Clarification of Sulphide Abundances in Drill Hole SMD051 – Assays Pending

Stavely Minerals Limited (ASX Code: **SVY** – "Stavely Minerals") would like to provide clarification of statements made in its' announcement dated 26 September 2019.

In that announcement, the Company referred to completed drill hole SMD051, collared 160m further south-east of SMD050.

The hole successfully intersected a structural zone of 85.7m width with an aggregate of approximately 60m of semi-massive to massive sulphide-quartz veining from 97.2m to 182.9m down-hole (Refer to Figure 5 in the announcement dated 26 September 2019). The size of the fault in this position is interpreted to be a result of structural thickening of the ultramafic contact fault (UCF).

The style of mineralisation is generally characterised by early massive to semi-massive pyrite and quartz later fractured / re-opened and brecciated and in-filled with later copper sulphides including colusite, tennantite / tetrahedrite, enargite, chalcocite, covellite, bornite and chalcopyrite. Additionally, the mineralisation is zoned spatially with respect to the dominant and lesser copper sulphide species. Consequently, within a given interval of massive to semi-massive sulphide, certain intervals are dominated by iron sulphide (pyrite) of no economic significance, there are intervals of mixed pyrite and copper sulphides in varying abundance, and zones that tend to return higher-grade copper assays where the copper sulphides are 'dominant', or 'greater than' in abundance the iron sulphides. Massive sulphide is intended to mean between 90% and 100% sulphide while semi-massive sulphide is typically 50% to 90% sulphide by volume in a particular interval.

In the paragraph below (in italics) from the announcement dated 26 September 2019, it was intended the phrases 'pyrite dominant' and 'copper sulphide dominant' - that the first meant of the sulphides observed, pyrite was greater in abundance than the copper sulphides (ie. more than 50% of total sulphides observed) and in the latter case, that copper sulphides were greater in abundance than was pyrite. Given that copper sulphides were not all created equal in terms of copper content, an attempt has been made to be more specific as to which copper sulphides have been observed in which sub-intervals.

For SMD051 the 26 September 2019 announcement stated:

"Within the pyrite dominant sulphide-quartz veining there are high-grade copper sulphide dominant zones at 98m-99.6m (chalcopyrite), 106-116m (chalcopyrite, bornite, chalcocite), 133.9m-136.6m (chalcopyrite), 147.4m-150.8m (chalcopyrite, bornite, covellite – Photo 5), 155.8m-156.8m (chalcopyrite), and 177m-182.9m (chalcopyrite) and trace chalcopyrite throughout the rest of the interval."

In the instances where copper sulphides were visually dominant (ie. greater than 50% of total sulphides observed in massive to semi-massive mineralisation), it has been our experience that the assay results will return high grades of copper as evidenced by announcements on

11 September 2019 and 26 September 2019 with respect to the comparative visuals and the subsequent assay results for SMD050.

Additionally, while some intervals are indeed 100% pyrite and of no economic significance, there are also intervals that host lesser copper sulphides that, in our experience, can return meaningful assay results and provide lower grade continuity between zones of better developed copper sulphide mineralisation, yet, for fear of creating ambiguity, we choose not to report visual observations for those zones and would prefer to wait for laboratory assays.

It must be cautioned that visual observations are no substitute for assay results and investors are advised to treat visual observations with caution in the absence of verification by assay results. Assay results for SMD051 are expected to be received within a matter of days.

In the interest of transparency, we attach the full Daily Drilling Report as transmitted for the completed drill hole SMD051 with the 'raw' field descriptions, as Appendix 1 to this clarification announcement.

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.

For Further Information, please contact:

Stavely Minerals Limited
Phone: 08 9287 7630
Email: info@stavely.com.au

Media Inquiries:
Nicholas Read – Read Corporate
Phone: 08 9388 1474

DAILY DRILLING REPORT

17 September 2019

SUMMARY

Rig	Hole ID	Prospect	Easting	Northing	Dip	Azimuth (Mag)	Planned EOH depth (m)	Current Depth (m)
15	SMD051	Thursdays Gossan	642160	5863476	-60	59.5	160	220.9

SMD051

Hole is targeting a NW striking mineralised structure near the UM contact. Drilling is designed to test for mineralisation on the structure and extend 30m in the ultramafic to test for mineralisation along the contact. We anticipate sandstone and siltstone near surface intersecting the mineralised structure at between 80-110m and the UCF at 140m.

0-22.6 White and limonite stained surface clays.

22.6-33.4 Dacite. Clay altered dacite with trace disseminated pyrite and trace pyrite+-chalcopyrite+-chalcocite veining up to 5cm wide.

33.4-83.0 Sandstone. Chlorite-sericite-clay altered with trace disseminated pyrite and trace pyrite+-chalcopyrite+-chalcocite veining up to 5cm.

83.0-90.0 Dacite porphyry. sericite-chlorite-clay altered with trace disseminated pyrite and trace pyrite+-chalcopyrite+-chalcocite veins. Occasional ?clasts of silica-hematite.

90.0-97.2 Sandstone. Chlorite-sericite-clay altered with trace disseminated pyrite and trace pyrite+-chalcopyrite+-chalcocite veining up to 5cm.

