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Cash Balance: \$1.66

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HIGHLIGHTS

Exploration

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

- Discovery hole SMD050 returned exceptional results including:
 - 32m at 5.88% copper, 1.00g/t gold and 58g/t silver from 62m down-hole including:
 - 12m at 14.3% copper, 2.26g/t gold and 145g/t silver; including:
 - 2m at 40% copper, 3.00g/t gold and 517g/t silver; and
 - 4.4m at 3.98% nickel and 0.23% cobalt from 96.7m drill depth.
- First step-out diamond hole SMD051, located 160m along strike to the south-east of SMD050, returns outstanding assay results including:
 - 8m at 9.69% copper, 0.40g/t gold and 16.8g/t silver from 177m drill depth; including:
 - 2m at 17.3% copper, 0.57g/t gold and 13.1g/t silver from 179m drill depth.

And a second intercept of:

- 59m at 1.80% copper, 0.43g/t gold and 15.4g/t silver from 98m down-hole including:
 - 8.5m at 4.38% copper, 0.87g/t gold and 32.7g/t silver, and
 - 3m at 5.66% copper, 0.29g/t gold and 4.6g/t silver
- The mineralisation is characterised by structurally controlled massive to semi-massive sulphide and quartz-sulphide with early pyrite that is fractured and brecciated by later copper sulphides dominated by chalcopyrite, bornite and chalcocite.
- Step-out holes SMD052 and SMD053, each collared a further 80m south-east respectively, have been completed. SMD052 appears to have intersected the low-angle structure (LAS) prior to hitting the target Ultramafic Contact Fault (UCF) while SMD053 did intersect the Ultramafic Contact Fault. Assays are pending.
- Drill holes SMD054 and SMD055 have been collared as a 40m step out along strike to the north-west and 40m down-dip of the discovery intercept in SMD050.

Mathinna Gold Project, Tasmania

- Stavely Tasmania Pty Ltd has been granted exploration licences EL19/2018 and EL6/2019 over the New Golden Gate Mine within the highly prospective Alberton – Mathinna “Gold Corridor” in northeast Tasmania.

Corporate

- Stavely Minerals had a total of \$1.66M cash on hand at the end of the September 2019 Quarter.
- Subsequent to the Quarter, the Company completed a capital raising of \$19.6M:
 - \$19.6M sophisticated and institutional investor share placement at \$1.00 per share.
 - Funds to be used to accelerate drilling at the Thursday's Gossan Prospect, other regional targets in the Stavely Project, as well as advancing the gold targets in Tasmania and Queensland.
- On 18 June 2019 Stavely Minerals, through its 100% owned subsidiary Stavely Tasmania Operations Pty Ltd, terminated the acquisition agreement with BCD Resources NL (among other parties) to purchase all assets associated with the Beaconsfield gold processing plant.
- On 20 September 2019 Stavely Minerals agreed a Deed of Settlement and Release with BCD Resources NL (and the other parties) to settle the termination of the Binding Term Sheet and to release both parties from any further claim. As part of the Deed of Settlement and Release BCD Resources returned \$100,000 of the original purchase deposit to Stavely Minerals.

OVERVIEW

During the September Quarter, the Company received exceptional results from diamond hole SMD050, which targeted high-grade structurally controlled copper-gold-silver mineralisation within the Ultramafic Contact Fault (UCF), immediately south-east of recent deep drilling. SMD050, the first hole drilled at the UCF, returned stunning grades of up to 40% copper within a 32m wide high-grade zone.

The first step out hole SMD051, located 160m south of the discovery hole, returned an outstanding thick mineralised intercept which confirmed a substantial shallow copper-gold-silver discovery. Two wide zones of mineralisation of up to 59m down-hole with grades of up to 19.3% copper were reported in SMD051.

The current phase of diamond drilling is being undertaken to evaluate the potential for near-surface high-grade mineralisation while the Company completes a review of all the results and data stemming from recent deep diamond drilling targeting the source porphyry.

The breakthrough stems from a recent review of drill core, assay results and other technical data undertaken in conjunction with Stavely's consultants, Drs Greg Corbett, Scott Halley and Paul Ashley. This review has significantly improved the Company's understanding of the mineralisation style at the Thursday's Gossan prospect.

The review has highlighted significant similarities between the large mineral system at Thursday's Gossan and the Butte, Montana and Magma, Arizona copper deposits. Similarities include the large vertical extent of mineralisation and that the copper sulphide species zonation both vertically and laterally. This prompted Stavely Minerals to test for similar high-grade lode-hosted copper-gold-silver mineralisation at shallower depths.

Stavely Minerals cautions that the exploration programme targeting lode-style copper mineralisation is at an early stage and the Company does not intend to imply that Thursday's Gossan will become a Magma or Butte sized system, rather that it shares the lode-style and copper sulphide zonation observed at these deposits.

Visual observations of drill core from the second and third step-out holes SMD052 and SMD053, each located a further 80m to the south-east respectively, indicate that both of these holes encountered zones of massive to semi-massive mineralisation over narrower down-hole widths. Assays for these holes are pending.

In drill hole SMD053 a mineralised structure has also been intercepted internal to the serpentinite unit. This introduces additional possibilities for mineralised structures within the serpentinite not previously recognised or targeted.

The UCF has not been well tested by SMD052 as it hit the low-angle structure (LAS) before reaching the UCF or the mineralised structure in the serpentinite unit.

Evidence from the two holes for which assays have been received, combined with visual indications from ongoing drilling, suggest that the shallow zone of copper-gold mineralisation now being delineated at the UCF represents a major exploration breakthrough for the Company.

There are currently two diamond rigs at Thursday's Gossan following up the original discovery hole. Drill hole SMD054, a 40m step-out along strike to the north-west of SMD050, is currently in progress. Also in progress is SMD055, which has been collared 40m behind SMD050 to test mineralisation down-dip of that drill hole.

Drill planning and permitting is well advanced for both the Mathinna Project in Tasmania and the Ravenswood Project in Queensland, with diamond drilling on the Mathinna Project expected to commence next quarter.

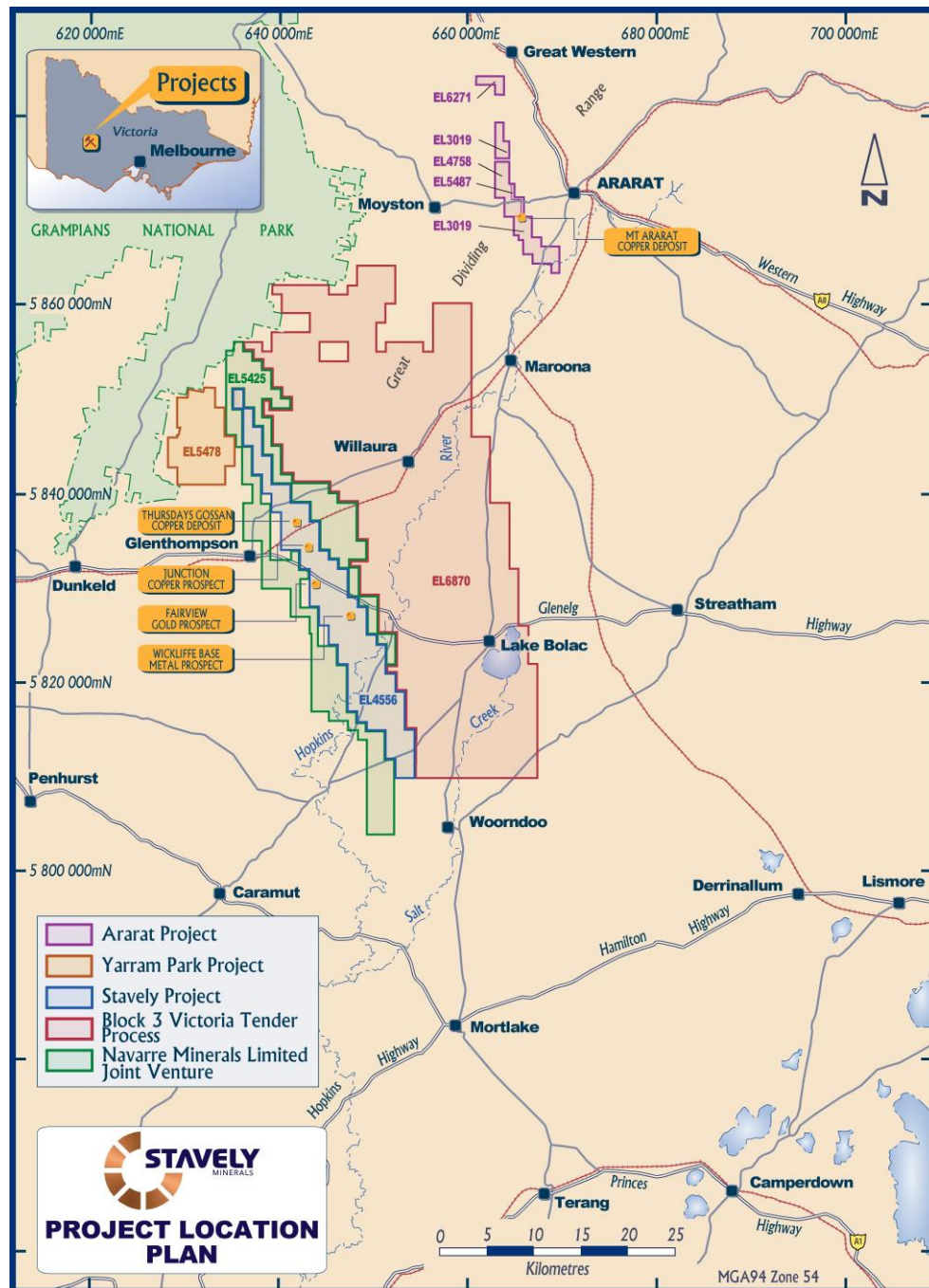


Figure 1. Western Victoria Project location plan.

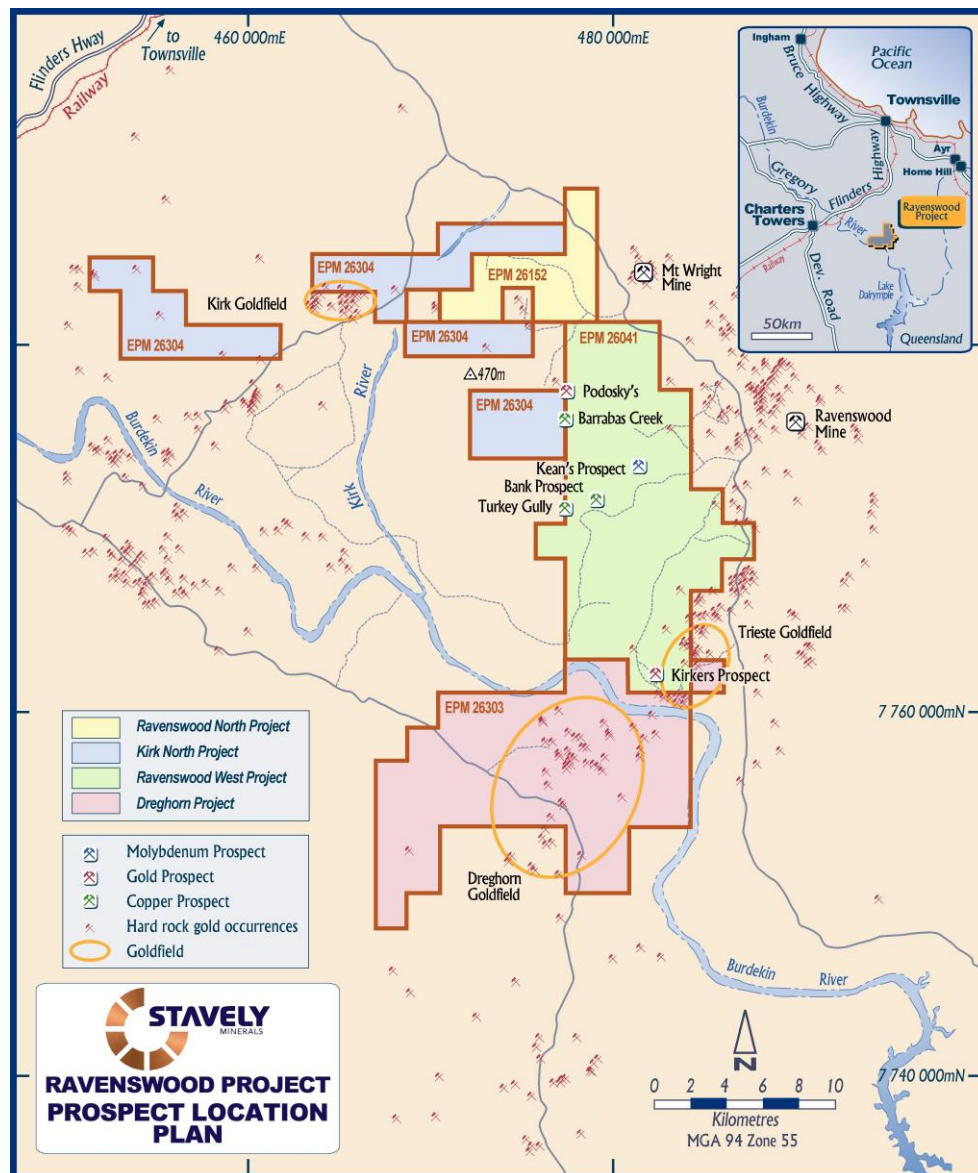


Figure 2. Ravenswood Project location plan.

