ASX Code: SVY

Issued Shares: 214M

Cash Balance: $13.8M

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HIGHLIGHTS

Exploration

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

- Exceptionally high-grade copper-gold-silver mineralisation intersected in diamond hole SMD064, targeting along-strike extensions to the north-west of the discovery hole SMD050 (32m at 5.88% Cu, 1g/t Au, 58g/t Ag):
  - 8m at 5.12% Cu, 1.48g/t Au and 34.3g/t Ag from 121m, including:
    - 1m at 26.8% Cu, 8.48g/t Au and 201g/t Ag[1]
- Diamond drill hole SMD070, located ~200m south-east of SMD050, returned a significant high-grade shallow intercept within a broader zone of 75m at 0.60% Cu, 0.19g/t Au and 5g/t Ag from 20m:
  - 19m at 1.48% Cu, 0.40g/t Au and 15g/t Ag from 65m, including:
    - 3.70m at 6.02% Cu, 1.18g/t Au and 66.4g/t Ag, including:
      - 1m at 9.23% Cu, 2.67g/t Au and 125g/t Ag
- Diamond drill hole SMD062, targeting up-dip extensions of previously intersected shallow mineralisation in this area, returned significant high-grade intercepts:
  - 3m at 2.43% Cu, 0.25g/t Au and 11g/t Ag; and
  - 6m at 3.95% Cu, 0.38g/t Au and 16g/t Ag, including
    - 2m at 7.46% Cu, 0.61g/t Au and 31g/t Ag, including
      - 1m at 10.5% Cu, 0.86g/t Au and 35g/t Ag
- Diamond drill hole SMD061, also returned a significant shallow intercept:
  - 4.3m at 2.06% Cu, 0.44g/t Au and 23g/t Ag from 160.2m
- Diamond drill hole SMD074 intersected the central Cayley Lode over an interval of ~60m comprising intervals of massive to semi-massive sulphide (mainly pyrite), overprinted by copper sulphides and intruded by barren late dacite porphyry dykes:
  - 176-183.6m, 7.6m at 1.36% Cu, 0.24g/t Au and 7g/t Ag
  - 183.6-192.9m, 9.3m of late dacite porphyry
  - 193-197.7m, 4.7m at 1.94% Cu, 0.27g/t Au and 10g/t Ag
  - 197.7-213.0m, 15.3m of late dacite porphyry
  - 213.0-234.3m, 21.3m at 1.31% Cu, 0.43g/t Au and 6g/t Ag

[1] ***Note**: The interval does not include a further 2m of mineralised material immediately below and contiguous with the reported 8m interval but not included in the overall intercept with concerns over sample representativity due to poor drill recovery, with 90% core loss in each of the last two 1m drill runs. The further 2m interval returned 0.9% Cu, 0.19g/t Au and 8g/t Ag with the grade of the lost core unknown.*

- Excluding the un-mineralised late dacite porphyry dykes, the total mineralised interval in SMD074 in the Cayley Lode is 33.6m at 1.41% Cu, 0.36g/t Au and 7g/t Ag.
- Diamond drill hole SMD073, located in the far north-west sector of the Cayley Lode, intersected a distal polymetallic-precious metal style of mineralisation with:
  - 5m at 1.67g/t Au, 27g/t Ag, 2.35% Zn, 0.43% Pb and 0.25% Cu from 359m down-hole, including:
    - 0.9m at 4.58g/t Au, 51g/t Ag, 4.49% Zn, 0.52% Pb and 0.42% Cu
    - This sub-interval provided a repeat assay of 6.53g/t Au and 6.03% Zn
- The polymetallic-precious metal style of mineralisation in SMD073 is consistent with the distal expression of the Magma, Arizona style of mineralisation, which is believed to be analogous to the mineralisation observed in the Cayley Lode.
- The location of the intercept in SMD073 is significant in two respects:
  1. It extends the known mineralised strike extent of the Cayley Lode discovery from SMD062 at the south-eastern end to 1.2km (to SMD073 in the north-west); and
  2. The mineralised intercept is well below the Low-Angle Structure, confirming that the Cayley Lode mineralisation persists at depth.

Mathinna Gold Project (North Eastern Tasmania)

- Seven-hole diamond drill programme completed.
  - Three holes completed targeting potential extensions to the known lodes
  - Four stratigraphic drill holes completed to better understand structural and stratigraphic controls of the region.
- Visible gold observed in two drill holes (MDD002 & MDD005).
- Significant intercepts (using 30g Fire Assay method) include:
  - MDD002 - 3m at 1.48 g/t Au from 90m
    3.05m at 1.38 g/t Au from 113.95m[2]
    3.24m at 1.20 g/t Au from 126m
    4m at 1.67 g/t Au from 312m
  - MDD004 - 1m at 2.77 g/t Au from 133.4m
  - MDD005 8m at 0.61 g/t Au from 44m
    2.69m at 0.48 g/t Au from 61.95m
    0.54m at 0.27 g/t Au from 179.3m[2]

[2] Interval where visible gold was observed

Corporate

- Stavely Minerals had a total of $13.8M cash on hand at the end of the March 2020 Quarter.
- During the Quarter, Stavely Minerals was named the winner of the Craig Oliver Award at the RIU Explorers Conference in Fremantle.
- Subsequent to the Quarter, Stavely Minerals agreed to purchase the 3% Net Smelter Return Royalty on the Stavely Copper-Gold Project.

OVERVIEW

During the Quarter, the Company announced that the high-grade copper-gold-silver mineralisation discovered on the Ultramafic Contact Fault at the Thursday's Gossan prospect was renamed 'The Cayley Lode' after Geological Survey of Victoria senior geologist Ross Cayley. Ross and his colleagues, including David Taylor, played leading roles in a collaborative effort between the Geological Survey of Victoria and Geoscience Australia that produced some ground-breaking interpretive work on the Stavely Arc and the evolution of eastern Australia. It was that work that gave Stavely Minerals the technical confidence in the exploration potential of the belt such that the Company was able to secure a first-mover dominant position in what was an otherwise unloved region.

Two diamond rigs and one sonic rig were dedicated to the ongoing resource drilling programme at the shallow high-grade copper-gold discovery - the Cayley Lode at the Thursday's Gossan prospect. One diamond rig was drilling the northern extensions to the Cayley Lode as well as the Junction 1 and Junction 3 targets.

An intensive resource drill-out is currently underway on the south-eastern end of this (now) 1.2km long discovery zone, with in-fill and step-out drilling based on a roughly 40m x 40m drilling grid.

Ongoing resource drilling along the Cayley Lode continues to deliver strong copper-gold-silver mineralisation over significant widths. The widths and grades vary as the lode pinches and swells, but the consistency of the mineralisation is notable. The mineralisation remains open in all directions.

During the Quarter, there were significant improvements in the drill core recoveries, which was one of the biggest challenges, especially as the earlier core losses appear to be related to the better mineralised intervals.

The recognition of the lateral/temporal evolution of the Cayley Lode from chalcocite→bornite→chalcopyrite→sphalerite, as exemplified by polymetallic-gold mineralisation in SMD073, is entirely consistent with the well-documented spatial zonation observed in the Magma, Arizona lode-style vein system, which is considered the best geological analogue for the discovery at Thursday's Gossan.

The significant precious metal abundances in this distal style of mineralisation at the Cayley Lode is also well worthy of follow up.

SMD073 is a very significant drill hole as it demonstrates that the system is behaving as it should, that the mineralisation does indeed continue below the Low-Angle Structure, and that the strike extent of the mineralised system is now in-excess of one kilometre and remains open in both directions along strike and down-dip.

The opportunities to grow this discovery at depth and along strike are enormous, but for now the Company's main focus is on an intensive resource drill-out in the shallow central and south-

eastern portion of the discovery, leading towards a maiden JORC Mineral Resource estimate in the second half of this year.

Diamond drilling, which commenced during the last quarter, at the Mathinna Project in Tasmania was completed. The seven-hole diamond drilling programme included three holes designed to target the potential extensions to the known lodes and four stratigraphic holes designed to better understand the structural and stratigraphic controls of the region. The four stratigraphic holes were co-funded by Mineral Resources Tasmania as part of the Exploration Drilling Grant Initiative Program 2020. Initial results from the drilling confirmed the down-dip extensions of known lode style gold mineralisation.

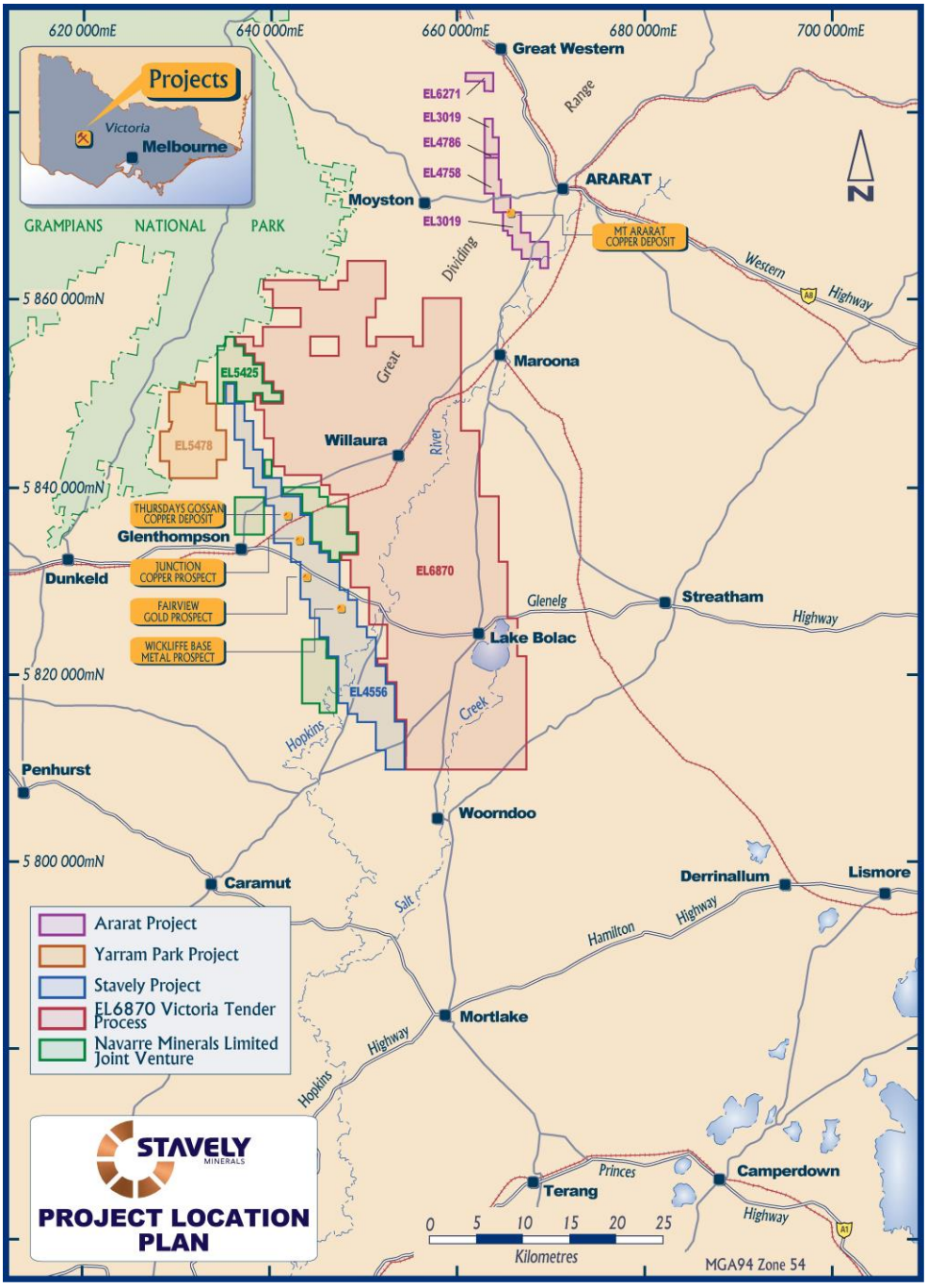

Figure 1. Western Victoria Project location plan.

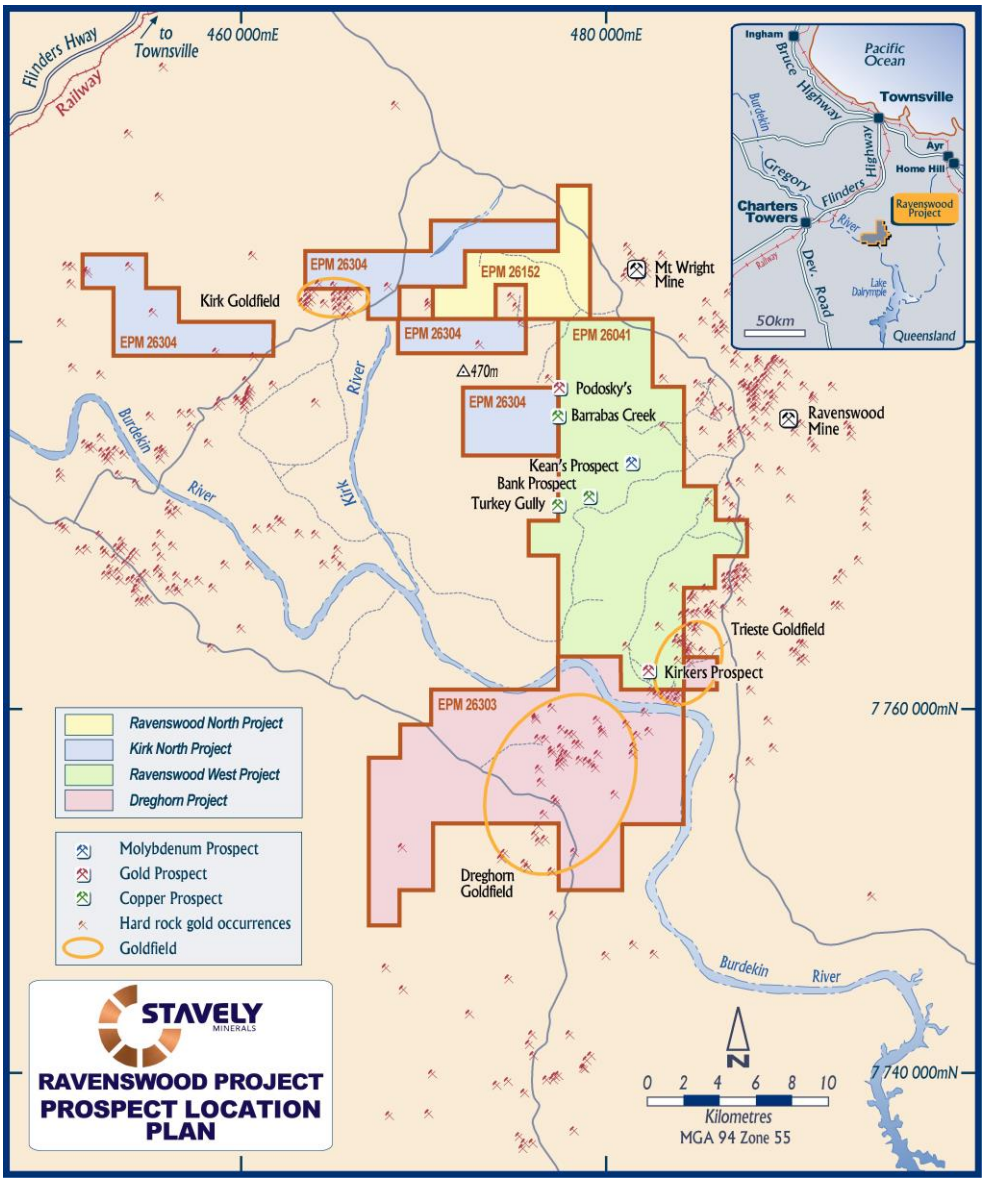

Figure 2. Ravenswood Project location plan.