97.2-116.6 Lode. Ultramafic Contact Fault (UCF). Quartz-chrome-pyrite-hematite+-chalcopyrite. This zone has a lot of a green chromium rich mineral (fucsite – XRF is showing elevated potassium) and a lot of quartz-hematite-pyrite. The lode has replaced ultramafic. Chalcopyrite is common at the start of the interval but is less common from 100m. The character of the lode in this position is similar looking to SNDD001 at 160m. Visible bornite, chalcocite, and chalcopyrite in amongst the massive pyrite veining from 106m-116m. The XRF is showing elevated tin and tungsten as well as (unreliably) gold and silver. There has been significant core loss in this interval.

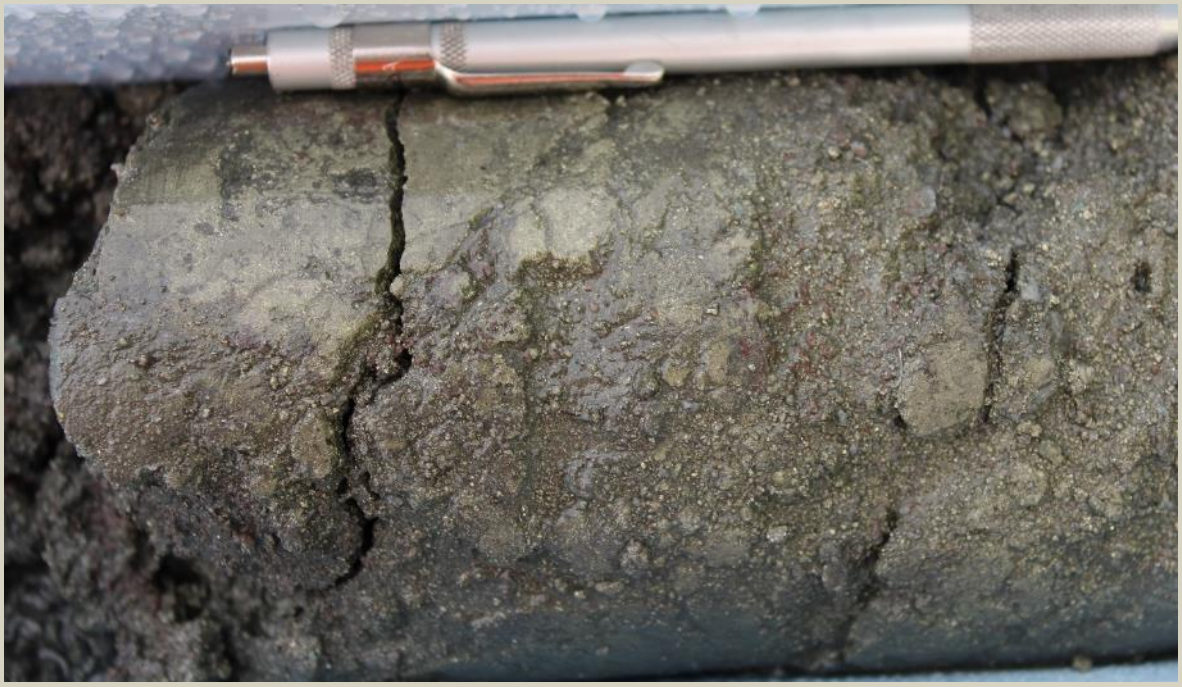
116.6-124.9 UCF. Sandstone and siltstone with possible altered ultramafic. Disseminated and veined pyrite+-chalcopyrite. Still in the UCF. Occasional quartz-hematite-chrome-pyrite-chalcopyrite veining.

124.9-138.4 UCF. Lode. Zones of massive pyrite veining with trace chalcopyrite, chalcopyrite-hematite-quartz veining, quartz-hematite-chrome-pyrite-chalcopyrite veining.

