



ASX Code: SVY

Issued Shares: 80.8M

Cash Balance: \$0.95M

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HIGHLIGHTS

Exploration

- New exploration opportunities at the Ararat Project are being actively pursued in the field at the Cathcart Hill, Mt Ararat and Carroll's Prospects.
- Deals to expand acreage reflect Stavely Minerals' confidence in the copper and gold exploration potential at both the Stavely and Ararat Projects.
- The Company has been very active with field programmes including geophysics, rock chip sampling and conducting extensive geochemical soil sampling surveys.

Corporate

- During the Quarter, EL 5478 in the Stavely Project area was purchased from Diatrema Resources Limited for \$5,000.
- All staff and contractors have agreed to pay cuts to ensure maximum funding goes towards field programmes. For Executive Directors pay cuts of 40% were agreed and Non-Executive Directors have agreed to take no pay.
- Subsequent to the end of the Quarter, the Company entered into a Joint Venture with Minotaur Operations Pty Ltd for EL 5403 and EL 5450 in the Ararat Project area.
- \$0.95M cash on hand as at 31 March 2015.
- Subsequent to the end of the Quarter, Titeline Drilling agreed to drill for 100% equity, further conserving cash.

OVERVIEW

Stavely Minerals has had a very active March Quarter primarily conducting IP surveys, reconnaissance field investigations and rock chip sampling, as well as embarking on extensive geochemical soil sampling surveys.

At the Stavely Project, exploration activities included the completion of the structural interpretation and 3D modelling of the Thursday's Gossan porphyry system, an IP survey, sulphur isotope analysis and submission of samples for petrographic analysis.

During the Quarter an IP survey was conducted at the Mortlake Project.

The Company signed two deals to expand acreage in both the Ararat and Stavely Projects (Figure 1). Tenement EL 5478, purchased from Diatreme Resources Limited, in the Stavely Project area covers an interpreted offset of the Mount Stavely Volcanic Belt and is highly prospective for intrusive-related porphyry copper and gold mineralisation. The Minotaur Joint Venture tenements EL 5403 and EL 5450 are located immediately to the west of the Ararat Project and are considered to be prospective for extensions and repetitions of the high-grade VMS horizon.

In the Ararat Project, rock-chip samples of gossanous float material was collected and submitted to ALS Laboratories from the Mt Ararat, Carroll's and Cathcart Hill Prospects in the Ararat Project (Figure 2) and in the vicinity of the Thursday's Gossan Prospect in the Stavely Project. The material submitted for analysis generally comprised gossanous quartz vein float, however malachite was observed associated with a quartz vein at the Carroll's Prospect. Assay results were outstanding at the end of the Quarter.

Following the signing of the Minotaur Joint Venture, reconnaissance field investigations discovered suspected copper workings shown in Photo 1. The identification of multiple gossan horizons and historical copper workings in the field have led to the observation that rather than a single copper trend along the contact between the Carroll's Amphibolite and the Lexington Schist there is a 'VMS copper corridor' which may extend up to 1km in width.

A total of 989 soil samples were collected on three grids at the Cathcart Hill, Mt Ararat and Carroll's Prospects (Figure 2). Most of Stavely Minerals' tenements have not been subject to even the most rudimentary exploration. Historical exploration has focussed on small areas for geochemical soil sampling, the majority of which was done in the 1970s, and much of the sampling was never analysed for gold. Large areas prospective for both copper and gold have had very little systematic modern exploration. The sampling at the Cathcart Hill and Mt Ararat Prospects was primarily targeting gold systems, while the survey at the Carroll's Prospect was targeting both copper and gold mineralisation. Niton® portable XRF analysis of the sieved soil samples was in progress at the end of the Quarter and selected samples had been submitted to ALS Laboratories for gold and multi-element analysis. The soil sample assay results were pending at the end of the Quarter.

In the Stavely Project, a report on the structural assessment of diamond drill core from the Thursday's Gossan porphyry has been received along with a 3D structural model. The

report confirms the low-angle structural offset previously reported and indicates that the core of the porphyry has moved to the north below the structure.

Independent studies on the clay mineralogy and sulphur isotopes are underway to provide a vector to the core of the porphyry system where the best copper and gold grades would be expected to occur. Geophysical Induced Polarisation (IP) surveys have been extended to the north and east seeking to identify anomalies potentially associated with the structural offset to the north. Additionally, soil sample lines have been completed in the northern portion of Thursday's Gossan, submitted for laboratory analysis and results are pending. The outcomes of these programmes are being compiled and will be reported on shortly.

