ASX Code: SVY

Issued Shares: 149.9M

Cash Balance: $6.56M

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HIGHLIGHTS

Exploration

Thursday's Gossan Copper-Gold Prospect (Stavely Project, Western Victoria)

- Site review by respected porphyry expert Dr Greg Corbett, including an examination of the 13 diamond holes completed since his previous visit in September 2017, has provided strong support for Stavely's targeted approach and recent progress.
- Drill hole SMD017 intersected:
  - 37m at 0.17% Cu from 21m in the chalcocite-enriched blanket outside the current Mineral Resource including 3m at 0.75 g/t Au, demonstrating the presence of significant shallow gold in this system not yet included in the Mineral Resource;
  - 2m at 2.80 g/t Au, 15.3 g/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 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 0.33% Cu and 0.14 g/t Au including 3m at 0.44% Cu and 0.29 g/t Au;
    - 1m at 0.81% Cu and 0.35 g/t Au; and
    - 1m at 0.86% Cu and 0.31 g/t Au
- Drill hole SMD022 intersected:
  - 62m at 0.17% Cu from 233m with patchy gold mineralisation including:
    - 1m at 0.77% Cu and 0.36 g/t Au; and
    - 1m at 0.36% Cu and 0.48 g/t Au
  - 11m at 0.54% Cu, 0.1 g/t Au and 22.5 g/t Ag from 344m including:
    - 1m at 1.94% Cu, 0.18 g/t Au and 77.4 g/t Ag; and
    - 1m at 1.75% Cu, 0.44 g/t Au and 183 g/t Ag
- 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.

Ravenswood Project (North Queensland)

- Connolly North prospect:
  - High-grade rock-chip results including:
    - 14.8 g/t Au, 12.75 g/t Au and 0.32 g/t Au with 3.17% Cu
  - High-grade stream sediment results including 1.61 g/t Au, 1.20 g/t Au and 1.18 g/t Au

- Mapping confirms low-angle structures/ mineralised quartz veins similar to those at the Sarsfield open pit at the nearby Ravenswood Gold Mine.
- Coherent geophysical IP chargeability anomaly identified.

- Trieste prospect:
  - High-grade rock-chip results including 7.38 g/t Au
  - Extremely high-grade stream sediment results including 7.29 g/t Au

Corporate

- $6.56M cash on hand as at 30 June 2018.
- $0.87M available pursuant to the Share Subscription Agreement with Drilling contractor, Titeline Drilling Pty Ltd.

OVERVIEW

Stavely Minerals was very busy in western Victoria during the June Quarter, with diamond drilling conducted at the Thursday's Gossan porphyry target and a magnetic anomaly on the Black Range JV, in the Stavely Project area as well as at the Honeysuckle gold target and Carroll's VMS target in the Ararat Project (Figure 1). In addition, IP surveys and surface sampling were conducted at the Connolly North and Area 8 prospects in the Ravenswood Project in north Queensland (Figure 2).

Since late 2017, 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 copper-gold deposit had total production to March 2012 of 76.7Mt at 0.63% copper and 1.83 g/t gold for a contained 483,000 tonnes of copper and 4.5 million ounces of gold[1].

In May 2018, well-respected porphyry expert Dr Greg Corbett visited the Stavely Project to review drill holes SMD013 through to SMD026. Dr Corbett has been to site a number of times previously, most recently in September 2017, and his experience in porphyry deposits is of great value and benefit to the Stavely team. Following Dr Corbett's visit, the Company has enhanced confidence that the observations of multiple phases of alteration, veining and mineralisation and the types of veining are all strong indications of proximity to the main body of the mineralised copper-gold porphyry, and that we are at the top of the system. The main body of the mineralisation should be preserved and that the current drilling programme is targeting the best opportunities for discovery.

Two drill rigs are currently operating at Thursday's Gossan with the drilling targeting the main body of the mineralised copper-gold porphyry below the LAS. Some additional structural complexities are being encountered relating to a north-south fault. This is to be expected with a porphyry that is 500Ma old, however the offset on the fault is not projected to be significant. Additional ASD measurements, sulphur isotope analysis and a structural review will be conducted during the next quarter to assist with drill targeting to provide the best opportunity for discovery.

One diamond hole was drilled to test a magnetic high along a major north-south structure on the Black Range JV tenement. The drilling intersected a gabbro with disseminated magnetite which would explain the magnetic anomaly.

At the Ararat Project, diamond drilling was conducted at the Honeysuckle gold prospect and the Carroll's VMS prospect. This drilling was the final exploration activities co-funded by the Victorian Government TARGET minerals exploration initiative. The two diamond holes at Honeysuckle were drilled to target IP chargeability anomalies in the vicinity of the historical gold workings. In both holes the rocks contained magnetite which would account for the IP anomaly. The intercepts with trace disseminated sulphides will be sampled. At Carroll's, a diamond hole

[1] Source: Porter GeoConsultancy Pty Ltd.

was drilled to test an off-hole DHEM conductor. Disseminated trace pyrite, chalcopyrite and pyrrhotite were observed throughout the hole. Assay results for the diamond hole at Carroll's were pending at the end of the quarter.

In north Queensland, an IP Survey was conducted at the Connolly North prospect in the Ravenswood West Project and Area 8 prospect in the Dreghorn Project. At Connolly there are large areas of flat, platy quartz vein float which could be indicative of a larger vein system similar to those at the Sarsfield and Nolans deposits at the Ravenswood Gold Mine, ~15km away. The IP survey at Connolly identified a coherent IP chargeability anomaly. Mapping, rock-chip sampling and stream sediment sampling was also undertaken at the Connolly North and Trieste prospects. Surface sampling at Connolly returned rock chip samples with results of up to 14.8 g/t gold and several stream sediment results in excess of 1 g/t gold. At the Trieste prospect, rock chip results of up to 7.38 g/t gold and stream sediment sample results of up to 7.29 g/t gold were returned. At Area 8, the IP survey returned a well constrained high resistivity anomaly.

On 6 June, Stavely Minerals hosted the Federal Minister for Resources and Northern Territory, Matt Canavan, and Wannon MP, Dan Tehan, at their site in western Victoria. They visited the two drill rigs at Thursday's Gossan and the coreshed near Glenthompson.

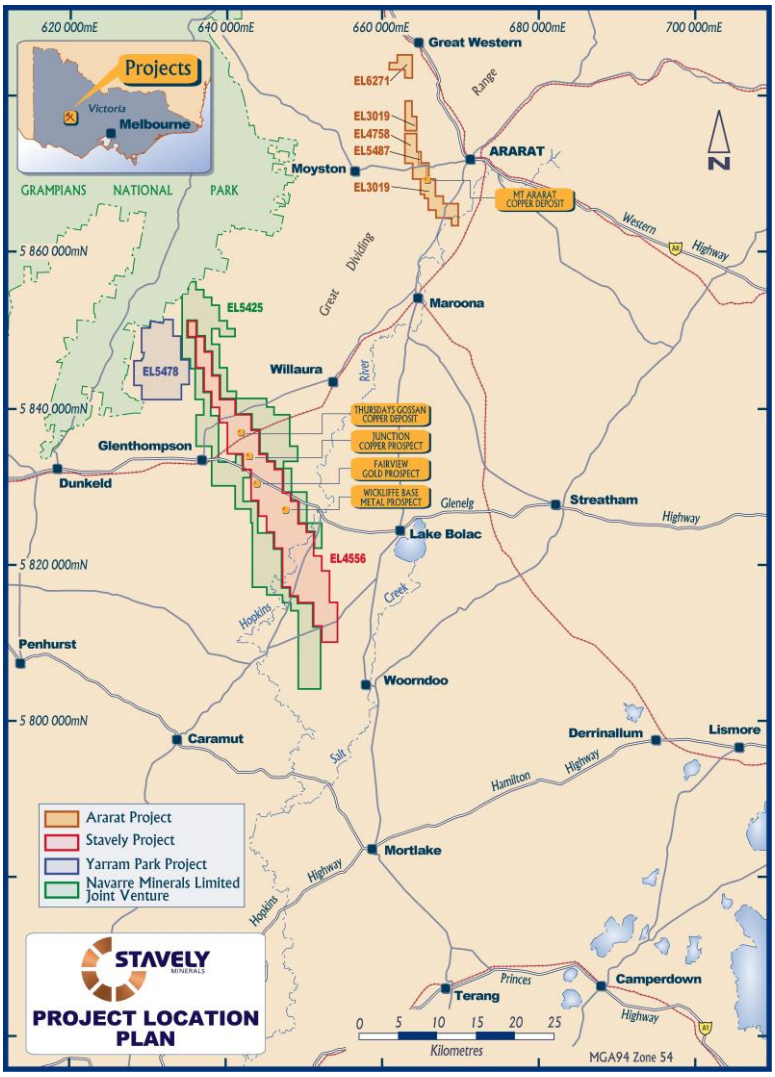

Figure 1. Western Victoria Project location plan.