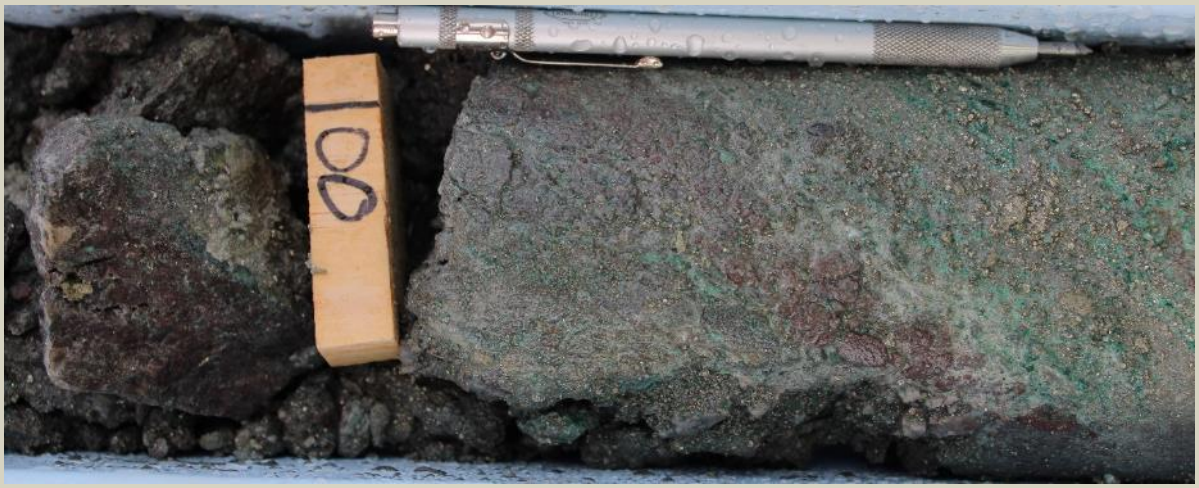
	Occasional zones of host rock including dacite porphyry, sandstone and siltstone, and ultramafic.
138.4-154.9	UCF. Lode. Massive pyrite-quartz+-chalcopyrite veining with patchy hematite and fucsite. 148.6-150.4 has weak bornite-chalcopyrite.
154.9-160.0	UCF. Shear. Intensely clay altered ultramafic and ?sediments. zone of friable sulphide 155.8-156.8 with strong chalcopyrite>pyrite.
160.0-165.7	UCF. Dacite porphyry. chlorite-sericite altered with trace disseminated pyrite and chalcopyrite. patchy clay alteration of feldspar phenocrysts. Disseminated ?leucoxene. sericite alteration at bottom of hole contact with massive pyrite-quartz veining.
165.7-171.3	UCF. Lode. Massive pyrite-quartz+-chalcopyrite veining. Patchy fucsite. Trace chromite grains. Patchy hematite. Replacement of ultramafic protolith.
171.3-175.9	UCF. Shear. Intensely clay altered ?ultramafic.
175.9-177.0	UCF. Dacite porphyry. strong pervasive clay alteration.
177.0-182.9	UCF. Lode. Massive sulphide-quartz veining. Chalcopyrite>>pyrite. Patchy fucsite. Probably replacement of ultramafic protolith. Massive chalcopyrite-pyrite from 179m-182m.
182.9-189.0	Shear Zone. Sheared ultramafic with strong clay alteration. Patchy silica alteration. Trace disseminated pyrite.
189.0-195.2	Ultramafic. Weak carbonate veining. Trace disseminated pyrite. Vuggy from 194m-195.2m.
195.2-201.4	Dacite porphyry. Glomerophyric feldspar phenocrysts.
201.4-204.2	Ultramafic. Sheared, brecciated, and altered. Trace disseminated chromite.
204.1-204.2	Low Angle Structure.
204.2-205.4	LKD Dyke
205.4-220.9	Dacite porphyry. Trace disseminated specular hematite. Patchy hem alteration of feldspar phenocrysts and groundmass. Patchy trace epidote alteration of ferromags and feldspar phenocrysts.

Pyrite+-chalcopyrite+-chalcocite veins in weathered dacite at 32m.

Pyrite+-chalcopyrite+-chalcocite veining in sandstone at 55m.



Chalcopyrite-pyrite+-hematite veining at 99m.



Quartz-chrome-hematite-pyrite veining at 100m.

Massive pyrite veining with bornite, chalcocite, and chalcopyrite at 111.0m.

Massive pyrite with bornite, chalcopyrite, and chalcocite at 108m.

Quartz-hematite-pyrite-chalcopyrite-fucsite vein at 119.1m.


SMD051
97.9→100.4
SMD051
100.4→103.9


103.9→107.6
SMD051
107.6→110.9

Photos showing the Ultramafic Contact Structure.

Chalcopyrite-hematite-quartz veining at 134.6m.

Massive sulphide-quartz veining with weak to moderate bornite.

Massive sulphide-quartz veining with trace hematite and fucsite at 144.2m.

Massive sulphide-quartz veining at 153.8m.

Massive chalcopyrite-pyrite veining at 156.2m.

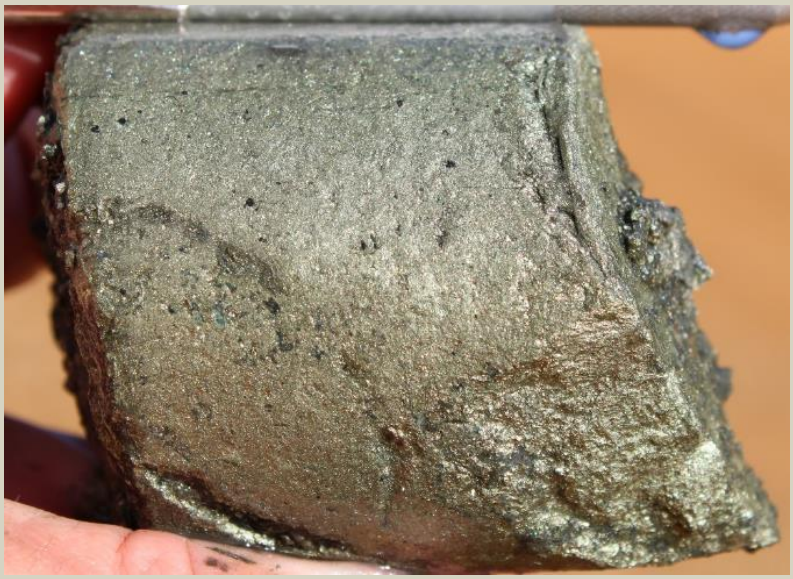
Shear with intense clay alteration at 158m.

Dacite porphyry at 162.8m.