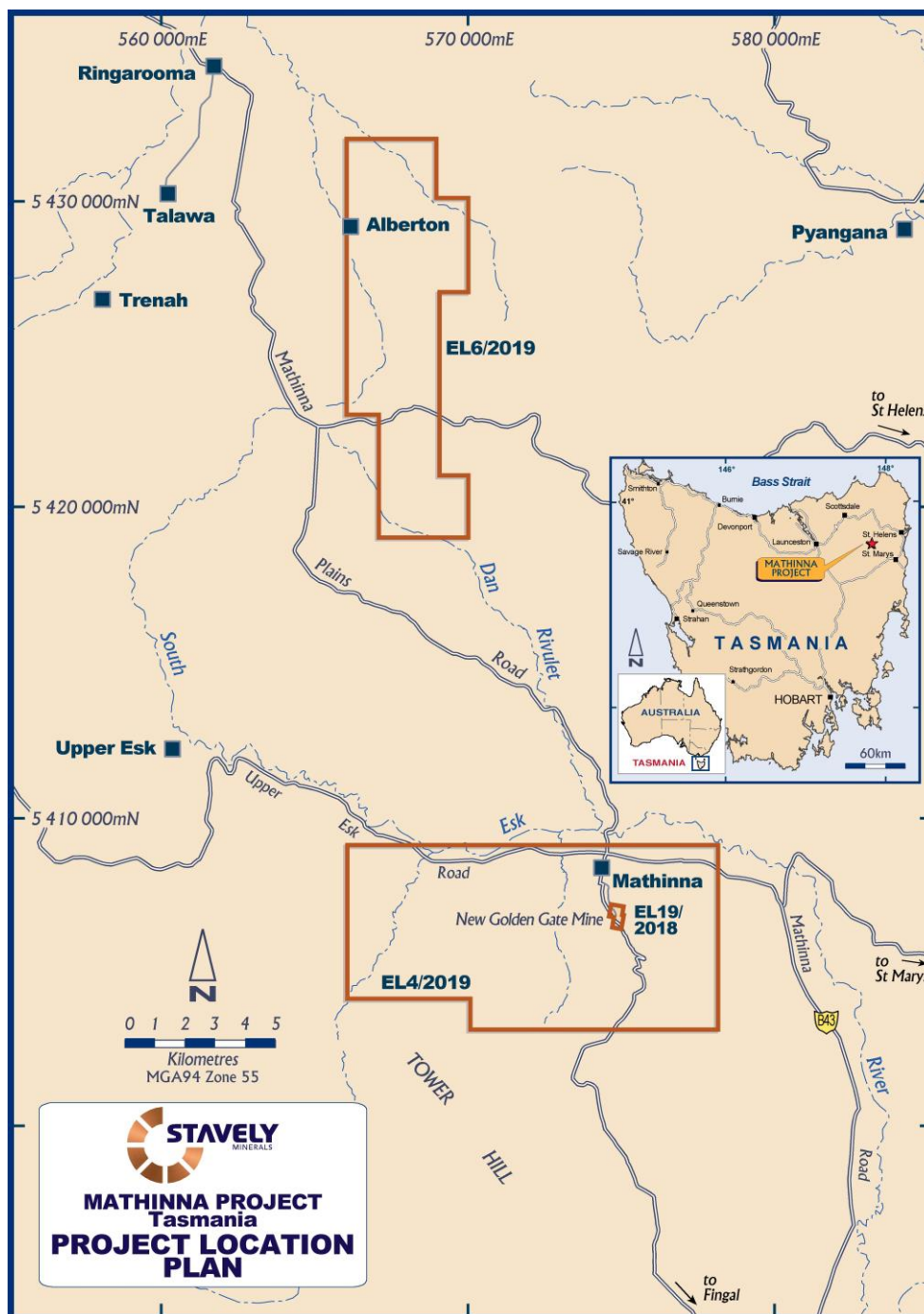


Figure 3. Mathinna Project location plan.

EXPLORATION

Stavely Project (EL4556)

Thursday's Gossan Prospect

During the September Quarter, holes SMD049 (a re-drill of SMD048 which failed at 61m due to a collar wash-out), SMD050, SMD051, SMD052 and SMD053 were completed for a total of 2,666.4m (Figures 4 & 5). Assay results were received for SMD045W2, SMD049, SMD050 and SMD051.

Diamond drill hole wedge SMD045W2, drilled to target the (North-South Structure) NSS below the intercept reported in SMD045, returned a broad zone of moderate grade copper and several higher-grade copper-gold intercepts:

- 74m @ 0.31% copper from 531m down-hole including:
 - 23m @ 0.28% copper, 0.13g/t gold and 4g/t silver from 531m down-hole; and
 - 28m @ 0.42% copper from 558m down-hole
- 3m @ 1.12% copper, 0.26g/t gold and 11g/t silver from 859m down-hole (Photo 1)

In the NSS:

- 12m @ 0.51% copper, 0.1g/t gold and 2g/t silver from 1,129m down-hole, including:
 - 4m @ 0.91% copper, 0.12g/t gold and 2g/t silver from 1,133m (Photo 2)

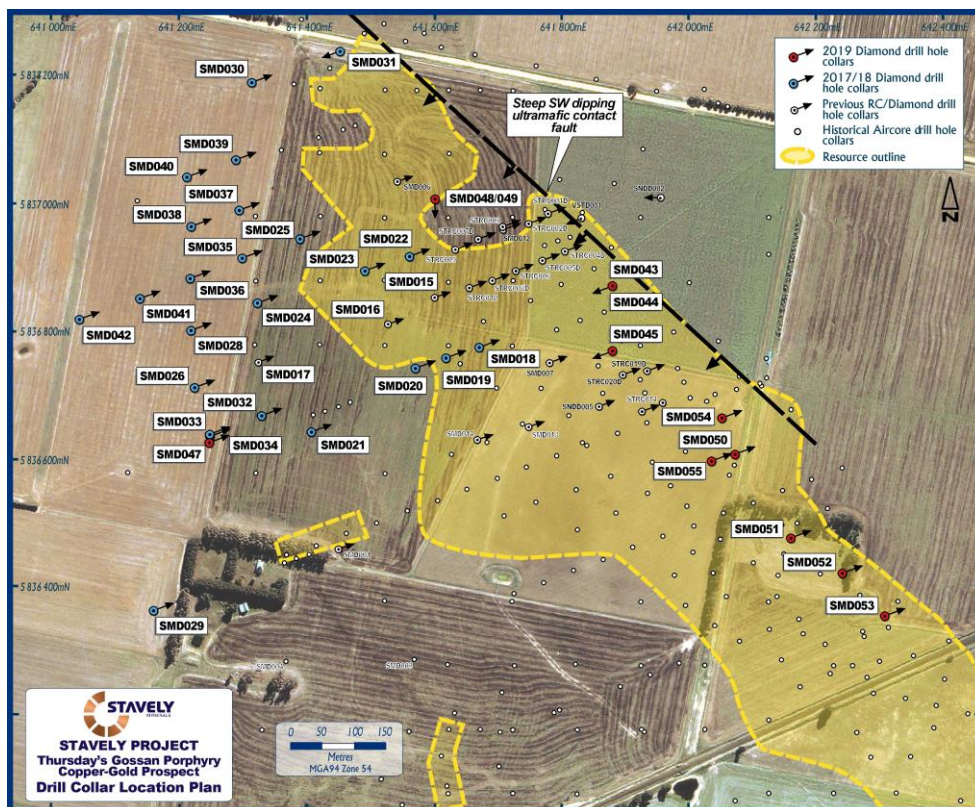


Figure 4. Thursday's Gossan drill hole location plan.

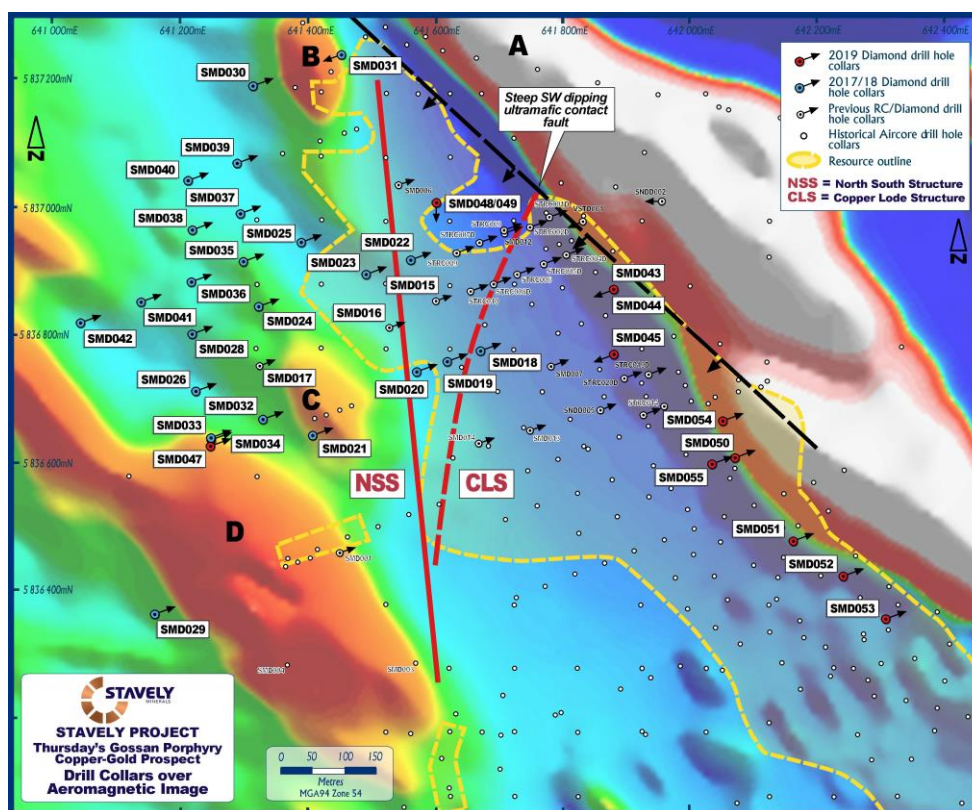


Figure 5. TMI Magnetic image of Thursday's Gossan with drill collars overlaid.



Photo 1. Massive pyrite with minor chalcopyrite vein at 860.5m in SMD045W2.



Photo 2. Pyrite breccia with quartz bornite and chalcocite infill at 1,133m in SMD045W2.

As previously reported (see ASX announcement 18 June 2019) diamond drill hole SMD045 returned high-grade copper-gold mineralisation on the NSS, with assay results including:

- 307m at 0.22% copper from 15m down-hole, including:
 - **23m at 0.53% copper, 0.43g/t gold and 3.5g/t silver** from 51m down-hole, including:
 - **3m at 2.38% copper, 2.12g/t gold and 12.2g/t silver** from 51m, including:
 - **1m at 5.05% copper, 6.06g/t gold and 20.9g/t silver** from 52m
 - 92m at 0.30% copper from 215m drill depth, including:
 - **8m at 0.93% copper, 0.26g/t gold and 8.8g/t silver** from 218m
- 17m at 0.29% copper, 0.15g/t gold and 4.6g/t silver from 531m, including:
 - 2m at 0.42% copper, 0.57g/t gold and 12.1g/t silver from 546m
- 27m at 0.53g/t gold from 567m, including:
 - 3m at 1.99g/t gold from 578m

In the NSS:

- 2m at 0.55% copper, 0.14g/t gold from 1,063m down-hole
- 12m of late mineral dacite from 1,065m
- **16m at 1.30% copper, 0.15g/t gold and 2.8g/t silver** from 1,077m, including
 - **2m at 2.90% copper, 0.27g/t gold and 3.9g/t silver** from 1,091m
- 10m of late mineral dacite from 1,093m
- 11m at 0.39% copper from 1,103m

SMD045W1, (see ASX announcement 18 June 2019) drilled to target the NSS 170m vertically above the intercept in SMD045, also returned significant assay results including:

- 30m at 0.23% copper from 465m down-hole, including
 - 5m at 0.22% copper, 0.71g/t gold and 5.5g/t silver from 474m
- 25m at 0.23% copper, 0.14g/t gold and 2.5g/t silver from 528m
- 9m at 0.28% copper, 0.21g/t gold and 4.9g/t silver from 719m

In the NSS – not well-mineralised with 3m at 0.30% copper from 942m:

- 3m at 0.49% copper, 0.16g/t gold and 2.4g/t silver from 1,053m

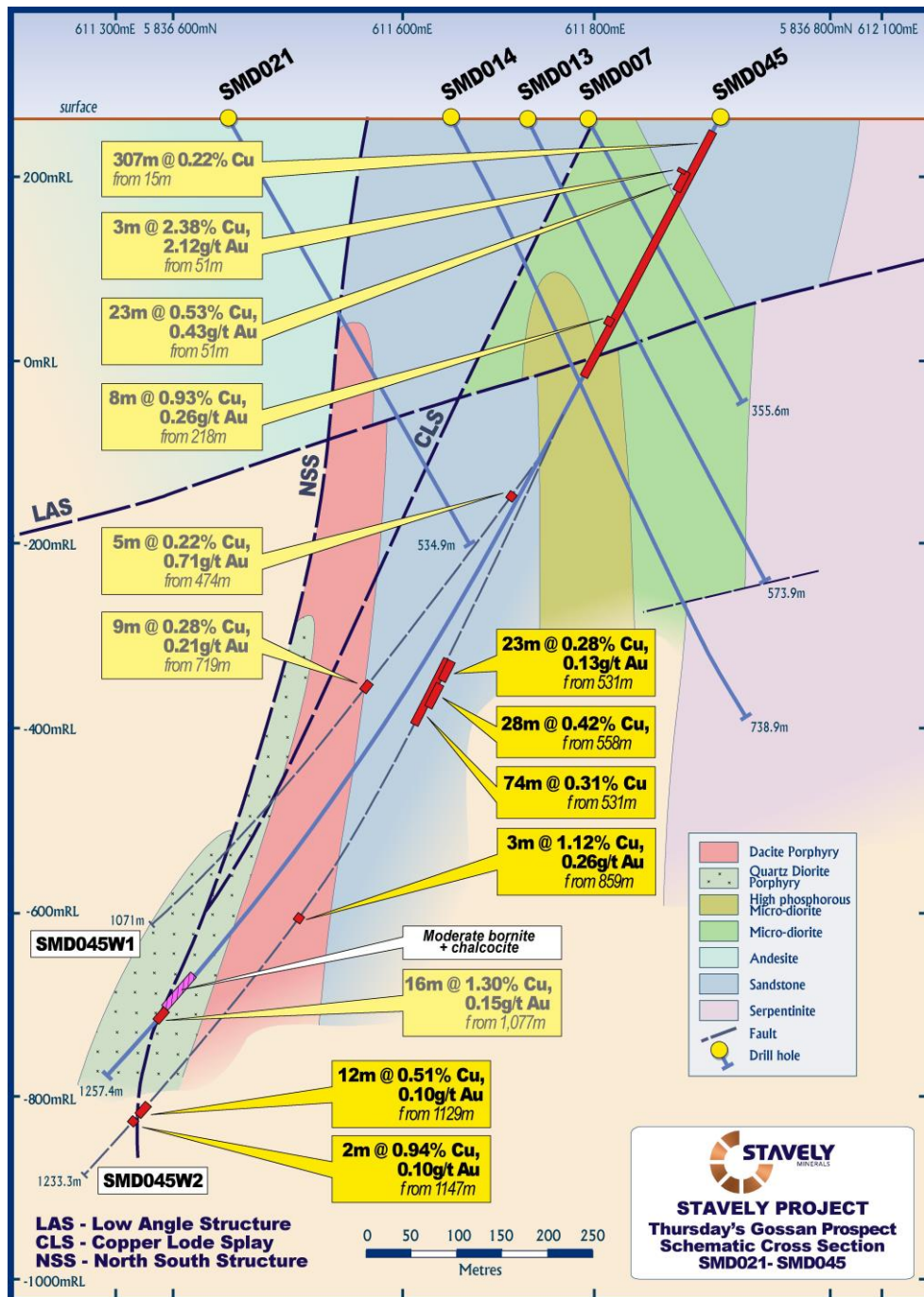


Figure 6. Drill Section SMD045.

Hole SMD049 was designed to target the source porphyry believed to be responsible for high-grade structurally-controlled polymetallic epithermal copper-gold-silver mineralisation encountered in recent drill holes SMD044, SMD044W1, SMD045, SMD045W1 and SMD045W2.

The hole, which was drilled from north to south, parallel to the mineralisation-hosting NSS, was completed to a depth of 1,767.6m.

The hole is not believed to have intersected the source porphyry, as the hole encountered appreciable molybdenite in porphyry A veins from 1,315m to approximately 1,440m down-hole. This is consistent with an outer molybdenite halo to a porphyry.

After passing through a shear around 1,443 to 1,445m drill depth, from 1,458m actinolite alteration began appearing in the quartz diorite porphyry (QDP). From 1,465.5m, porphyry A veins with quartz \pm actinolite and patchy disseminated magnetite and quartz-magnetite \pm chalcopyrite porphyry M veins made an appearance.

From around 1,510m drill depth, the QDP was hosting moderate to strong disseminated magnetite alteration with lesser epidote and actinolite with locally well-developed porphyry A veins. This style of alteration, which persisted to the end-of-hole, is a style of alteration not previously encountered in drilling at Thursday's Gossan.

While the source porphyry has not been intersected, the style of alteration is interpreted to be similar to inner propylitic and, in places, appears to be unaffected by phyllic alteration – more typical of the upper portions of a porphyry hydrothermal system.

It is interpreted that the drill hole is potentially on the lateral margin to (to the side of) the hotter core of the porphyry. It is possible that observed hydrothermal biotite overprinted by chlorite may be an early potassic event overprinted by a later propylitic retrograde alteration. Alternatively, it is also possible that the drill hole ended in the barren core to the QDP porphyry – the interpreted to be porphyry #2 in a sequence of four porphyry phases – the later two phases have not yet been seen in drilling but are the likely drivers of the structurally-controlled copper-gold-silver mineralisation.

SMD049 returned significant assay results including:

- 17m @ 0.30% copper from 583m down-hole including
 - 6m @ 0.43% copper and 0.26g/t gold from 587m down-hole
- 37m at 0.26% copper from 664m down-hole
- 22m @ 0.11% copper, 0.49g/t gold from 1,223m down-hole including
 - 4m at 1.72g/t gold, including
 - 1m @ 5.52g/t gold

Random intervals of gold mineralisation, often without appreciable copper mineralisation, include 2m at 0.56g/t gold without copper or silver mineralisation from 948m drill depth in SMD049 are hosted in the late-mineral dacite. It is likely that the gold is associated with late carbonate veins. This is clear evidence of a late gold overprint and may provide an important upgrade if it could be found overprinting hypogene copper-gold-silver mineralisation.

A different style of gold mineralisation is noted associated with the interval of 22m at 0.11% copper, 0.49g/t gold and 2g/t silver from 1,223m down-hole in SMD049 (Figure 7). This interval of moderate grade gold is associated with anhydrite veins with minor pyrite and chalcopyrite, minor anomalous arsenic, molybdenum and low-grade copper mineralisation. Some quartz-pyrite-molybdenite veins are noted.

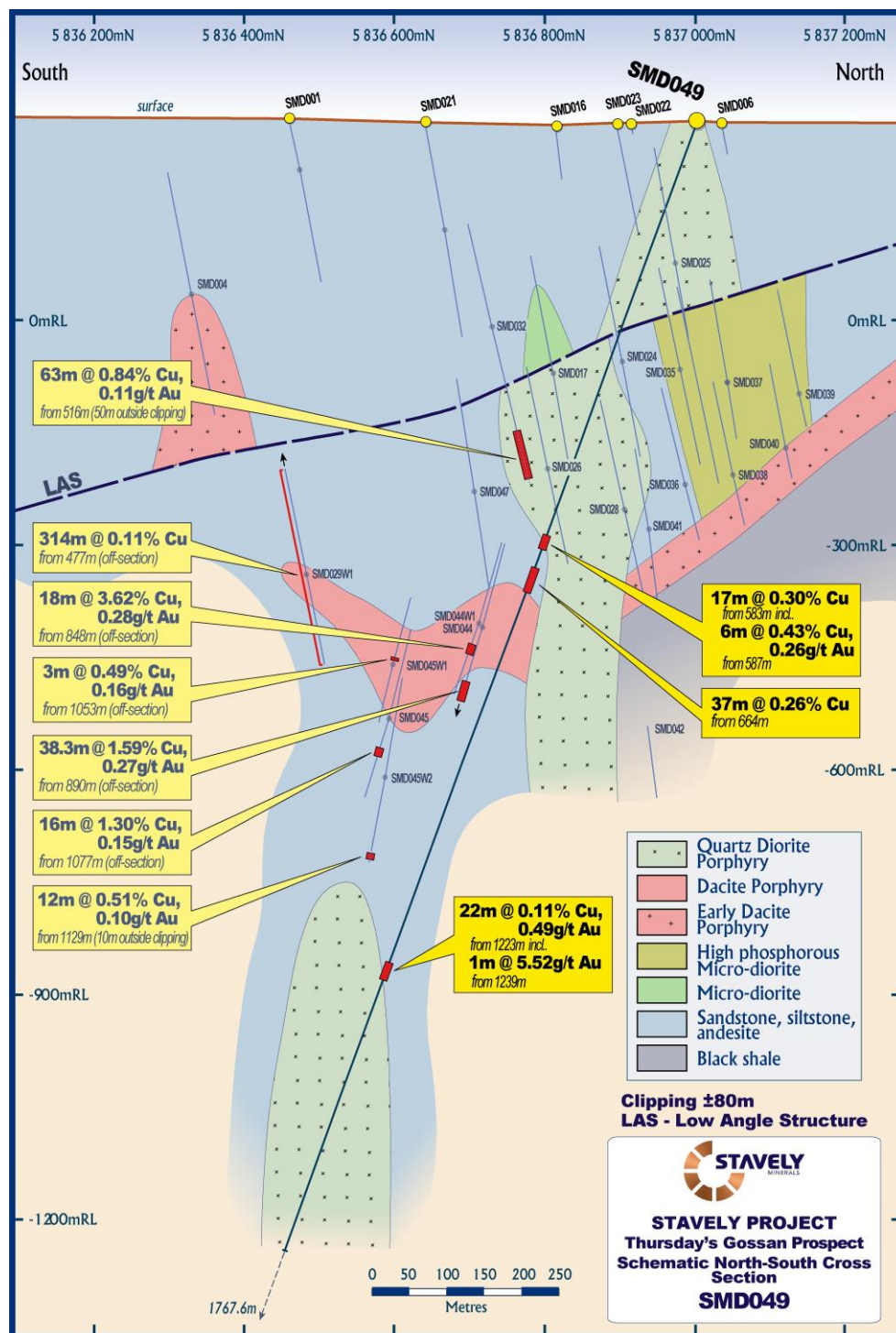


Figure 7. Drill Section SMD049.

This style of gold mineralisation is likely of greater affinity to the high-grade structurally-controlled copper-gold-silver lode-style mineralisation.

During the Quarter, a site visit by Dr Greg Corbett and Dr Paul Ashley as well as a Skype meeting with Dr Scott Halley – in conjunction with a recently received petrology report – further confirmed the analogy of the Thursday's Gossan deposit with the Butte, Montana and Magma, Arizona styles of what has been termed Cordilleran Vein Deposits, and more recently as Epithermal Polymetallic Deposits.

This recognition provides opportunities to target both the high-grade structurally-controlled copper-gold-silver mineralisation – especially closer to surface – and the associated porphyry as per the relationship between the Resolution porphyry and the Magma veins system in Arizona. The deeper porphyry target will be reviewed once all the data from SMD049 is compiled.

Drill holes SMD050 to SMD053, inclusive were drilled to evaluate the potential for near-surface high-grade mineralisation. These holes were designed to target shallow structurally controlled copper-gold-silver mineralisation within the UCF and have all intersected a thick sulphide zone including visible chalcopyrite, bornite and chalcocite.

Drill hole SMD050 intersected 14.6 metres of semi-massive to massive sulphides including chalcopyrite, bornite and chalcocite from 79m to 93.6m drill depth (Figure 8).

Assays for SMD050 included:

- **32m at 5.88% copper, 1.00g/t gold and 58g/t silver**, from 62m drill depth including
 - **12m at 14.3% copper, 2.26g/t gold and 145g/t silver** from 82m, including
 - **2m at 40% copper, 3.00g/t gold and 517g/t silver**

Drill hole SMD050 also intersected:

- **4.4m at 3.98% nickel, 0.23% cobalt and >1% chrome**

While there have been a number of >0.5% nickel drill intercepts in the serpentinised ultramafic, this is the first instance of >1% nickel at Thursday's Gossan. It is suspected that the nickel has been sourced from the ultramafic by the hot and acidic hydrothermal fluids also responsible for the copper-gold-silver mineralisation.