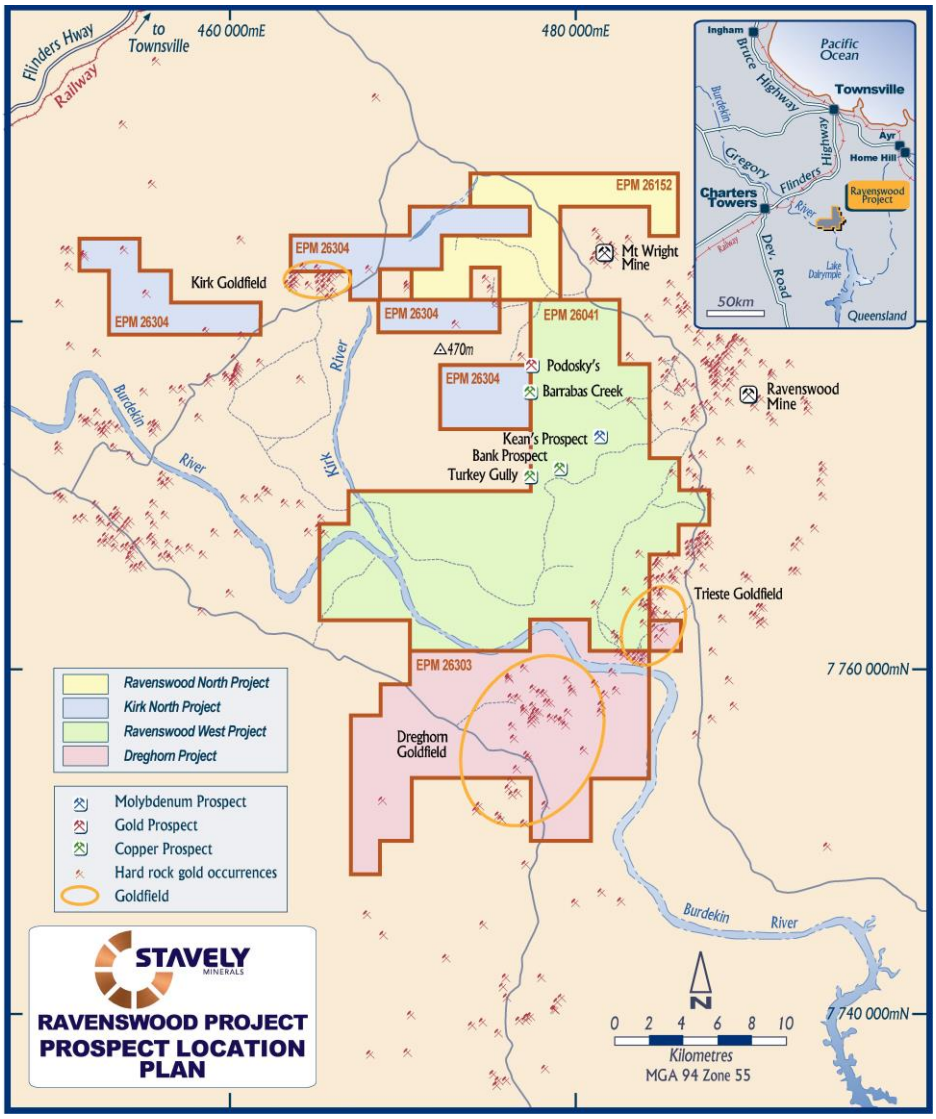

Figure 2. Ravenswood Project location plan.

EXPLORATION

Stavely Project (EL4556)

Thursday's Gossan Prospect

During the June Quarter, and subsequent to those holes reported on in the March Quarterly, four diamond drill holes, SMD024, SMD025, SMD026 and SMD028, were completed for a total of 2,482m (Figure 3). Since March, two diamond drill rigs have been in operation at the Thursday's Gossan prospect. Subsequent to the end of the quarter, drill holes SMD029 and SMD030 are in progress. Assay results for diamond holes SMD017, part of SMD020, SMD022 and SMD023 were received during the Quarter.

Hole SMD017 was drilled 210m to the west of SMD016 (Figure 3). SMD016 returned very encouraging assay results from a ~100m interval of porphyry 'D' veins located immediately below the LAS, with assay results including (Figure 4):

- 92m at 0.34% copper, 0.12 g/t gold and 4.4 g/t silver from 307m, including
    - 4m at 1.83% copper, 0.23 g/t gold and 7.5 g/t silver, and
    - 30m at 0.50% copper, 0.22 g/t gold and 7.3 g/t silver, including
        - 2m at 1.75% copper, 0.54 g/t gold and 37 g/t silver

Additionally, SMD016 intersected a shallow chalcocite-enriched zone of 25m at 0.28% copper from 33m down-hole.

Drill hole SMD017 intercepted 37 metres at 0.17% copper from 58 metres depth (Figure 4). 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 0.75 g/t gold from 52 metres demonstrating there is significant gold in the system which was not included in the current Mineral Resource.

In SMD017, moderate to strong quartz-magnetite 'M' veining was seen from 408-488m (and to a lesser extent further down the drill hole) in a quartz diorite along with porphyry 'A' style (wormy) quartz veins. The 'M' veins were similar to the E-1A and E-1B veins as well as the wider, laminated quartz magnetite 'M' veins with fine-grained chalcopyrite inter-grown with the magnetite similar to the E-2 veins described at Cadia-Ridgeway.

SMD017 also intercepted 2 metres at 2.80 g/t gold, 15.3 g/t silver and 2.06% zinc (including 1 metre at 5.22 g/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.

Partial assays have been received for drill hole SMD020 for the interval 180-380m drill depth (Figure 5). SMD020 intercepted a large, low-grade interval of 194 metres at 0.16% copper with patchy gold from 180m depth including:

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

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-propyllitic 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.

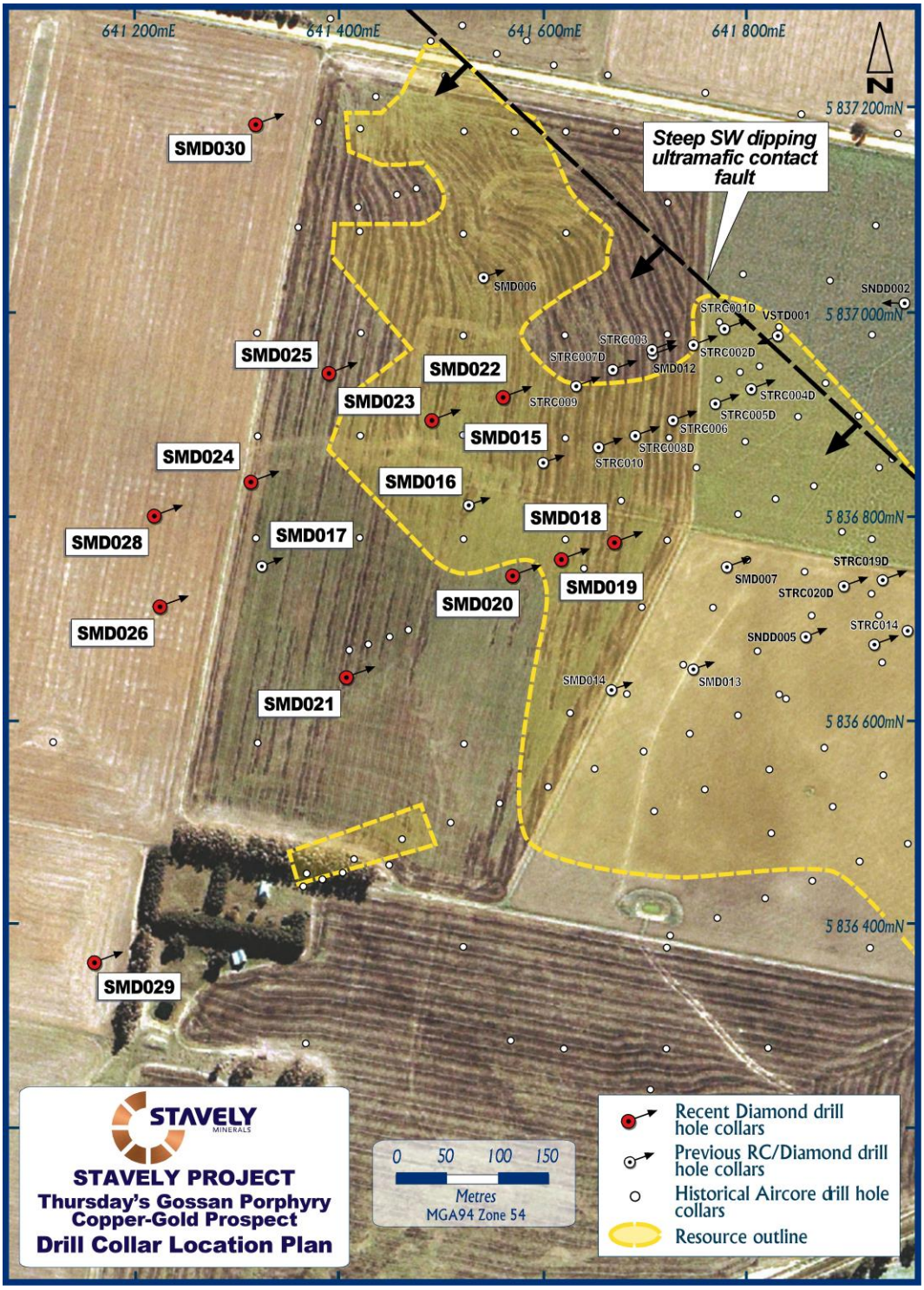

Figure 3. Thursday's Gossan drill hole location plan.