Massive sulphide-quartz veining replacing ultramafic protolith at 168.5m.

Shear with intense clay alteration at 175m.

Semi-massive quartz-chalcopyrite veining replacing ultramafic protolith at 178.9m.



Massive chalcopyrite veining at 179.5m.

Massive sulphide veining at 179m-182m.

Depth	Dip	Azimuth
30	-60.8	57.6
60	-60.6	60.1
90	-60.6	59.9
150	-60.9	59.7
180	-62.1	61.2
214	-61.6	60.7

CUTTING

SMD051 is in progress.

JORC Code, 2012 Edition – Table 1

Section 1 Sampling Techniques and Data

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

Criteria	JORC Code explanation	Commentary
Sampling techniques	*Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.*	**Stavely Project** **Thursday's Gossan Prospect** **Stavely Minerals' RC Drilling** Reverse Circulation (RC) percussion drilling was used to produce a 1m bulk sample (~25kg) which was collected in plastic bags and representative 1m split samples (12.5% or nominally 3kg) were collected using a cone splitter and placed in a calico bag. The cyclone was cleaned out with compressed air at the end of each hole and periodically during the drilling. The 1m split samples were submitted for analysis. **Stavely Minerals' Diamond Drilling** The diamond core for intervals of interest, ie. those that contained visible sulphides as well as 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. **Historical Drilling** Historical diamond hole PEND1T was drilled by Penzoil of Australia in the late 1970's to a depth of 88.5m. Only portions of the hole were sampled, with composite samples varying from 1 to 8m. The samples were assayed for Au, Ag, As, Cu, Pb and Zn. Historical diamond hole VICTD2 was drilled by North Limited in 1993 to a depth of 338m. The top 28m was not sampled, there after one metre or two metre composite samples were assayed for Au, Ag, Co and Mo. Historical holes with the prefix TGAC were drilled by Beaconsfield Gold Mines Pty Ltd (BCD). Historical aircore holes TGAC009, TGAC010, TGAC037 & TGAC042 were drilled in 2008. The top approximately 15 to 16 meters was not sampled, after that one metre intervals samples were taken for the remainder of the hole. Aircore holes TGAC145, TGAC146, TGAC147, TGAC148, TGAC149 and TGAC150 were drilled in 2012. No samples were taken for the top 9 metres, after which three metre composite samples were collected for the remainder of the hole.
	Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.	**Stavely Project** **Thursday's Gossan Prospect** **Stavely Minerals' Diamond and RC Drilling** Sample representivity was ensured by a combination of Company Procedures regarding quality control (QC) and

Criteria	JORC Code explanation	Commentary
		quality assurance/ testing (QA). Certified standards and blanks were inserted into the assay batches. **Historical Drilling** No information available.
	Aspects of the determination of mineralisation that are Material to the Public Report - In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.	**Stavely Project** **Thursday's Gossan Prospect** **Stavely Minerals' Diamond Drilling** Drill sampling techniques are considered industry standard for the Stavely work programme. PQ quarter core and HQ half core was submitted for analysis. Sample intervals were based on lithology but in general were 1m. No intervals were less than 0.3m or greater than 1.8m. The diamond drill samples were submitted to Australian Laboratory Services ("ALS") in Adelaide, SA. Laboratory sample preparation involved:- sample crush to 70% < 2mm, riffle/rotary split off 1kg, pulverize to >85% passing 75 microns. Diamond core samples were analysed by ME-ICP61 – multi acid digest with HF and ICPAES and ICPMS and Au-AA23 – fire assay with AAS finish. For sample that returned Cu values greater than 10 000ppm (1%) re-assaying was conducted by OG62, which is a four acid digest with ICP-AES or AAS finish. **Stavely Minerals' RC Drilling** Drill sampling techniques are considered industry standard for the Stavely work programme. The 1m split samples were submitted to Australian Laboratory Services ("ALS") in Orange, NSW. Laboratory sample preparation involved:- sample crush to 70% < 2mm, riffle/rotary split off 1kg, pulverize to >85% passing 75 microns. The RC samples were analysed by ME-ICP61 – multi acid digest with HF and ICPAES and ICPMS and Au-AA23 – fire assay with AAS finish. **Historical Drilling** No sample preparation is available for the historical drilling.
Drilling techniques	*Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	**Stavely Project** **Thursday's Gossan Prospect** **Stavely Minerals' Diamond Drilling** Diamond drill holes were drilled by Titeline Drilling in 2014 (SMD001, SMD003 and SMD004) and 2017 (SMD006, SMD007, SMD008 and SMD012). Diamond tails were completed on drill holes STRC001D, STRC002D, STRC004D, STRC005D, STRC007D, STRC008D, STRC019D and STRC020D. Holes SMD013, SMD014 and SMD015 were drilled in 2017 by Titeline Drilling. Holes SMD016, SMD017, SMD018, SMD019, SMD020, SMD021 SMD022, SMD023, SMD024, SMD025, SMD026, SMD028, SMD029, SMD029W, SMD030, SMD031, SMD032, SMD033, SMD034, SMD035, SMD036,

