



ASX ANNOUNCEMENT

26 May 2020

Grant of Retention Licences for the Stavely Project and the Ararat Project, Western Victoria

Grant of key Licences gives Stavely Minerals the security of tenure required to progress mining and development studies through to project financing and a potential investment decision

Stavely Minerals Limited (ASX Code: **SVY** – “Stavely Minerals”) is pleased to advise that it has received correspondence from the Earth Resources Regulation section of the Victorian Department of Jobs, Precincts and Regions informing the Company of the grant of two key Retention Licences covering its principal base metal projects in western Victoria.

The correspondence confirms the grant of Retention Licence RL2017 for the Company’s 100%-owned **Stavely Copper-Gold Project** and Retention Licence RL2020 for its 100%-owned **Ararat Copper Project** (Figure 1).

The Retention Licences have been granted for a period of 10 years and are renewable, on approval of a renewal application, for up to a further 10 years.

A Retention Licence can be considered as transitional between an Exploration Licence and a Mining Licence “providing the licensee (licence holder) tenure over the land before progressing to a Mining Licence.” The licence holder must “comply with an agreed work program that develops the resource towards mining.”

For both the Ararat Project and the Stavely Project, the current status is that a Mineral Resource has been reported in compliance with the JORC Code, while at the Stavely Project an intensive Mineral Resource definition drilling programme is currently in-progress on the near-surface, high-grade copper-gold-silver discovery at the Cayley Lode.

The intention of the Retention Licence is that it gives the holder the security of tenure required to complete Mineral Resource definition drilling and progress through a number of additional technical studies – namely Scoping, Pre-Feasibility and Feasibility Studies.

This will allow the Company to complete all of the studies and the associated programmes required for the application of the JORC Code defined Modifying Factors (including but not limited to metallurgy, geotechnical, mine design, process facility design and financial modelling) that may, after all relevant Modifying Factors are considered, lead to project financing and a decision to develop a mining operation.

Stavely Minerals' Executive Chairman, Chris Cairns, said: *"While there is plenty of drilling still to do, the grant of these key Retention Licences gives us the security of tenure we need to progress our key western Victorian Projects through the various stages of evaluation required before we get to a decision to mine.*

"If these technical programmes and studies ultimately demonstrate a positive financial outcome resulting in a decision to develop a mining project, the investment that follows is likely to have a material impact on the local regional economy and for well-paid skilled employment in the region.

"We would like to take this opportunity to thank the Victorian Government and the Department of Jobs, Precincts and Regions for their support. To date, Stavely Minerals has received approximately \$1 million of Government co-funding in the lead-up to the discovery of the Cayley Lode and we have received a commitment for a further \$500,000 of co-funding for exploration on EL006870.

"Further credit is due to the Earth Resources Regulation section of the Department in ensuring that applications continue to be assessed and progressed during the significant disruptions caused by COVID-19.

"By continuing to support generative exploration projects and concepts, the Victorian Government is helping to sow the seeds for discovery of new mineral deposits in western Victoria – discoveries that ultimately could be a significant source of the copper which the world will need for a low-carbon, sustainable future."

Yours sincerely,



Chris Cairns
Managing Director

The information in this report that relates to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Chris Cairns, a Competent Person who is a Member of the Australian Institute of Geoscientists. Mr Cairns is a full-time employee of the Company. Mr Cairns is the Managing Director of Stavely Minerals Limited, is a substantial shareholder of the Company and is an option holder of the Company. Mr Cairns has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Cairns consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

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

For Further Information, please contact:

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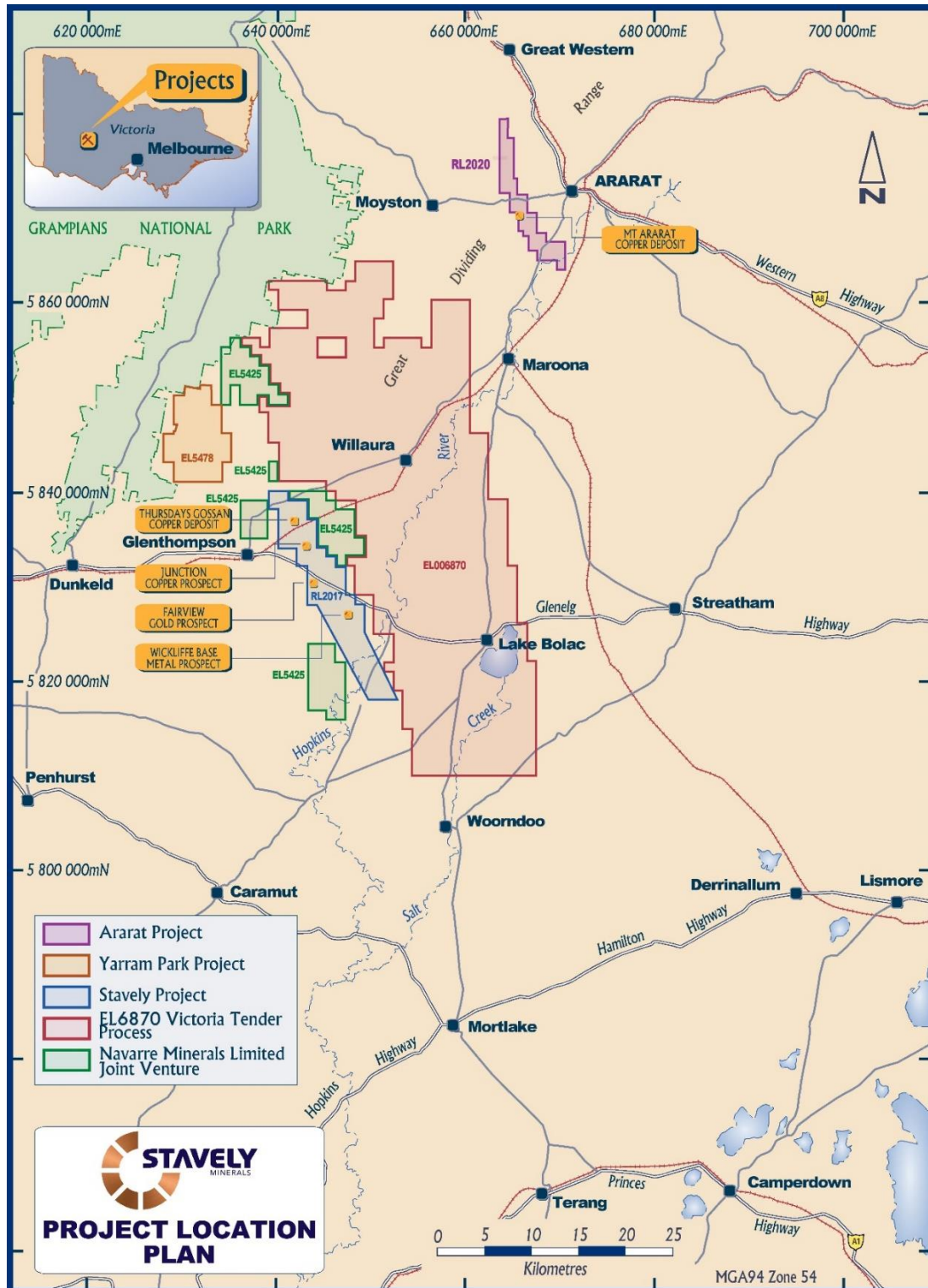


Figure 1. Stavely and Ararat Project location map.