



**ASX Code: SVY**

**Issued Shares: 80.78M**

**Cash Balance: \$1.2M**

**ABN 33 119 826 907**

## **Directors**

William Plyley

Chris Cairns

Jennifer Murphy

Peter Ironside

## **Head Office**

Level 1

168 Stirling Highway

Nedlands

Western Australia 6009

T: +61 (8) 9287 7630

E: [info@stavelly.com.au](mailto:info@stavelly.com.au)

W: [stavelly.com.au](http://stavelly.com.au)

## **HALF-YEAR REPORT FOR THE SIX MONTHS ENDED 31 DECEMBER 2014**

### **Highlights**

---

At the Mt Ararat copper-gold deposit, RC drilling results including:

- 5m at 2.10% copper, 0.56 g/t gold, 0.48% zinc and 9 g/t silver, including
  - 2m at 3.37% copper, 0.73 g/t gold, 0.47% zinc and 14 g/t silver,
- 3m at 2.64% copper, 0.17 g/t gold, 0.31% zinc and 3 g/t silver, and
- 1m at 5.89% copper, 0.55 g/t gold, 2.31% zinc and 17 g/t silver\*

At the Thursday's Gossan porphyry, diamond drilling results including:

- 196m at 0.13% copper from 322m down-hole in SMD003,
- 82.3m at 0.12% copper from 440m down-hole to end-of-hole in SMD001,
- 69m at 0.15% copper from 466m down-hole in SMD004,
- 52m at 0.23% copper from 39m down-hole in SMD004, and
- 45.9m at 0.19% copper from 35.2m down-hole in SMD001.

Higher grade intervals associated with quartz-pyrite-bornite-chalcopryrite sulphidic 'D' veins included:

- 5.9m at 0.78% copper and 16 g/t silver from 71m down-hole.

Recognition of a low-angle structure offsetting the porphyry with implications that:

- the well-mineralised copper-gold potassic zone may be closer to surface; and
- the deposit may have shifted into an area of sparse previous drilling / exploration.

### **Major Achievements**

---

- Proof that the prospective VMS horizon in the Ararat Project extends beyond the known deposit – potentially for 10's of kilometres,
- Discovery of 'Stawell-style' gold mineralisation in the footwall to the Mt Ararat VMS copper-gold deposit,
- Recognition of a major low-angle structural offset at the Thursday's Gossan copper-gold porphyry and potential for discovery of the better copper-gold mineralised potassic core to the east / north of previous drilling.

### **Outlook**

---

Investor appetite for exploration equities continues to be subdued despite the material downward movement in the Australian dollar having made Australian-based metals projects more attractive. While acknowledgement of this movement may have been reflected in gold producer equity prices, it has yet to flow through to the exploration stage companies. However, Stavelly Minerals notes that investors are rewarding exciting new discoveries.

CORPORATE DIRECTORY.....	3
DIRECTORS' REPORT.....	4
AUDITOR'S INDEPENDENCE DECLARATION.....	14
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME .....	15
BALANCE SHEET .....	16
STATEMENT OF CASH FLOWS.....	17
STATEMENT OF CHANGES IN EQUITY.....	18
NOTES TO THE HALF-YEAR FINANCIAL STATEMENTS.....	19
DIRECTORS' DECLARATION.....	25
INDEPENDENT AUDITOR'S REVIEW REPORT .....	26

## **Directors**

William Plyley (Non-Executive Chairman)  
Christopher Cairns (Managing Director)  
Jennifer Murphy (Technical Director)  
Peter Ironside (Non-Executive Director)

## **Company Secretary**

Amanda Sparks

## **Registered and Principal Office**

First Floor, 168 Stirling Highway  
Nedlands Western Australia 6009  
Telephone: 08 9287 7630  
Facsimile: 08 9389 1750  
Web Page: [www.stavely.com.au](http://www.stavely.com.au)  
Email: [info@stavely.com.au](mailto:info@stavely.com.au)

## **ABN**

33 119 826 907

## **Share Registry**

Computershare Investor Services Pty Ltd  
45 St Georges Terrace  
Perth Western Australia 6000  
Telephone: 1300 850 505  
Facsimile: 08 9323 2033

## **Solicitors**

Steinepreis Paganin  
Level 4, Next Building  
16 Milligan Street  
Perth Western Australia 6000

## **Bankers**

ANZ Bank  
32 St Quentins Avenue  
Claremont Western Australia 6010

## **Stock Exchange Listing**

Australian Stock Exchange Limited  
Level 40, Central Park, 152-158 St Georges Terrace  
Perth Western Australia 6000  
ASX Code: SVY

## **Auditors**

BDO Audit (WA) Pty Ltd  
Chartered Accountants  
38 Station Street  
Subiaco Western Australia 6005

Your Directors submit their interim financial report on Stavely Minerals Limited ("Stavely Minerals" or the "Company") for the half-year ended 31 December 2014.

## DIRECTORS

The Directors in office at the date of this report and at any time during the half-year are as follows. Directors were in office for the entire period unless otherwise stated.

William Plyley  
Christopher Cairns  
Jennifer Murphy  
Peter Ironside

## PRINCIPAL ACTIVITY

The Company's principal activity was mineral exploration during the half-year. There were no significant changes in the nature of the principal activities during the half-year.

## REVIEW AND RESULTS OF OPERATIONS

### SUMMARY OF FINANCIAL PERFORMANCE

A summary of key financial indicators for Stavely Minerals, with prior period comparison, is set out in the following table:

	Six Months Ended 31 December 2014 \$	Six Months Ended 31 December 2013 \$
Cash and cash equivalents held at half-year end	1,183,702	4,216,717
Net profit/(loss) for the half-year after tax	(463,549)	(234,492)
Basic profit/(loss) per share (cents)	(0.58)	(0.76)
Net cash (used in) operating activities	(481,649)	(98,494)
Net cash (used in) investing activities	(2,490,645)	(1,462,065)
Net cash (used in) financing activities	(60,721)	1,700,000

During the half-year:

- In October 2014, Stavely Minerals entered into a \$2 million Share Subscription Agreement with its existing drilling contractor, Titeline Drilling Pty Ltd. Pursuant to this agreement, the drilling contractor agreed to subscribe for up to \$2 million of shares, with Stavely Minerals having the option to settle monthly drilling charges by way of 50% cash payment and 50% by way of offset of the price of subscription application for shares. During the half-year, 345,722 ordinary shares (\$98,363) were issued pursuant to this agreement.
- Expenditure on capitalised exploration assets incurred totalled \$2,132,270.