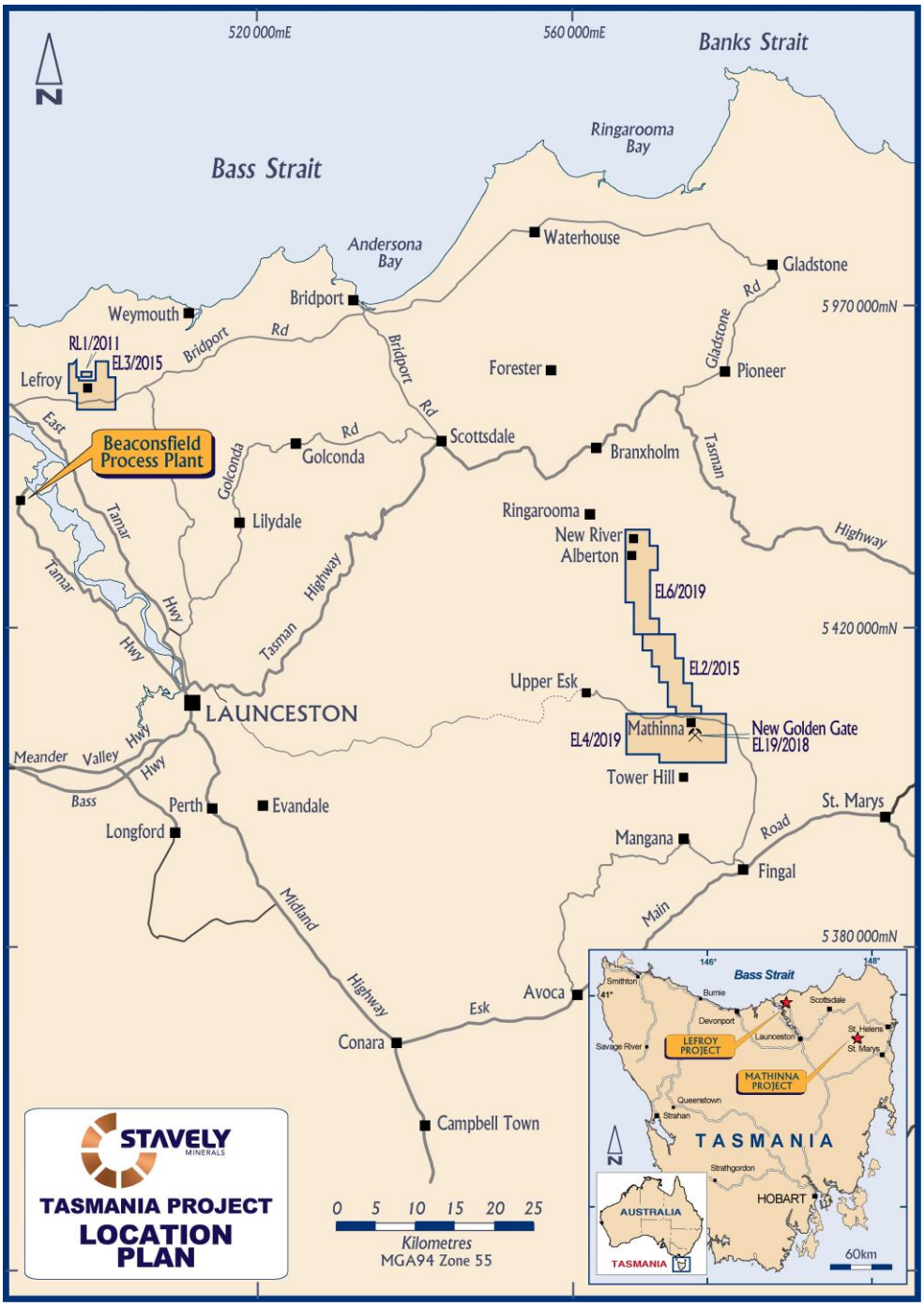

Figure 3. Mathinna Project location plan.

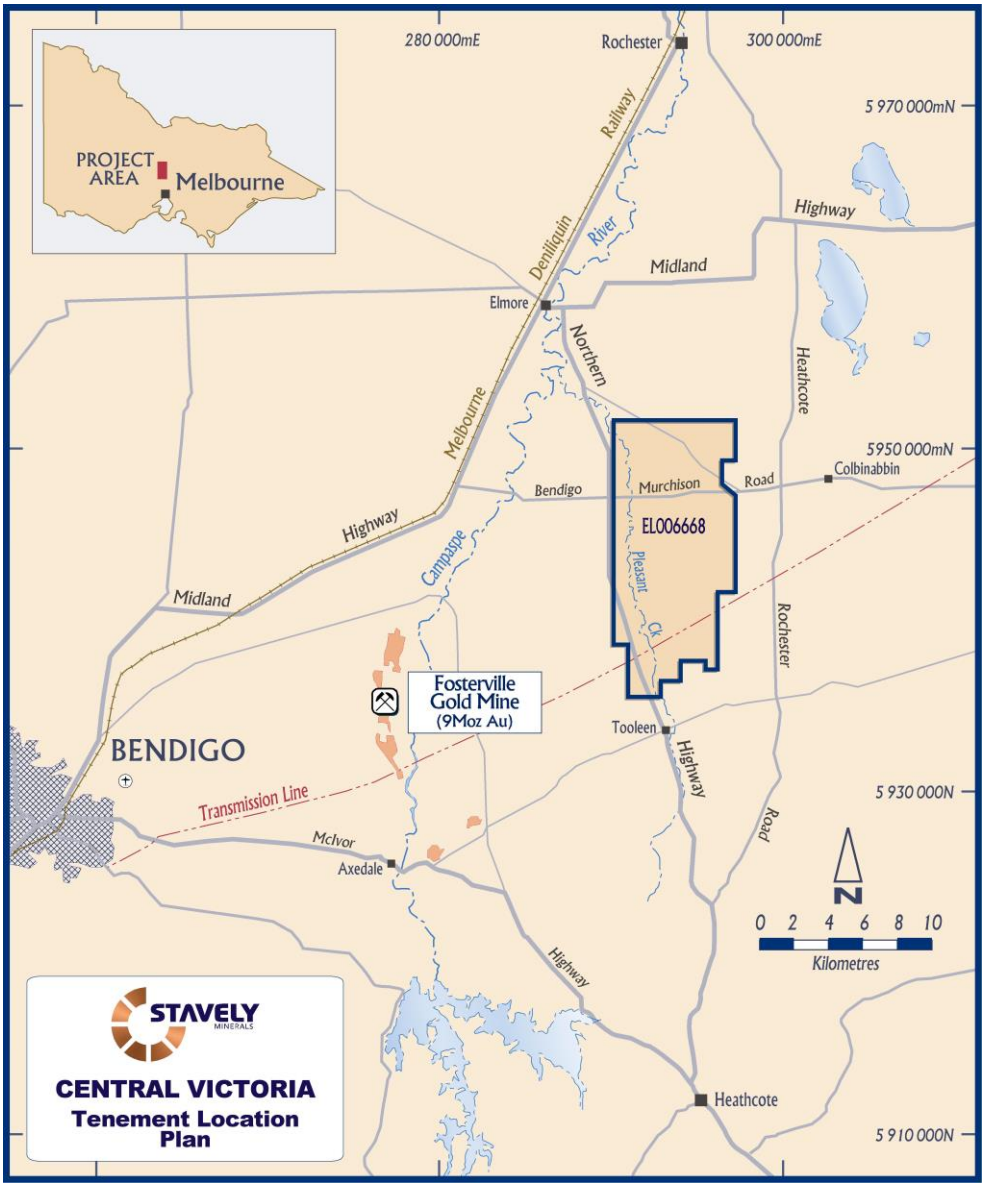

Figure 4. Central Victoria – tenement location plan.

EXPLORATION

Stavely Project (EL4556)

Thursday's Gossan Prospect

During the Quarter, the Company completed diamond drill holes SMD066 and SMD067 and sonic drill hole SMS001D which were in progress at the end of the previous quarter. Diamond drill holes SMD069, SMD070, SMD072, SMD073, SMD074, SMD076, SMD078, SMD079 and SMD080 were completed during and subsequent to the Quarter (Figure 5 and 6). SMD082 and SMD084 are currently in progress. Sonic drill holes SMS002AD to SMS007 were completed during and subsequent to the Quarter. SMS008 is currently in progress.

An intensive resource drill-out is currently underway on the south-eastern end of this (now) 1.2km long discovery zone, with in-fill and step-out drilling based on a roughly 40m x 40m drilling grid.

During and subsequent to the Quarter, assay results were received for drill holes SMD061, SMD062, SMD063, SMD064, SMD066, SMD067, SMD069, SMD070, SMD072, SMD073, SMD074, SMS001D and SMS002AD.

Diamond drill hole SMD061, (Figure 7) intersected mineralisation including:

- 4.3m at 2.06% copper, 0.44g/t gold and 23g/t silver from 160.2m

The mineralisation in SMD061 was impacted by the intrusion of a late mineral dacite porphyry that is likely to have 'stoped-out' some 8m of mineralisation on the ultramafic contact. In other drill holes, it is commonly observed that the mineralisation on the contact is the highest-grade copper-gold-silver mineralisation.

Diamond drill hole SMD062, located at the south-eastern extent of known mineralisation, returned strongly mineralised intercepts (Figure 8) including:

- 3m at 2.43% copper, 0.25g/t gold and 11g/t silver from 128m drill depth, and
- 6m at 3.95% copper, 0.38g/t gold and 16g/t silver from 156m drill depth, including
  - 2m at 7.46% copper, 0.61g/t gold and 31g/t silver from 160m drill depth, including
    - 1m at 10.5% copper, 0.86g/t gold and 35g/t silver from 160m drill depth

The only drill hole completed to date to the south-east of SMD062, drill hole SMD057, was not an effective test of the target ultramafic contact fault (UCF) as it intersected the Low Angle Structure (LAS) first.

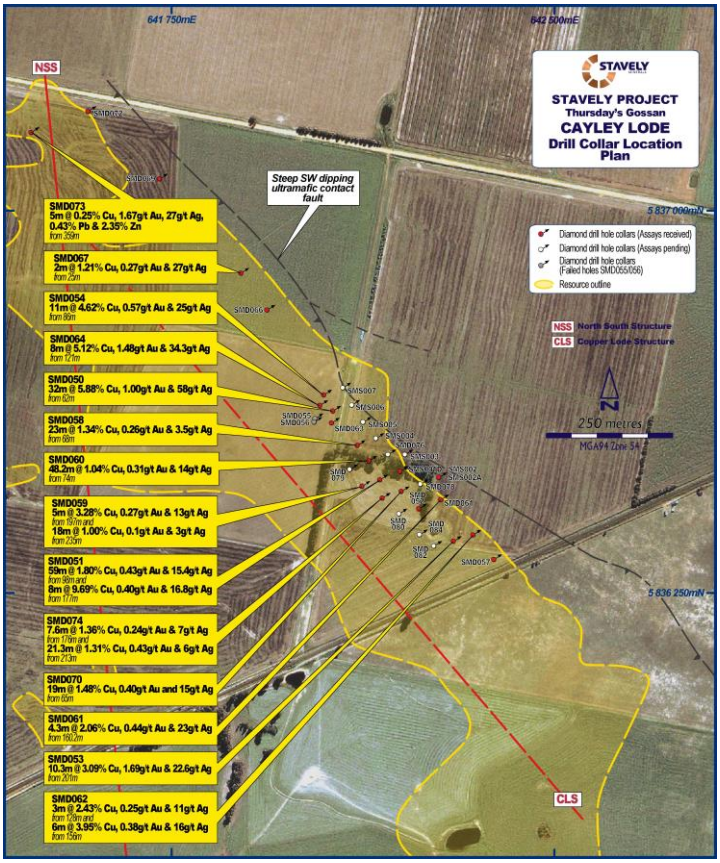

Figure 5. Thursday's Gossan drill hole location plan.