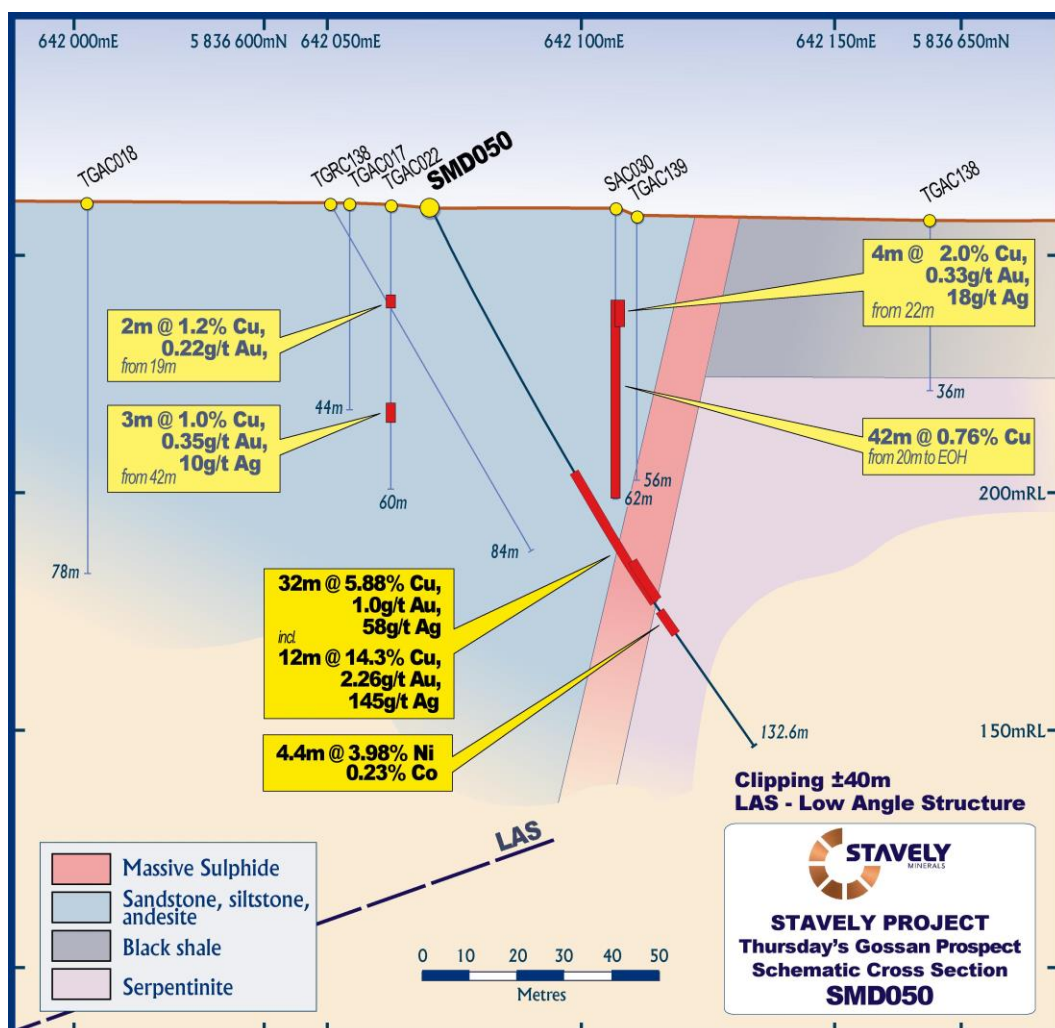
SMD051, which is located 160m to the south-east of discovery drill hole SMD050 (Figures 4 and 5), intersected a thick zone of shallow copper-gold-silver mineralisation with stunning grades of up to **1 metre at 19.3% copper** in a second zone of mineralisation. SMD051 intersected a structural zone of 85.7m width with an aggregate of approximately 60m of semi-massive sulphide-quartz veining from 97.2m to 182.9m down-hole (Figure 9). The size of the fault in this position is interpreted to be the result of structural thickening of the UCF.

Assays for SMD051 included:

- **59m at 1.80% copper, 0.43g/t gold and 15.4g/t silver** from 98m down-hole; including:
 - **8.5m at 4.38% copper, 0.87g/t gold and 32.7g/t silver** from 106.6m, and
 - **3m at 5.66% copper, 0.29g/t gold and 4.6g/t silver** from 134m.

And a second very high-grade intercept of:

- **8m at 9.69% copper, 0.40g/t gold and 16.8g/t silver** from 177m drill depth; including:
 - **2m at 17.3% copper, 0.57g/t gold and 13.1g/t silver** from 179m.



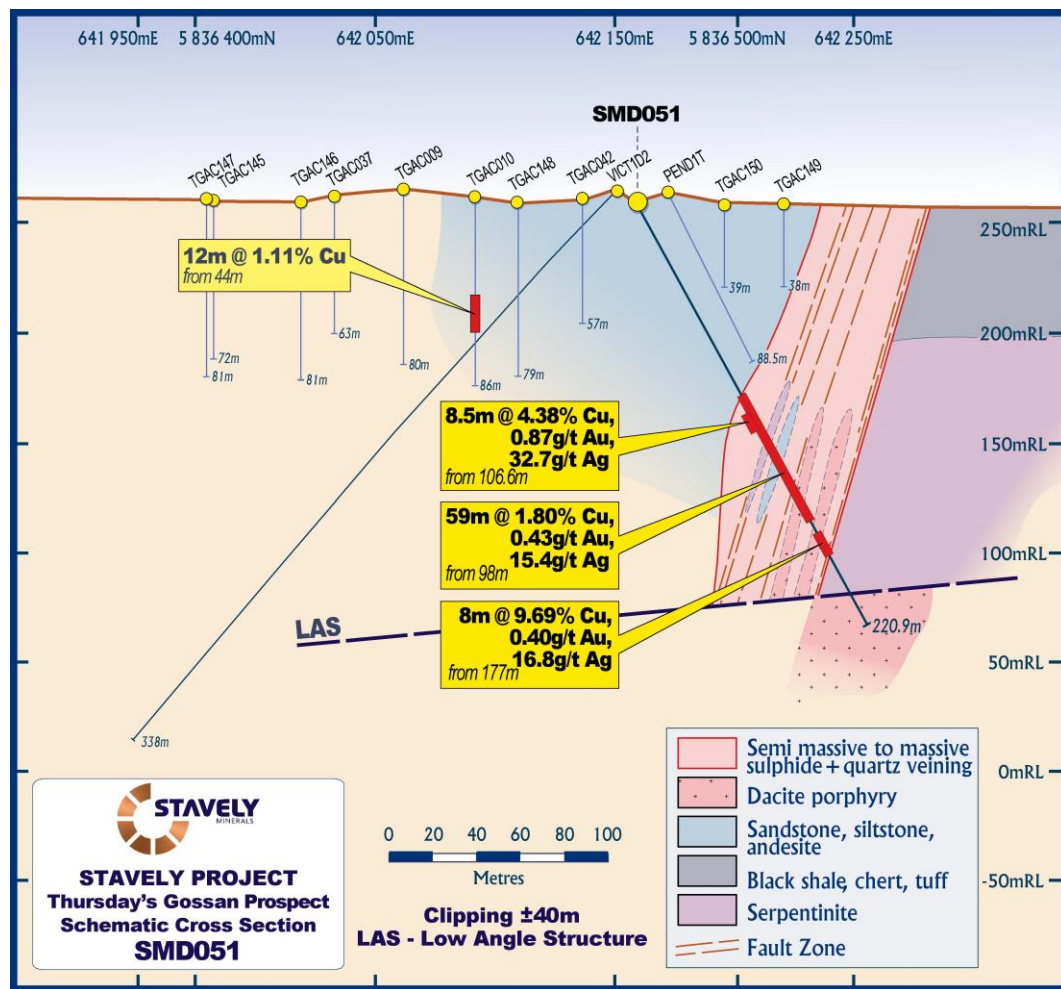


Figure 9. Drill Section SMD051.

Visual observations of drill core from the second and third step-out holes SMD052 and SMD053 (Figure 10 and Figure 11), each located a further 80m to the south-east respectively, indicate that both of these holes encountered zones of massive to semi-massive mineralisation over narrower down-hole widths (see ASX announcement 7 October 2019). Assays for these holes are pending.

Of note is that for the best mineralised interval in SMD053 (see visual description in Appendix 2, ASX announcement 7 October 2019), the mineralised structure has migrated into the Serpentinite unit and both this position and the UCF has not been well tested by SMD052 because it hit the LAS before reaching either position. More drilling is required to assess this possibility.

The growing body of evidence from the two holes for which assays have been received, combined with visual indications from ongoing drilling, suggest that the shallow zone of copper-gold mineralisation now being delineated at the UCF represents a major exploration breakthrough for the Company.

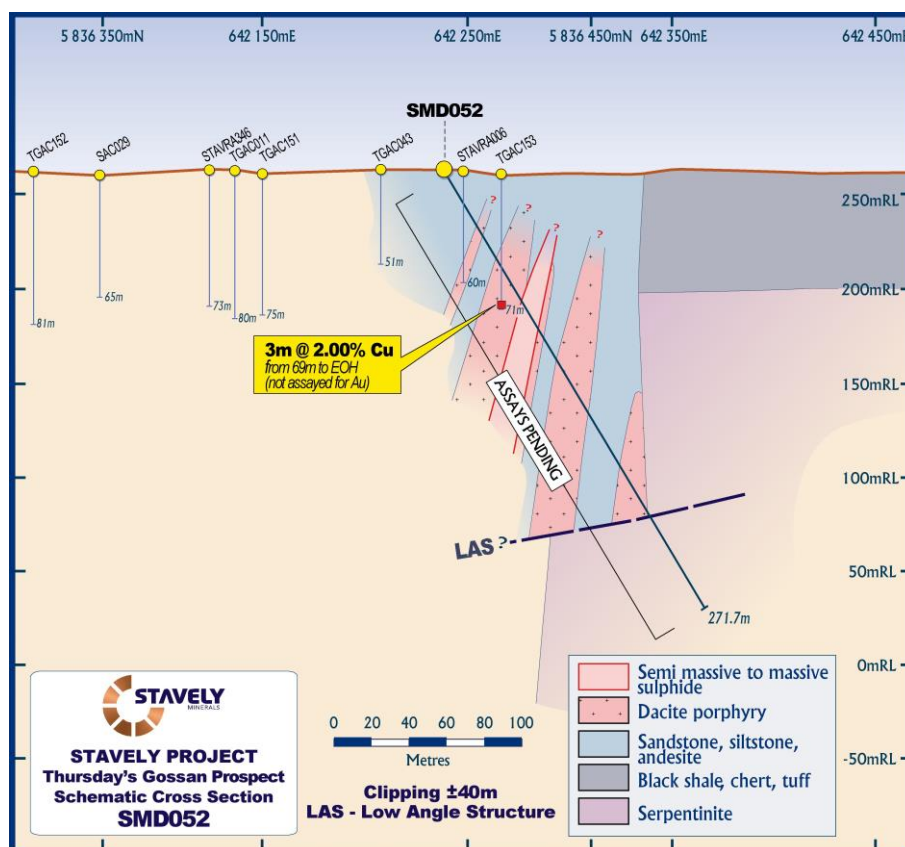


Figure 10. Drill Section SMD052 – note the drill hole intersected the LAS before hitting the target UCF.

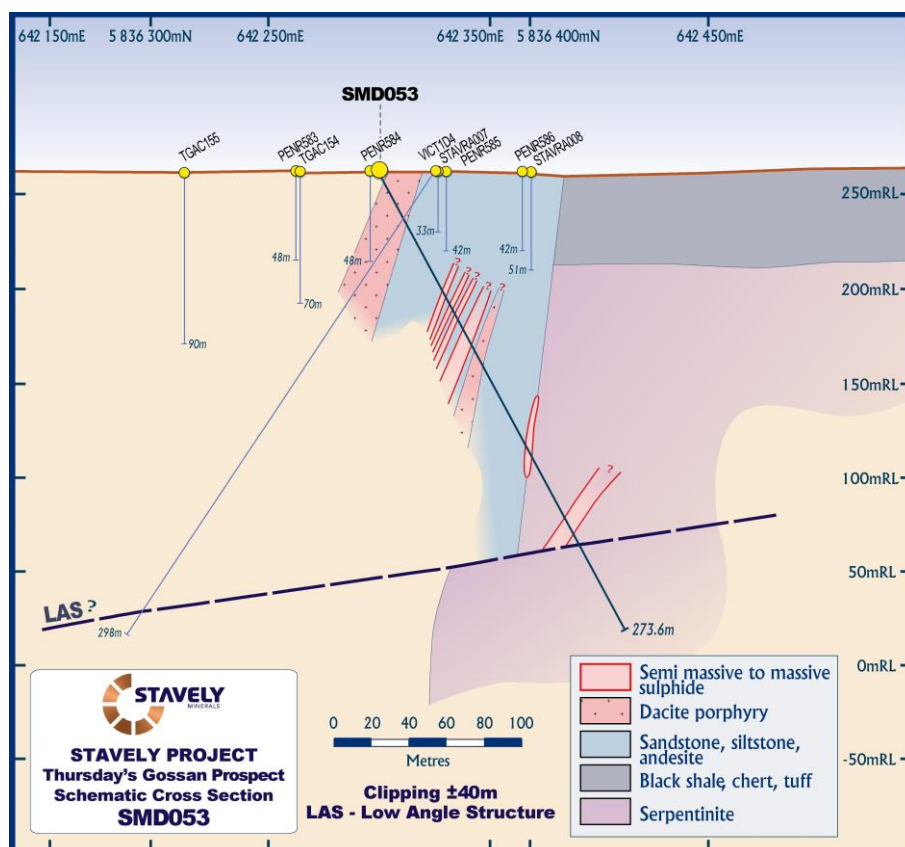


Figure 11. Drill Section SMD053.

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.