## SUMMARY OF OPERATIONS

Exploration during the half-year at the Company's Ararat and Stavely copper-gold projects in western Victoria has delivered encouraging results (Figure 1). Maiden drilling at the Mount Ararat VMS confirmed its potential with every hole intercepting copper-gold-zinc-silver mineralisation, including intervals of up to 5.98% copper, 0.55 g/t gold, 2.31% zinc and 17 g/t silver. The first phase of deep diamond drilling into the Thursday's Gossan porphyry target has returned broad zones of low-grade copper mineralisation, including 196m at 0.13% copper, 52m at 0.23% copper, 82.3m at 0.12% copper and 62m @ 0.17% copper.

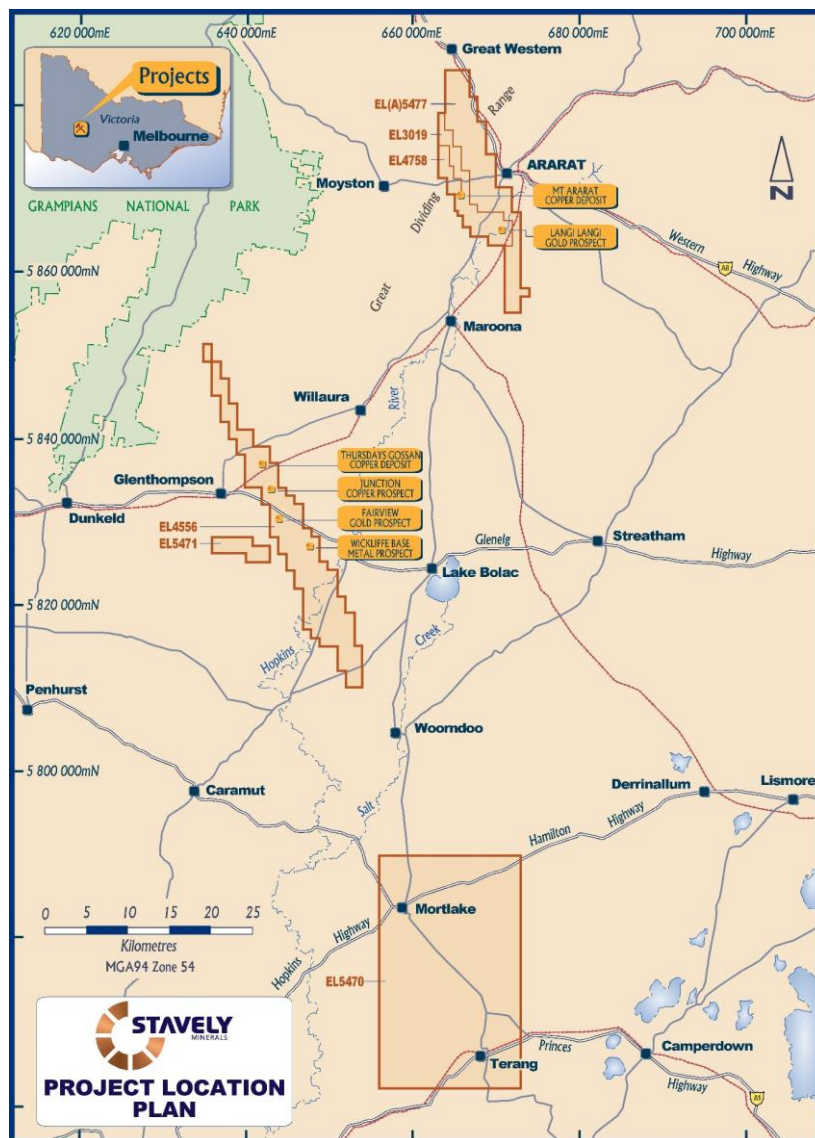


Figure 1. Project Location Plan.

## ARARAT PROJECT (EL 4758, EL 3019, EL 5486)

### Mt Ararat Deposit

A total of 7 RC drill holes were completed into the northern extensions of the known copper-gold-zinc mineralisation at the Mount Ararat VMS (Figure 2). All the holes intercepted significant copper-gold-zinc-silver mineralisation including (Figure 3):

- 5m at 2.10% copper, 0.56 g/t gold, 0.48% zinc and 9 g/t silver, including
  - 2m at 3.37% copper, 0.73 g/t gold, 0.47% zinc and 14 g/t silver
- 3m at 2.64% copper, 0.17 g/t gold, 0.31% zinc and 3 g/t silver
- 1m at 5.89% copper, 0.55 g/t gold, 2.31% zinc and 17 g/t silver\*

\* True widths are approximately 90-95% of reported drill widths

The down-hole electromagnetic survey on the northern-most hole (SARC009), generated an off-hole conductor to the north of the existing Mineral Resource, which was assessed to be of similar intensity to that associated with other mineralised drill intercepts within the existing deposit.

Drill hole SARC001 (Figure 3) also intersected 12m averaging 0.97 g/t gold within a broader 13m interval (one x 1 metre sample was destroyed at the lab), including a significant higher grade zone of:

- 3m at 3.04 g/t gold

The gold mineralisation intersected in the footwall to the expected VMS-style copper-gold-zinc-silver mineralisation, has similar characteristics to the Stawell Gold Mine style of gold mineralisation. While this zone of gold mineralisation was unexpected, the host units in this locality are analogous to the host units at Stawell. Additional holes will be drilled to test the extents and grade of this new gold mineralised zone.

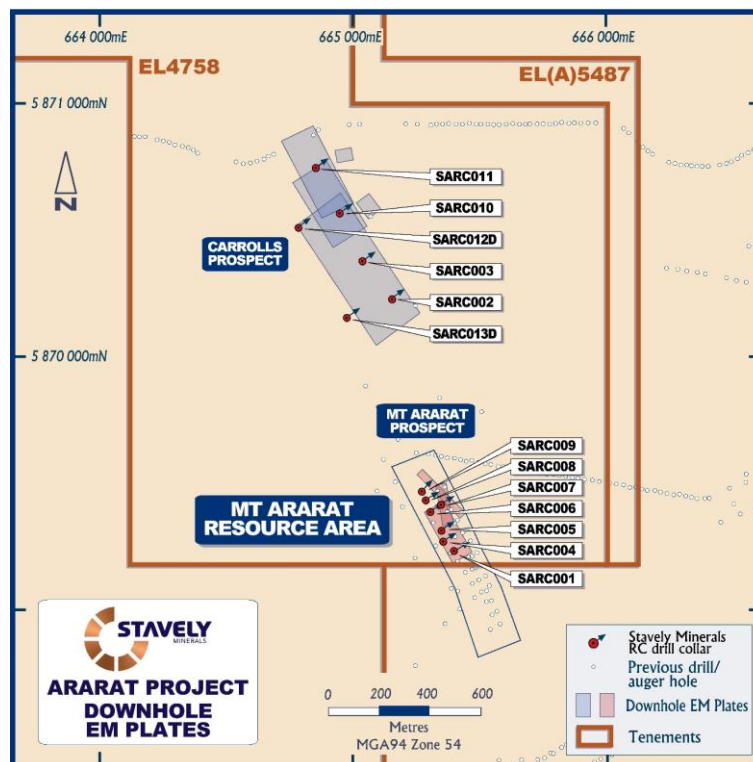


Figure 2. Mt Ararat and Carroll's drill collar location plan with down-hole EM plates.