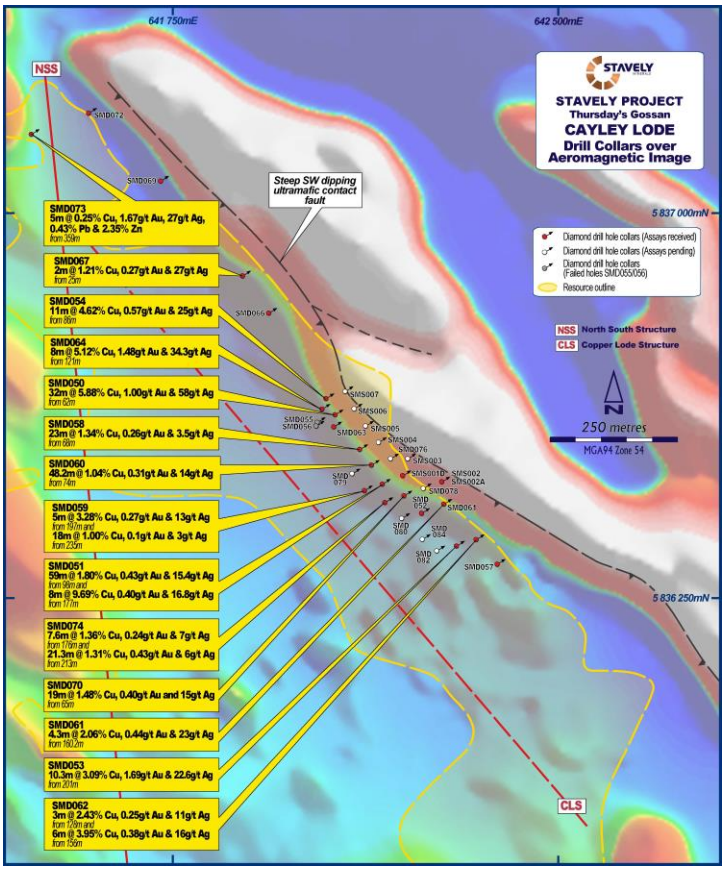

Figure 6. TMI Magnetic image of Thursday's Gossan with drill collars overlaid.

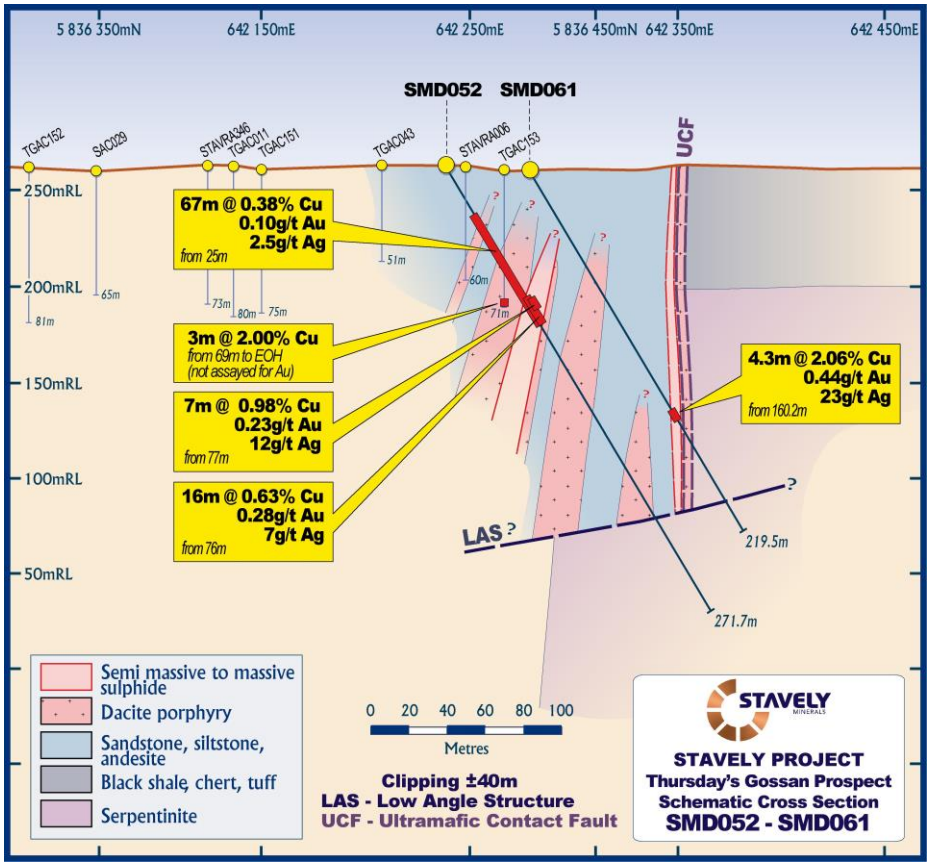

Figure 7. SMD061 drill section.

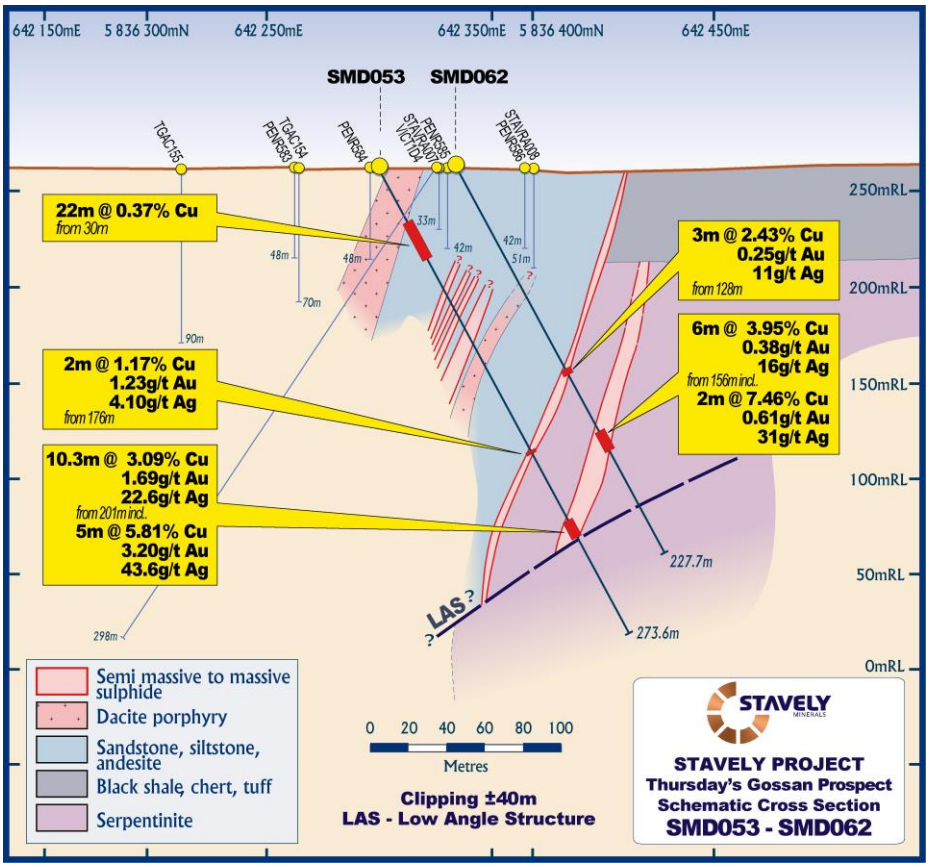

Figure 8. SMD062 drill section.

Diamond drill hole SMD064, located ~20m to the north-west of discovery drill hole SMD050 (32m at 5.88% copper, 1g/t gold and 58g/t silver from 62m) returned a high-grade intercept (Figure 9) of:

- 8m at 5.12% copper, 1.48g/t gold and 34.3g/t silver from 121m, including:
  - 1m at 26.8% copper, 8.48g/t gold and 201g/t silver

The occurrence of a late dacite intrusion on the contact is exemplified by SMD066 where there is no mineralisation noted but where mineralisation could well have been 'stoped-out' by the late intrusion in that position.

Hole SMD067, drilled some 160m to the north-west of SMD066, did intercept mineralisation on the UCF (Figure 10), demonstrating that mineralisation does persist to the north-west.

SMD067 intercepted shallow chalcocite-enriched mineralisation including:

- 18 m at 0.43% copper, 0.35g/t gold and 12.8g/t silver from 16m, including:
  - 2m at 1.21% copper, 0.27g/t gold and 26.5g/t silver located in the Cayley Lode from 25m

SMD067 also intercepted a polymetallic mineralised interval of:

- 2m at 1.32% copper, 0.95% lead, 1.06% zinc and 7.5g/t silver located internal to the ultramafic footwall from 107m down-hole

The base-metal intercept in SMD067 is consistent with a distal lower-temperature expression of the hydrothermal mineralising system.

Drill hole SMD069 did not intercept the Cayley Lode and failed to return any significant intercepts.

Diamond drill hole SMD070, located ~200m south-east of the discovery hole SMD050, also returned a significant shallow intercept within a broader zone of 75m at 0.60% copper, 0.19g/t gold and 5g/t silver from 20m (Figure 12), including:

- 19m at 1.48% copper, 0.40g/t gold and 15g/t silver from 65m down-hole, including:
  - 1m at 9.23% copper, 2.67g/t gold and 125g/t silver

Drill hole SMD072 did not intercept the Cayley Lode and failed to return any significant intercepts.

Drill hole SMD073, located in the far north-west portion of the Cayley Lode and down-dip of SMD072, had been reported as having intercepted an interval of moderate to strong sphalerite (zinc sulphide) mineralisation within pyritic massive sulphide in the Cayley Lode from 359.2m to 365.0m (see ASX announcement 25 February 2020).

This zone returned polymetallic-gold mineralisation (Figure 11):

- 5m at 1.67g/t gold, 27g/t silver, 2.35% zinc, 0.43% lead and 0.25% copper from 359m down-hole including,
  - 0.9m at 4.58g/t gold, 51g/t silver, 4.49% zinc, 0.52% lead and 0.42% copper
  - This sub-interval provided a repeat assay of 6.53g/t gold and 6.03% zinc

This polymetallic – precious metal character of the mineralisation, in conjunction with the copper-lead-zinc mineralisation encountered in drill hole SMD067 (2m at 1.32% copper, 0.95% lead, 1.06% zinc and 7.5g/t silver, confirms three key attributes of the mineralisation in the Cayley Lode:

1. The sulphide mineral zonation of the Magma, Arizona lode-style mineralisation is also being exhibited by the Cayley Lode with the more northern intercepts displaying a transition to a more distal polymetallic-precious metal mineralisation signature (Figure 14).
2. The sphalerite (zinc sulphide) intercept in SMD073 was in the Cayley Lode from 359.2m while the LAS was observed at 213.2m. Importantly, this means that the Cayley Lode remains mineralised below the LAS.
3. At least below the LAS, and likely above the LAS as well, the Cayley Lode mineralisation extends from the known southern extents with mineralisation in drill hole SMD062 through to SMD073 – a distance of 1.2km.

Diamond drill hole SMD074, located in the central Cayley Lode, returned intercepts of:

- 34m at 0.32% copper from 25m drill depth (supergene blanket)
- 176-183.6m, 7.6m at 1.36% copper, 0.24g/t gold and 7g/t silver
- 193-197.7m, 4.7m at 1.94% copper, 0.27g/t gold and 10g/t silver
- 213.0-234.3m, 21.3m at 1.31% copper, 0.43g/t gold and 6g/t silver

Excluding the un-mineralised late dacite porphyry dykes between these three mineralised intercepts, the total mineralised interval in SMD074 in the Cayley Lode is:

- 33.6m at 1.41% copper, 0.36g/t gold and 7g/t silver (Figure 12).

It is considered appropriate to report the aggregate of the mineralised Cayley Lode width as the late dacite porphyry dykes are 9.3m and 15.8m in drill width respectively, and are considered of sufficient width to be excluded from a Mineral Resources Estimate and any subsequent selective mining plan. Conversely, late dacite porphyry dykes of widths less than 5 metres have been included in the reported mineralised intervals.

The new intercept in SMD074, located down-dip of SMD070, is of similar grade but is ~50% broader than the earlier shallow intercept.

Sonic drill holes SMS001D and SMS002AD failed to intercept the Cayley Lode as they were collared too far east (Figure 12 & 13). No significant intercepts were returned from these two holes. Subsequent sonic drill holes have been stepped back 20m from these holes and successfully intercepted the Cayley Lode near-surface.

The Cayley Lode remains open along strike both to the NW and SE and down-dip.

During the Quarter, downhole EM was conducted on a number of the recent holes drilled into the Cayley Lode. Drill holes at approximately 160m spacing were extended well past the mineralised zone and were cased with PVC in preparation for a downhole electromagnetic (DHEM) survey. The purpose of the DHEM survey is to detect if there are any off-hole conductors within a radius of ~200m of the drill hole. The DHEM has been challenging to interpret due to shallow conductive sources but will be iteratively updated as the drill

programme progresses. Ground EM was trialled and found to be too severely impacted by the pervasive conductive cover (Chalcocite Blanket Mineralisation and clay alteration) and other geological noise sources.

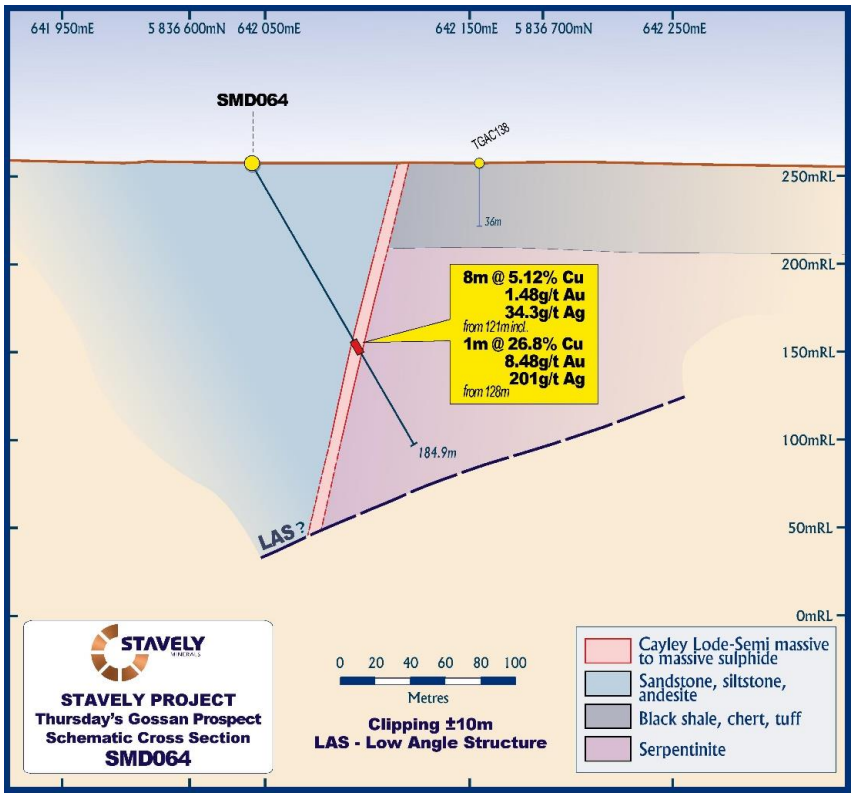

Figure 9. SMD064 drill section.