In drill hole SMD022, sporadic intervals of copper-gold mineralisation associated with porphyry 'D' veins included (Figure 6):

- 165 - 166m 1m at 0.26% copper and 0.22 g/t gold
- 173 - 174m 1m at 0.20% copper and 0.26 g/t gold
- 177 - 178m 1m at 0.26% copper and 0.19 g/t gold
- 233 - 255m 22m at 0.13% copper with patchy gold including
    - 2m at 0.21% copper and 0.14 g/t gold copper from 253m

which is associated with chalcopyrite intergrown with magnetite in 'M' veins

- 293 - 355m 62m at 0.17% copper with patchy gold including
  - 1m at 0.77% copper and 0.36 g/t gold from 293m
  - 1m at 0.77% copper and 0.48 g/t gold from 300m
  - 1m at 0.46% copper and 0.17 g/t gold from 314m
  - 1m at 0.29% copper and 0.23 g/t gold from 311m, and
  - 11m at 0.54% copper, 0.10 g/t gold and 22.5 g/t silver from 344m, including
    - 1m at 1.94% copper, 0.18 g/t gold, 77.4 g/t silver from 344m, and
    - 1m at 1.75% copper, 0.44 g/t gold, 183 g/t silver from 350m

  which is associated with peripheral propylitic hematite alteration with epidote veins and patches.

Drill hole SMD023 intersected strong peripheral mineralisation in sulphide-rich porphyry 'D' veins, with assays including:

- 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

SMD024 was drilled to test the area beneath the LAS north of the 'M' vein intersection in SMD017 (Figure 3). Above the LAS, the drill hole intersected siltstone and sandstone, porphyritic andesite and 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 1).

At 375m, a major shear was intersected which is interpreted to be a major north-south trending structure. Through this shear, the drill hole intersected strong quartz-magnetite ± pyrite ± chalcopyrite veining down to approximately 450m. The quartz-magnetite ± pyrite ± chalcopyrite veining has been overprinted by strong pyrite veining (Photo 2 and Photo 3).

SMD024 intersected strong polymetallic mineralisation in porphyry 'D' veins, 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

Photo 1. Quartz-pyrite-molybdenite 'D' vein at 332m in SMD024.

Photo 2. Quartz-magnetite ± pyrite ± chalcopyrite veining being cut by later pyrite veins at 399.5m in SMD024.

Photo 3. Quartz-magnetite ± pyrite ± chalcopyrite veining at 441m in SMD024.

SMD025 was drilled to test the area north of the 'M' vein intersection in SMD023 (Figure 3). Above the LAS, the drill hole encountered siltstone and sandstone, porphyritic andesite, dacite porphyry and quartz diorite porphyry. The LAS was intersected at 279m-282m below which the hole encountered mostly porphyritic andesite and dacites.

Occasional pyrite ± chalcopyrite ± chalcocite veins are seen at between 150-157m (Photo 4). Weak to moderate quartz-magnetite ± hematite stockwork veining is seen between 260-279m in a variable hematite altered quartz diorite porphyry (Photo 5). It is interpreted that the drill hole intersected the edge of this unit and veining above the LAS and is offset by the LAS.

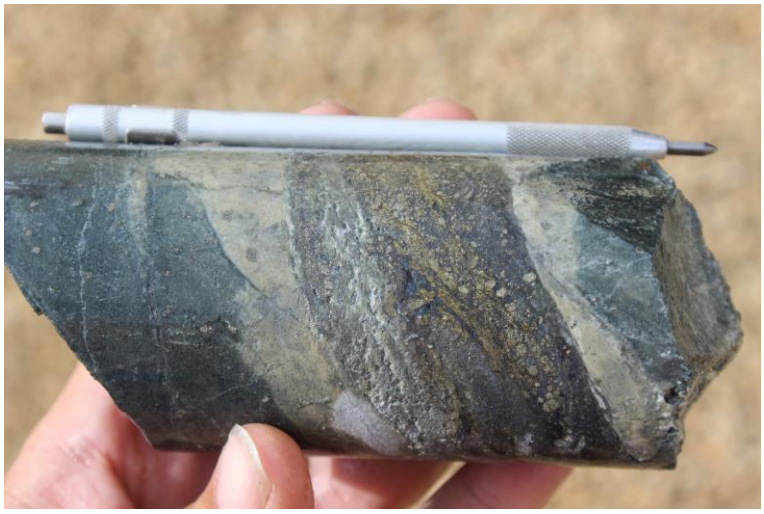

Photo 4. Pyrite ± chalcopyrite ± chalcocite vein at 151.9m in SMD025.

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

SMD026 was drilled to test the area beneath the LAS down dip of the 'M' vein intersection in SMD017 (Figure 4).

Above the LAS, the drill hole intersected siltstone, andesite and dacite porphyry from beneath the saprolite at 260m. From 260-309m, quartz diorite porphyry with fine trace disseminated magnetite was intersected, siltstone and sandstone and minor andesite down to 390m, and quartz diorite porphyry with minor quartz-magnetite veins and hematite alteration from 390m to 399m. Beneath the LAS, quartz diorite porphyry, andesite, a lamprophyre dyke (441m) and siltstone/sandstone were intersected down to 570m where an interpreted major north south shear was encountered. This shear is interpreted to be the major north south structure seen in the magnetics.

East of this shear, brecciated sericite-albite altered porphyritic andesite or dacite, siltstone, andesite, and basalt is seen. A late mineral porphyritic dacite dyke was intersected at 630-634m and 643-645m. Sulphidic black shale was intersected from 759m to the end of hole at 795.4m. Moderate anhydrite veining and weak to locally moderate pyrite veining occurs from 580m to 650m. Carbonate veining also occurs with the anhydrite veining and continues to the end of hole.

SMD028 was drilled to test the down dip extension of the 'M' veins in SMD024 (Figure 6). West of the north-south fault, porphyritic andesite and porphyritic micro granodiorite (or quartz diorite porphyry) with trace epidote alteration and patchy magnetite alteration and trace pyrite and chalcopyrite was intersected (Photo 6).

It was expected that the 'M' veins would be intercepted east of the north-south fault at around 560m. The fault was intercepted at the expected depth. A brecciated and foliated massive pyrite vein with trace bornite and chalcopyrite veins was intersected at 580-582.3m (Photo 7). East of the north-south fault, intermittent magnetite has been encountered with patches of weak potassic alteration. From 582-730m anhydrite/ pyrite/ actinolite / gypsum veins with sericite alteration selvages have been encountered in the andesites and sandstones and siltstones. These units also displayed intermittent disseminated magnetite alteration with trace disseminated pyrite and chalcopyrite. From 730-750m a pyritic black shale was intersected with both diagenetic and possible hydrothermal pyrite. From 750-777.3m (EOH) drilling intersected a sandstone unit with pyritic black shale clasts.

Photo 6. Hematite altered quartz-diorite porphyry with fine disseminated magnetite at 530m in SMD028.

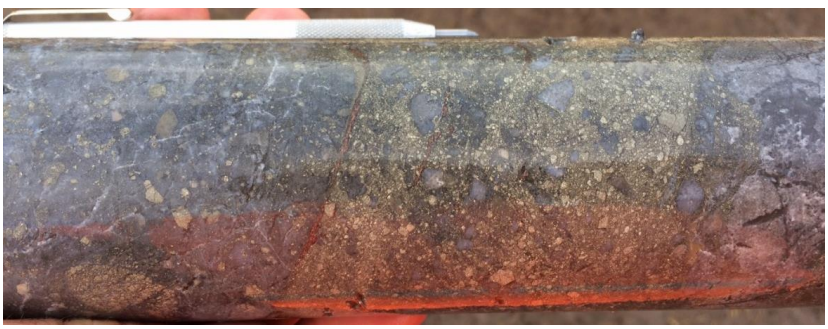

Photo 7. Breccia with pyrite clasts and later bornite veining at 580.8m in SMD028.