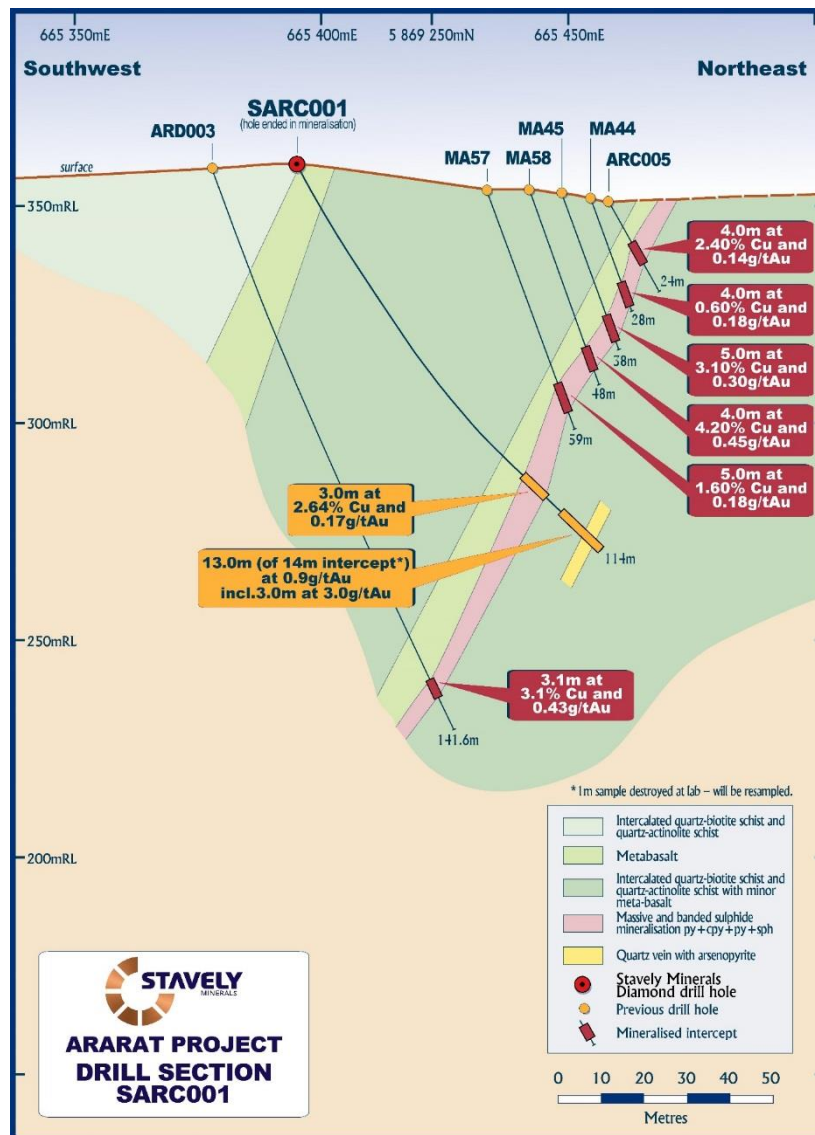


Figure 3. Mt Ararat drill section with SARC001.

### Carroll's Prospect

At the Carroll's prospect, located to the north of the Mount Ararat VMS deposit, 6 RC drill holes and two diamond tails were completed to test a previously undrilled EM conductor generated by the ground EM survey. RC holes drilled to 200m depth and the diamond tails which extended to in excess of 400m depth have intercepted the top edge of a large ground EM conductor extending to 800m depth (Figure 2).

Significantly, visual observations and limited assay results indicate that the top of the conductor plates corresponds with copper-gold-zinc-silver anomalism, magnetite and manganese enrichment. This is consistent with a VMS exhalative horizon and proves that the EM conductor is not associated with graphitic schists as previously supposed.

The primary intention of the holes was to provide a platform for a down-hole EM (DHEM) survey aiming to identify more conductive zones at depth for further drilling, targeting well developed copper-gold-zinc-silver mineralisation at depth.

Additionally, the historic Carroll's Copper Prospect has possibly been re-discovered by recent mapping and is located up the stratigraphic sequence some 100m or more behind the collar of SARCD012. The significant implication is that there are multiple copper mineralised exhalative horizons in the sequence not tested by modern mineral exploration. The existence of multiple mineralised horizons is typical of VMS-style copper-gold deposits around the world.

#### Langi Logan Gold Prospect

One diamond drill hole (SLD001) was drilled for 350m at Langi Logan, targeting the western margin of the basalt dome, looking for Stawell style mineralisation associated with arsenopyrite (Figure 4). An IP survey was conducted to confirm the position of the targeted faulted sediment/basalt contact. The results of the IP survey together with gravity/magnetic inversions were used to plan the location of the diamond drill hole. Drilling confirmed the presence of the favourable host lithology – sulphidic sediments proximal to the contact with the Langi Logan basalt dome. Further drilling is required to fully test the target.

Along with the 'Stawell-style' gold intercept in the footwall of the Mt Ararat copper-gold deposit, other gold discovery opportunities are being actively assessed. The Ararat goldfield produced in excess of 600,000 ounces of gold from alluvial and deep lead mining with no significant hardrock source identified to date.