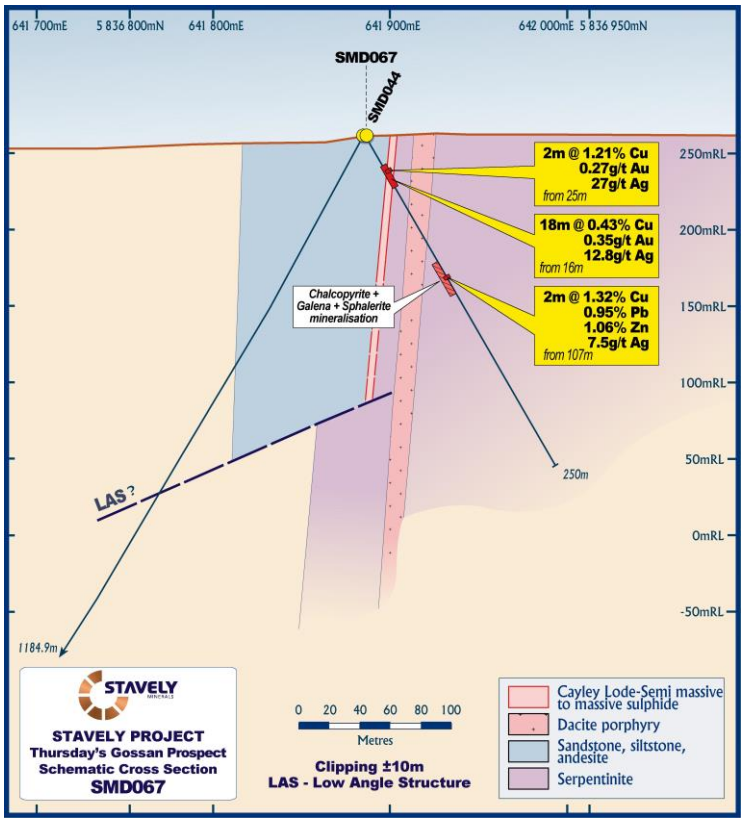

Figure 10. SMD067 drill section.

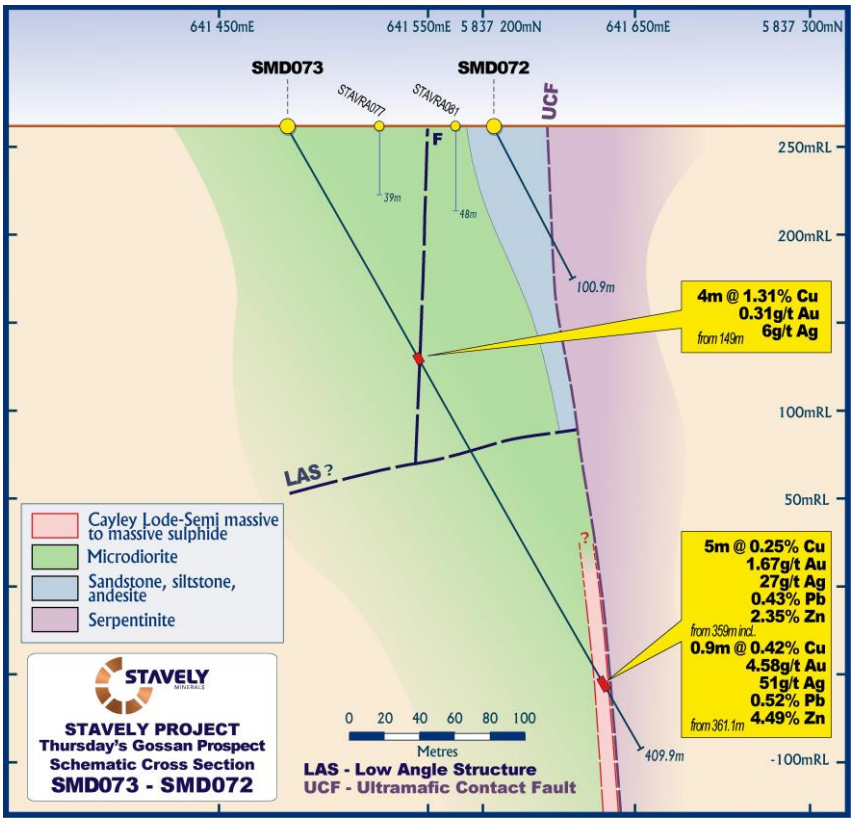

Figure 11. SMD073 drill section.

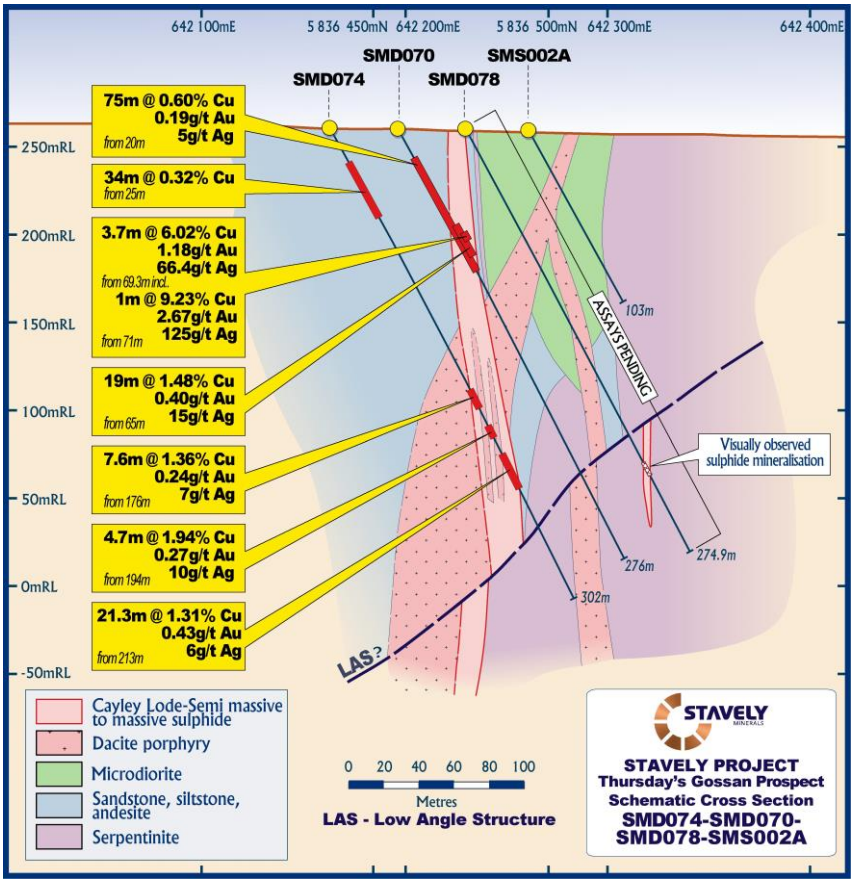

Figure 12. SMD074 drill section.

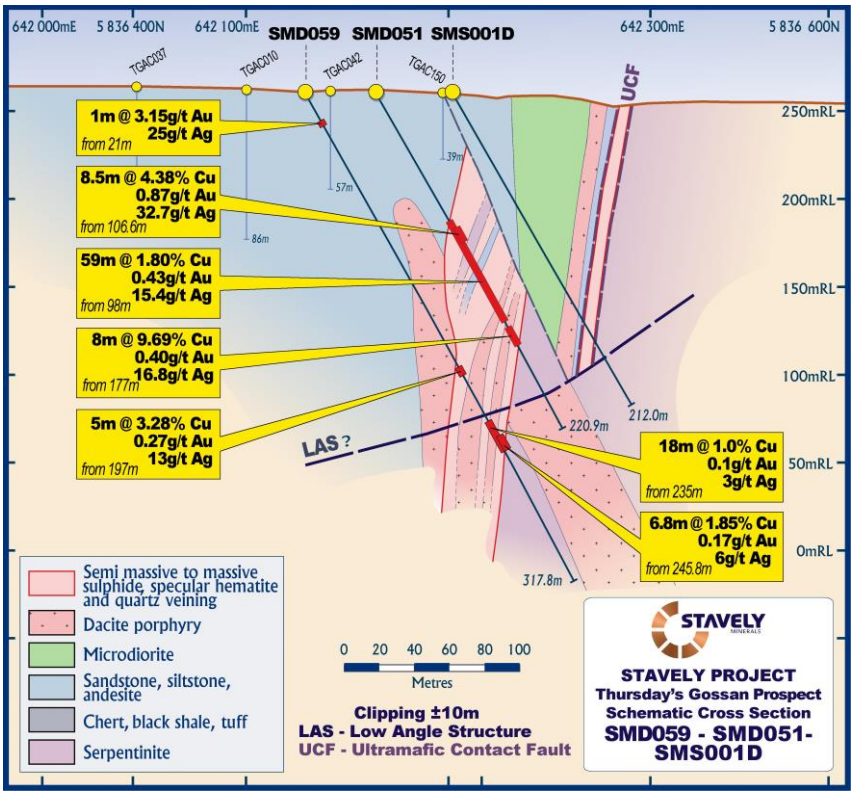

Figure 13. SMS001D drill section.

During the Quarter, the Stavely geology team hosted Dr Greg Corbett and Dr Scott Halley at site to review drill core and results from the second half of 2019. As with previous site visit reports, their summary reports have been posted onto the Company's website at https://www.stavely.com.au/technical-data.

A summary of the consensus from this site visit would be:

1. That the mineralisation at Thursday's Gossan is relatively unique in the Australian context.
2. That it continues to display similarities in the mineralisation processes to those involved at Magma, Arizona and Butte, Montana in the USA.
3. That there is substantial remaining potential both along strike and at depth on the UCF.
4. That other mineralised structural positions (e.g. the north-south structure – NSS) are highly prospective near surface.
5. That regional structural positions need to be ranked, previous exploration reviewed and surface programmes designed that are appropriate to the level of post-mineral cover.
6. There is a lot of work to be done!

A 2D seismic survey was conducted by HiSeis Pty Ltd during the Quarter. The survey comprised two orthogonal lines for 8 km each and were centred on the Thursday's Gossan prospect. Data from the survey will assist in following up the recently discovered copper-gold-silver mineralised structures to approximately 2km depth at the Thursday's Gossan prospect, as well as potentially identifying other prospective structures and assisting in targeting the deeper porphyry target. The data has been processed and the interpretation is currently in progress.

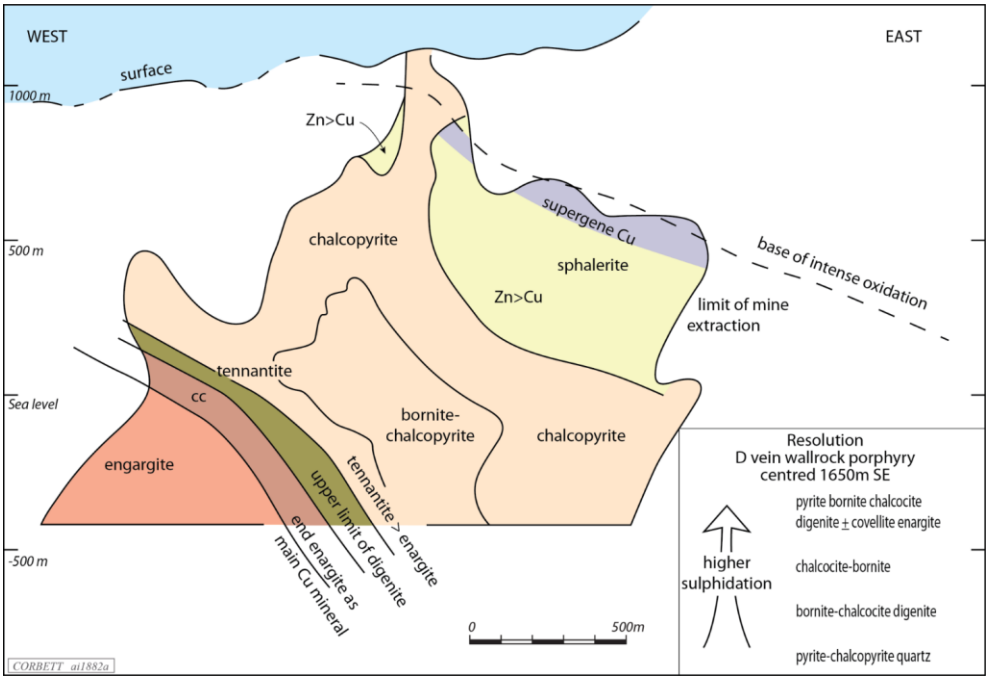

Figure 14. Spatial zonation of copper sulphide species in the Magma Vein – provided by Dr Greg Corbett.

Junction 3 Prospect

Diamond hole SMD071 was drilled to a depth of 426.6m to investigate a magnetic high and coincident copper anomaly at the Junction 3 prospect (Figure 15 and 16). The hole intersected a large package of sandstone and siltstones with some intervals of dacite porphyry. The sandstones and siltstones had variable disseminated magnetite as well as fine chalcopyrite on fracture surfaces which may explain the magnetic feature and copper anomaly. However, the presence of fine chalcopyrite veins could possibly indicate proximity to a Lode as it does at Thursdays Gossan and further drilling is needed to determine this. SMD071 did not return any anomalous assay results.