Criteria	JORC Code explanation	Commentary
		SMD037, SMD038, SMD039, SMD040, SMD041 and SMD042 were drilled in 2018 by Titeline Drilling. Hole SMD043, SMD044, SMD044W1, SMD045, SMD045W1, SMD045W2, SMD046, SMD047, SMD048, SMD049, SMD050 and SMD051 were drilled by Titeline Drilling in 2019. 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). Diamond drilling was standard tube. Diamond core was orientated by the Reflex ACT III core orientation tool. SMD003 was orientated at -60° towards azimuth 060° to a depth of 522.3m. 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. 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. The dips, azimuths and depths of holes SMD017 to SMD026, inclusive, and SMD028 to SMD051, inclusive, are provided in the Thursday's Gossan Prospect Collar Table. **Stavely Minerals' RC Drilling** The RC holes were drilled by Budd Exploration Drilling P/L. The RC percussion drilling was conducted using a UDR 1000 truck mounted rig with onboard air. A Sullair 350/1150 auxiliary compressor was used. 4" RC rods were used and $5^1/_4$" to $5^3/_4$" drill bits. A Reflex Digital Ezy-Trac survey camera was used. The holes were oriented at -60° towards azimuth 070°. **Historical Drilling** Historical aircore holes TGAC009, TGAC010, TGAC037 & TGAC042 was drilled vertically by Beaconsfield Gold Mines Pty Ltd in 2008 by Wallis Drilling. TGAC145 to TGAC150 were drilled by BCD in 2012. The holes were drilled vertically by Broken Hill Exploration using a 700psi/300cfm aircore rig.
Drill sample recovery	*Method of recording and assessing core and chip sample recoveries and results assessed.*	**Stavely Project** **Thursday's Gossan Prospect** **Stavely Minerals' Diamond Drilling** Diamond core recoveries were logged and recorded in the database. Core recovery for SMD001, SMD003 and SMD007 was good. In general, the core recovery for SMD012 was good but there were several intervals where core was lost or there was poor core recovery.

Criteria	JORC Code explanation	Commentary
		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. Core recovery for SMD031 averaged 92%. Core recovery for SMD032 averaged 93%. Core recovery for SMD033 was good averaging 91%, however the hole was lost at 121.2m. Core recovery for SMD034 was good averaging 90%, however the hole was lost at 150m. Core recovery for SMD035 was good averaging 94%. Core recovery for SMD036 was good averaging 93%. Core recovery for SMD037 was very good averaging 97%. Core recovery for SMD038 was very good averaging 96%. Core recovery for SMD039 was very good averaging 97%. Core recovery for SMD040 was very good averaging 96%. Core recovery for SMD041 was very good averaging 97%. Core recovery for SMD042 was very good averaging 97%. Core recovery for SMD043 was very good averaging 96%. Core recovery for SMD044 was very good averaging 98%. Core recovery for SMD044W1 was very good averaging 96%. Core recovery for SMD045 was very good averaging 98%. Core recovery for SMD045W1 was very good averaging 98%. Core recovery for SMD045W2 was very good averaging 98%. Core recovery for SMD046 was good averaging 95%. Core recovery for SMD047 was good averaging 95%. Core recovery for SMD048 averaged 92%. Core recovery for SMD049 was very good averaging 97%. Core recovery for SMD050 averaged 82% with an average recovery of 76% in the mineralised zone between 79m and 93m. Core recovery for SMD051 averaged 86%. For the mineralised zone between 97m and 182m recovery averaged 76%, however between 98m and 127.7m the recovery only averaged 55%. **Stavely Minerals' RC Drilling** RC sample recovery was good. Booster air pressure was used to keep the samples dry despite the hole producing a

Criteria	JORC Code explanation	Commentary
		significant quantity of water. RC sample recovery was visually checked during drilling for moisture or contamination. **Historical Drilling** Diamond core recoveries were logged and recorded for historical drill hole SNDD001.
	Measures taken to maximise sample recovery and ensure representative nature of the samples.	**Stavely Project** **Thursday's Gossan Prospect** **Stavely Minerals' Diamond Drilling** Diamond core is reconstructed into continuous runs on an angle iron cradle for orientation marking. Depths are checked against the depth given on the core blocks and rod counts are routinely carried out by the driller. **Stavely Minerals' RC Drilling** The RC samples are collected by plastic bag directly from the rig-mounted cyclone and laid directly on the ground in rows of 10. The drill cyclone and sample buckets are cleaned between rod-changes and after each hole to minimise down-hole and/or cross contamination. **Historical Drilling** No details are available for the historical drill holes.
	Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.	**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. **Historical Drilling** No details are available for the historical drill holes.
Logging	*Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.*	**Stavely Project** **Thursday's Gossan Prospect** **Stavely Minerals' Diamond and RC Drilling** Geological logging of samples followed Company and industry common practice. Qualitative logging of samples including, but not limited to, lithology, mineralogy, alteration, veining and weathering. Diamond core logging included additional fields such as structure and geotechnical parameters. Magnetic Susceptibility measurements were taken for each 1m RC and diamond core interval. **Historical drilling** All holes were geologically logged.
	Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.	**Stavely Project** **Thursday's Gossan Prospect** **Stavely Minerals' Diamond Drilling**