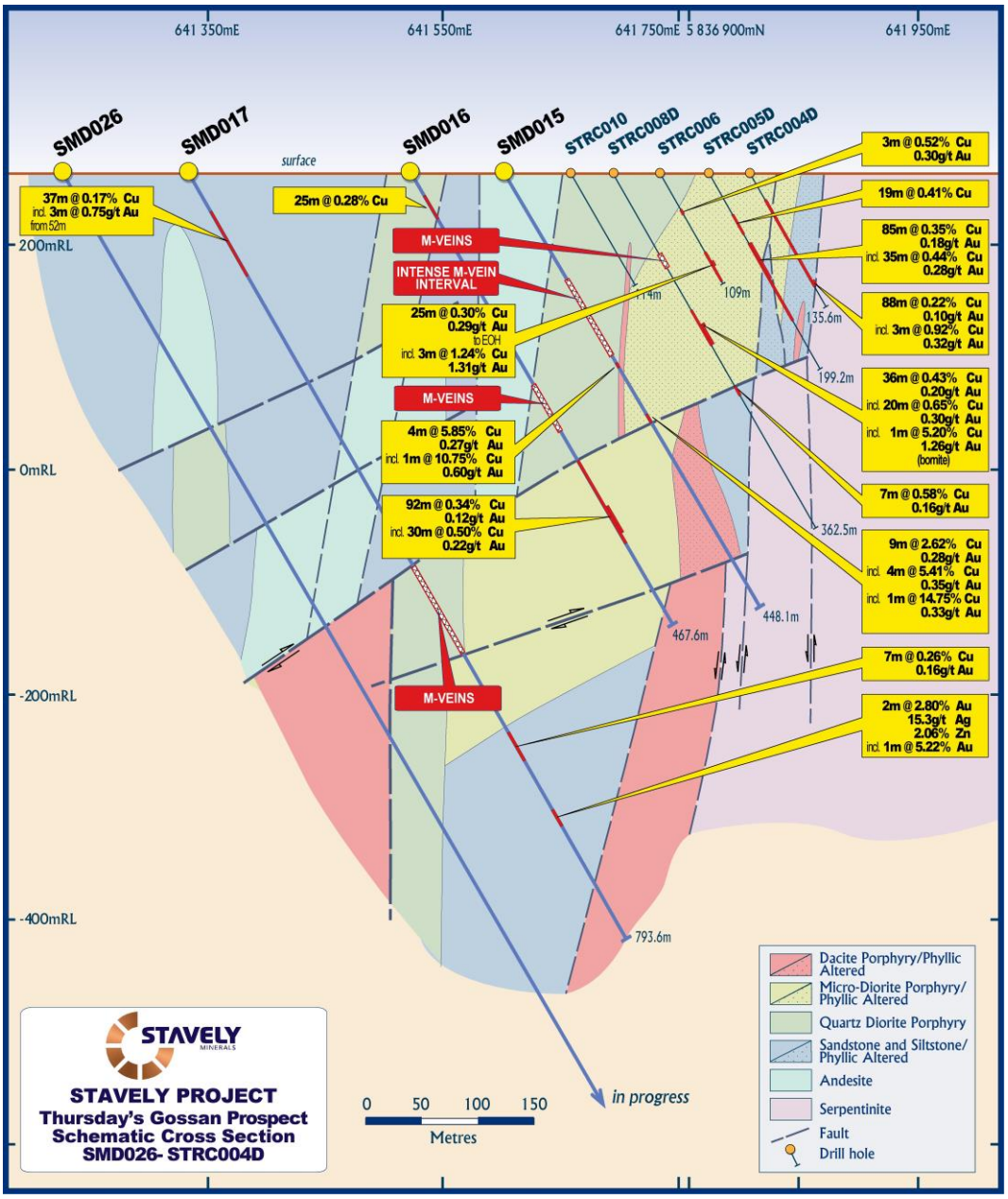

Figure 4. Drill Section with SMD017 and SMD026.

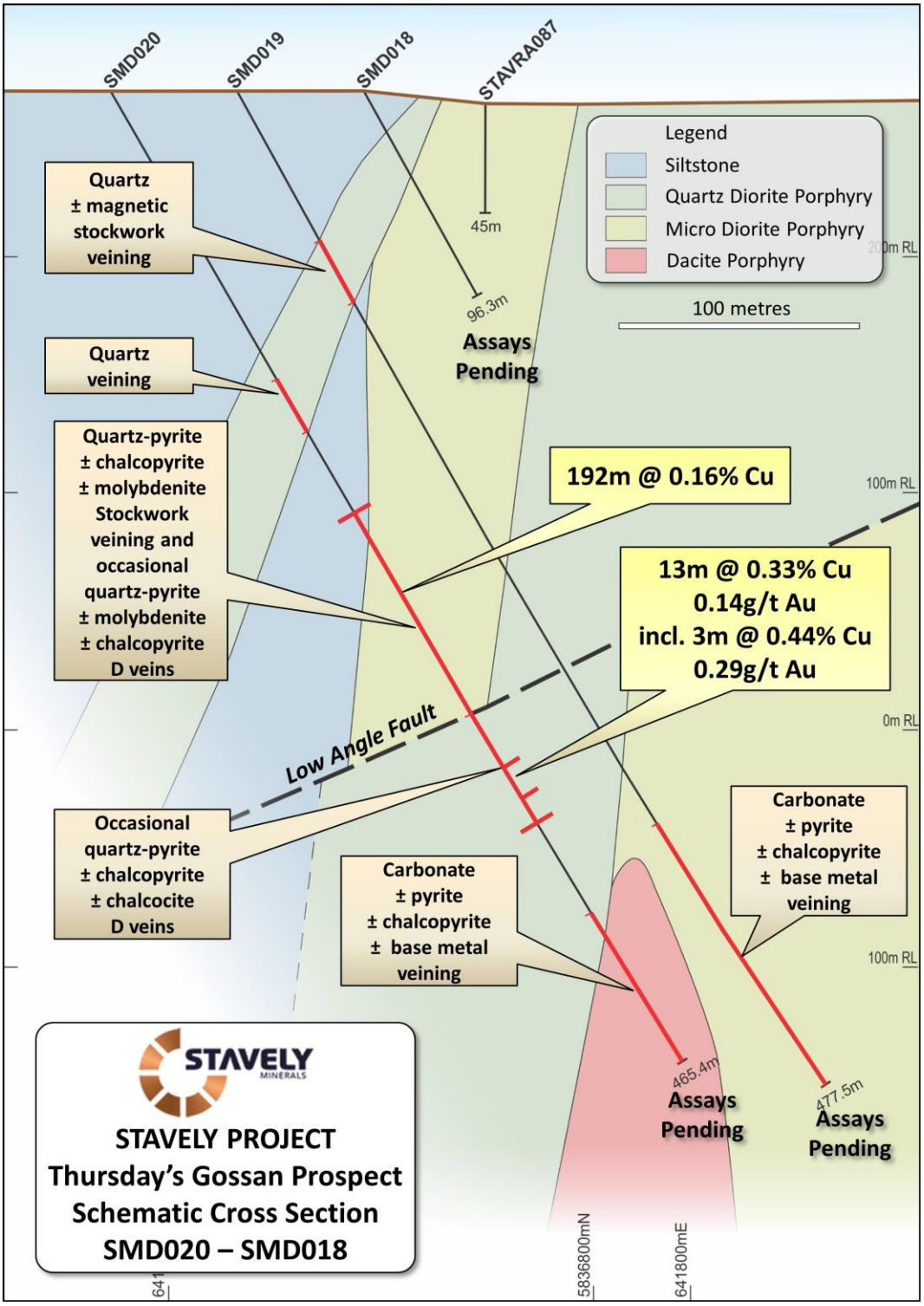

Figure 5.Drill Section with SMD020.