Junction 1 Prospect

Diamond holes SMD075 and SMD077 were drilled to depths of 244.4m and 404.8m, respectively, to follow-up high-grade copper in historical aircore holes at the Junction 3 prospect (Figure 15 and 16). SMD075 intersected a package of sandstone and siltstones with trace pyrite veining with sericite halos. This hole did not explain the presence of the high-grade copper in the historical aircore holes. SMD077 intersected sandstone and siltstone for the majority of the hole before ending in dacite porphyry. Trace to locally weak quartz+carbonate+sulphide+base metal veining was intersected from 240m to 360m. These two holes have not been sampled as yet.

While the mineralisation in the diamond drill holes differs in character to that in aircore drill hole TGAC078, it is likely that there is some structural complexity in this prospect area that needs to be resolved.

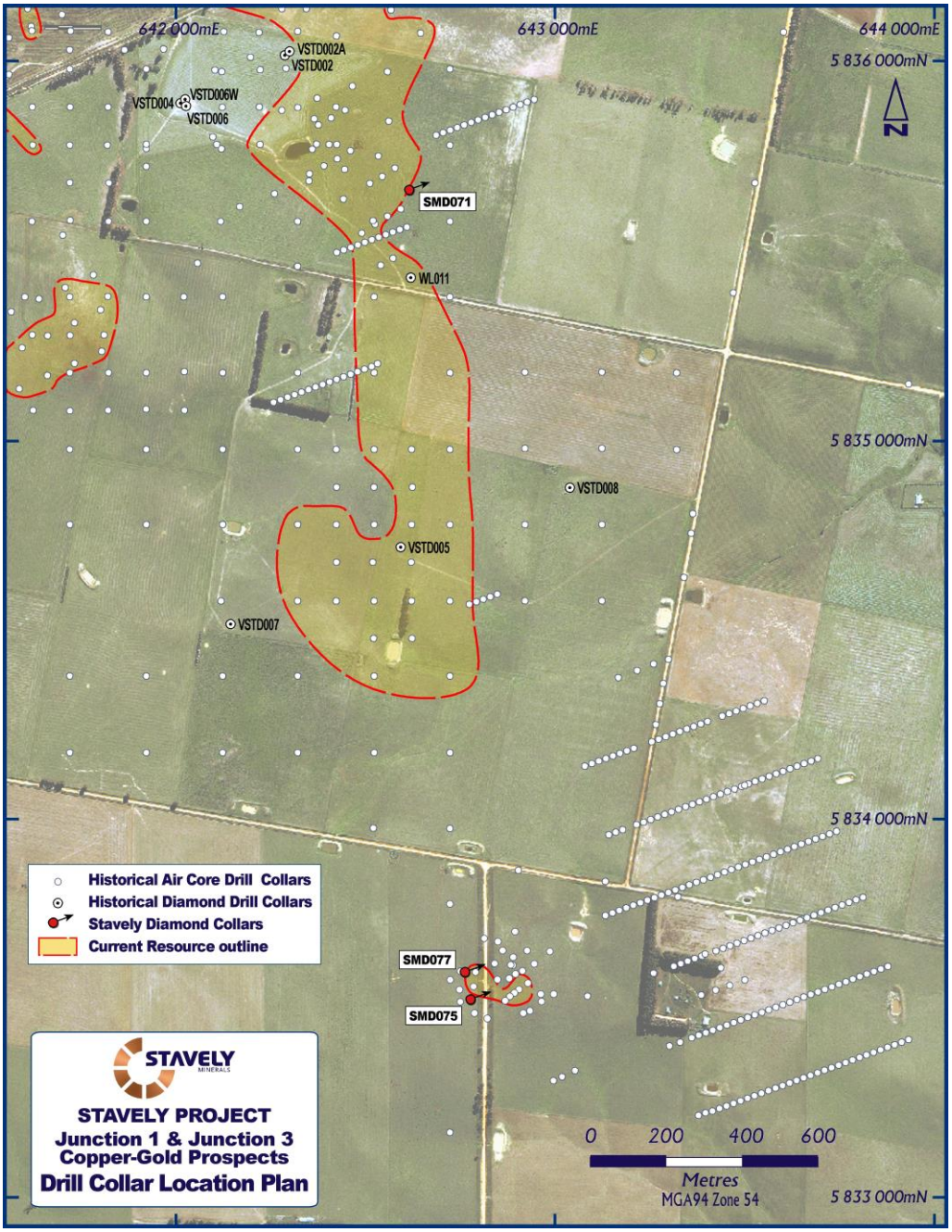

Figure 15. Junction 1 and Junction 3 drill collar location plan.

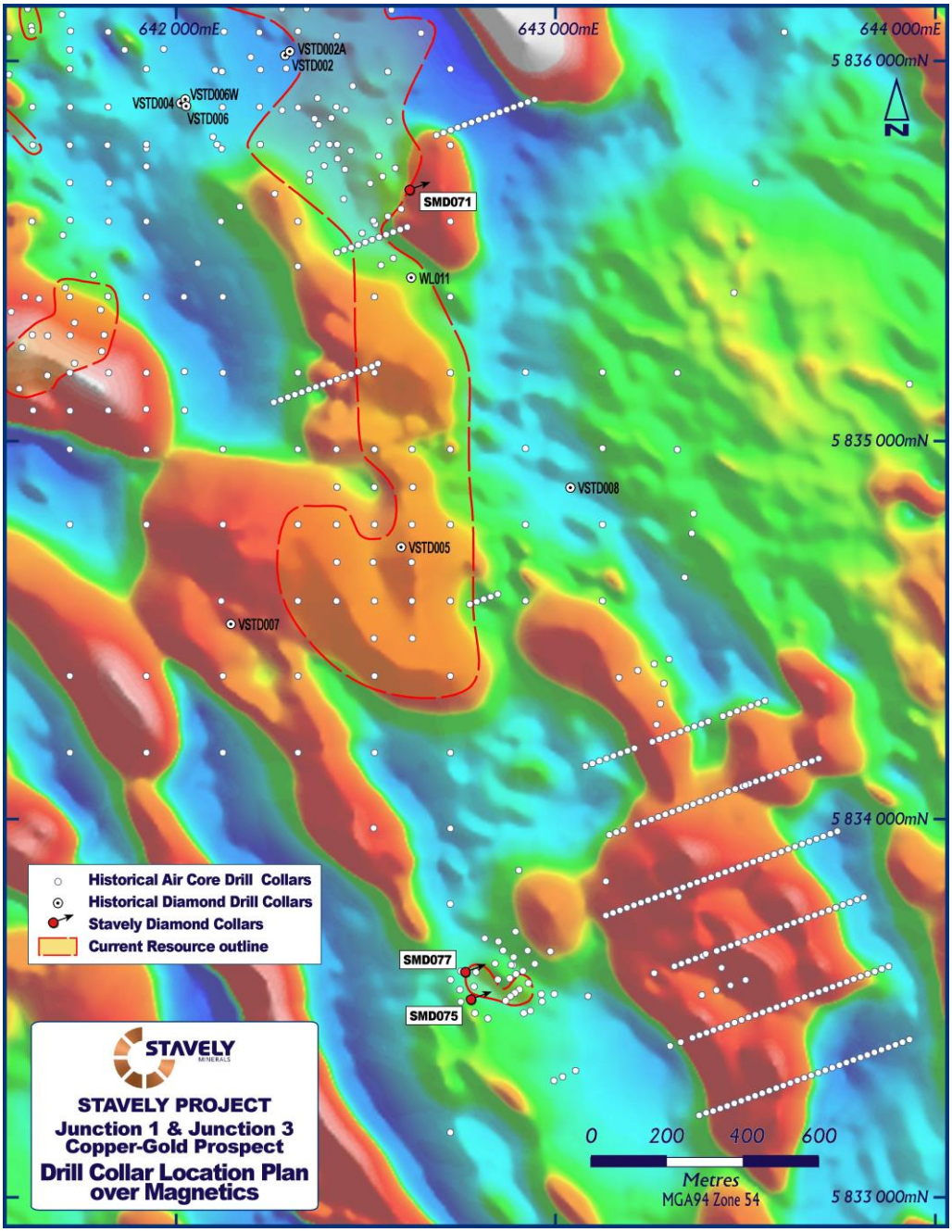

Figure 16. Junction 1 and Junction 3 drill collar locations over aeromagnetics.

Black Range Joint Venture Project (EL5425)

During the March Quarter, Stavely Minerals received the assay results for the two diamond drill holes completed at the Yarram Gap prospect in late 2019 and early 2020 (Figure 17). A down-hole electromagnetic (DHEM) survey was conducted on the two diamond drill holes. In addition, the 2D seismic survey, which focussed on Stavely Minerals' Thursday's Gossan prospect but did extend over EL5425, was completed during the Quarter.

The Yarram Gap prospect comprises two inferred Cambrian intrusions within ultramafic and volcanic units of the Stavely 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.

Diamond hole SYGD001 was drilled to a depth of 201.6m at the Yarram Gap prospect targeting the north-west trending contact between volcanic-sedimentary rocks and serpentinite (Figure 18). In recent drilling at the Thursday's Gossan prospect on Stavely Minerals' tenement EL4556, copper-gold-silver mineralisation has been intersected in structures within the ultramafic. SYGD001 was positioned to test beneath the historic gold intersect. The hole did intersect a fault zone however there was no obvious indications of gold mineralisation associated with the fault. The selective samples from SYGD001 did not return any anomalous gold or base metal results.

Diamond hole SYGD002 was drilled to a depth of 201.5m to target the ultramafic contact (Figure 18). Historic aircore drilling and aeromagnetic data was used to plan the position of the drill hole. The three aircore holes to the west intersected mudstone/ sandstone or cover and all the aircore holes to the east intersected serpentinite. Unfortunately, SYDG002 went directly into serpentinite at 25m, directly below the cover and failed to test the ultramafic contact. Apart from a narrow micro gabbro unit at 100m, the hole remained in serpentinite with trace patchy magnetite alteration. The selective samples from SYGD002 did not return any anomalous gold or base metal results.

During the Quarter, DHEM was conducted by Merlin Geophysical Solutions on diamond drill holes SYGD001 and SYGD002. The survey did not return any off-hole conductors for either of the holes.

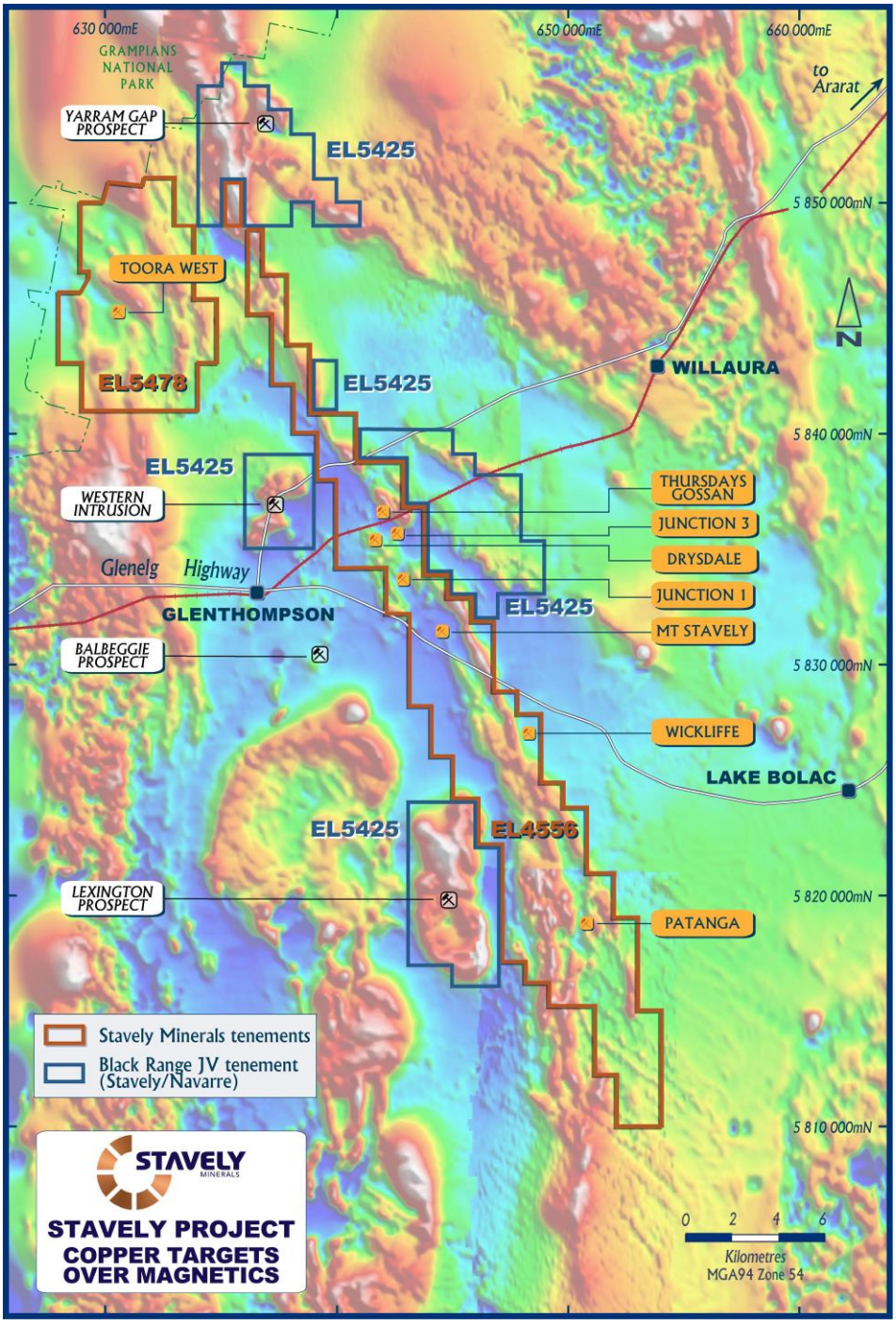

Figure 17. Location of targets at the Stavely Project.