Criteria	JORC Code explanation	Commentary
		All logging is quantitative, based on visual field estimates. Systematic photography of the diamond core in the wet and dry form was completed. **Stavely Minerals' RC Drilling** All logging is quantitative, based on visual field estimates. Chip trays with representative 1m RC samples were collected and photographed then stored for future reference. **Historical Drilling** All logging is quantitative, based on visual field estimates.
	The total length and percentage of the relevant intersections logged.	**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. **Historical Drilling** Historical holes have been logged in their entirety.
Sub-sampling techniques and sample preparation	*If core, whether cut or sawn and whether quarter, half or all core taken.*	**Stavely Project** **Thursday's Gossan Prospect** **Stavely Minerals' Diamond Drilling** Quarter core for the PQ diameter diamond core and half core for the HQ diameter core was sampled on site using a core saw.
	If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.	**Stavely Project** **Thursday's Gossan Prospect** **Stavely Minerals' RC Drilling** Splitting of RC samples occurred via a rotary cone splitter by the RC drill rig operators. Cone splitting of RC drill samples occurred regardless of whether the sample was wet or dry. **Historical Drilling** No details are given for historical aircore and RC holes.
	For all sample types, the nature, quality and appropriateness of the sample preparation technique.	**Stavely Project** **Thursday's Gossan Prospect** **Stavely Minerals' Diamond and RC Drilling** Company procedures were followed to ensure sub-sampling adequacy and consistency. These included, but were not limited to, daily work place inspections of sampling equipment and practices. **Historical Drilling**

Criteria	JORC Code explanation	Commentary
		No details of sample preparation are given for the historical drilling.
	Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.	**Stavely Project** **Thursday's Gossan Prospect** **Stavely Minerals' Diamond and RC Drilling** Blanks and certified reference materials are submitted with the samples to the laboratory as part of the quality control procedures. **Historical Drilling** No details of quality control procedures are given for the historical drilling.
	Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.	**Stavely Project** **Thursday's Gossan Prospect** **Stavely Minerals' Diamond and RC Drilling** No second-half sampling of the diamond core or field duplicates for the RC drilling has been conducted at this stage. **Historical Drilling** No details are given for the historical drilling.
	Whether sample sizes are appropriate to the grain size of the material being sampled.	**Stavely Project** **Thursday's Gossan Prospect** **Stavely Minerals' Diamond and RC Drilling** The sample sizes are considered to be appropriate to correctly represent the sought mineralisation. **Historical Drilling** The sample sizes are considered to be appropriate to correctly represent the sought mineralisation.
Quality of assay data and laboratory tests	*The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.*	**Stavely Project** **Thursday's Gossan Prospect** **Stavely Minerals' Diamond and RC Drilling** The core samples and 1m RC split samples were analysed by multielement ICPAES Analysis - Method ME-ICP61. A 0.25g sample is pre-digested for 10-15 minutes in a mixture of nitric and perchloric acids, then hydrofluoric acid is added and the mixture is evaporated to dense fumes of perchloric (incipient dryness). The residue is leached in a mixture of nitric and hydrochloric acids, the solution is then cooled and diluted to a final volume of 12.5mls. Elemental concentrations are measured simultaneously by ICP Atomic Emission Spectrometry. This technique approaches total dissolution of most minerals and is considered an appropriate assay method for porphyry copper-gold systems. For samples which returned a Cu assay value in excess of 10,000ppm (1%) the pulp was re-assayed using Cu-OG62 which has a detection limit of between 0.001 and 40% Cu. This technique is a four acid digest with ICP-AES or AAS finish.

Criteria	JORC Code explanation	Commentary
		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 1,100ºC 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 900ºC. The lead oxidizes to lead oxide, being absorbed by the cupel, leaving a bead (prill) of gold, silver (which is added as a collector) and other precious metals. The prill is dissolved in aqua regia with a reduced final volume. Gold content is determined by flame AAS using matrix matched standards. For samples which are difficult to fuse a reduced charge may be used to yield full recovery of gold. This technique approaches total dissolution of most minerals and is considered an appropriate assay method for detecting gold mineralisation. **Historical Drilling** Samples from TGAC009, TGAC010, TGAC037 and TGAC042 were submitted for the analysis of Au, Ag, As, Cu, Co, Fe, Ni, Pb, S and Zn. All elements except Au were assayed by ICP/OES methods. Gold was analysed using the Fire Assay method. Samples were submitted to either Genalysis Laboratory Services Pty Ltd (Amdel) in Adelaide or to Aminya Laboratories Pty Ltd (Onsite Laboratory Services) in Bendigo for analysis. Samples from TGAC1145 to TGAC150 were submitted to Onsite Laboratory Services in Bendigo for Au by Fire assay and Ag, As, Cu, Fe, S, Pb and Zn by ICP/OES.
	For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.	
	Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.	**Stavely Project** **Thursday's Gossan Prospect** **Stavely Minerals' Diamond and RC Drilling** Laboratory QAQC involved the submission of standards and blanks. For every 20 samples submitted either a standard or blank was submitted. The analytical laboratory provide their own routine quality controls within their own practices. The results from their own validations were provided to Stavely Minerals. Results from the CRM standards and the blanks gives confidence in the accuracy and precision of the assay data returned from ALS. **Historical Drilling** No quality control data available for historical drilling.