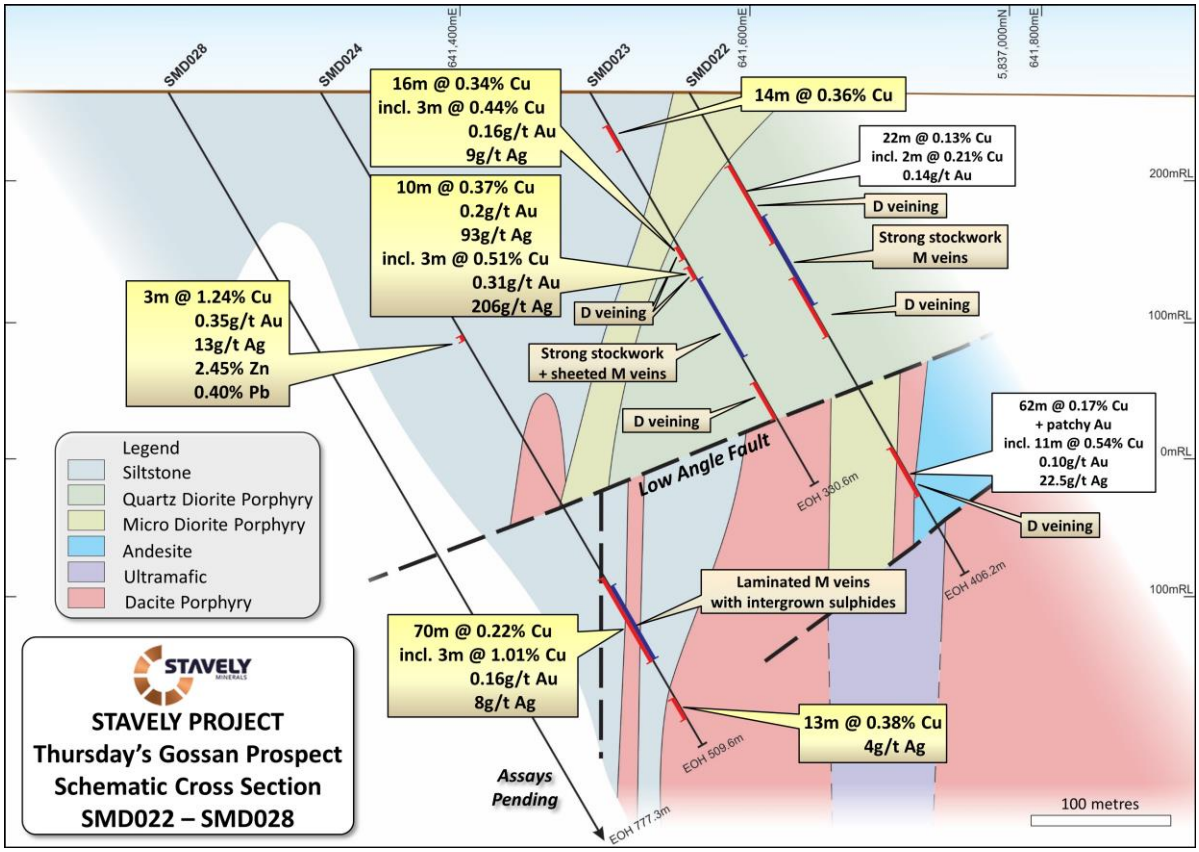

Figure 6. Drill Section with SMD022, SMD023, SMD024 and SMD028.

Black Range Joint Venture Project (EL5425)

During the June 2018 Quarter, work conducted on the Black Range JV included drilling a diamond hole (Figure 7). Drill hole SMD027 was drilled to a depth of 251.3m to test a discrete magnetic feature along a major north-south structure, approximately 2 km north of the Thursday's Gossan copper-gold porphyry prospect.

Saprolite was intersected down to 30m and then goethite and limonite on fracture surfaces down to 68m, after which the rock is fresh. Gabbro is encountered from 17-174m after which the hole intersected siltstone and sandstone. Disseminated magnetite is seen throughout the gabbro. Alteration consists of patchy epidote-carbonate veining and trace carbonate veining. The presence of the disseminated magnetite explains the magnetic anomaly.

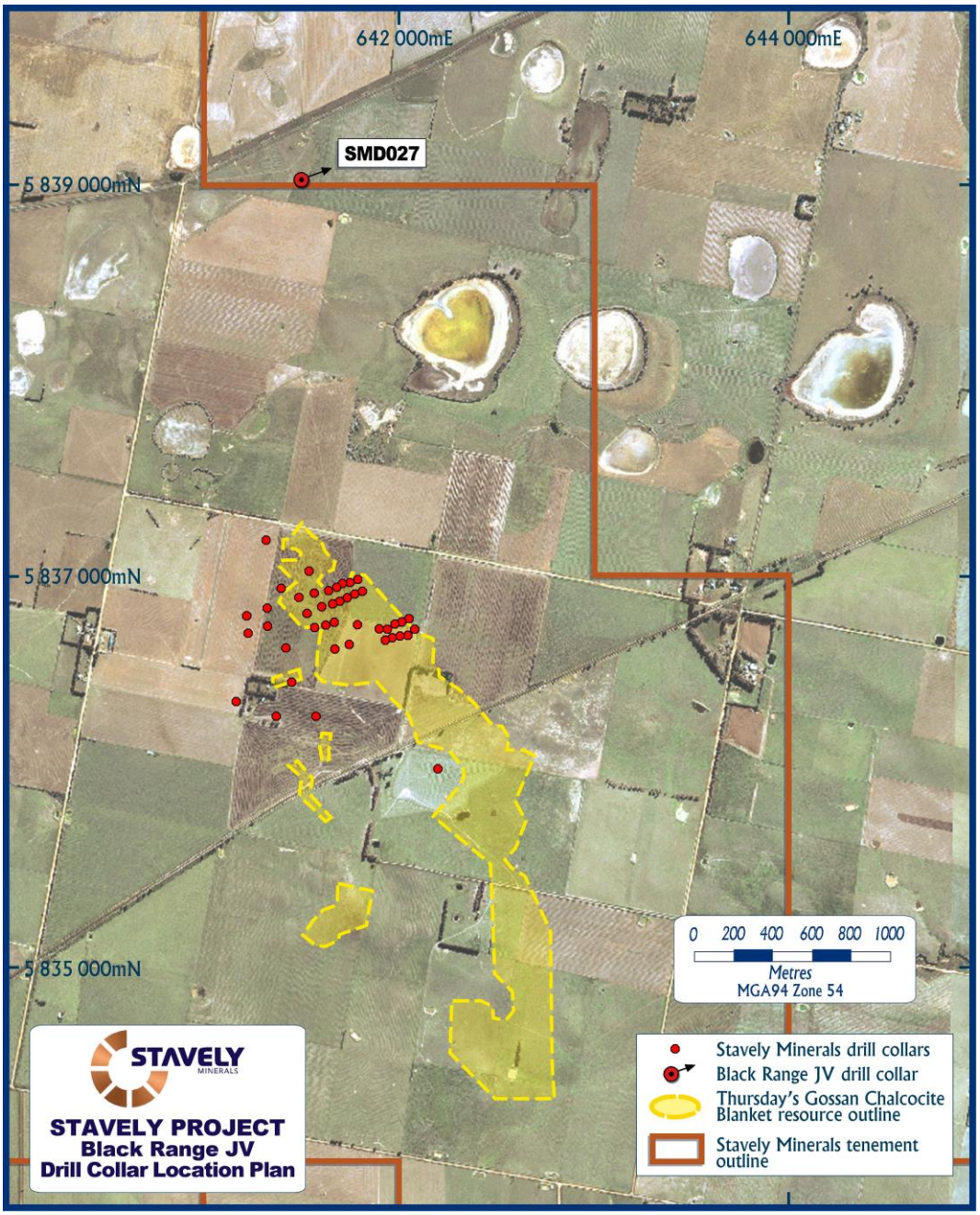

Figure 7. Black Range JV drill collar location plan.

Yarram Park Project (EL5478)

Toora West Prospect

During the Quarter, the results were received for the samples sent from STWD003 to the Centre for Ore Deposit and Earth Sciences (CODES) at the University of Tasmania for laser ablation inductively coupled plasma mass spectrometry (LA-ICPMS) analysis. The LA-ICPMS analysis involves a fine laser targeted at and ablating (vapourising) specific target sulphides (in this case pyrite and pyrrhotite) and analysing that very small amount of vapour in an ICPMS machine.

Diamond hole STWD003 drilled, during the previous quarter, to test an intensive +50mV/V chargeability anomaly, intersected a thick package of thin-bedded turbidite sedimentary rocks with abundant pyrrhotite sulphides to 10% in the shale tops to the beds.

The analysis identified that drill hole STWD003 intersected a sequence of silicified and deformed (Cambrian?) black shale containing laminated pyrrhotite and vein-hosted pyrite, with minor arsenopyrite.

The study concluded that the pyrrhotite is enriched in a suite of trace elements (i.e., Co-Ni-Ag-Sb-Te-Tl-Pb-Bi) which is characteristic of diagenetic, rather than hydrothermal, pyrrhotite development. In contrast, the pyrite was found to be notably depleted in As (commonly below the average detection limit of 0.5ppm), but it does contain high Co and Ni, and also has up to 8 ppm gold in one analysis. Tungsten (W) is also consistently enriched at the 1-10 ppm level in the pyrite.

The arsenopyrite was found to be intergrown with both pyrite and pyrrhotite, and it also has a Co-Ni-Se-Sb-Te-Pb-Bi signature, with low-level Au (~1ppm) and relatively high Pt (1-10ppm).

The results suggest that the area around STWD003 is prospective for sediment-hosted orogenic gold mineralisation, possibly similar to that in the Ordovician Bendigo-Ballarat district to the east and ultramafic-hosted Ni-PGE mineralisation.

Ararat Project (EL4758)

Honeysuckle Gold Prospect

During the June Quarter, two diamond holes were drilled at the Honeysuckle Gold prospect as part of the Victorian Government TARGET minerals exploration initiative (Figure 8).

A low amplitude anomalous chargeable feature is located beneath the historical Honeysuckle gold workings and this was the target of diamond drill hole SADD008. This hole was drilled to a depth of 317m and predominantly intersected a phaneritic medium grained granodiorite. Trace disseminated chalcopyrite is present through the granodiorite to a depth of 45m. Magnetite is present throughout the granodiorite. The granodiorite is cross cut by the occasional micro diorite porphyry and by weakly developed 1-40mm linear quartz ± biotite veins.

A Category 1 chargeability anomaly was identified which is moderately resistive and coincident with a strong magnetic feature. It is mapped coincident with a section of the Carroll's Amphibolite. Elsewhere the amphibole is not chargeable and this anomaly was the target of diamond drill hole SADD009. This hole intersected a fine grained, variably foliated, strongly magnetic meta-basalt from fresh rock at 20.7m to the end of hole at 293.6m.