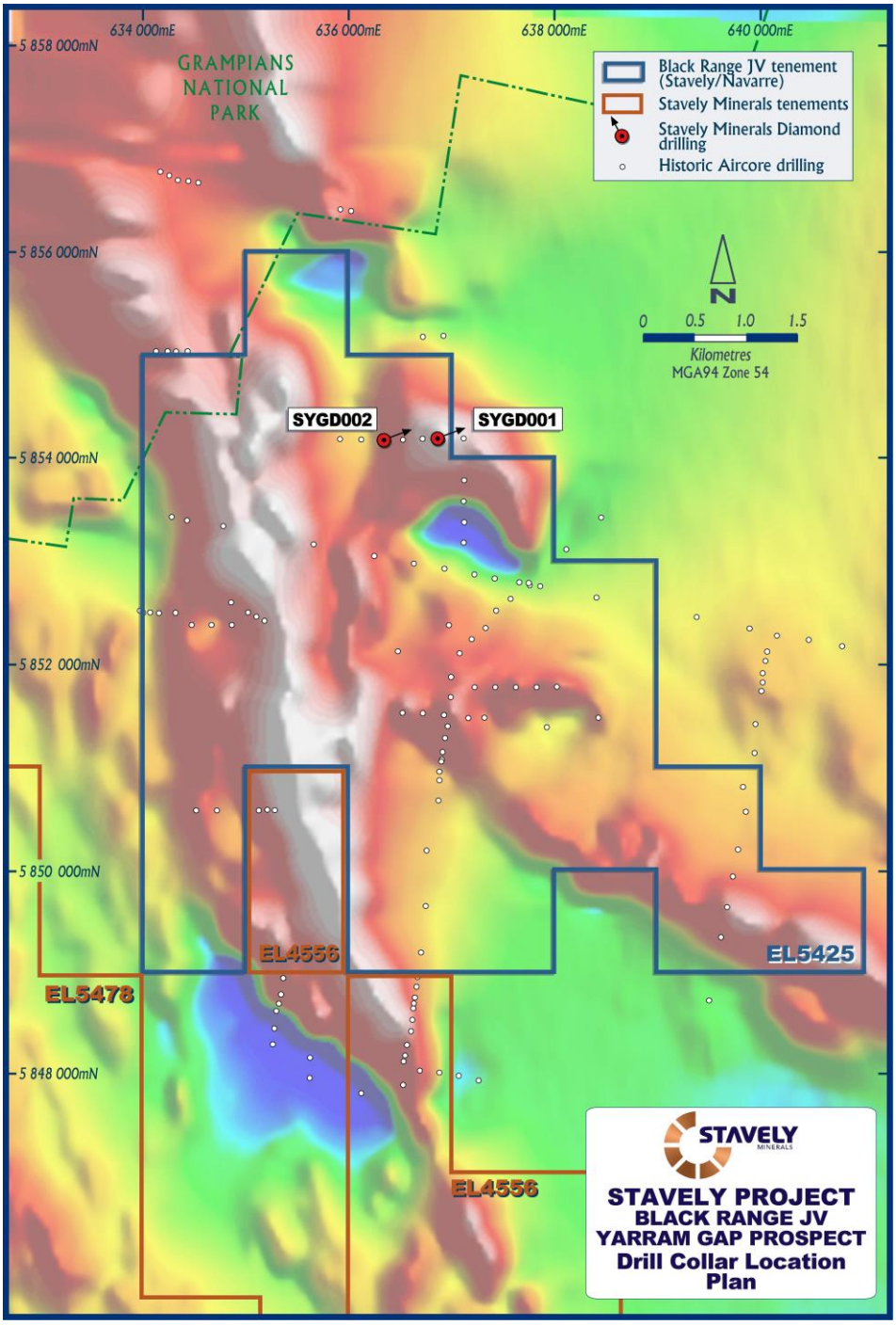

Figure 18. Black Range JV – drill hole location plan.

Yarram Park Project (EL5478)

No exploration was conducted at the Yarram Park Project during the March Quarter.

Ararat Project (EL4758, EL3019, EL5486, EL6271)

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

Ravenswood Project (EPM26041, EPM26152, EPM26303 & EPM26304)

No on ground exploration activities were conducted on the Ravenswood Project during the March Quarter.

Tasmania and Central Victoria (EL19/2018, EL4/2019, EL6/2019, EL2/2015, EL3/2015, RL1/2011, EL6668)

Mathinna Gold Prospect

Diamond drilling, which commenced during the previous quarter, at the Mathinna Project in the vicinity of the New Golden Gate Mine was completed during the current quarter. A total of seven diamond drill holes were completed for 2,194m (Figure 19).

Three diamond drill holes (MDD002 to MDD004) were designed to test the potential extensions of the historical mine area. Drill hole MDD001 failed and was redrilled as MDD002. Four diamond drill holes (MDD005 to MDD008) were drilled as part of Mineral Resources Tasmania's (MRT) Exploration Drilling Initiative Program to better understand the overall stratigraphic and structural setting of the Mathinna area.

The extensional drilling identified lode style gold mineralisation in the projected locations and included a number of intervals containing small amounts of visible gold (Photo 1).

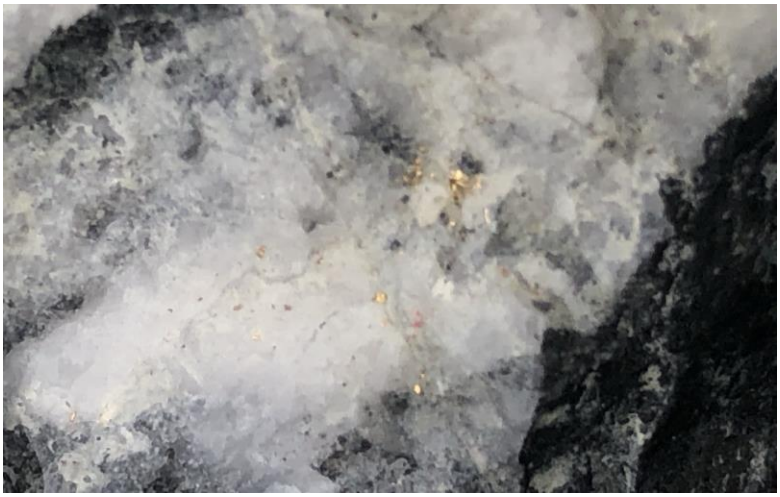

Photo 1: Photograph of visible gold in Mathinna diamond drilling (MDD005 179.3m down hole).

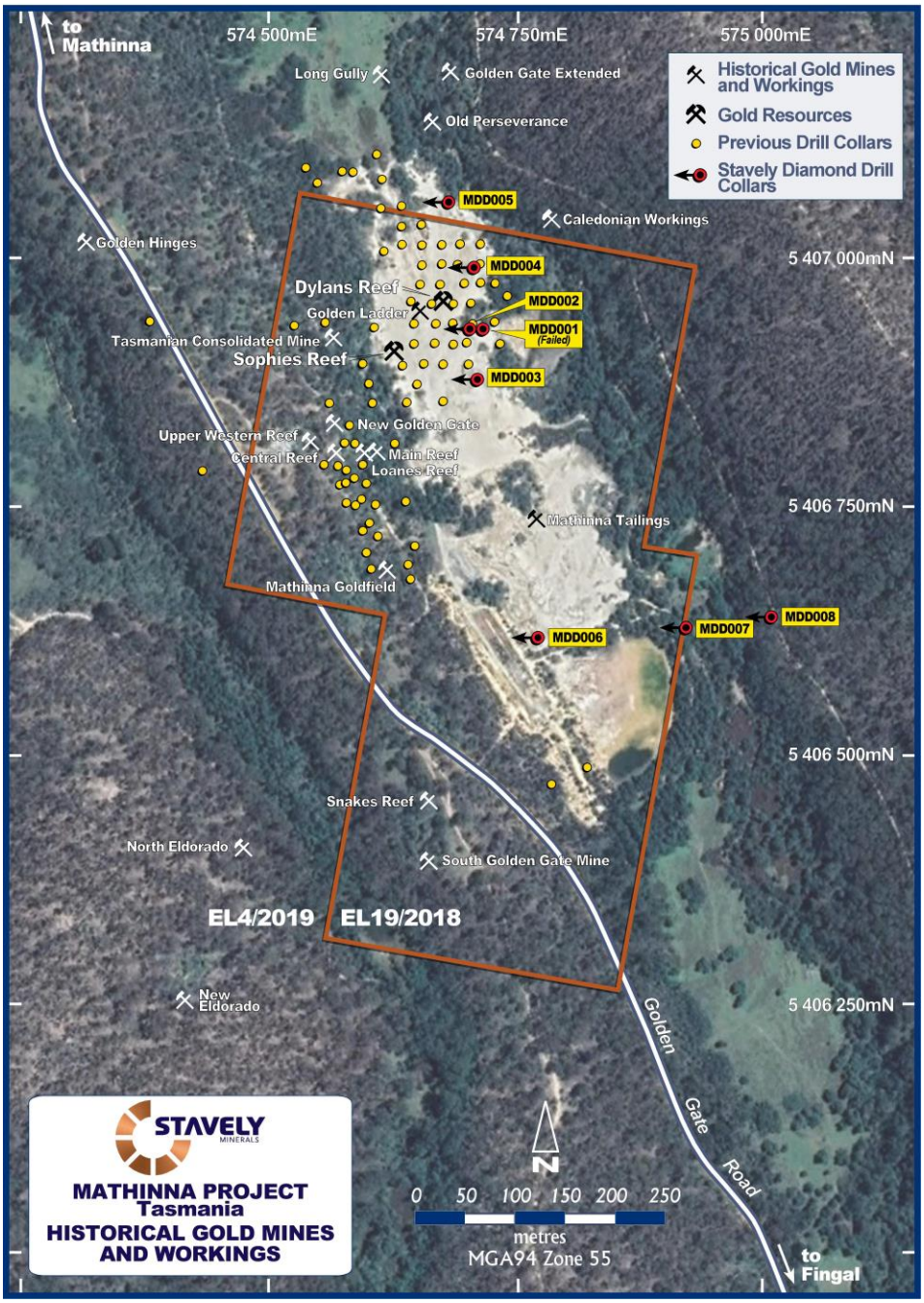

Figure 19. Mathinna Project – diamond drill hole location plan.

Significant mineralised zones (using 30g Fire Assay method) included (Figure 20):

MDD002 3m at 1.48 g/t gold from 90m
3.05m at 1.38 g/t gold from 113.95m*
3.24m at 1.20 g/t gold from 126m
1m at 0.84 g/t gold from 266m
1m at 0.5 g/t gold from 292.5m
1m at 0.58 g/t gold from 300m
4m at 1.67 g/t gold from 312m

MDD003 1m at 0.26 g/t gold from 181.2m
2.25m at 0.34 g/t gold from 237.65m

MDD004 1.97m at 0.29 g/t gold from 121.9m
1m at 2.77 g/t gold from 133.4m

MDD005 8m at 0.61 g/t gold from 44m
2.69m at 0.48 g/t gold from 61.95m
1m at 0.34 g/t gold from 73.3m
0.95m at 0.49 g/t gold from 148.95m
1m at 0.3 g/t gold from 153.9m
0.54m at 0.27 g/t gold from 179.3m *

MDD006 1m at 0.53 g/t gold from 137.55m
1m at 0.86 g/t gold from 219.58m

*- denotes intervals where visible gold was observed

The sections for the drill holes are presented in Figures 21 to 25.

The individual sample repeatability using the 30g fire assay methods available in Tasmania was poor. As a result, anomalous samples from MDD002 were sent to Perth for check analysis using the larger (500g) sample sized PhotonAssay method.

The individual check assays using the PhotonAssay method varied from the original 30g fire assay (FA) results by up to +420% (0.32g/t using FA repeated at 1.66g/t using PhotonAssay) and the overall mineralised zones were up to 51% higher using the larger (and more representative) PhotonAssay method (MDD002 113.95m to 117m - 3.05m at 1.38 g/t using FA methods repeated at 2.09 g/t using PhotonAssay).

Clearly variability of this magnitude is unusual and needs to be investigated along with the low grades reported from intervals where visible gold was observed.

Individual sample results from MDD002 using the PhotonAssay method identified that the gold distribution in a number of the samples was heterogeneous, indicating the presence of nuggety coarse gold. This could go part of the way to explain why the very small (30g) fire assay methods available in Tasmania have not resulted in higher grade results.

Based on the limited amount of check assay results to date, the results received using the 30g fire assay method (and reported above) may not be representative of the mineralisation.

Additional samples have been selected for further check analysis, these samples will be collected and freighted to Perth for analysis.

Given the current COVID-19 travel restrictions to Tasmania, the follow-up sampling and detailed investigation of the results will be delayed.

Four co-funded drill holes (MDD005 – 008) were completed to understand the stratigraphic and structural setting of the Mathinna mineralisation. MRT's Exploration Drilling Grant Initiative contributed 50% of direct drilling costs, capped at $100,000 for these 4 holes. These holes have provided a significant dataset of excellent structural information that will help to target further exploration both at Mathinna and along the structural trend which extends for more than 30km from Tower Hill in the south to Alberton in the north (Figure 26).

