with alkaline fluxes including lead oxide. During the fusion process lead oxide is reduced to molten lead which acts as a collector for gold. When the fused mass is cooled the lead separates from the impurities (slag) and is placed in a cupel in a furnace at approximately 900°C. The lead oxidizes to lead oxide, being absorbed by the cupel, leaving a bead (prill) of gold, silver (which is added as a collector) and other precious metals. The prill is dissolved in aqua regia with a reduced final volume. Gold content is determined by flame AAS using matrix matched standards. For samples which are difficult to fuse a reduced charge may be used to yield full recovery of gold. This technique approaches total dissolution of most minerals and is considered an appropriate assay method for detecting gold mineralisation.
	<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>	Stavely Project Thursday's Gossan Prospect Stavely Minerals' Diamond and RC Drilling Laboratory QAQC involved the submission of standards and blanks. For every 20 samples submitted either a standard or blank was submitted. The analytical laboratory provide their own routine quality controls within their own practices. The results from their own validations were provided to Stavely Minerals. Results from the CRM standards and the blanks gives confidence in the accuracy and precision of the assay data returned from ALS.
Verification of sampling and assaying	<i>The verification of significant intersections by either independent or alternative company personnel.</i>	Stavely Project Thursday's Gossan Prospect Stavely Minerals' Diamond and RC Drilling Either Stavely Minerals' Managing Director or Technical Director has visually verified significant intersections in the core and RC chips at Thursday's Gossan.
	<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>	Stavely Project Thursday's Gossan Prospect Stavely Minerals' Diamond and RC Drilling Primary data was collected for drill holes using the OCRIS logging template on Panasonic Toughbook laptop computers using lookup codes. The information was sent to a database consultant for validation and compilation

Criteria	JORC Code explanation	Commentary
		into a SQL database.
	<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>	Stavelly Project Thursday's Gossan Prospect Stavelly Minerals' Diamond and RC Drilling Drill collar locations were pegged before drilling and surveyed using Garmin handheld GPS to accuracy of +/- 3m. Collar surveying was performed by Stavelly Minerals' personnel. This is considered appropriate at this early stage of exploration. For the diamond holes, down-hole single shot surveys were conducted by the drilling contractor. Surveys were conducted at approximately every 30m down-hole.
	<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 magnetic survey conducted by UTS contractors measuring relative height using radar techniques. 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.
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>	Stavelly Project Thursday's Gossan Prospect Stavelly Minerals' Diamond Drilling Sample intervals were based on lithology but in general were 1m. No intervals were less than 0.4m or greater than 1.2m. Stavelly Minerals' RC Drilling No sample compositing has been applied.
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>	Stavelly Project Thursday's Gossan Prospect Stavelly Minerals' Diamond and RC Drilling 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. SMD031 is oriented at -60° towards 150° to test a magnetic high in the aeromagnetic data.

Criteria	JORC Code explanation	Commentary
	<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>	Stavely Project Thursday's Gossan Prospect Stavely Minerals' Diamond and RC Drilling There is insufficient drilling data to date to demonstrate continuity of mineralised domains and determine if any orientation sampling bias can be identified in the data.
Sample security	<i>The measures taken to ensure sample security.</i>	Stavely Project Thursday's Gossan Prospect Stavely Minerals' Diamond and RC Drilling Samples in closed poly-weave bags were collected from the Company's Glenthompson shed by a contractor and delivered to either Ararat or Hamilton from where the samples are couriered to ALS Laboratory in Adelaide, SA.
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>	Stavely Project The diamond drilling and RC drilling at Thursday's Gossan was located on EL4556, which forms the Stavely Project. The mineralisation at Thursday's Gossan is situated within exploration licence EL4556. The Stavely Project was purchased by Stavely Minerals (formerly Northern Platinum) from BCD Resources Limited in May 2013. Stavely Minerals hold 100% ownership of the Stavely Project tenements. The Stavely Project is on freehold agricultural land and not subject to Native Title claims. New Challenge Resources Pty Ltd retains a net smelter return royalty of 3% in EL4556, although there is an option to reduce this to 1% upon payment of \$500k.
	<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>	Stavely Project A retention licence, RL2017, was applied for over the majority of EL4556 in May 2014. The tenement is in good standing and no known impediments exist.
Exploration done by other parties	<i>Acknowledgment and appraisal of exploration by other parties.</i>	Stavely Project Thursday's Gossan Prospect Exploration activity became focused on Thursday's Gossan and the Junction prospects following their discovery by Pennzoil of Australia Ltd in the late 1970s. North Limited continued to focus on Thursday's Gossan in the 1990s. North's best drill result at Thursday's Gossan

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		<p>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> <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 as 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</p>

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		<p>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. Stavelly Minerals believes the technical evidence indicates there is significant porphyry copper-gold mineralisation potential at depth at Thursday's Gossan.</p>
Drill hole Information	<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.
Data aggregation methods	<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>Stavelly Project</p> <p>Thursday's Gossan Prospect</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><i>Where aggregate intercepts incorporate short lengths of high grade results and</i></p>	<p>Stavelly Project</p> <p>Thursday's Gossan Prospect</p> <p>In reporting exploration results, length weighted averages</p>

Criteria	JORC Code explanation	Commentary
	<i>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>	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.
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>	Stavely Project Thursday's Gossan Prospect There is insufficient drilling data to date to demonstrate continuity of mineralised domains and determine the relationship between mineralisation widths and intercept lengths.
	<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>	Stavely Project Thursday's Gossan Prospect All copper and gold values considered to be significant for porphyry mineralisation have been reported. Some subjective judgement has been used.
Other substantive exploration data	<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;</i>	All relevant exploration data is shown on figures and discussed in the text.

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