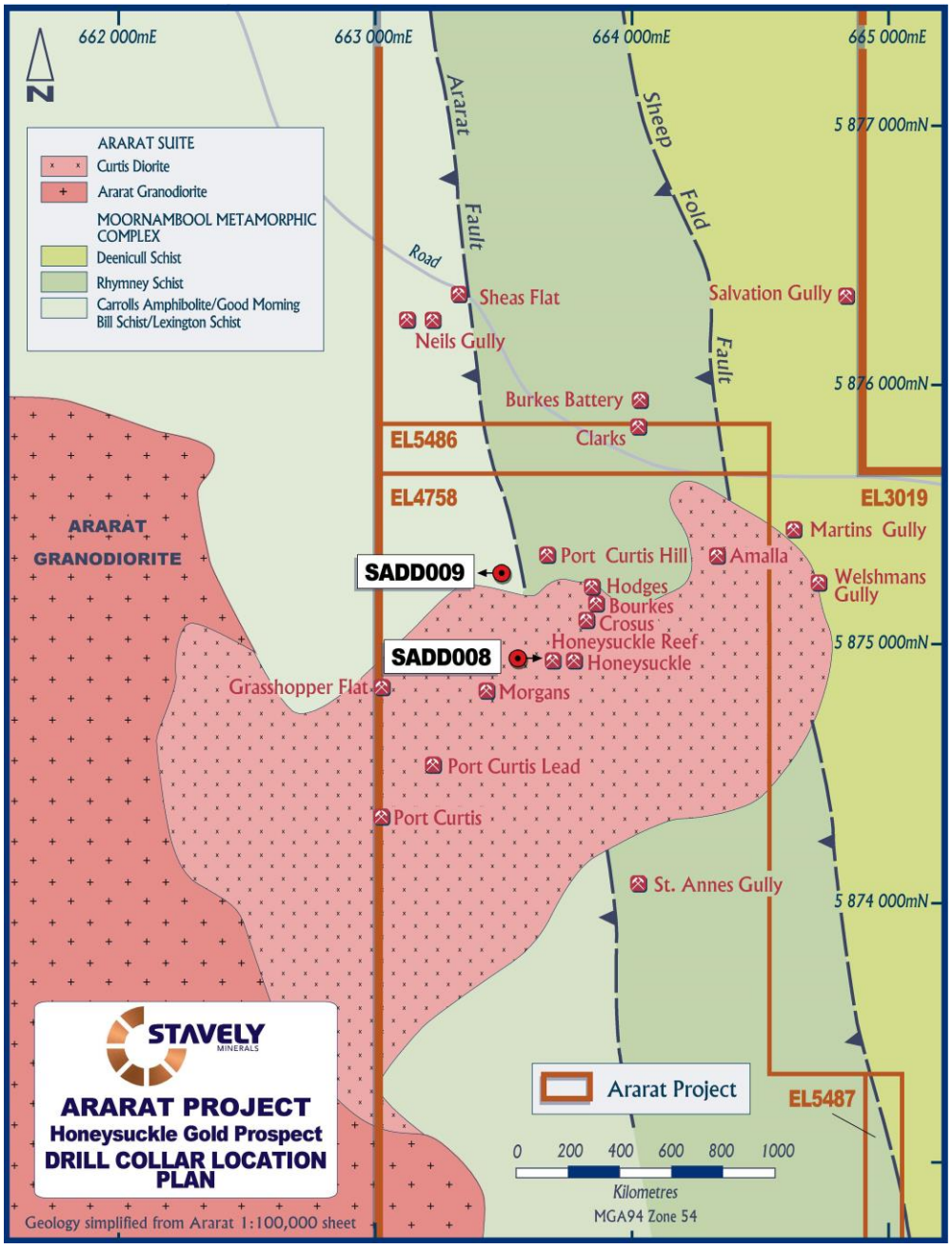

Figure 8. Honeysuckle Gold prospect drill collar location plan.

Carroll's VMS Prospect

During the June Quarter, a diamond hole, SADD010, was drilled as part of the Victorian Government TARGET minerals exploration initiative at the Carroll's VMS prospect to test the off-hole response returned from the DHEM survey conducted on diamond hole SADD005 (Figure 9). SADD010 was drilled to a depth of 527.5m and intercepted fine grained, foliated metabasalt to 182.7m, then a highly foliated quartz-biotite schist unit interbedded with metabasalt to the end of hole. Disseminated trace pyrite, chalcopyrite and pyrrhotite were observed throughout the hole.

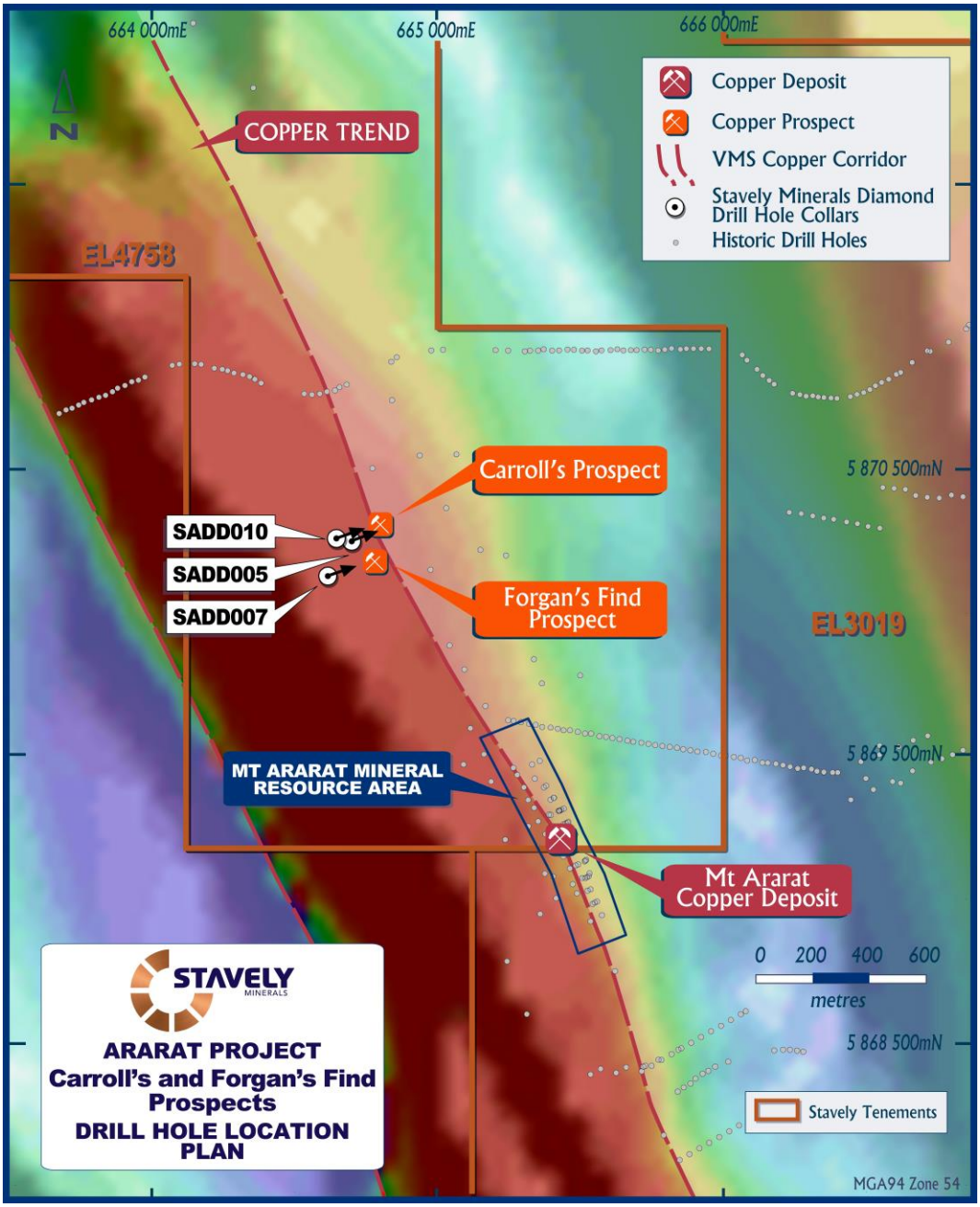

Figure 9. Carroll's VMS prospect drill collar location plan.

Ravenswood Project (EPM26041, EPM26152, EPM26303 & EPM26304)

During the Quarter, IP surveys were conducted at the Area 8 target in the Dreghorn Project and the Connolly North target in the Ravenswood West Project (Figure 10). In conjunction with the IP surveys, surface sampling and reconnaissance mapping was conducted.