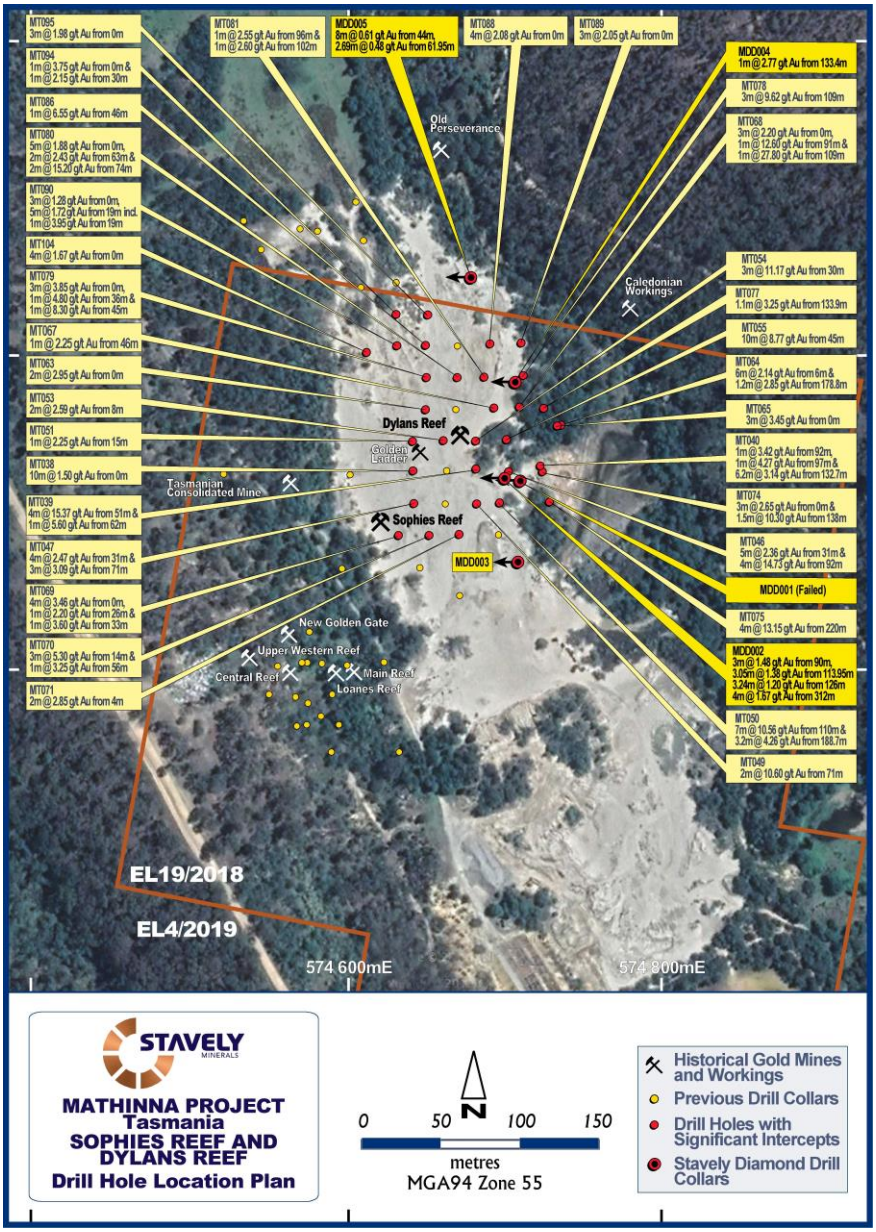

Figure 20. Sophies Reef and Dylans Reef drill hole location plan.

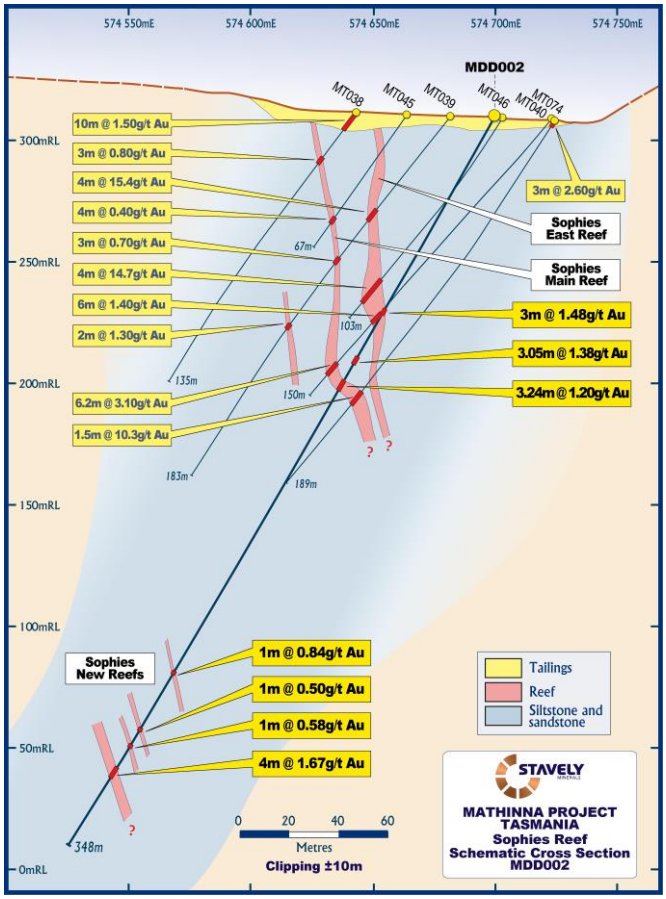

Figure 21. Sophies Reef schematic cross section MDD002.

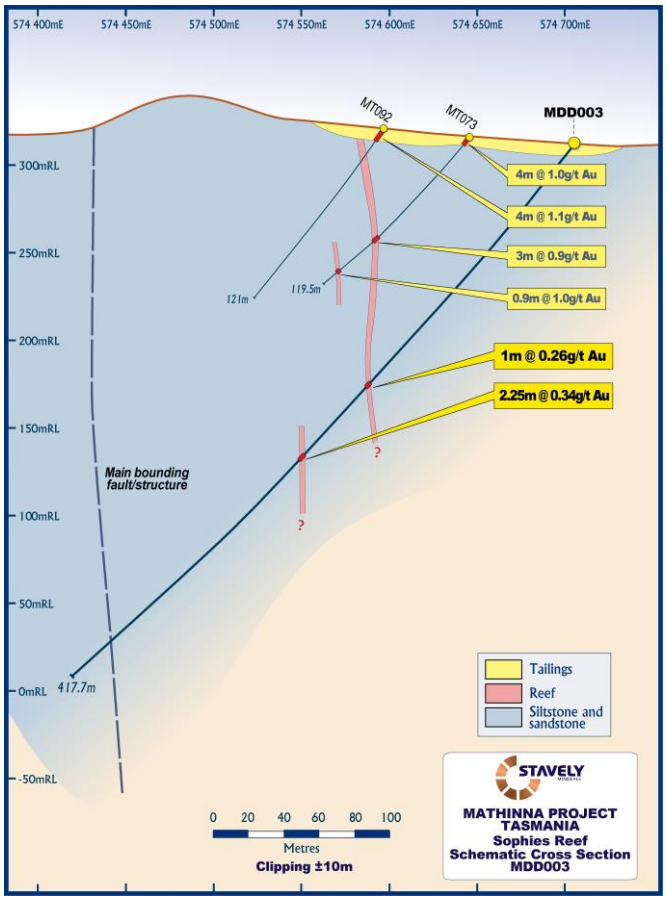

Figure 22. Sophies Reef schematic cross section MDD003.

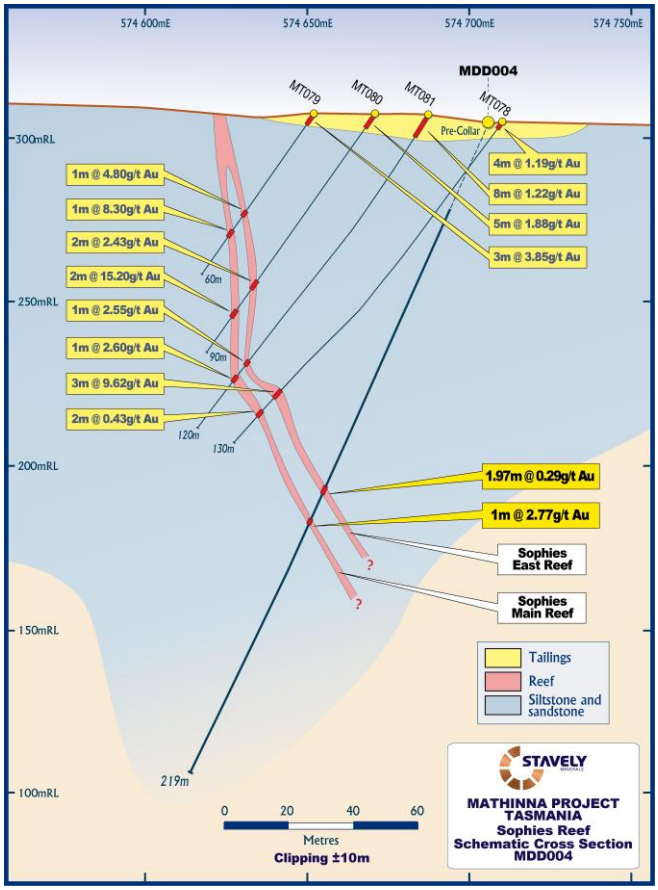

Figure 23. Sophies Reef schematic cross section MDD004.

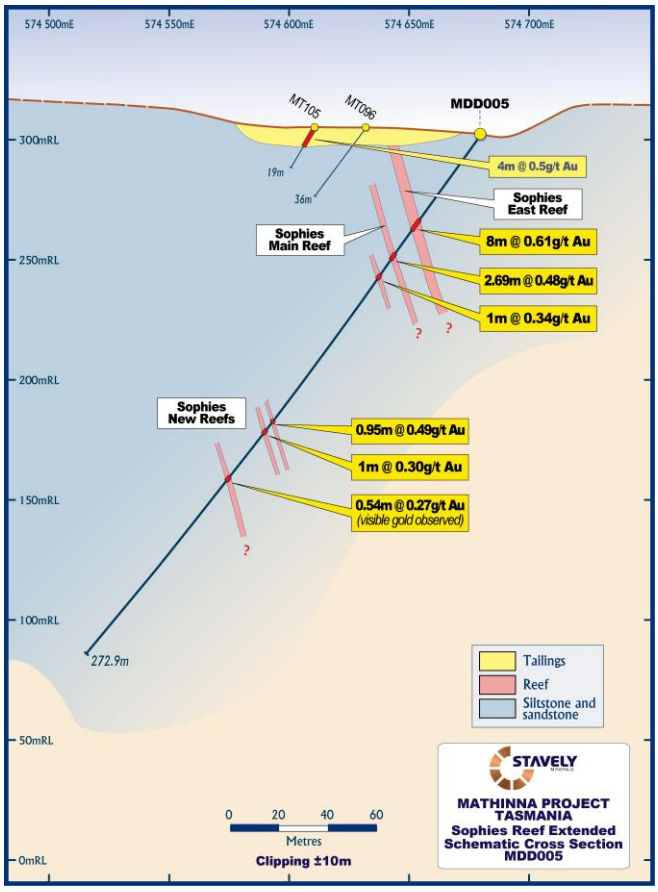

Figure 24. Sophies Reef extended schematic cross section MDD005.

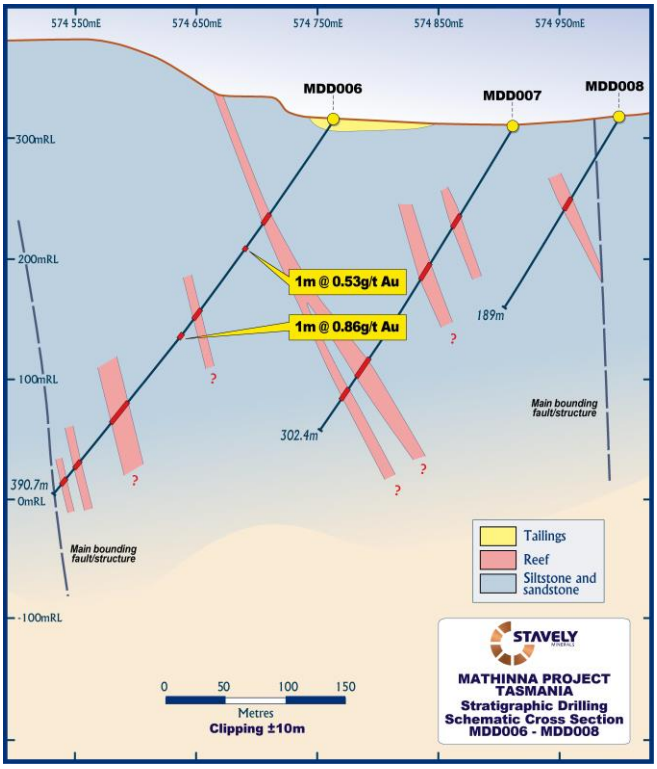

Figure 25. Stratigraphic drilling schematic cross section MDD006 – MDD008.

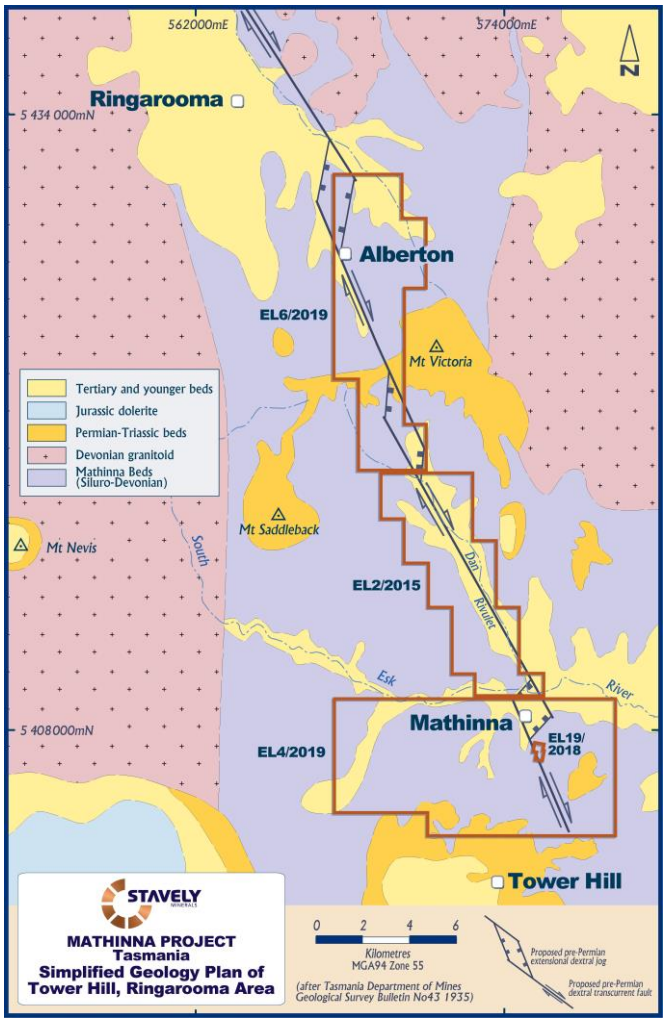

Figure 26. Simplified geology of the Mathinna – Alberton Project.