Consistent with the Magma/Butte mineralisation model, the mineralisation is zoned spatially, both vertically and laterally with respect to the dominant and lesser copper sulphide species (Figure 12). 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 appear in greater abundance.

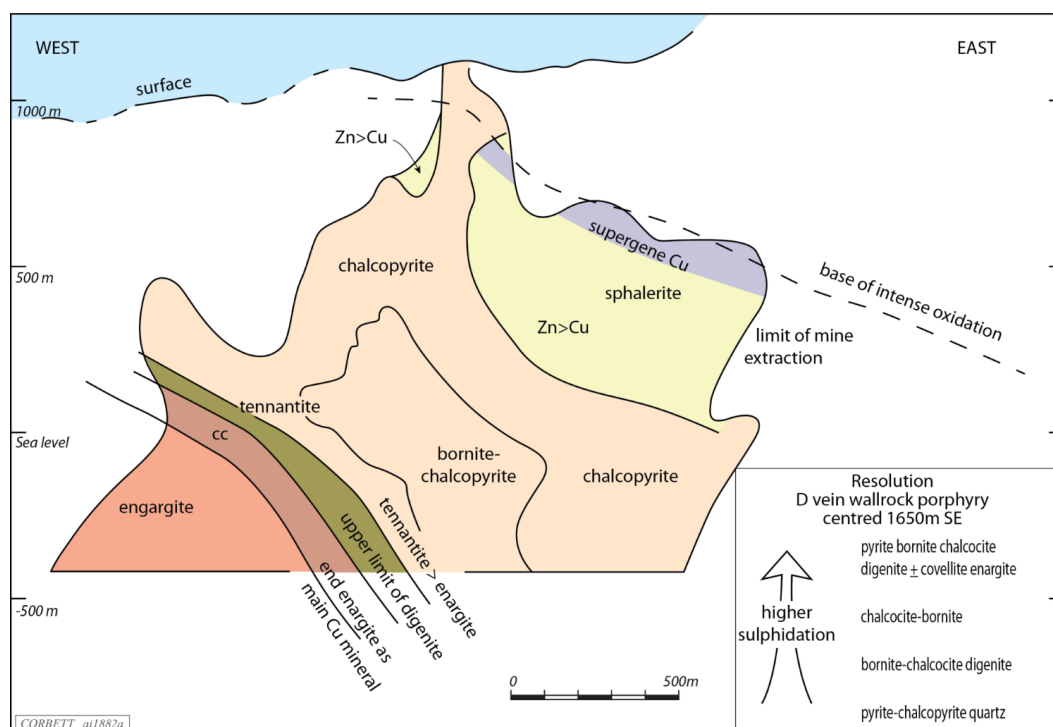


Figure 12. Spatial zonation of copper sulphide species in the Magma Vein – provided by Dr Greg Corbett.

Some of the best mineralised intervals of massive to semi-massive sulphides at these shallow depths are very friable. Unfortunately, in some portions of the intercepts reported there have been intervals of core loss (see ASX announcement 7 October 2019) and the Company believes that some of those zones have been particularly well mineralised, especially with respect to the highest-grade copper sulphide – chalcocite. The drillers are adapting their mud procedures to maximise core recovery in these difficult to recover but important zones of mineralisation.

Black Range Joint Venture Project (EL5425)

A third drill rig is arriving at site in late October to commence diamond drilling at the Northern prospect (Figure 13).

The Northern prospect comprises two inferred Cambrian intrusions within ultramafic and volcanic units of the Stavelly Belt and is considered to have potential for porphyry copper-gold and epithermal gold mineralisation. The possible intrusions coincide with demagnetized zones,

surrounded by strongly magnetic units. They occur at the intersection between the northwest-trending Elliott Belt and the northerly-trending Stavely Belt.

The intrusions have been partly tested by lines of North Limited aircore holes and one line of Penzoi holes. The North Limited holes encountered ultramafic, sandstone and intermediate volcanic lithologies. The best result was 115ppm copper from the Penzoi drill holes. North Limited drill hole STAVRA511, targeting a separate aeromagnetic feature to the north, encountered ultramafic rocks and returned 3m at 1.42g/t gold from 24m.

Shallow aircore drilling has so far failed to account for the demagnetized zones within the ultramafic and intermediate volcanic units of the Stavely Belt.

One diamond drill hole has been planned to approximately 400m depth to test beneath the 1.42g/t gold intercept, targeting down dip mineralisation, bedrock alteration zones and favourable structures within the bedrock.

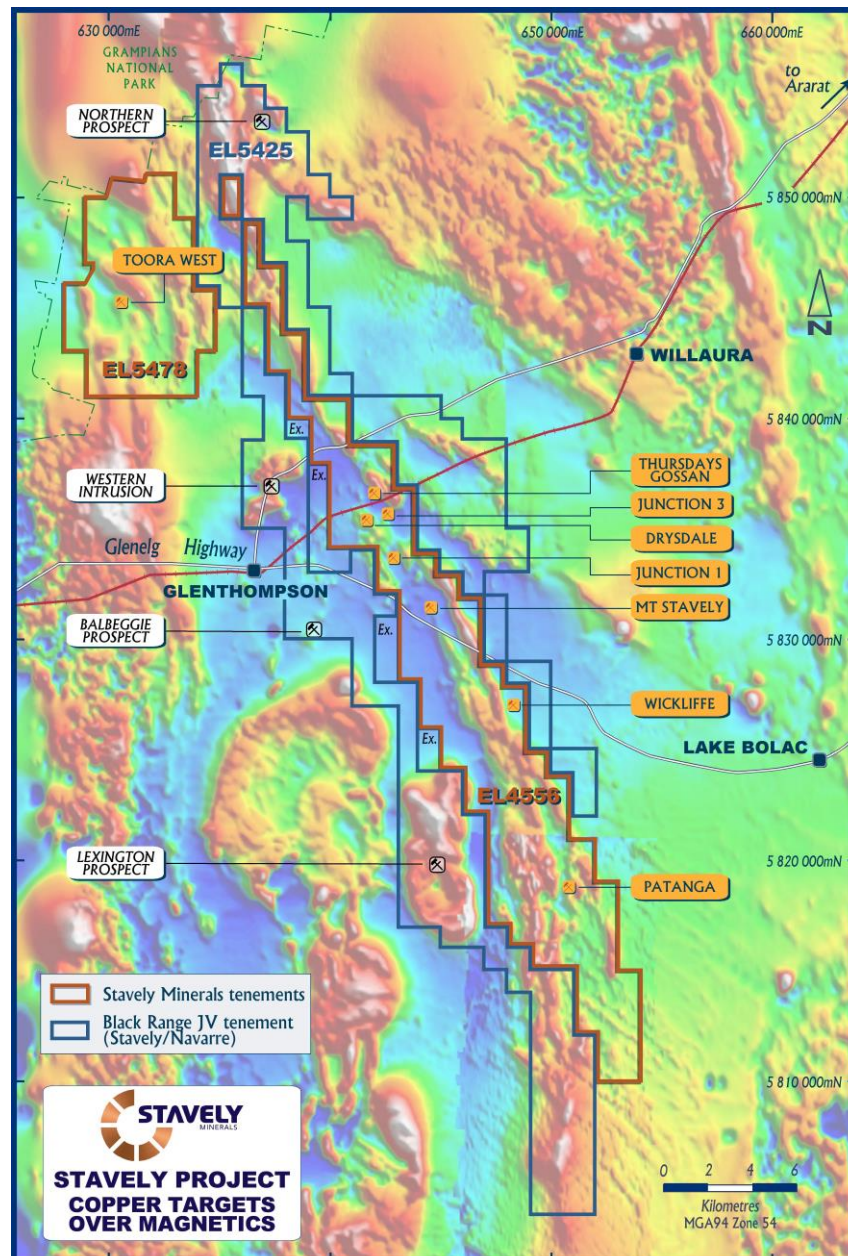


Figure 13. Location of targets on EL5425.

Yarram Park Project (EL5478)

Toora West Prospect

During the Quarter, assay results were received for diamond drilling conducted to test a discrete magnetic anomaly in the vicinity of the previous drilling at the Toora West prospect (Figure 14). Drill hole STWD004 intercepted a south westerly-dipping sequence of massive and amygdaloidal basaltic andesite and basalt lavas, intruded by numerous, northwest and southwest-dipping stocks and/or dykes of very coarse-grained, sparsely feldspar phyric rhyodacite. The lavas were overprinted by a moderate pervasive chlorite±magnetite±epidote alteration assemblage with intervals of coarse-grained blebby pyrite and trace chalcopyrite. Below 170m, the lavas were cut by laminated quartz+pyrite shear-related veins with sericite selvages and low temperature carbonate+quartz veins with colloform banding and no sulphides. The circular aeromagnetic feature appears to be related to patchy secondary magnetite within the intermediate to mafic lavas. No anomalous gold and only minor anomalous base metal assays were returned from drill hole STWD004.

Ararat Project (EL4758, EL3019, EL5486, EL6271)

No exploration was conducted at the Ararat Project during the Quarter.

Ravenswood Project (EPM26041, EPM26152, EPM26303 & EPM26304)

During the Quarter, work commenced on applications for approvals, gaining landholder access and cultural heritage clearance for a drill program planned at the Kirkers Prospect on EPM26041 (Figure 15).

At the Kirkers prospect, rock chip sampling in 2017 returned up to 3.71g/t gold and 536ppm copper from the NE-trending Kirkers vein. Recent mapping has indicated that the 670m long vein possibly bifurcates into two or more subparallel veins at the southern end. Mineralised quartz veins containing hematite, galena and chalcopyrite rimmed by chalcocite extend 500m SW of the Kirkers mine.

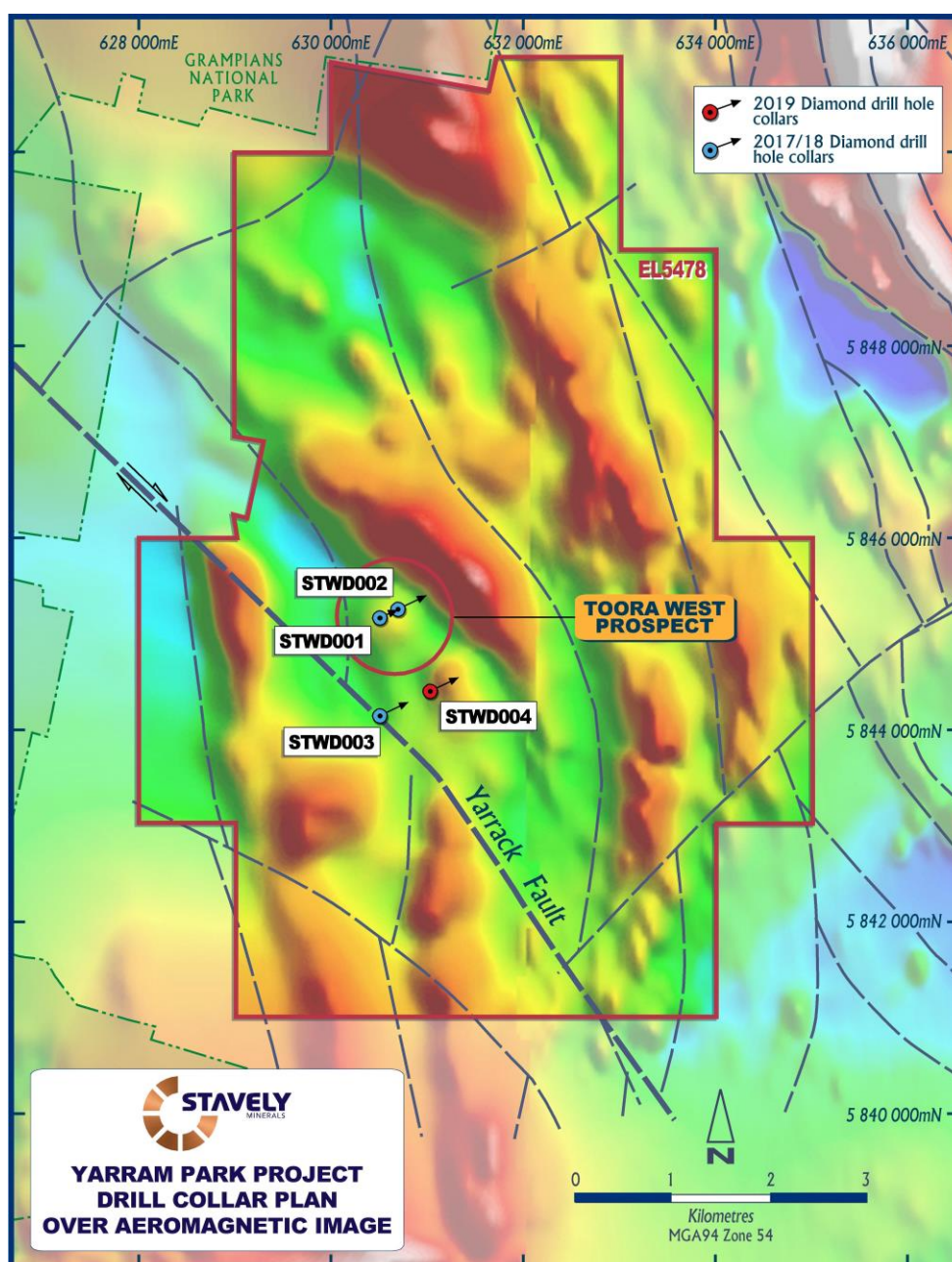


Figure 14. Yarram Park – Toora West drill hole location plan.