At Connolly North, mapping has confirmed the occurrence of quartz veins in low-angle structures similar to those seen in the Sarsfield open pit at the Ravenswood Gold Mine, ~15km away (Photo 8). The IP survey conducted at Connolly was aimed at identifying a response from a higher density of quartz veins and associated disseminated sulphide halos. The IP survey

returned a +10mV/V chargeability anomaly (Figure 11). The recent rock chip sampling in the Connolly North area returned gold results of 14.8 g/t, 12.75 g/t, 2.07 g/t and 1.42 g/t (Figure 12). The stream sediment samples taken in tributaries to the Connolly Creek and draining the Connolly North prospect area returned anomalous gold values of 1.61 g/t, 1.20 g/t and 1.18 g/t. Previous rock chip sampling in 2017 returned a 36.6 g/t gold result from a 5-10cm thick low-angle quartz vein at the Connolly North prospect. Drill testing of the Connolly area is planned for later in 2018.

Surface sampling in the Kirkers area has returned several rock chips from the recent and the previous programme of +1 g/t gold, as well as 1.83 g/t gold in a stream sediment sample.

At the Area 8 prospect, previously reported surface rock-chips returned assay results of up to **0.65 g/t gold, 106 g/t silver, 397 ppm arsenic and 837 ppm antimony** from crustiform and colloform quartz veins and quartz breccia in-fill (Photos 9 & 10). The quartz textures and geochemical signature are consistent with a low-sulphidation epithermal gold-silver system. A notable example of a low-sulphidation epithermal gold-silver system is the Pajingo Gold Mine, located 20km south-west of the Area 8 prospect.

Results from the recently completed IP survey over Area 8 have not identified a strong chargeability anomaly, however this is not surprising given that the low-sulphidation style of gold mineralisation often does not provide a response. For example, at Pajingo the lodes only provided a low-level resistivity response yet most of the high-grade gold ore bodies were well-developed between a depth of 100-400m below surface. At Area 8, the IP survey returned a well constrained resistivity anomaly.

In that context, the presence of +0.5 g/t gold plus very strong silver, arsenic and antimony results within banded quartz veins is a very encouraging indication that there may be significant mineralisation at depth.

The Area 8 prospect will also be drill tested once all requisite approvals are granted.

Photo 8. Low-angle quartz vein arrays in a creek exposure in the Connolly area.

Photo 9. Silicified and tightly folded sediments from Area 8 interpreted to indicate proximity to a major structure.

Photo 10. Quartz-carbonate breccia vein with crustiform quartz then carbonate surrounding angular clasts of rhyolite / volcaniclastic sandstone - 0.55 g/t gold and 62 ppm antimony.

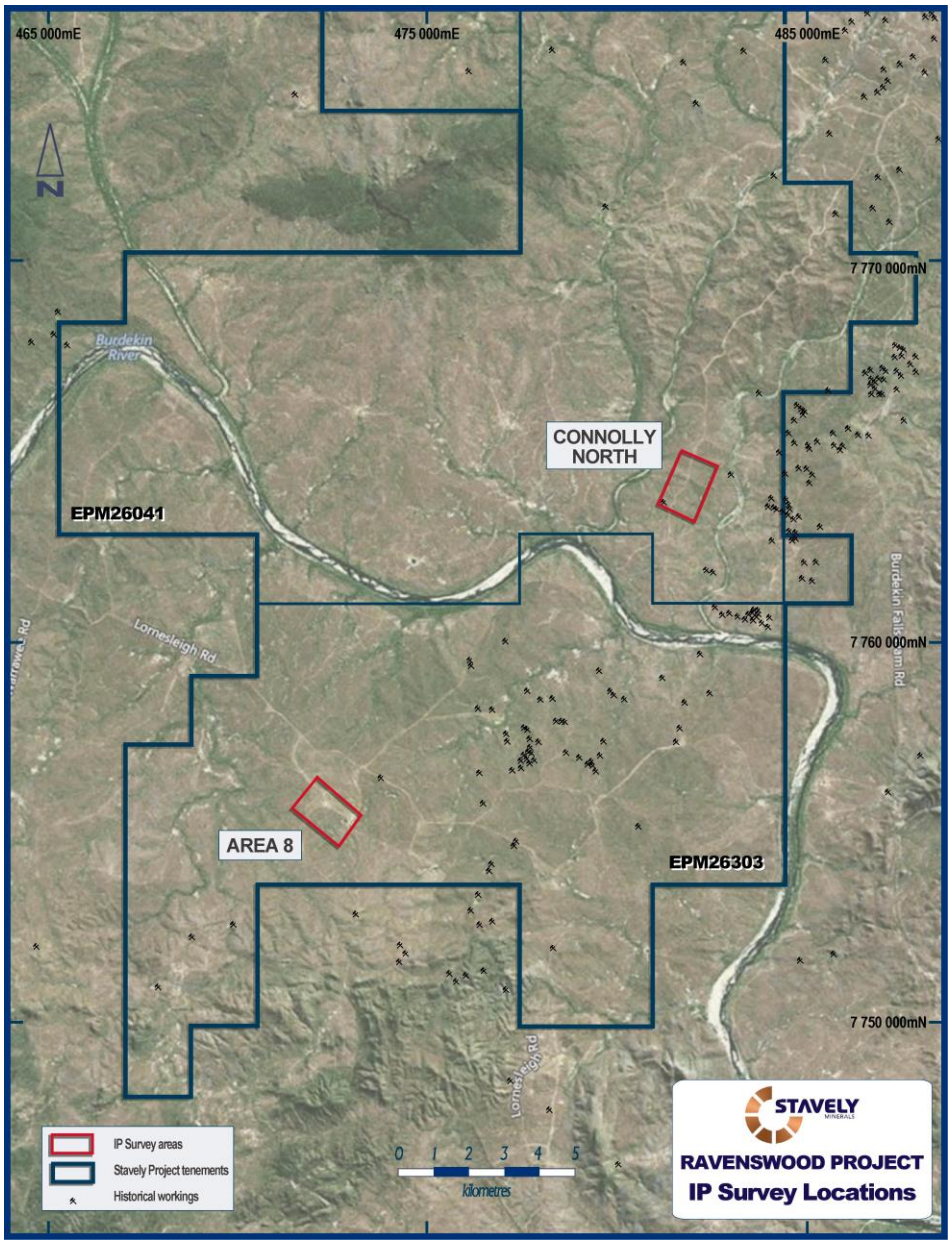

Figure 10. Ravenswood Project – IP survey locations.

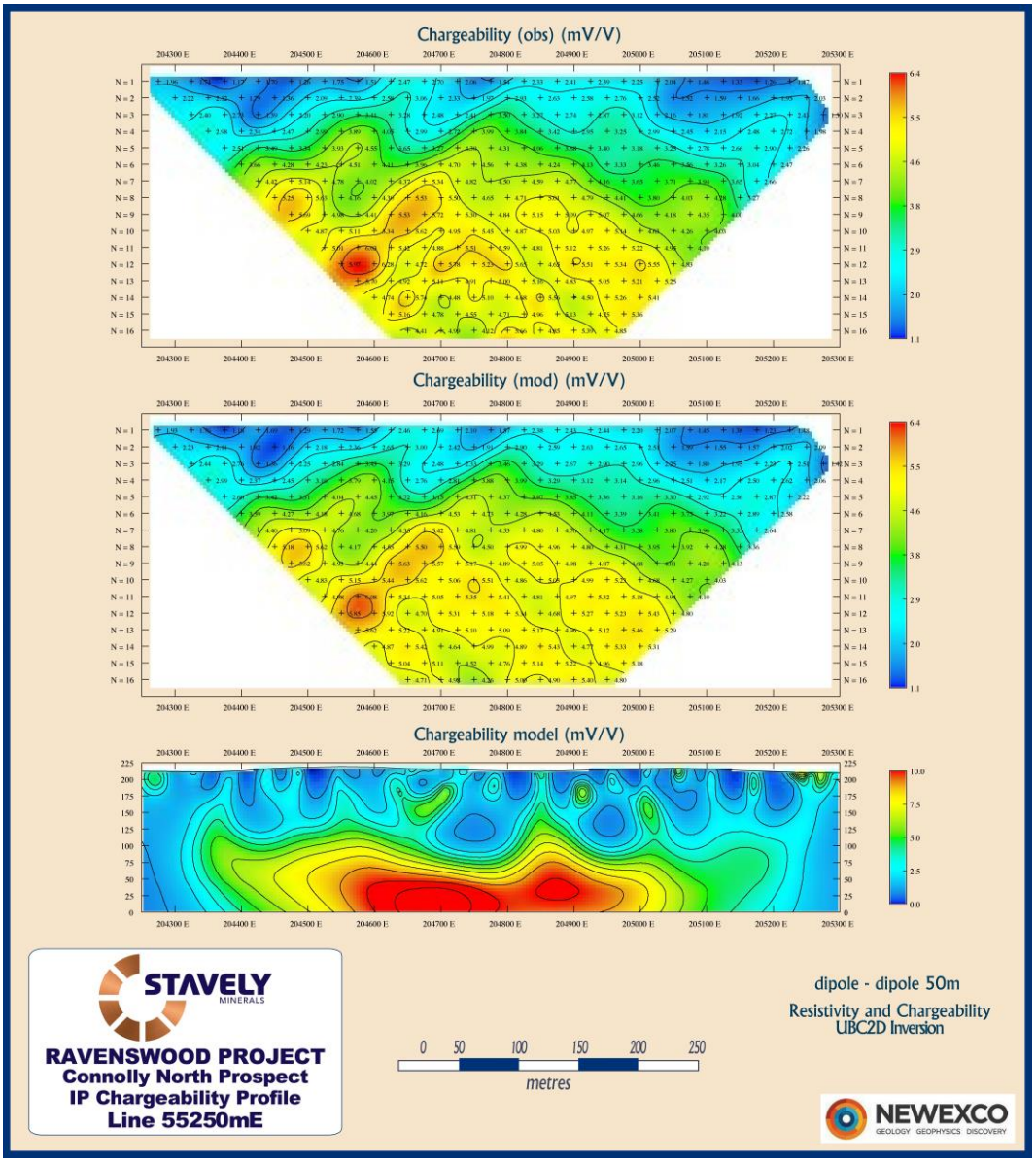

Figure 11. Ravenswood Project - Connolly North prospect IP chargeability profile line 55250mE.