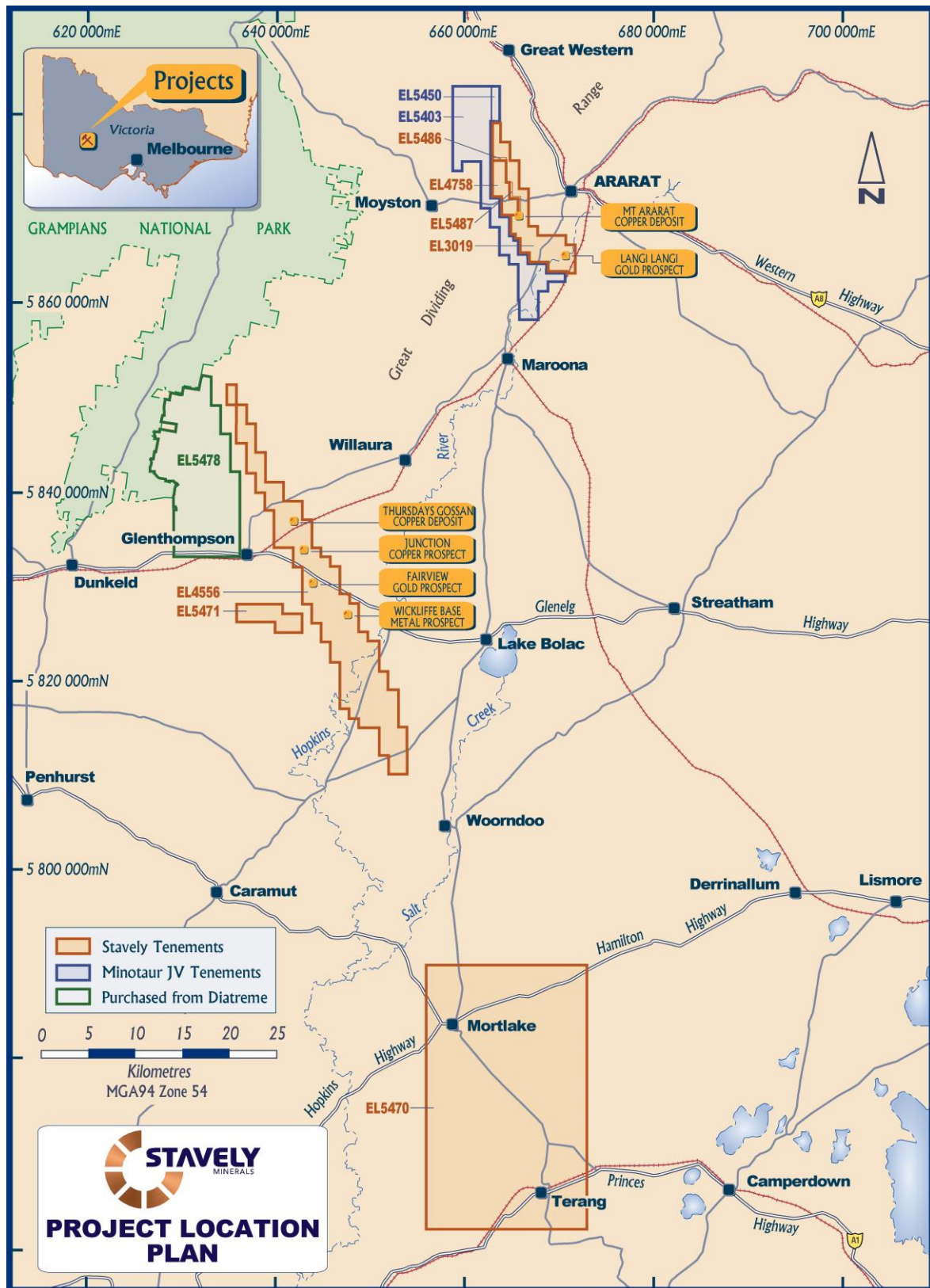


Figure 1. Project Location Plan.