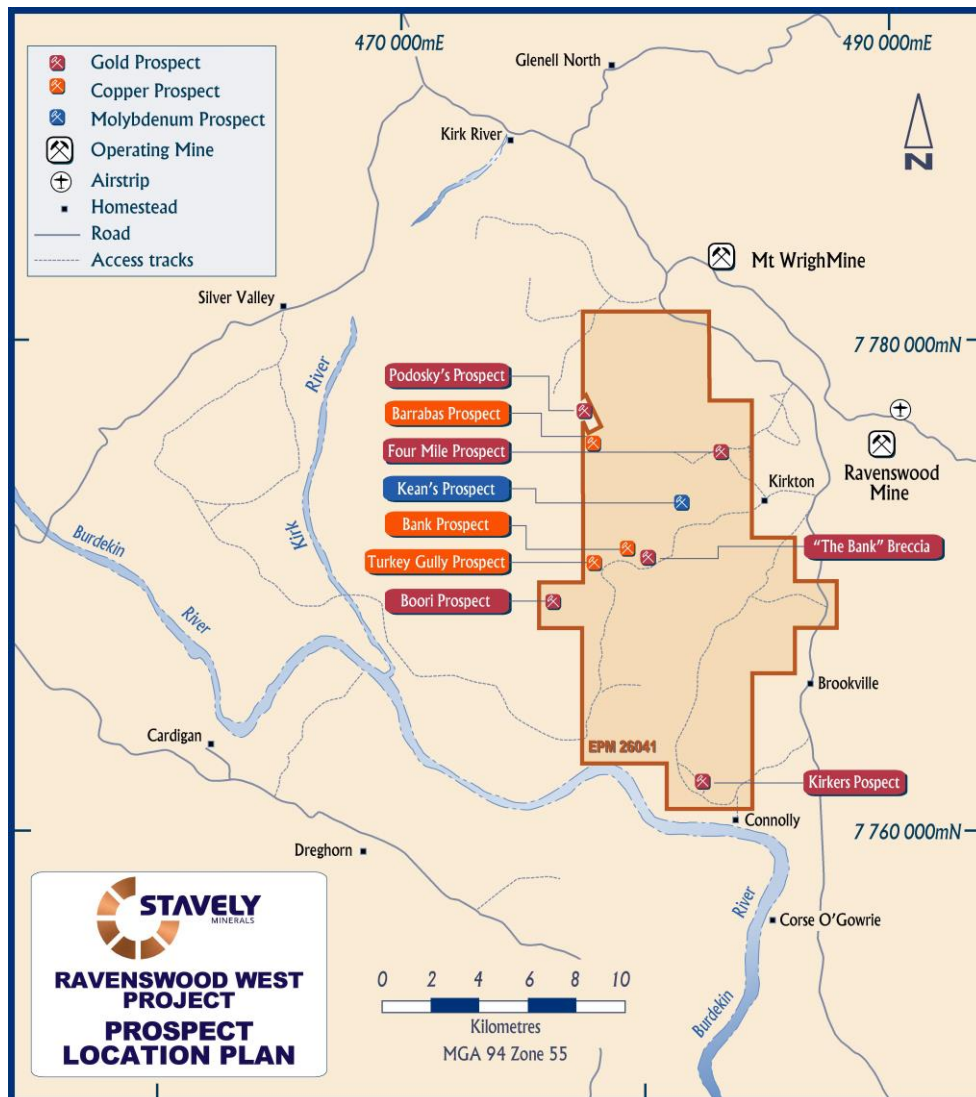


Figure 15. Ravenswood West tenement plan showing the Kirkers prospect.

Mathinna Project

During the Quarter exploration licences 19/2018 and 4/2019 were granted.

The Company has undertaken a comprehensive review of previous exploration work undertaken on these exploration licences.

This review has highlighted the outstanding potential of the Project and concluded that, since mining ceased in 1932, there has been very little modern exploration on the Project.

The limited exploration that has been completed was successful in identifying a number of mineralised trends that have not been mined and highlighted significant potential for extensions to the known mineralised trends within the near-mine environment.

No effective regional exploration has been undertaken along strike of the main controlling structural trends and no exploration has been undertaken targeting structural repeats of the known mineralised trends.

The data review identified a number of shallow, wide and high-grade drill intersections that need to be followed up.

Drill intersections with greater than 50 gram*metres include:

- 11m @ 8.6 g/t gold from 59m down-hole in MT028, including:
 - 6m @ 11.5g/t gold from 64m;
- 10m @ 8.8 g/t gold from 45m down-hole in MT055, including:
 - 3m @ 23.0 g/t gold from 46m;
- 16m @ 4.8 g/t gold from 32m down-hole in PDH5, including:
 - 8m @ 8.5 g/t gold from 40m;
- 7m @ 10.6 g/t gold from 110m down-hole in MT050;
- 17m @ 3.7 g/t gold from 14m down-hole in MT052;
- 4m @ 15.4 g/t gold from 51m down-hole in MT039;
- 4m @ 14.7 g/t gold from 92m down-hole in MT046;
- 4m @ 13.9 g/t gold from 33m down-hole in MT029, and
- 4m @ 13.2 g/t gold from 220m down-hole in MT075.

A full list of significant (+2.0g/t gold) intersections and drill hole collar details are included in the ASX announcement dated 13 September 2019. See Figure 16 for a collar plan of historical drilling and Figures 17 and 18 for drill intercepts at the New Golden Gate and the unmined Sophie's and Dylan's Reefs respectively. Figure 19 shows a typical cross-section through the mineralised lodes.

With the review of previous exploration on the Mathinna tenements nearing completion, the focus has moved from data review to preparations to commence ground-based exploration activities.

These preparations have included the completion of an environmental baseline study over the Project area to determine the extent of historical disturbance and to identify and protect any flora or fauna of significance in the area.

Drill planning and permitting is well advanced with diamond drilling on the Project expected to commence next quarter.

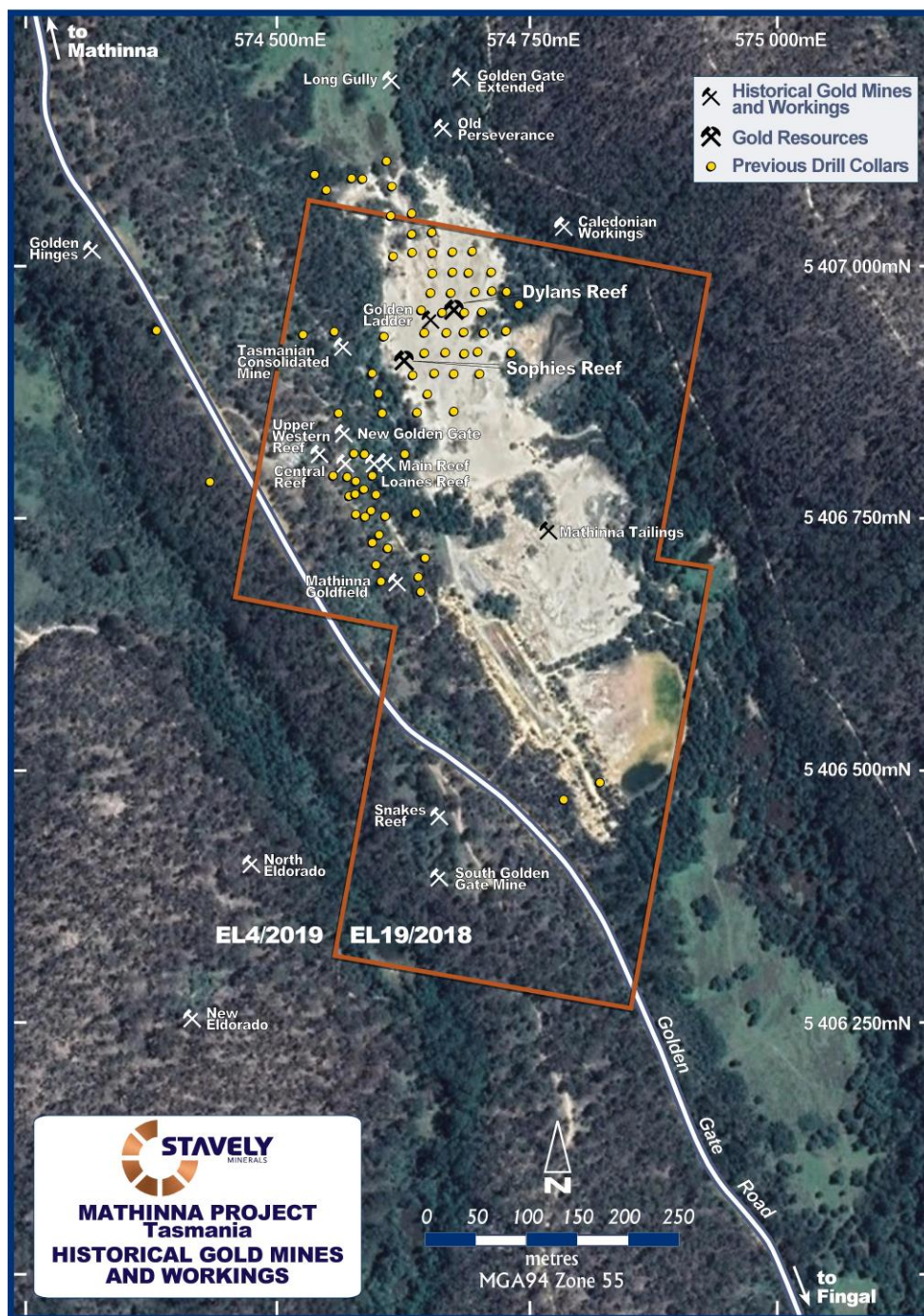


Figure 16. Tenement outline and drill collar locations at Mathinna.

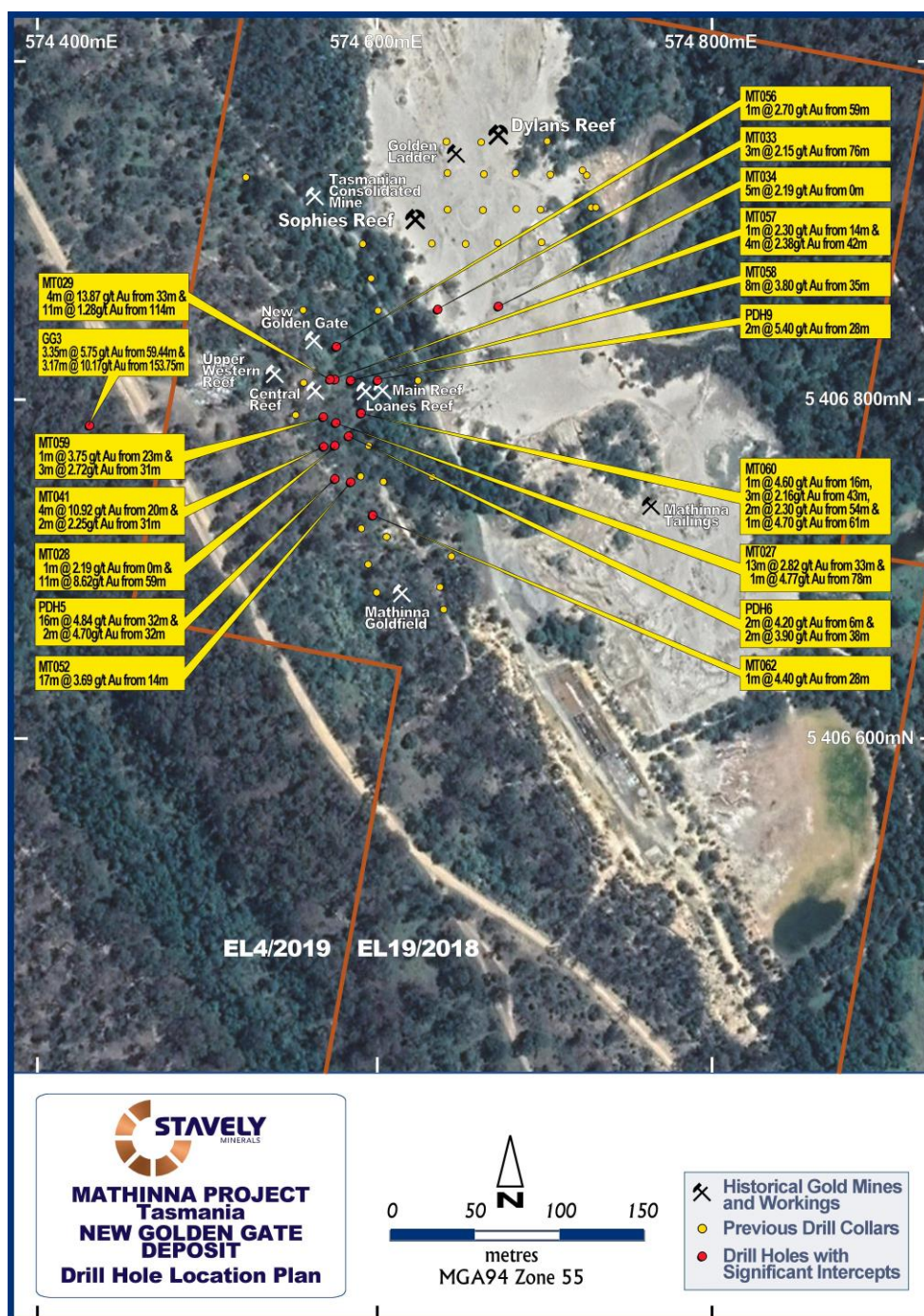


Figure 17. Drill intercepts at the New Golden Gate Gold Mine.