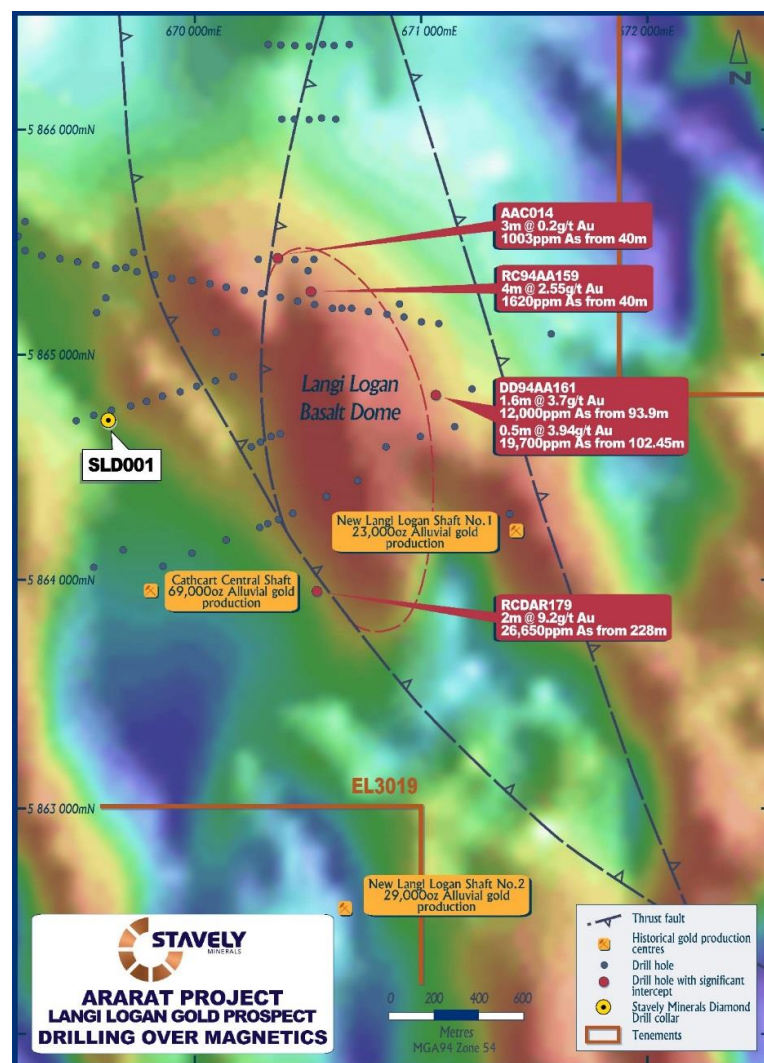


Figure 4. Langi Logan Gold Prospect drill hole location plan.



## STAVELY PROJECT (EL 4556)

### Thursday's Gossan Prospect

Three diamond drill holes (SMD001, SMD003 & SMD004) were completed for a total of 1,697m at Thursday's Gossan to test a combined geologic target and the core of a geophysical chargeability anomaly (Figure 5).

Intersections of broad intervals of low-grade copper mineralisation consistent with geological observations from the well-developed phyllic alteration included:

- 196m at 0.13% copper from 322m down-hole in SMD003,
- 82.3m at 0.12% copper from 440m down-hole to end-of-hole in SMD001,
- 69m at 0.15% copper from 466m down-hole in SMD004,
- 52m at 0.23% copper from 39m down-hole in SMD004, and
- 45.9m at 0.19% copper from 35.2m down-hole in SMD001.

Higher grade intervals associated with quartz-pyrite-bornite-chalcopyrite sulphidic 'D' veins included:

- 5.9m at 0.78% copper and 16 g/t silver from 71m down-hole.

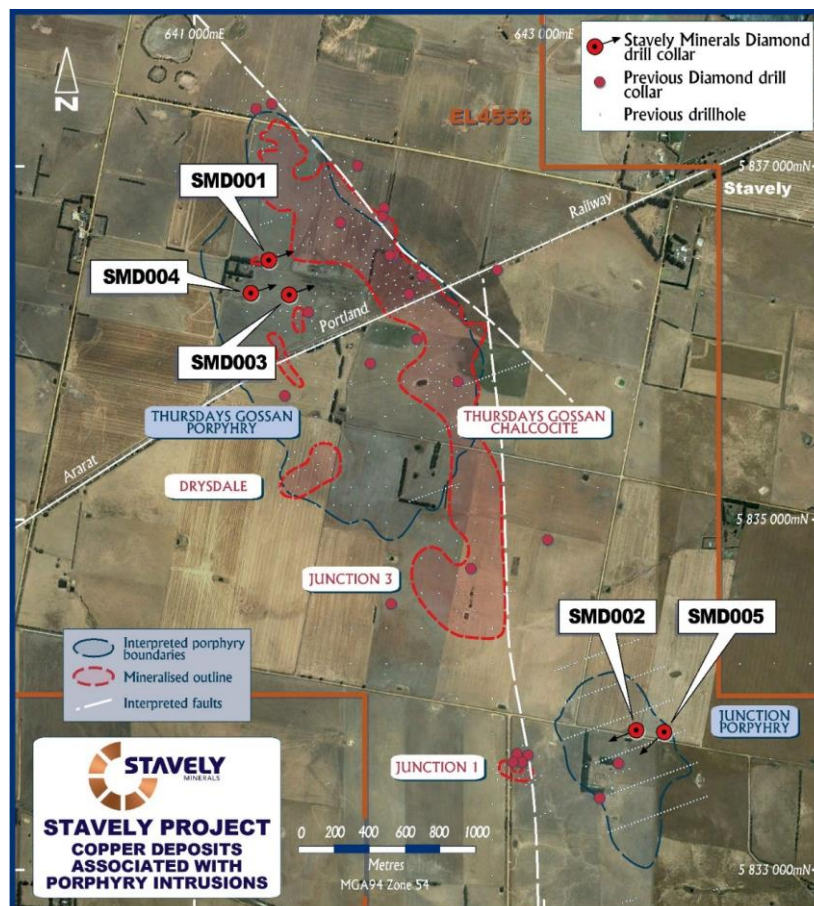


Figure 5. Thursday's Gossan and Junction Prospects Drill Hole Location Plan.

At a depth of 399m in SMD003, 420m in SMD001 and 480m in SMD004 a shallow dipping fault has been recognised which marks a sharp transition from well-developed phyllic alteration to more distal propylitic alteration below the fault. It is notable that low-grade copper mineralisation persists below the fault into the propylitic alteration and reinforces the potential for well-developed copper-gold mineralisation associated with the potassic core of the porphyry system (Figure 6). The intersection of the shallow dipping structure in all three drill holes has provided a good triangulation on the orientation of this structure. The structure is interpreted to have an apparent dip of 40 degrees to the west and a 'normal' sense of movement – that is the material above the fault has slipped down and to the west of the material below the fault (Figure 7).

If this structural interpretation is correct, the interpreted porphyry core would be much closer to the surface but approximately 500 metres further to the east than the previous target location. This interpretation is supported by an apparent structural repeat of a very magnetically distinctive serpentinised ultramafic unit on the eastern margin of the Thursday's gossan porphyry which is offset by approximately 500m. The new interpreted target location is very lightly explored with only sparse, shallow rotary air blast (RAB) drilling which does host molybdenum anomalism which would be expected from the near surface expression of the interpreted offset structure.