Criteria	JORC Code explanation	Commentary
Verification of sampling and assaying	*The verification of significant intersections by either independent or alternative company personnel.*	**Stavely Project** **Thursday's Gossan Prospect** **Stavely Minerals' Diamond and RC Drilling** Either Stavely Minerals' Managing Director or Technical Director has visually verified significant intersections in the core and RC chips at Thursday's Gossan.
	The use of twinned holes.	No twinned holes have been drilled.
	Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.	**Stavely Project** **Thursday's Gossan Prospect** **Stavely Minerals' Diamond and RC Drilling** Primary data was collected for drill holes using the OCRIS logging template on Panasonic Toughbook laptop computers using lookup codes. The information was sent to a database consultant for validation and compilation into a SQL database. **Historical Drilling** No details provided for historical drilling.
	Discuss any adjustment to assay data.	No adjustments or calibrations were made to any assay data used in this report.
Location of data points	*Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.*	**Stavely Project** **Thursday's Gossan & Mount Stavely Prospects** **Stavely Minerals' Diamond and RC Drilling** Drill collar locations were pegged before drilling and surveyed using Garmin handheld GPS to accuracy of +/- 3m. Collar surveying was performed by Stavely Minerals' personnel. This is considered appropriate at this early stage of exploration. For the diamond holes, down-hole single shot surveys were conducted by the drilling contractor. Surveys were conducted at approximately every 30m down-hole. **Historical Drilling** No details provided for drill collar locations for historical drilling.
	Specification of the grid system used.	The grid system used is GDA94, zone 54.
	Quality and adequacy of topographic control.	At the Thursday's Gossan and Mount Stavely prospect topographic control is achieved via use of DTM developed from a 2008 airborne magnetic survey conducted by UTS contractors measuring relative height using radar techniques. For Stavely Minerals' exploration, the RL was recorded for each drill hole and soil sample location from the GPS. Accuracy of the GPS is considered to be within 5m.
Data spacing and distribution	*Data spacing for reporting of Exploration Results.*	The drill hole spacing is project specific, refer to figures in text.
	Whether the data spacing and distribution is sufficient to establish the degree of geological and grade	No Mineral Resource and Ore Reserve estimation procedure(s) and classifications apply to the exploration data being reported.

Criteria	JORC Code explanation	Commentary
	continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.	
	Whether sample compositing has been applied.	**Stavely Project** **Thursday's Gossan Prospect** **Stavely Minerals' Diamond Drilling** Sample intervals were based on lithology but in general were 1m. No intervals were less than 0.4m or greater than 1.2m. **Stavely Minerals' RC Drilling** No sample compositing has been applied. **Historical Drilling** Sample compositing was applied for historical drill holes PEND1T and VSTD1D2. Three metre compositing was applied for historical drill holes TGAC009, TGAC010 and TGAC145 to TGA150. One metre and two metre compositing was applied for historical drill holes TGAC037 and TGAC042.
Orientation of data in relation to geological structure	*Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.*	**Stavely Project** **Thursday's Gossan Prospect** **Stavely Minerals' Diamond and RC Drilling** The orientation of RC and diamond drill holes is tabulated in the Drill Hole Collar Table included in this report. As best as practicable, drill holes are designed to intercept targets and structures at a high angle. Some practical limitations apply in the context of collars being sited to avoid poor drilling conditions / bad ground. In the case of SMD044, the hole was drilled 180 degrees opposite (250° grid rather than 070° grid) to avoid known bad ground.
	If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.	**Stavely Project** **Thursday's Gossan & Mount Stavely Prospects** **Stavely Minerals' Diamond and RC Drilling** With SMD050 drilled to 070° grid azimuth, the drill hole has intersected the mineralised zone along the ultramafic contact approximately perpendicularly.
Sample security	*The measures taken to ensure sample security.*	**Stavely Project** **Thursday's Gossan Prospect** **Stavely Minerals' Diamond and RC Drilling** Samples in closed poly-weave bags were collected from the Company's Glenthompson shed by a contractor and delivered to either Ararat or Hamilton from where the samples are couriered to ALS Laboratory in Adelaide, SA. **Historical Drilling** No available data to assess security.

Criteria	JORC Code explanation	Commentary
Audits or reviews	*The results of any audits or reviews of sampling techniques and data.*	No audits or reviews of the data management system has been carried out.

Section 2 Reporting of Exploration Results

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

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	*Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.*	**Stavely Project** The diamond drilling and RC drilling at Thursday's Gossan and Mount Stavely are located on EL4556, which forms the Stavely Project. The mineralisation at Thursday's Gossan is situated within exploration licence EL4556. The Stavely Project was purchased by Stavely Minerals (formerly Northern Platinum) from BCD Resources Limited in May 2013. Stavely Minerals hold 100% ownership of the Stavely Project tenements. The Stavely Project is on freehold agricultural land and not subject to Native Title claims. New Challenge Resources Pty Ltd retains a net smelter return royalty of 3% in EL4556, although there is an option to reduce this to 1% upon payment of $500k.
	The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.	**Stavely Project** A retention licence, RL2017, was applied for over the majority of EL4556 in May 2014. The tenement is in good standing and no known impediments exist.
Exploration done by other parties	*Acknowledgment and appraisal of exploration by other parties.*	**Stavely Project** **Thursday's Gossan Prospect** Exploration activity became focused on Thursday's Gossan and the Junction prospects following their discovery by Pennzoil of Australia Ltd in the late 1970s. North Limited continued to focus on Thursday's Gossan in the 1990s. North's best drill result at Thursday's Gossan came from VICT1D1 which gave 161m of 0.26% Cu from 43m, including 10m of 0.74% Cu from 43m from a supergene-enriched zone containing chalcocite. The tenement was optioned to CRA Exploration between 1995 and 1997. CRAE drilled several deep diamond drill holes into Thursday's Gossan, including DD96WL10, which intersected 186m from 41m of 0.15% Cu and DD96WL11, which intersected 261.7m from 38.3m of 0.13% Cu. EL4556 was further explored by Newcrest Operations Limited under option from New Challenge Resources Ltd between 2002 and 2004. Their main focus was Thursday's Gossan in order to assess its potential as a porphyry