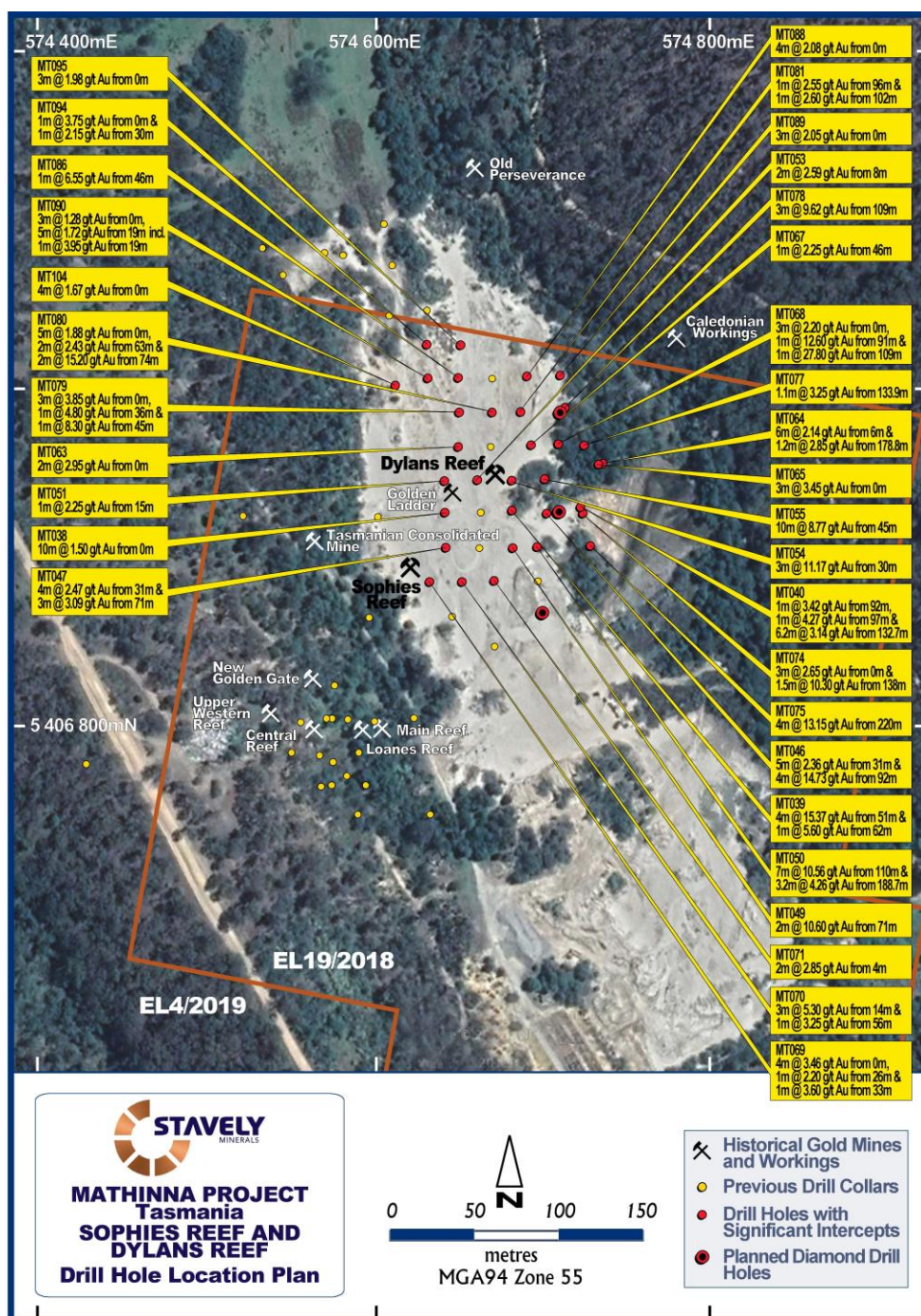


Figure 18. Drill intercepts at Dylan's and Sophie's Reefs.

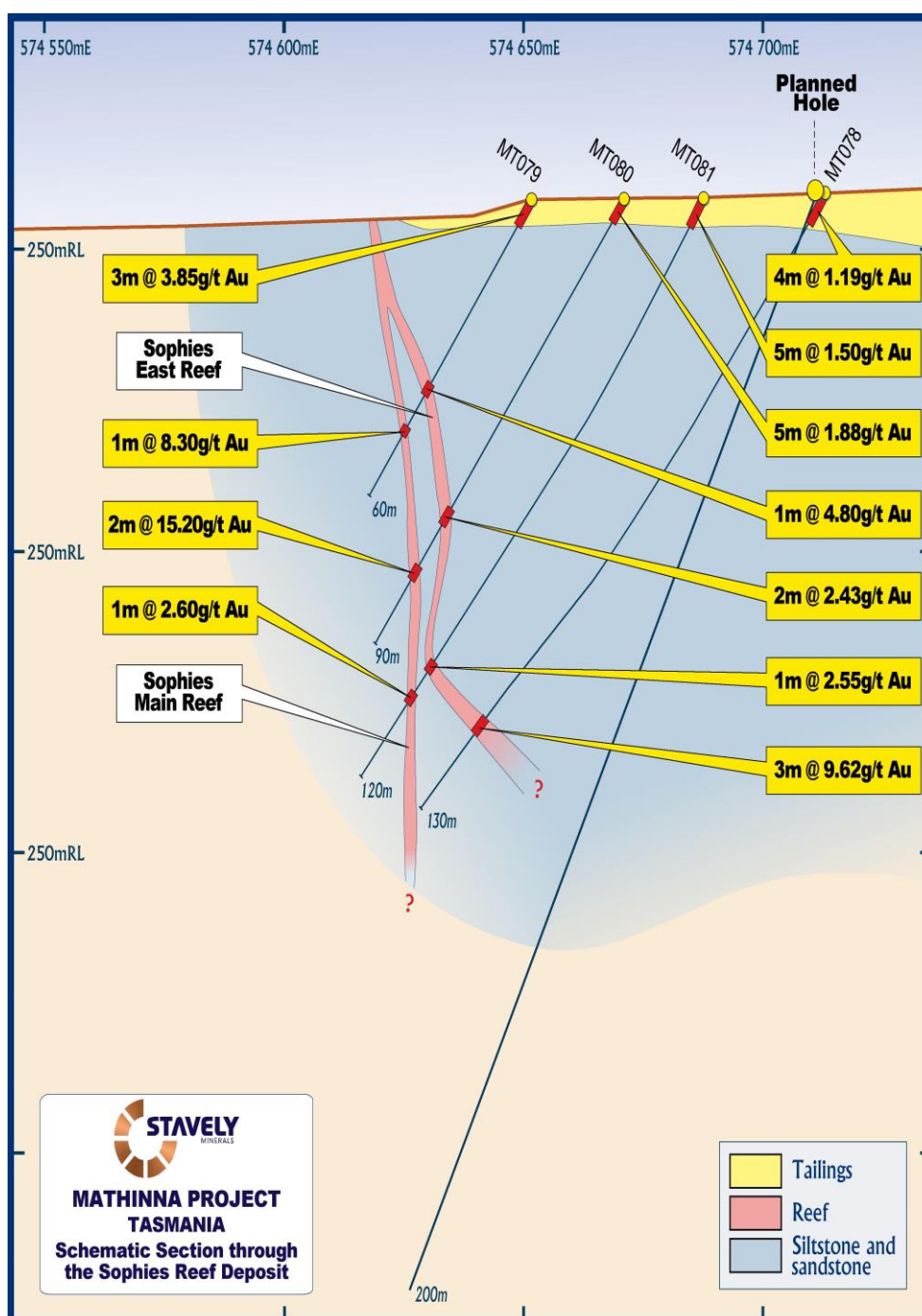


Figure 19. A typical drill section at Mathinna – note the tailings mineralisation at surface.

Planned Exploration

Stavely Project (EL4556)

During the next quarter, diamond drilling will continue at Thursday's Gossan to follow-up the recent structurally controlled high-grade copper-gold-silver mineralisation on the UCF.

Black Range Joint Venture (EL5425)

The planned drilling at the Northern prospect will be conducted during the next quarter.

Mathinna Project (EL19/2018, EL4/2019)

During the next quarter, diamond drilling has been planned in the vicinity of the New Golden Gate Mine.

CORPORATE

Stavely Minerals had a total of \$1.66M cash on hand at the end of the September 2019 Quarter.

Subsequent to the Quarter, the Company completed a capital raising of \$19.6M:

- \$19.6M sophisticated and institutional investor share placement at \$1.00 per share.
- Funds to be used to accelerate drilling at the Thursday's Gossan prospect, other regional targets in the Stavely Project, as well as advancing the gold targets in Tasmania and Queensland.

On 18 June 2019, Stavely Minerals, through its 100% owned subsidiary Stavely Tasmania Operations Pty Ltd, terminated the acquisition agreement with BCD Resources NL (among other parties) to purchase all assets associated with the Beaconsfield gold processing plant.

On 20 September 2019, Stavely Minerals agreed a Deed of Settlement and Release with BCD Resources NL (and the other parties) to settle the termination of the Binding Term Sheet and to release both parties from any further claim. As part of the Deed of Settlement and Release BCD Resources returned \$100,000 of the original purchase deposit to Stavely Minerals.

ANNOUNCEMENTS

Investors are directed to the following announcements (available at www.stavely.com.au) made by Stavely Minerals during the September 2019 Quarter and subsequently announced for full details of the information summarised in the Quarterly Report.

- 01/08/2019 - Assays Confirm Southerly Plunge of Mineralisation
- 22/08/2019 - Progress Update on Deep Drill-Hole SMD049
- 03/09/2019 - SMD049 Returns Unexpected Gold Intervals
- 11/09/2019 - Shallow Target Success at Thursday's Gossan
- 13/09/2019 - Grant of Mathinna Licence Paves Way for Maiden Drill Program
- 20/09/2019 - Stavely Settles NSW Supreme Court Action with BCD Resources

- 26/09/2019 - Outstanding Shallow High-Grade Copper-Gold Discovery
- 02/10/2019 - Clarification of Sulphide Abundances in Drill Hole SMD051
- 07/10/2019 - Outstanding Thick Intercepts in First Step-Out Hole

Tenement Portfolio - Victoria

The tenements held by Stavely Minerals as at 30 September 2019 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*	EL 5425	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	4
Ararat	RLA 2020	(12 June 2014)	28
Stavely	RLA 2017	(20 May 2014)	139

* Tenement held by Black Range Metals Pty Ltd

The Section 31 Deeds for Retention Licence Applications RL2017 and 2020 have now been signed by all parties, namely the Eastern Maar Native Title Group, the State of Victoria and Stavely Minerals Limited.

The two RL applications will now be assessed against the requirements of the *Mineral Resources (Sustainable Development) Act 1990*.

Tenement Portfolio - Queensland

The tenements held by Ukalunda Pty Ltd as at 30 September 2019 are as follows:

Area Name	Tenement	Grant Date/ (Application Date)	Size (Km ²)
Ravenswood West	EPM26041	24 May 2016	145
Ravenswood North	EPM26152	15 September 2016	32
Dreghorn	EPM26303	23 March 2017	49
Kirk North	EPM26304	23 March 2017	29

The third-year compulsory 40% relinquishment on EPM26152 was undertaken during the Quarter.

Tenement Portfolio - Tasmania

The tenements held by Stavelly Tasmania Pty Ltd as at 30 September 2019 are as follows:

Area Name	Tenement	Grant Date/ (Application Date)	Size (Km ²)
Mathinna	EL19/2018	20 July 2019	2.38
Mathinna	EL4/2019	22 August 2019	68
Mathinna	EL6/2019 (ERA1124)	(15 July 2019)	40

EL19/2018 and EL4/2019 have been granted to Stavelly Tasmania Pty Ltd. EL4/2019 surrounds EL19/2018 which hosts the New Golden Gate Mine with historical production of 289,000oz at an average grade of 26g/t gold¹. EL4/2019 also hosts numerous historical mines and workings within the highly prospective Aliberton – Mathinna “Gold Corridor” in northeast Tasmania.



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 Stavelly 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.