A ground IP survey has been planned to extend to the east, as the new interpreted target position is outside the extent of the previous survey. Sulphur isotope analysis will be conducted on the copper mineralisation above and below the low-angle offset structure to confirm the direction of movement.

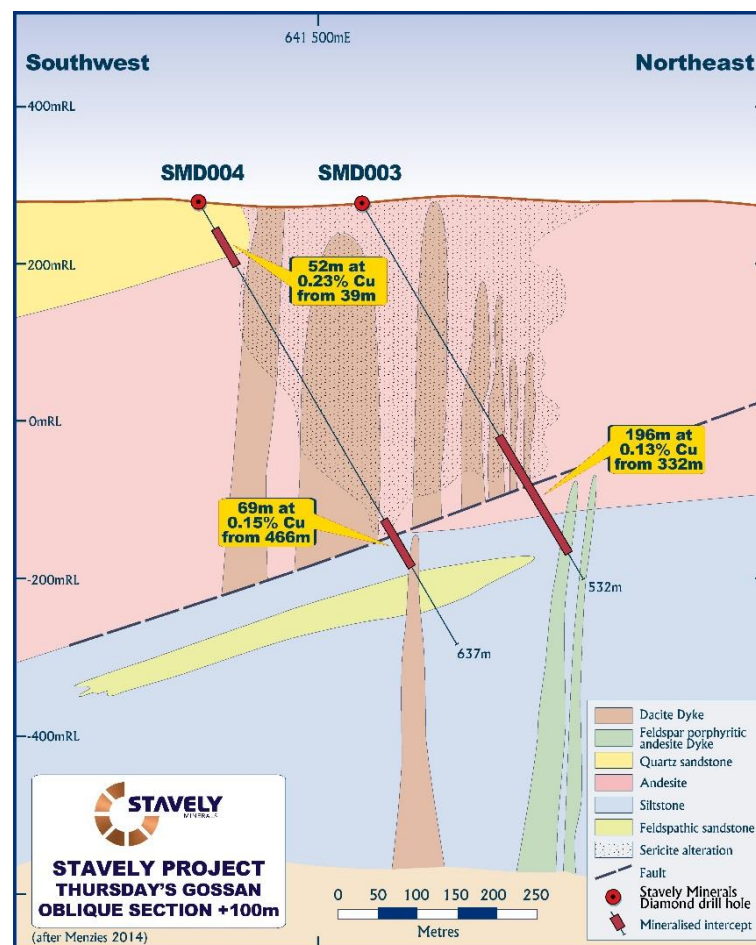


Figure 6. Thursday's Gossan Prospect Oblique Section for SMD003 and SMD004.

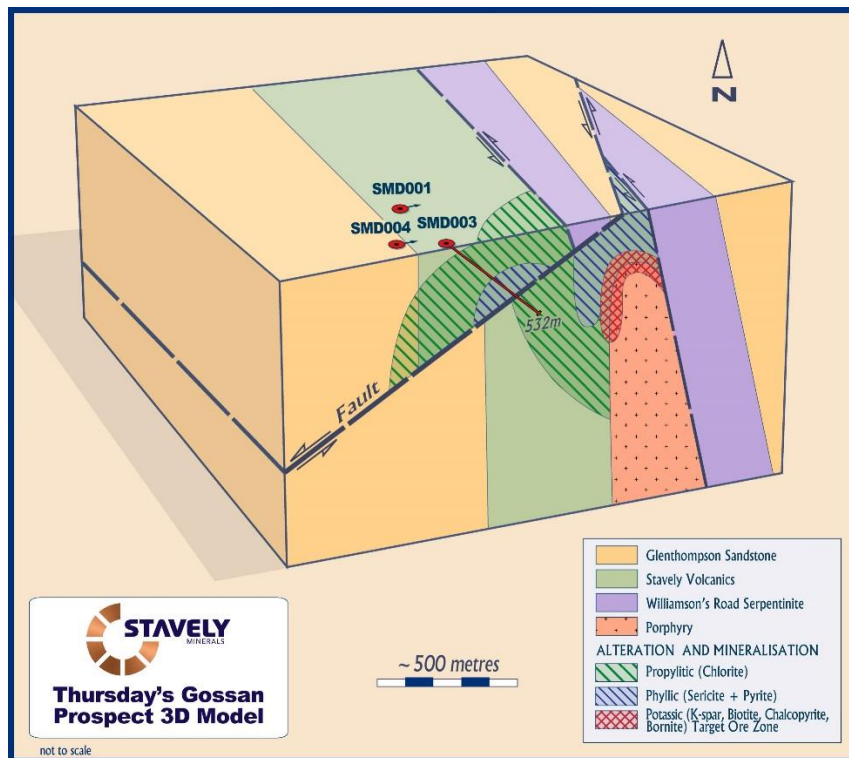


Figure 7. 3D conceptual model of the Thursday's Gossan porphyry and 'normal' structural offset.

### Junction Prospect

Two deep diamond drill holes (SMD002 & SMD005) were drilled for a total of 1,227m at the Junction Prospect to test a magnetic high and coincident copper soil/auger geochemical anomaly (Figure 5). Hole SMD002 returned the first instance of gold being associated with copper mineralisation with an attractive intercept of:

- 5m at 1.38% copper, 0.25 g/t gold and 11.8 g/t silver from 332m down-hole.

Given that this interval is disseminated to patchy pyrite-chalcopyrite-magnetite mineralisation associated with potassic biotite and potassium feldspar alteration and not a 'D' vein, it is encouraging as an example of the attractive tenor of the copper-gold-silver grade the Junction system is capable of in the potassic altered zone. Broad intervals of low-grade copper mineralisation from SMD002 included:

- 62.0m at 0.17% copper from 35.2m down-hole,
- 15m at 0.10% copper from 89m down-hole, and
- 44.8m at 0.15% copper from 193.2m down-hole.

As anticipated from the geological logging SMD005 did not return any significant mineralisation.

In the context of the recognition of the influence of a low-angle structure at Thursday's Gossan some 2 kilometres to the north, the structural implications at the Junction prospect are under review.

### ANNOUNCEMENTS

The following announcements (available at [www.stavely.com.au](http://www.stavely.com.au)) provide a more detailed description of the Company's operational activities for the half-year ended 31 December 2014:

- 27/01/2015 - Outline 2015 Copper and Gold Exploration Programmes
- 20/11/2014 - AGM Presentation
- 24/10/2014 - Quarterly Cashflow Report
- 24/10/2014 - Quarterly Activities Report
- 07/10/2014 - \$2 Million Share Subscription Agreement
- 29/09/2014 - Drilling Hits Higher Grade Copper Zones
- 25/09/2014 - RIU Resources Round-Up Presentation
- 22/09/2014 - 2014 Annual Report
- 10/09/2014 - Maiden Drilling Confirms Potential of Mount Ararat VMS
- 28/08/2014 - Drilling Update, First Assay Results and Forward Programme
- 29/07/2014 - Quarterly Cashflow Report
- 29/07/2014 - Quarterly Activities Report
- 17/07/2014 - Conference Presentation July 2014

### CORPORATE

Stavely Minerals had a total of \$1.2M cash on hand as at 31 December 2014.