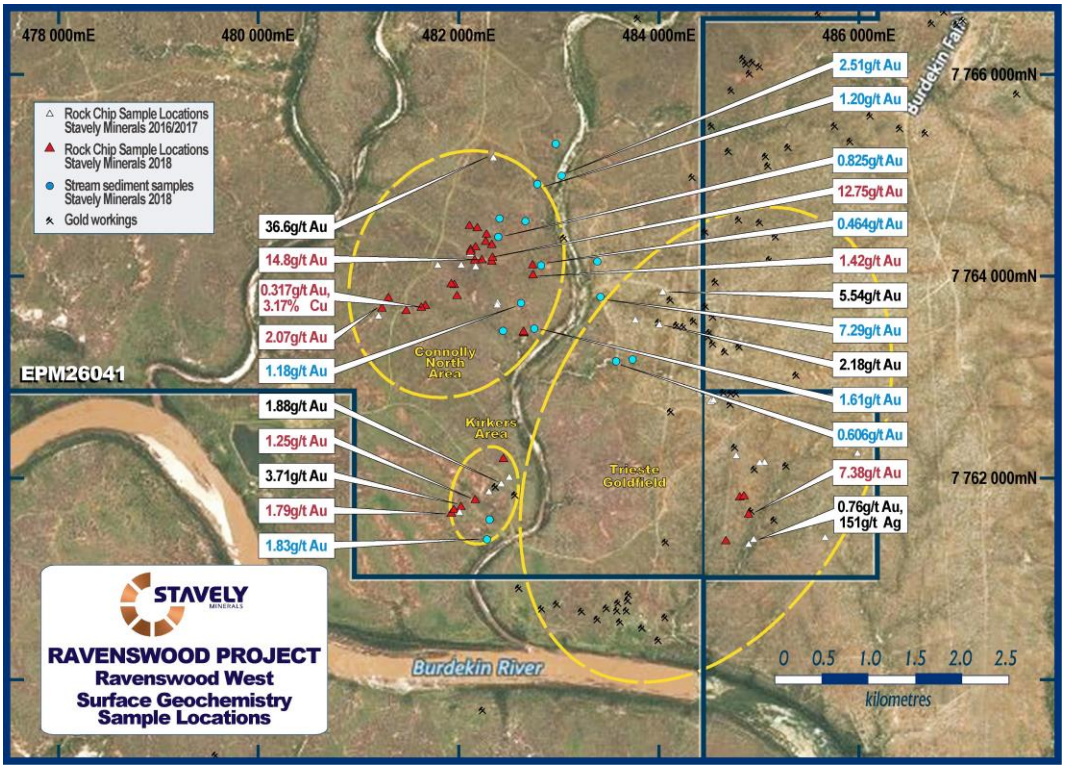

Figure 12. Ravenswood Project - surface geochemistry sample locations.

Planned Exploration

Ararat Project (EL4758, EL3019 & EL5486)

Selective sampling of the diamond holes drilled at the Honeysuckle gold prospect (SADD008 and SADD009) and the Carroll's VMS Prospect (SADD010) will be undertaken during the next quarter.

Stavely Project (EL4556)

During the next quarter, the diamond drilling at Thursday's Gossan will continue to target the core of the porphyry below the LAS.

Logging, processing and sampling of the recently completed diamond drill holes will continue.

Dr Greg Corbett will visit site during the upcoming quarter to review the drilling since his last visit in May.

The pulps from the assay samples will be retrieved from the laboratory and a Terraspec® Halo near Infra-red (NIR) spectrometer will be hired to map out the alteration mineralogy and near infra-red absorption features. It is believed that the pulps will provide a more representative sample.

Sulphur Isotope analysis will be conducted on samples from all recent diamond drilling from hole SMD013 to SMD028.

A suite of 100 samples from representative lithologies will be submitted for lithogeochemical analysis.

Black Range Joint Venture (EL5425)

Lithogeochemical sampling and age dating of diamond hole SMD027 will be conducted in the upcoming quarter along with identification of other regional drill targets on EL5425.

Yarram Park Project (EL5478)

During the upcoming quarter, the results from the laser ablation inductively coupled plasma mass spectrometry (LA-ICPMS) analysis conducted on samples from drill hole STWD003 at the Toora West prospect will be examined by an expert consultant in the field of sediment-hosted orogenic gold mineralisation. Following this, a decision will be made as how to proceed with the exploration at the Toora West prospect.

Ravenswood Project (EPM26041, EPM26152, EPM26303, EPM26304)

Planning of drilling at Connolly North on the Ravenswood West and at Area 8 at the Dreghorn Project will be undertaken subsequent to further reconnaissance field investigations during the upcoming quarter. It is anticipated that the drilling in north Queensland will be conducted in the December Quarter once the prerequisite approvals have been obtained.

CORPORATE

Stavely Minerals had a total of $6.56M cash on hand at the end of the June 2018 Quarter, with a further $0.87M available pursuant to the Share Subscription Agreement with Drilling contractor, Titeline Drilling Pty Ltd.

The Company presented at the following investor conferences during and subsequent to the Quarter:

22 - 23 May 2018 - Resource Rising Stars Conference 2018.

18 - 20 July 2018 - 2018 Noosa Mining and Exploration Conference

ANNOUNCEMENTS

Investors are directed to the following announcements (available at www.stavely.com.au) made by Stavely Minerals during the June 2018 Quarter and subsequently announced for full details of the information summarised in the Quarterly Report.

10/04/2018 - New 124m Intercept of Porphyry 'M' Veins

20/04/2018 - Thursday's Gossan - New Thick Intercept in SMD016

29/05/2018 - Victorian Drilling Update

17/07/2018 - Further High-Grade Gold Results - Ravenswood Project, North Queensland

30/07/2018 - Thursdays Gossan Diamond Drilling Update

Tenement Portfolio - Victoria

The tenements held by Stavely Minerals as at 30 June 2018 are as follows:

Area Name	Tenement	Grant Date/ (Application Date)	Size (Km^2)
Mt Ararat	EL 3019	21 December 1989	23
Ararat	EL 4758	29 January 2004	12
Stavely	EL 4556	5 April 2001	139
Black Range JV	EL5425	18 December 2012	201
Yarram Park	EL 5478	26 July 2013	53
Ararat	EL 5486	10 July 2014	1
Ararat	EL 6271	21 July 2016	6
Ararat	RLA 2020	(12 June 2014)	28
Stavely	RLA 2017	(20 May 2014)	139

A renewal has been lodge with the Department of Economic Development, Jobs, Transport & Resources for EL5478, which is due to expire on the 26 July 2018.

Tenement Portfolio - Queensland

The tenements held by Ukalunda Pty Ltd as at 30 June 2018 are as follows:

Area Name	Tenement	Grant Date/ (Application Date)	Size (Km^2)
Ravenswood West	EPM26041	24 May 2016	241
Ravenswood North	EPM26152	15 September 2016	48
Dreghorn	EPM26303	23 March 2017	49
Kirk North	EPM26304	23 March 2017	29

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.

Thursday's Gossan Prospect – Collar Table

		MGA 94 zone 54				
Hole id	**Hole Type**	**East**	**North**	**Dip/ Azimuth**	**RL (m)**	**Total Depth (m)**
SMD016	DD	641525	5836810	-60/080	264	467.6
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	DD	641164	5836363	-60/070	264	837.5
SMD030	DD	641315	5837185	-60/070	264	109.4

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 (%)**
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		
							653	655	2		2.80	15.3	2.06	
						Incl.	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		
Only partial results received						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		
SMD023	DD	641490	5836895	-60/070	264	330.6	29	43	14	0.36				
							74	90	16	0.34				
						Incl.	85	88	3	0.44	0.16	9		
							130	140	10	0.27	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
							372	442	70	0.22				
						Incl.	372	375	3	1.01	0.16	8		
						and	479	492	13	0.38		4		