¹ Tasmania Department of Mines – Report 1992/10, *Northeast Goldfields: A Summary of the Tower Hill, Mathinna and Dans Rivulet Goldfields*, Taheri and Findlay, 1992

Thursday's Gossan Prospect – Collar Table

Hole id	Hole Type	MGA 94 zone 54					Comments
		East	North	Dip/ Azimuth	RL (m)	Total Depth (m)	
SMD044	DD	641880	5836870	-63/245	264	1189.4	
SMD044W1	DD	641880	5836870	-63/245	264	1008.4	Wedged off SMD044 at 536.8m
SMD045	DD	641930	5836765	-63/236	264	1257.4	
SMD045W1	DD	641930	5836765	-63/236	264	1071	Wedged off SMD045 at 417m
SMD045W2	DD	641930	5836765	-63/236	264	1233.3	Wedged off SMD045 at 403m
SMD046	DD	642197	5836010	-63/234.5	262	636.9	
SMD047	DD	641250	5836630	-60/070	264	842.5	
SMD048	DD	641600	5837000	-70/185.5	264	61.6	Hole failed
SMD049	DD	641601	5837002	-70/185.5	264	1767.6	Re-drill of SMD048
SMD050	DD	642070	5836609	-60/59.5	264	132.6	
SMD051	DD	642160	5836476	-60/59.5	264	220.9	
SMD052	DD	642238	5836421	-60/59.5	264	271.7	
SMD053	DD	642302	5836355	-60/59.5	264	273.6	
SMD054	DD	642048	536641	-60/59.5	264	In Progress	
SMD055	DD	642032	5836595	-60/59.5	264	In Progress	

Thursday's Gossan Prospect – Significant Intercept Table

Hole id	Hole Type	MGA 94 zone 54					Intercept							
		East	North	Dip/ Azimuth	RL (m)	Total Depth (m)	From (m)	To (m)	Width (m)	Cu (%)	Au (g/t)	Ag (g/t)	Pb %	Zn %
SMD013	DD	641745	5836650	-60/070	264	573.9	26	309	283	0.16				
						Incl.	27	61	34	0.31				
						and	178	184	6	0.50	0.14	6.53		
						and	278	287	9	0.34	0.10	2.56		
							412	413	1			98	8.44	
SMD014	DD	641665	5836630	-60/070	264	738.9	32	61	28	0.28				
						Incl.	314	316	2	0.21	2.61			
							315	316	1	0.24	5.06			
							357	367	6	0.38		5.38		
							388	392	4	0.39	0.34	8.83		
SMD015	DD	641600	5836850	-60/070	265	448.1	196	200	4	5.85	0.27	34.4		
						Incl.	196	197	1	10.75	0.60	49.6		
							204	205	1	1.28	0.27	11.4		
							248	257	9	2.62	0.28	10.1		
						Incl.	253	257	4	5.41	0.35	19.9		
						Incl.	254	255	1	14.75	0.33	57.2		
SMD016	DD	641525	5836810	-60/080	264	467.6	33	58	25	0.28				
							307	399	92	0.34	0.12	4.4		
						incl.	333	337	4	1.83	0.23	7.5		
						and	343	373	30	0.50	0.22	7.3		
						and	367	369	2	1.75	0.54	37		
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	2.06
						Incl.	654	655	1		5.22	16.3	2.13	2.13
SMD018	DD	641670	5836772	-60/070	264	96.3	No Significant Intercepts							
SMD019	DD	641620	5836755	-60/070	264	477.5	245	247	2	1.58	0.34	16		
						Incl.	245	246	1	2.66	0.53	29		
							278	279	1	0.53	0.51	12		
SMD020	DD	641570	5836740	-60/07	264	465.4	59	60	1	1.14		7		
							180	181	1	0.22	0.45			
							222	223	1	0.48	0.28			
							259	261	2	0.87				
							302	312	10	0.34	0.10			
							324	325	1	0.86	0.31	6		
							337	350	13	0.33	0.14	6		
SMD021	DD	641410	5836640	-60/070	264	534.9	418	444	26	0.25				
						Incl.	418	419	1	1.82	0.54	11		
							459	461	2	0.70	0.33	4		

Thursday's Gossan Prospect – Significant Intercept Table

Hole id	Hole Type	MGA 94 zone 54					Intercept							
		East	North	Dip/ Azimuth	RL (m)	Total Depth (m)	From (m)	To (m)	Width (m)	Cu (%)	Au (g/t)	Ag (g/t)	Pb %	Zn %
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		
							Incl.	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	Incl.	29	90	61	0.23			
							Incl.	19	43	14	0.36			
							Incl.	132	140	8	0.40	0.24	112	
							Incl.	139	140	1	0.84	0.81	207	
							Incl.	225	226	1	0.33	0.12		
SMD024	DD	641315	5836835	-60/070	264	509.6	Incl.	190	193	3	1.24	0.35	13	2.45
							Incl.	372	442	70	0.22			
							Incl.	372	375	3	1.01	0.16	8	
							and	479	492	13	0.38			
SMD025	DD	641390	5836940	-60/070	264	399.2	Incl.	173	208	35	0.16			
							Incl.	288	334	46	0.14			
SMD026	DD	641225	5836710	-60/070	264	796	Incl.	228	229	1		5.68	1.7	
							Incl.	243	245	1		0.56		
							Incl.	355	383	28	0.21	0.27	1.60	
							Incl.	363	369	6	0.25	0.61	1.65	
							and	372	381	9	0.35	0.11	2.52	
							Incl.	457	458	1	1.09		4.6	
							Incl.	575	581	6	0.60	0.30	4.53	
							Incl.	628	629	1	2.32	0.80	16.4	
SMD028	DD	641220	5836800	-60/070	264	777.3	Incl.	541	542	1	1.20	0.38		
							Incl.	577	650	73	0.32	0.13	3.0	
							Incl.	577	583	6	1.12	0.44	12	
							Incl.	620	624	4	0.98	0.30	7	
							Incl.	638	650	12	0.51	0.32	5	
							Incl.	660	662	2	0.26	0.24	35	
							Incl.	730	731	1		18.8	20	1.82

Thursday's Gossan Prospect – Significant Intercept Table

Hole id	Hole Type	MGA 94 zone 54					Intercept							
		East	North	Dip/ Azimuth	RL (m)	Total Depth (m)	From (m)	To (m)	Width (m)	Cu (%)	Au (g/t)	Ag (g/t)	Pb %	Zn %
SMD029W1	DD	641164	5836363	-60/070	264	837.5	447	448	1	0.63	8			
						Incl. and Incl. Incl.	522	837.5	313.5**	0.11				
							690	694	4	0.44	0.1	4		
							745	821	76	0.16				
							757	758	1	0.51	0.12			
							785	790	5	0.34				
SMD030	DD	641315	5837185	-60/070	264	109.4	12	48	36	0.33				
						Incl.	18	26	8	1.12		10		
SMD031	DD	641455	5837235	-60/250	264	409.5	109	125	13	0.18				
						Incl.	164	225	61	0.16				
							206	207	1	2.37	0.52	29		
							339	340	1	1.48	0.16	25		
SMD032	DD	641330	5836665	-60/070	264	582.8	517	581	63*	0.84	0.11			
						Incl.	538	544	6	6.73	0.84	15		
						Incl.	542	543	1	22.8	0.91	48		
						and	551	553	2	2.43	0.28	5		
SMD033	DD	641250	5836635	-60/070	264	121.2	Not sampled – redrilled as SMD034							
SMD034	DD	641250	5836635	-60/070	264	150	31	54	23	0.30				
						Incl.	40	42	2	2.0				
SMD035	DD	641300	5836910	-60/070	264	615.3	20	26	6	0.17	0.36			
						Incl.	20	21	1	0.22	1.8			
						Incl.	363	402	39	0.31				
							364	369	5	1.10	0.15			
SMD036	DD	641220	5836880	-60/070	264	654.2	205	207	2	0.19	0.34			
						Incl.	551	564	13	0.45				
							552	554	2	1.73	0.20			
SMD037	DD	641295	5836985	-60/070	264	485.9	370	410	40	0.17				
SMD038	DD	641220	5836960	-60/070	264	573.5	237	240	3	0.50				
SMD039	DD	641290	5837065	-60/070	264	471.4	185	203	18	0.24				
SMD040	DD	641215	5837040	-60/070	264	570.4	No Significant Intercepts							
SMD041	DD	641140	5836850	-60/073	264	850	621	653	32	0.16				
							680	694	14	0.10	0.12			
SMD042	DD	641044	5836815	-60/070	264	1001.5	824	827	3	0.52				
						Incl.	825	826	1	0.84	0.17			
SMD043	DD	641880	5836870	-60/250	264	249.1	Not sampled – redrilled as SMD044							
SMD044	DD	641880	5836870	-63/245	264	1189.4	11	963	952***	0.23				
						Incl.	6	24	18	0.27	0.14			
						and incl.	55	91	36	0.41				
						Incl.	55	60	5	0.82		8		
						and incl.	81	87	6	0.66	0.10	6		
						and incl.	137	139	2	0.33	0.53	17		
						and incl.	276	281	5		0.40	2		0.14
						and incl.	324	334	10	0.18	0.18	6		

Thursday's Gossan Prospect – Significant 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)	Pb %	Zn %
						and incl.	349	351	2	0.38	0.49	18		
						and incl.	371	379	8	0.39	0.16	11		
						and incl.	580	650	70	0.51				
						Incl.	582	623	41	0.78				
						Incl.	583	593	10	2.43	0.30	11		
						Incl.	585	586	1	8.97	1.13	36		
						and incl.	743	750	7	0.20	0.22	5		
						and incl.	789	799	10	0.45	0.30	11		
						and incl.	890	928.3	38.3	1.59	0.27	8		
						and incl.	891	897	6	2.75	0.25	7		
						and incl.	916	928.3	12.3	2.59	0.44	18		
						Incl.	922	928.3	6.3	3.93	0.67	27		
							1001	1025	24	0.15				
SMD044W1	DD	641880	5836870	-63/245	264	1008.4	546	939	393***	0.32				
						Incl.	699	866	167	0.52				
							782	783	1	4.66		3		
						Incl.	835	836	1	3.46	0.50	22		
						Incl.	848	866	18	3.62	0.28	15		
						and incl.	858	865	7	7.74	0.46	32		
						and incl.	858	860	2	15.7	1.07	65		
SMD045	DD	641930	5836764	-63/236	264	1257.4	15	322	307	0.22				
						Incl.	51	74	23	0.53	0.43	3.5		
						and	51	54	3	2.38	2.12	12.2		
						and	52	53	1	5.05	6.06	20.9		
						and	215	307	92	0.30				
						Incl.	218	226	8	0.93	0.26	8.8		
							531	548	17	0.29	0.15	4.6		
						Incl.	546	548	2	0.42	0.57	12.1		
							567	594	27		0.53			
						Incl.	578	581	3		1.99			
							1063	1065	2	0.55	0.14			
							1077	1093	16	1.30	0.15	2.8		
						Incl.	1091	1093	2	2.90	0.27	3.9		
							1103	1114	11	0.39				
SMD045W1	DD	641930	5836765	-63/236	264	1071	465	495	30	0.23				
						Incl.	474	479	5	0.22	0.71	5.5		
							528	553	25	0.23	0.14	2.5		
							719	728	9	0.28	0.21	4.9		
							942	945	3	0.30				
							1053	1056	3	0.49	0.16	2.4		
SMD045W2	DD	641930	5836765	-63/236	264	1233.3	531	605	74	0.31				
						Incl.	531	554	23	0.28	0.13	4		
						and	558	586	28	0.42				

Thursday's Gossan Prospect – Significant 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)	Pb %	Zn %
						Incl.	859	862	3	1.12	0.26	11		
							1129	1141	12	0.51	0.10	2		
							1133	1137	4	0.91	0.12	2		
							1147	1149	2	0.94	0.10	3		
SMD046	DD	642197	5836010	-63/234.5	264	636.9	467	481	14	0.29				
							467	468	2	0.70	0.19			
SMD047	DD	641250	5836630	-60/070	264	842.5	630	777	147	0.21				
							633	641	8	0.81	0.21			
							636	638	2	2.27	0.39	5.7		
							697	698	1	0.50	0.52	2.7		
							752	755	3	0.64	0.41	19		
							774	776	2	0.60	0.12	8.1		
SMD049	DD	641601	5837002	-70/185.5	264	1767.6	583	600	17	0.30				
							587	593	6	0.43	0.26			
							664	701	37	0.26				
							1223	1245	22	0.11	0.49			
							1239	1243	4		1.72			
							1239	1240	1		5.52			
SMD050	DD	642070	5836609	-60/59.5	264	132.6	62	94	32****	5.88	1.00	58		
							82	94	12	14.3	2.26	145		
							85	87	2	40	3.00	517		
SMD051	DD	642160	5836476	-60/59.5	264	220.9	98.0	157.0	59	1.80	0.43	15.4		
							106.6	115.1	8.5	4.38	0.87	32.7		
							134.0	137.0	3.0	5.66	0.29	4.60		
							177.0	185	8.0	9.69	0.40	16.8		
							179.0	181.0	2.0	17.30	0.57	13.1		

*1m core loss from 566m to 567m (SMD032)

**2m core loss from 561m to 563m (SMD029W1)

***Includes interval of up to 25m of unmineralised (<0.1% Cu) material, including late mineral dykes (SMD044)

**** Core recovery only averaged 76% between 79m and 93m and 55% between 98m and 127.7m