Stavely Minerals entered into a share subscription agreement with Titeline Drilling in October 2014. Under this agreement, Titeline agreed to subscribe for up to \$2 million of shares, with Stavely Minerals having the option to settle monthly drilling charges by way of 50% cash payment and 50% by way of offset of the price of subscription application for shares. To date, two subscriptions have been made pursuant to the agreement. During the half-year, 345,722 ordinary shares (\$98,363) were issued pursuant to this agreement.

### SUBSEQUENT EVENTS

No matter or circumstance has arisen since 31 December 2014 that has significantly affected or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company, in subsequent financial years.



## AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declarations as required under section 307C of the Corporations Act 2001 is included in this report, and can be found on the page following this report.

Signed in accordance with a resolution of the Directors.



Christopher Cairns  
Managing Director

Perth, Western Australia

5 March 2015

*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.*

*With respect to reporting of the Mineral Resources at the Mt Ararat VMS copper-gold-zinc deposit, the information is extracted from the report entitled "Stavelly Minerals Limited – Prospectus" created on 26 March 2014 and is available to view on [www.stavelly.com.au](http://www.stavelly.com.au). The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of estimates of Mineral Resources, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.*





Tel: +61 8 6382 4600  
Fax: +61 8 6382 4601  
[www.bdo.com.au](http://www.bdo.com.au)

38 Station Street  
Subiaco, WA 6008  
PO Box 700 West Perth WA 6872  
Australia

## DECLARATION OF INDEPENDENCE BY GLYN O'BRIEN TO THE DIRECTORS OF STAVELY MINERALS LIMITED

As lead auditor for the review of Stavelly Minerals Limited for the half-year ended 31 December 2014, I declare that to the best of my knowledge and belief, there have been:

- no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- no contraventions of any applicable code of professional conduct in relation to the review.



Glyn O'Brien

Director

**BDO Audit (WA) Pty Ltd**

Perth, 5 March 2015

# STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME for the Half-Year ended 31 December 2014



		Six months ended 31 December 2014	Six months ended 31 December 2013
	Note	\$	\$
<b>Revenue and Income</b>			
Interest revenue		27,931	603
Rental sub-lease revenue		20,524	-
		<u>48,455</u>	<u>603</u>
<b>Expenses</b>			
Administration and corporate expenses	2(a)	(465,919)	(205,452)
Exploration expensed	2(b)	(46,085)	(1,502)
Finance costs	2(c)	-	(28,141)
Total expenses		<u>(512,004)</u>	<u>(235,095)</u>
<b>Profit/(loss) before income tax</b>		<b>(463,549)</b>	<b>(234,492)</b>
Income tax expense		-	-
<b>Profit/(loss) after income tax attributable to members of Stavely Minerals Limited</b>		<b>(463,549)</b>	<b>(234,492)</b>
<b>Other comprehensive income/(loss)</b>			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Other		-	-
<b>Other comprehensive income/(loss) for the period, net of tax</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive profit/(loss) for the period</b>		<b>(463,549)</b>	<b>(234,492)</b>
<b>Loss per share for the half-year attributable to the members of Stavely Minerals Limited</b>			
		<b>Cents Per Share</b>	<b>Cents Per Share</b>
Basic earnings/(loss) per share	3	<u>(0.58)</u>	<u>(0.76)</u>

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

# BALANCE SHEET

## as at 31 December 2014



		31 December 2014	30 June 2014
	Note	\$	\$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents		1,183,702	4,216,717
Other receivables		154,914	150,857
<b>Total Current Assets</b>		<b>1,338,616</b>	<b>4,367,574</b>
<b>Non-Current Assets</b>			
Receivables		30,000	30,000
Property, plant and equipment	4	109,007	87,441
Deferred exploration expenditure	5	6,502,092	4,369,822
<b>Total Non-Current Assets</b>		<b>6,641,099</b>	<b>4,487,263</b>
<b>Total Assets</b>		<b>7,979,715</b>	<b>8,854,837</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and other payables		83,493	548,089
Provisions		20,024	4,642
<b>Total Current Liabilities</b>		<b>103,517</b>	<b>552,731</b>
<b>Total Liabilities</b>		<b>103,517</b>	<b>552,731</b>
<b>Net Assets</b>		<b>7,876,198</b>	<b>8,302,106</b>
<b>Equity</b>			
Issued capital	6	9,139,004	9,101,363
Reserves		284,404	284,404
Accumulated losses		(1,547,210)	(1,083,661)
<b>Total Equity</b>		<b>7,876,198</b>	<b>8,302,106</b>

The above statement of financial position should be read in conjunction with the accompanying notes.

# STATEMENT OF CASH FLOWS

## for the Half-Year ended 31 December 2014



	Note	31 December 2014 \$	31 December 2013 \$
<b>Cash flows from operating activities</b>			
Receipts in the ordinary course of activities (incl. GST)		272,662	-
Payments to suppliers and employees		(782,240)	(98,851)
Interest received		27,931	603
Interest paid		-	(246)
<b>Net cash flows used in operating activities</b>		<b>(481,647)</b>	<b>(98,494)</b>
<b>Cash flows from investing activities</b>			
Payments for plant and equipment		(43,525)	-
Payments for exploration expenditure capitalised		(2,407,121)	(1,462,065)
Payments for bonds		(40,000)	-
<b>Net cash flows used in investing activities</b>		<b>(2,490,646)</b>	<b>(1,462,065)</b>
<b>Cash flows from financing activities</b>			
Proceeds from issue of shares and options		-	200,000
Payment of share issue costs		(60,722)	-
Advances / loans from related parties		-	1,500,000
Repayment of advances / loans from related parties		-	-
<b>Net cash flows used in financing activities</b>		<b>(60,722)</b>	<b>1,700,000</b>
<b>Net increase/(decrease) in cash and cash equivalents held</b>		<b>(3,033,015)</b>	<b>139,441</b>
Add opening cash and cash equivalents brought forward		4,216,717	34,427
<b>Closing cash and cash equivalents carried forward</b>		<b>1,183,702</b>	<b>173,868</b>

The above statement of cashflows should be read in conjunction with the accompanying notes.