Planned Exploration

Stavely Project (EL4556)

During the next quarter, the drilling programme at Thursday's Gossan will continue. The intention of the current programme is to delineate high-grade, near-surface copper-gold-silver mineralisation over a significant strike extent in the Cayley Lode that would complement the existing large Inferred Mineral Resource of 28 million tonne at 0.4% copper (gold and silver not estimated) at Thursday's Gossan (see Stavely Minerals Limited 2018 Annual Report).

The resource drilling will continue with four rigs operating on a roughly 40m by 40m drill pattern.

Once the near-surface potential is confirmed and some similar regional targets are tested, drilling will shift towards confirming the depth potential of the high-grade copper-gold-silver mineralisation on a number of mineralised structures including the Cayley Lode, the North-South Structure (NSS) and the Copper Lode Splay (CLS).

Black Range Joint Venture (EL5425)

During the next quarter, the interpretation of the 2D seismic survey will be completed. During the winter months while on-ground exploration is difficult the reprocessed QUESTEM data will be interrogated in Leapfrog with the purpose of finding additional exploration targets.

Mathinna Project (EL19/2018, EL4/2019)

Detailed investigation and additional sampling to improve sample variability and assay repeatability of the diamond drill holes recently completed at the Mathinna Project will commence after the COVID-19 pandemic and travel restrictions have passed.

CORPORATE

Stavely Minerals had a total of $13.8M cash on hand at the end of the March 2020 Quarter.

During the Quarter, the Company was named as the winner of this year's Craig Oliver Award at the RIU Explorers Conference in Fremantle.

The award, sponsored by Canaccord Genuity, Western Areas and David Flanagan, is handed out every year to a small to mid-cap Australian resources company that has excelled in areas including exploration, mining, corporate, market results, environmental and community over the past 12 months.

The award is in the memory of Craig Oliver, the late Sundance Resources and Western Areas director, who died in a Congo plane crash that tragically claimed the lives of the entire Sundance board.

Subsequent to the Quarter, the Company reached agreement to purchase the existing 3% net smelter royalty (NSR) held by New Challenge Resources on tenement EL4556, which hosts the Thursday's Gossan prospect and other key prospects at its flagship Stavely Copper-Gold Project in Victoria. The agreed terms include the payment of $350,000 cash and the issue of 850,000 Stavely Minerals' shares. The payment and share issue will occur in July.

ANNOUNCEMENTS

Investors are directed to the following announcements (available at www.stavely.com.au) made by Stavely Minerals during and subsequent to the March 2020 Quarter for full details of the information summarised in the Quarterly Report.

30/01/2020 - New Shallow Intercepts of High-Grade Mineralisation

21/02/2020 - Stavely Named Winner of Craig Oliver Award 2020 RIU Explorers Conference

25/02/2020 - Exceptional Grades at Cayley Lode Discovery

23/03/2020 - Drilling and Operations Update COVID-19

9/04/2020 - More Broad Copper-Gold Intercepts in Resource Drilling

23/04/2020 - Initial Assay Results - Mathinna Gold Project

24/04/2020 - Agreement to Purchase 3% Net Smelter Return Royalty

During the Quarter, Stavely Minerals presented at the following conferences:

18/02/2020 - RIU Explorers Conference, Fremantle 2020

Tenement Portfolio - Victoria

The tenements held by Stavely Minerals as at 31 March 2020 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	100
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

* 51% held by Stavely Minerals Limited, 49% by Black Range Metals Pty Ltd, a fully owned subsidiary of Navarre Minerals Limited.

Stavely Minerals have met the expenditure for the first earn-in period for the Stavely Farm-in and Joint Venture Agreement with Navarre Minerals Limited. Transfer of the 51% interest in EL5425 to Stavely Minerals has been completed.

The tenements held by Stavely Tasmania Pty Ltd as at 31 March 2020 are as follows:

Area Name	Tenement	Grant Date/ (Application Date)	Size (Km^2)
Myola*	EL6668	6 March 2018	83

* Title in the process of being transferred

The statutory 25% partial relinquishment of the original area of EL6668 on the licence's second anniversary was completed during the Quarter.

Tenement Portfolio - Queensland

The tenements held by Ukalunda Pty Ltd as at 31 March 2020 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	30
Kirk North	EPM26304	23 March 2017	18

During the Quarter, eleven sub-blocks were relinquished from EPM26304 and nineteen sub-blocks were relinquished from EPM26303, as a statutory relinquishment on the third anniversary of the tenements.

Tenement Portfolio - Tasmania

The tenements held by Stavely Tasmania Pty Ltd as at 31 March 2020 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	27 January 2020	40
Mathinna	EL2/2015	28 May 2015	33
Lefroy	RL1/2011	23 April 2012	1
Lefroy	EL3/2015	8 January 2015	27

Chris Cairns
Managing Director and Executive Chairman

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.

Authorised for lodgement by Chris Cairns, Managing Director and Executive Chairman.

Thursday's Gossan Prospect – Cayley Lode Collar Table							
		MGA 94 zone 54					
Hole id	**Hole Type**	**East**	**North**	**Dip/ Azimuth**	**RL (m)**	**Total Depth (m)**	**Comments**
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	5836641	-60/59.5	264	245.5	
SMD055	DD	642032	5836595	-60/59.5	264	169.9	Hole failed prior to target depth
SMD056	DD	642031	5836590	-60/59.5	264	185.8	Hole failed prior to target depth
SMD057	DD	642386	5836309	-60/59.5	264	242.2	
SMD058	DD	642115	5836542	-60/59.5	264	140.5	
SMD059	DD	642122	5836461	-60/59.5	264	317.8	
SMD060	DD	642137	5836508	-60/59.5	264	203.2	
SMD061	DD	642276	5836435	-60/59.5	264	219.5	
SMD062	DD	642337	5836367	-60/59.5	264	227.70	
SMD063	DD	642063	5836585	-60/59.5	264	162.7	
SMD064	DD	642041	5836619	-60/59.5	264	184.9	
SMD066	DD	641936	5836807	-60/59.5	264	294	
SMD067	DD	641884	5836880	-60/59.5	264	236	
SMD069	DD	641725	5837063	-60/59.5	264	130.7	
SMD070	DD	642199	5836451	-60/59.5	264	399.6	
SMD072	DD	641585	5837196	-60/59.5	264	100.9	
SMD073	DD	641473	5837155	-60/59.5	264	409.9	
SMD074	DD	642162	5836437	-60/59.5	264	302	
SMD076	DD	642174	5836523	-60/59.5	264	198.4	
SMD078	DD	642237	5836464	-60/59.5	264	274.9	
SMD079	DD	642099	5836496	-60/59.5	264	306.7	
SMD080	DD	642196	5836406	-60/59.5	264	309.3	
SMD082	DD	642264	5836342	-60/59.5	264	In progress	
SMD084	DD	642236	5836364	-60/59.5	264	In progress	
SMS001D	Sonic/DD	642197	5836489	-60/59.5	264	212	Failed to test target - drilled to east of Cayley Lode
SMS002AD	Sonic/DD	642275	5836478	-60/59.5	264	105.4	Failed to test target - drilled to east of Cayley Lode
SMS003	Sonic	642207	5836523	-60/59.5	264	97	Failed to test target - drilled to east of Cayley Lode
SMS004	Sonic	642150	5836555	-60/59.5	264	131.5	Failed to test target - drilled to east of Cayley Lode
SMS005	Sonic	642125	5836587	-60/59.5	264	85.5	
SMS006	Sonic	642102	5836620	-60/59.5	264	76	
SMS007	Sonic	642085	5836654	-60/59.5	264	64	
SMD008	Sonic	642055	5836680	-60/59.5	264	In progress	

Mathinna Gold Project - Drill Collar Table									
		MGA 94 Zone 55							
Hole id	**Hole Type**	**East**	**North**	**Dip/ Azimuth**	**RL (m)**	**Total Depth (m)**	**Prospect**	**Tenement**	**Comments**
MDD001	DD	574710	5406925	-60/270	310	54.9		EL19/2018	Hole Failed
MDD002	DD	574700	5406926	-60/270	310	348	Sophies & Dylans Lodes	EL19/2018	
MDD003	DD	574706	5406873	-50/270	311	417.7	New Golden Gate	EL19/2018	
MDD004	DD	574706	5406987	-65/270	305	218.7	Sophies & Dylans Lodes	EL19/2018	
MDD005	DD	574680	5407053	-55/270	304	272.9	Northern Stratigraphic hole	EL4/2019	
MDD006	DD	574765	5406615	-55/265	319	390.7	Southern Stratigraphic hole	EL19/2018	
MDD007	DD	574912	5406623	-60/265	312	302.4	Southern Stratigraphic hole	EL19/2018	
MDD008	DD	575002	5406633	-60/265	321	189	Southern Stratigraphic hole	EL4/2019	

Thursday's Gossan Prospect – Cayley Lode - 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)**	**Ni (%)**
SMD050	DD	642070	5836609	-60/59.5	264	132.6	62	94	32	5.88	1.00	58	
						Incl.	82	94	12	14.3	2.26	145	
						and	85	87	2	40	3.00	517	
							96.7	101.1	4.4				3.98
SMD051	DD	642160	5836476	-60/59.5	264	220.9	98.0	157.0	59	1.80	0.43	15.4	
						Incl.	106.6	115.1	8.5	4.38	0.87	32.7	
						and	134.0	137.0	3.0	5.66	0.29	4.60	
							177.0	185	8.0	9.69	0.40	16.8	
						Incl.	179.0	181.0	2.0	17.30	0.57	13.1	
SMD052	DD	642238	5836421	-60/59.5	264	271.7	25	92	67	0.38	0.10	2.5	
						Incl.	76	92	16	0.63	0.28	7.0	
						Incl.	77	84	7	0.98	0.23	12	
SMD053	DD	642302	5836355	-60/59.5	264	273.6	30	52	22	0.37			
							176	178	2	1.17	1.23	4.1	
							201	211.3	10.3	3.09	1.69	22.6	
						Incl.	202	207	5	5.81	3.20	43.6	
						and	203	204	1	8.42	1.77	97	
						and	204	205	1	2.91	8.69	23.9	
SMD054	DD	642048	5836641	-60/59.5	264	245.52	55	57	2	1.89	0.56	16	
							86	97	11	4.62	0.57	25	
						Incl.	90	97	7	7.10	0.72	39	
						Incl	92	95	3	10.87	0.67	52	
							96	101	5				1.42
SMD055	DD	642032	5836595	-60/59.5	264	169.9	24	29	5	1.00	0.32	7	
							78	83	5	1.37	0.17	8	
							156	157	1	1.18	0.72	8	
							162	163	1	3.64	0.60	43	
SMD056	DD	642031	5836590	-60/59.5	264	185.8	79	82	3	1.68	0.18	8	
							157	165.3	8.3	1.65	0.23	7.2	
						Incl.	157	160	3	3.75	0.25	10.2	
SMD057	DD	642386	5836309	-60/59.5	264	242.2	No Significant Results						
SMD058	DD	642115	5836542	-60/59.5	264	140.5	19	48	29	0.37			
							68	91	23	1.34	0.26	3.5	
						Incl.	88	91	3	6.33	0.27	2.9	

Thursday's Gossan Prospect – Cayley Lode - 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)**	**Ni (%)**
SMD059	DD	642122	5836461	-60/59.5	264	317.8	21	22	1		3.15	25	
							197	202	5	3.28	0.27	13	
							235	253	18	1.00	0.10	3	
						Incl.	245.8	252.6	6.8	1.85	0.17	6	
SMD060	DD	642137	5836508	-60/59.5	264	203.2	19.2	135.4	102.3[1]	0.68			
						Incl.	74	135.4	48.2[2]	1.04	0.31	14	
						Incl.	74	86	12	1.55	0.63	13	
						and	111	135.4	13.6[3]	1.90	0.38	33	
						Incl.	129	135.1	6.10	3.55	0.73	41	
							116.6	119	2.4[4]				1.20
SMD061	DD	642276	586435	-60/59.5	264	219.5	160.2	164.5	4.3	2.06	0.44	23	
SMD062	DD	642337	5836367	-60/59.5	264	227.70	128	131	3.0	2.43	0.25	11	
							156	162	6.0	3.95	0.38	16	
						Incl.	160	162	2.0	7.46	0.61	31	
						and	160	161	1.0	10.5	0.86	35	
SMD063	DD	642063	5836585	-60/59.5	264	162.7	106	107	1.0	1.10	0.16	5.5	
SMD064	DD	642041	5836619	-60/59.5	264	184.9	121	129	8.0	5.12	1.48	34	
						Incl.	128	129	1.0	26.8	8.48	201	
SMD066	DD	641936	5836807	-60/59.5	264	294	No Significant Results						
SMD067	DD	641884	5836880	-60/59.5	264	236	16	34	18.0	0.43	0.35	13	
						Incl.	25	27	2.0	1.21	0.27	27	
							107	109	2.0	1.32		8	
SMD069	DD	641725	5837063	-60/59.5	264	130.7	No Significant Results						
SMD070	DD	642199	5836451	-60/59.5	264	275.9	20	95	75.0	0.60	0.19	5	
						Incl.	65	84	19.0	1.48	0.40	15	
						and	69.3	73	3.7	6.02	1.18	66	
						and	71	72	1.0	9.23	2.67	125	
SMD072	DD	641585	5837196	-60/59.5	264	100.9	No Significant Results						
SMD073	DD	641473	5837155	-60/59.5	264	409.9	149	153	4.0	1.31	0.31	6	
							359	364	5.0	0.25	1.67	27	
						Incl.	361.1	362	0.9	0.42	4.58	51	
SMD074	DD	642162	5836437	-60/59.5	264	302	25	59	34.0	0.32			
							176	183.6	7.6	1.36	0.24	7	
							193	197.7	4.3[5]	1.94	0.27	10	
							213	234.3	21.3	1.31	0.43	6	

Thursday's Gossan Prospect – Cayley Lode - 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)	Ni (%)
SMS001D	Sonic/DD	642197	5836489	-60/59.5	264	212	No Significant Results						
SMS002AD	Sonic/DD	642275	5836478	-60/59.5	264	105.4	No Significant Results						

1. Excluding 13.9m of core loss
2. Excluding 13.2m of core loss
3. Excluding 10.8m of core loss
4. 1.8m of core loss immediately above this interval
5. 0.4m of core loss included in this interval