Criteria	JORC Code explanation	Commentary
		copper deposit. One of their better intersections came from drill hole VSTD01 on the northern edge of the deposit which gave 32m at 0.41 g/t Au and 0.73% Cu from 22m in supergene-enriched material. The Stavely Project was optioned to Beaconsfield Gold Mines Pty Ltd in 2006 who flew an airborne survey and undertook an extensive drilling programme focused on 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 at 1.08 g/t Au and 4.14% Cu from 95.3m and 9.5m at 0.44 g/t Au and 2.93% Cu from 154.6m along silicified and sheared contacts between serpentinite and porphyritic intrusive rocks. Once Beaconsfield Gold Mines Pty Ltd had fulfilled their option requirements, title of EL4556 passed to their subsidiary company, BCD Metals Pty Ltd, who undertook a gravity survey and extensive drilling at prospects including Thursday's Gossan. They also commissioned a maiden Mineral Resource estimate for Thursday's Gossan. All work conducted by previous operators at Thursday's Gossan is considered to be of a reasonably high quality.
Geology	*Deposit type, geological setting and style of mineralisation.*	**Stavely Project** **Thursday's Gossan Prospect** The Thursday's Gossan and Junction prospects are located in the Mount Stavely Volcanic Complex (MSVC). Intrusion of volcanic arc rocks, such at the Mount Stavely Volcanic Complex, by shallow level porphyries can lead to the formation of porphyry copper ± gold ± molybdenum deposits. The Thursday's Gossan Chalcocite deposit (TGC) is considered to be a supergene enrichment of primary porphyry-style copper mineralisation. Mineralisation is characterised by chalcopyrite, covellite and chalcocite copper sulphide mineralisation within a sericite, illite and kaolin clay alteration assemblage. Copper mineralisation is within a flat lying enriched 'blanket' of overall dimensions of 4 kilometres north-south by up to 1.5 kilometres east-west by up to 60 metres thick with an average thickness of approximately 20 metres commencing at an average depth below surface of approximately 30 metres. The majority (circa 60%) of the Mineral Resources reside within a higher-grade zone of approximate dimensions of 1 kilometre x 300 metres by 35 metres thick. The Thursday's Gossan area hosts a major hydrothermal alteration system with copper-gold mineralisation over a 10 kilometre long corridor. The Junction porphyry target is defined by a coincident magnetic high, strong soil copper geochemistry, RAB drilling copper anomalism. Stavely Minerals believes the technical evidence indicates there is significant porphyry copper-gold mineralisation potential at depth at Thursday's Gossan.

Criteria	JORC Code explanation	Commentary
Drill hole Information	*A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all 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.*	Included in the drill hole table in the body of the report.
	If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.	No material drill hole information has been excluded.
Data aggregation methods	*In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.*	**Stavely Project** **Thursday's Gossan Prospect** Exploration results are nominally reported where copper results are greater than 0.1% Cu over a down-hole width of a minimum of 3m. No top-cutting of high grade assay results have been applied, nor was it deemed necessary for the reporting of significant intersections.
	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.	**Stavely Project** **Thursday's Gossan Prospect** In reporting exploration results, length weighted averages are used for any non-uniform intersection sample lengths. Length weighted average is (sum product of interval x corresponding interval grade %) divided by sum of interval length.
	The assumptions used for any reporting of metal equivalent values should be clearly stated.	No metal equivalent values are used for reporting exploration results.

Criteria	JORC Code explanation	Commentary
Relationship between mineralisation widths and intercept lengths	*These relationships are particularly important in the reporting of Exploration Results.* *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.*	**Stavely Project** **Thursday's Gossan Prospect** There is insufficient drilling data to date to demonstrate continuity of mineralised domains and determine the relationship between mineralisation widths and intercept lengths.
	If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').	Refer to the Tables and Figures in the text.
Diagrams	*Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	Refer to Figures in the text. A plan view of the drill hole collar locations is included.
Balanced reporting	*Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	**Stavely Project** **Thursday's Gossan Prospect** All copper and gold values considered to be significant for porphyry mineralisation have been reported. Some subjective judgement has been used.
Other substantive exploration data	*Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	All relevant exploration data is shown on figures and discussed in the text.
Further work	*The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or*	**Stavely Project** **Thursday's Gossan Prospect** Diamond drilling has been planned to test the mineralised structures at shallower depths along the ultramafic contact.

Criteria	JORC Code explanation	Commentary
	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.*	