# STATEMENT OF CHANGES IN EQUITY

## for the Half-Year ended 31 December 2014



	Issued Capital \$	Reserves \$	Accumulated Losses \$	Total Equity \$
<b>At 1 July 2013</b>	<b>1,500,022</b>	<b>-</b>	<b>(122,528)</b>	<b>1,377,494</b>
Profit/(loss) for the half-year	-	-	(234,492)	(234,492)
Other comprehensive income/(loss)	-	-	-	-
<b>Total comprehensive loss for the half-year, net of tax</b>	<b>-</b>	<b>-</b>	<b>(234,492)</b>	<b>(234,492)</b>
<b>Transactions with owners in their capacity as owners:</b>				
Issue of share capital	200,000	-	-	200,000
<b>As at 31 December 2013</b>	<b>1,700,022</b>	<b>-</b>	<b>(357,020)</b>	<b>1,343,002</b>
<b>At 1 July 2014</b>	<b>9,101,363</b>	<b>284,404</b>	<b>(1,083,661)</b>	<b>8,302,106</b>
Profit/(loss) for the half-year	-	-	(463,549)	(463,549)
Other comprehensive income/(loss)	-	-	-	-
<b>Total comprehensive loss for the half-year, net of tax</b>	<b>-</b>	<b>-</b>	<b>(463,549)</b>	<b>(463,549)</b>
<b>Transactions with owners in their capacity as owners:</b>				
Issue of share capital	98,363	-	-	98,363
Cost of issue of share capital	(60,722)	-	-	(60,722)
	37,641	-	-	37,641
<b>As at 31 December 2014</b>	<b>9,139,004</b>	<b>284,404</b>	<b>(1,547,210)</b>	<b>7,876,198</b>

The above statement of changes in equity should be read in conjunction with the accompanying notes.



**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**(a) Basis of Preparation**

This half-year financial report for the six months ended 31 December 2014 has been prepared in accordance with AASB 134 Interim Financial Reporting and the Corporations Act 2001 and was authorised for issue in accordance with a resolution of the directors on 5 March 2015.

These half-year financial reports do not include all the notes of the type normally included in annual financial reports and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Company as the full financial reports.

The half-year financial reports should be read in conjunction with the annual financial reports for the year ended 30 June 2014 and any public announcements made by Stavelly Minerals Limited during the half-year reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001. For the purpose of preparing the half-year financial statements, the half-year has been treated as a discrete reporting period.

The financial report is presented in Australian dollars, which is the Company's functional and presentation currency.

Stavelly Minerals Limited is a for-profit entity for the purpose of preparing the half-year financial statements.

**(b) Statement of Compliance**

These half-year financial statements comply with Australian Accounting Standards and International Financial Reporting Standards (IFRS).

**(c) Adoption of new and revised standards**

**Early adoption of accounting standards**

The Company has not elected to apply any pronouncements before their operative date in the annual reporting year beginning 1 July 2014.

**New and amended standards adopted by the Company**

All new and amended Accounting Standards and Interpretations effective from 1 July 2014 have been adopted, including:

- AASB 2012-3 Amendments to Australian Standards Offsetting Financial Assets and Financial Liabilities

AASB 2012-3 adds application guidance to AASB 132 Financial Instruments: Presentation to address inconsistencies identified in applying some of the offsetting criteria of AASB 132, including clarifying the meaning of "currently has a legally enforceable right of set-off" and that some gross settlement systems may be considered equivalent to net settlement. The adoption of AASB 2012-3 had no effect on the financial position or performance of Stavelly.

- Interpretation 21 Levies

This Interpretation confirms that a liability to pay a levy is only recognised when the activity that triggers the payment occurs. Applying the going concern assumption does not create a constructive obligation. The adoption of Interpretation 21 had no effect on the financial position or performance of Stavelly.

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued**

- AASB 2013-3 Amendments to AASB 136 Recoverable Amount Disclosures for Non-Financial Assets

This Standard amends the disclosure requirements in AASB 136 Impairment of Assets. The amendments include the requirement to disclose additional information about the fair value measurement when the recoverable amount of the impaired asset is based on the fair value less costs of disposal. The adoption of AASB 2013-3 had no effect on the financial position or performance of Stavelly.

Six months ended 31 December 2014	Six months ended 31 December 2013
\$	\$

**NOTE 2 - EXPENSES**

**(a) Administration and Corporate Expenses**

Administration and corporate expenses include:

Depreciation - administration	698	-
Operating lease rental expense	60,938	46,095
Other administration and corporate expenses	404,283	159,357
	<u>465,919</u>	<u>205,452</u>

**(b) Exploration Costs Expensed**

Exploration costs expensed include:

Depreciation - exploration	21,261	-
Other exploration costs expensed	24,824	1,502
	<u>46,085</u>	<u>1,502</u>

**(c) Finance Costs**

Interest paid to related parties	-	28,141
----------------------------------	---	--------

In 2013, the Company entered into a loan facility with Chaka Investments Pty Ltd, a company associated with director Mr Peter Ironside. During the six months ended 31 December 2013, drawdowns of \$1,550,000 were made and interest of \$28,141 was payable. In April 2014, the Company issued 15,000,000 shares in satisfaction of the repayment of \$2,000,000 loan facility from Chaka Investments Pty Ltd, a company of which Mr Peter Ironside (Stavelly Director) is the sole director and Mr Ironside's wife is shareholder. The remaining \$50,000 was repaid in cash on 14 May 2014.

	Six months ended 31 December 2014 \$	Six months ended 31 December 2013 \$
<b>NOTE 3 - EARNINGS PER SHARE</b>		
	<b>Cents</b>	<b>Cents</b>
Basic earnings/(loss) per share	(0.58)	(0.76)
	<b>\$</b>	<b>\$</b>
Profit/(loss) attributable to ordinary equity holders of the Company used in calculating:		
- basic loss per share	(463,549)	(234,492)
	<b>Number of shares</b>	<b>Number of shares</b>
Weighted average number of ordinary shares outstanding during the half-year used in the calculation of basic earnings per share	80,470,428	30,672,131

Diluted earnings per share are not disclosed because potential ordinary shares, being options granted, are not dilutive and their conversion to ordinary shares would not demonstrate an inferior view of the earnings performance of the Company.

	31 December 2014 \$	30 June 2014 \$
<b>NOTE 4 - PROPERTY, PLANT AND EQUIPMENT</b>		
Motor vehicles- at cost	28,273	28,273
Less: Accumulated depreciation	(8,482)	(4,241)
	19,791	24,032
Plant and equipment - at cost	118,124	74,599
Less: Accumulated depreciation	(28,908)	(11,190)
	89,216	63,409
Total property, plant and equipment	109,007	87,441

31 December 2014	30 June 2014
\$	\$

**NOTE 4 - PROPERTY, PLANT AND EQUIPMENT - continued**

*Reconciliation of property, plant and equipment:*

**Motor Vehicles**

Carrying amount at beginning of half-year	24,032	-
Additions	-	28,273
Depreciation	(4,241)	(4,241)
Carrying amount at end of half-year	19,791	24,032

**Plant and Equipment**

Carrying amount at beginning of half-year	63,409	647
Additions	43,525	73,952
Depreciation	(17,718)	(11,190)
Carrying amount at end of half-year	89,216	63,409

**NOTE 5 - DEFERRED EXPLORATION EXPENDITURE**

Deferred exploration costs brought forward	4,369,822	3,159,516
Capitalised expenditure incurred during the half-year	2,132,270	1,210,306
Deferred exploration costs carried forward	6,502,092	4,369,822

Ultimate recoupment of exploration and evaluation expenditure carried forward is dependent on successful development and commercial exploitation or, alternatively, sale of the respective areas.

**NOTE 6 – ISSUED CAPITAL**

	Six months ended 31 December 2014	Year ended 30 June 2014
<b>(a) Issued Capital</b>	\$	\$
80,777,722 ordinary shares fully paid	9,139,004	9,101,363

**(b) Movements in Ordinary Share Capital**

Summary of Movements	Six months ended 31 December 2014		Year ended 30 June 2014	
	Number of Shares	\$	Number of Shares	\$
Opening balance	80,432,000	9,101,363	29,000,000	1,500,022
Issued during the period	345,722	98,363	2,000,000	200,000
Share split	-	-	4,000,000	-
Issued- loan conversion	-	-	15,000,000	2,000,000
Initial Public Offering	-	-	30,432,000	6,086,400
Costs of issues		(60,722)		(685,059)
Closing Balance	80,777,722	9,139,004	80,432,000	9,101,363

During the six months to 31 December 2014, 345,722 ordinary shares (\$98,363) were issued pursuant to the Share Subscription Agreement with Titeline Drilling Pty Ltd and Greenstone Property Pty Ltd as trustee for the Titeline Property Trust. Refer below for details of the agreement.

*Share Subscription Agreement*

In October 2014, Stavelly Minerals entered into a \$2 million Share Subscription Agreement with its existing drilling contractor, Titeline Drilling Pty Ltd. Pursuant to this agreement, the drilling contractor has agreed to subscribe for up to \$2 million of shares, with Stavelly Minerals having the option to settle monthly drilling charges by way of 50% cash payment and 50% by way of offset of the price of subscription application for shares. As at 31 December 2014, cumulative subscriptions totalled \$98,363.

**(c) Options on issue at 31 December 2014**

	Number	Issue Price of Shares	Exercise Date
Unlisted Options	14,400,000	27 cents	31 December 2017

During the half-year ended 31 December 2014:

- (i) No unlisted options were granted to shareholders (six months to 30 June 2014: 12,000,000);
- (ii) No unlisted options were granted as share-based payments (six months to 30 June 2014: 2,400,000);
- (iii) No unlisted options expired (six months to 30 June 2014: nil); and
- (iv) No unlisted options were exercised (six months to 30 June 2014: nil).



Six months ended	Six months ended
31 December	31 December
2014	2013
\$	\$

**NOTE 7 – EQUITY-BASED PAYMENTS**

**(a) Value of equity based payments in the financial statements**

*Expensed in the profit and loss:*

Equity-based payments- options

-

-

**(b) Summary of equity-based payments granted during the half-year:**

Half-year ended 31 December 2014 – none (2013: none).

**NOTE 8 – COMMITMENTS AND CONTINGENCIES**

Since the last annual reporting date, there has not been a material change to commitments or contingencies other than a new operating lease for the office premises in Nedlands. Under this lease agreement, annual rental is \$86,180 and the term is for three years. Mr Peter Ironside, Director, is a shareholder and director of Ironside Pty Ltd. Ironside Pty Ltd is a shareholder of the 168 Stirling Highway Syndicate, the entity which owns the premises Stavely occupies in Nedlands.

**NOTE 9 – CASH FLOW INFORMATION**

The following non-cash financing and investing activities were undertaken during the six months to 31 December 2014: 345,722 ordinary shares (\$98,363) were issued pursuant to the Share Subscription Agreement with Titeline Drilling Pty Ltd and Greenstone Property Pty Ltd (refer to note 6(b)). There were no non-cash financing and investing activities were undertaken during the six months to 31 December 2013.

**NOTE 10 – SEGMENT INFORMATION**

Management has determined the operating segments based on the reports reviewed by the board of directors that are used to make strategic decisions. The Company does not have any material operating segments with discrete financial information. The Company does not have any customers and all its' assets and liabilities are primarily related to the mining industry and are located within Victoria. The Board of Directors review internal management reports on a regular basis that is consistent with the information provided in the statement of profit or loss and other comprehensive income, balance sheet and statement of cash flows. As a result no reconciliation is required because the information as presented is what is used by the Board to make strategic decisions.

**NOTE 11 – RELATED PARTY TRANSACTIONS**

There have been no new related party transactions entered into since 30 June 2014, other than the lease agreement for Stavely's office premises (refer to note 8).

**NOTE 12 – SUBSEQUENT EVENTS**

There are no matters or circumstances that have arisen since 31 December 2014 that have or may significantly affect the operations, results, or state of affairs of the Company in future financial years.

In the opinion of the directors:

- a) The financial statements and notes are in accordance with the Corporations Act 2001, including:
  - i) giving a true and fair view of the Company's financial position as at 31 December 2014 and of its performance for the half-year ended on that date; and
  - ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and
- b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with a resolution of the Board of Directors.

A handwritten signature in blue ink, appearing to read "Chris Cairns".

Christopher Cairns  
Managing Director

Perth, Western Australia

5 March 2015



Tel: +61 8 6382 4600  
Fax: +61 8 6382 4601  
www.bdo.com.au

38 Station Street  
Subiaco, WA 6008  
PO Box 700 West Perth WA 6872  
Australia

## INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Stavely Minerals Limited

### Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Stavely Minerals Limited, which comprises the balance sheet as at 31 December 2014, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a statement of significant accounting policies and other explanatory information, and the directors' declaration.

#### Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the company's financial position as at 31 December 2014 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Stavely Minerals Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

#### Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Stavely Minerals Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

**Conclusion**

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Stavely Minerals Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the company's financial position as at 31 December 2014 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

**BDO Audit (WA) Pty Ltd**



**Glyn O'Brien**

**Director**

Perth, 5 March 2015