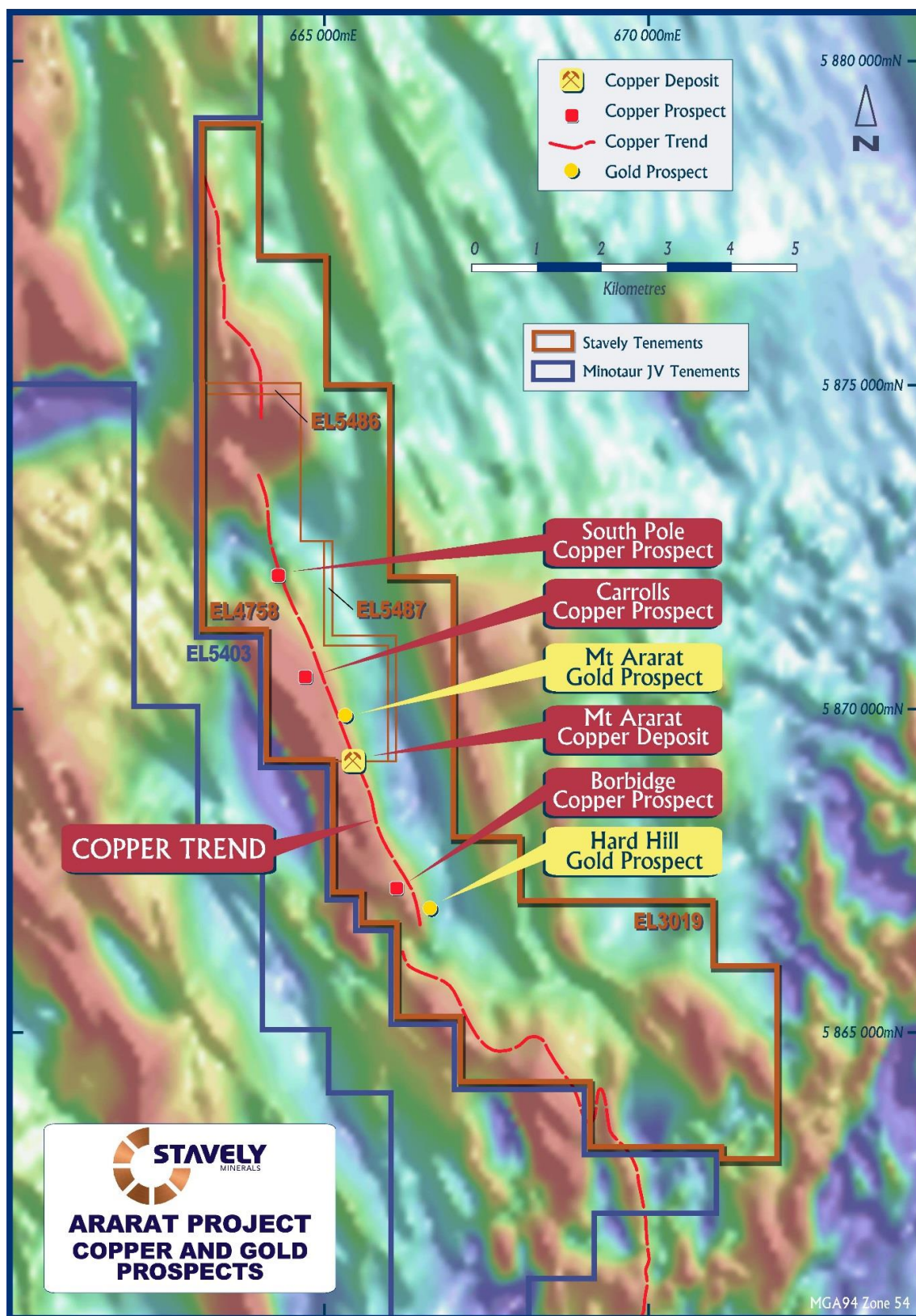


Figure 2. Ararat Project Copper and Gold Prospects.



Photo 1. Suspected historical copper working on Minotaur JV tenement EL 5403.

EXPLORATION

Ararat Project

Mount Ararat Gold Prospect

Geochemical soil sampling was conducted in March at the Mount Ararat Prospect to identify extensions to the 'Stawell-style' gold mineralisation intercepted in hole SARC001 at the Mt Ararat Copper-Gold VMS deposit. A gold zone averaging 12m at 0.97 g/t gold to end of hole, within a broader 13m interval, including a significantly higher grade zone of 3m at 3.04 g/t gold was intersected in SARC001 in the footwall to the copper mineralisation. Historical soil sampling conducted by Pennzoil of Australia Ltd at Mt Ararat in the 1970's was only assayed for copper and zinc. At the end of the Quarter, the 224 geochemical samples collected were in the process of being analysed using a Niton® portable XRF (pXRF). The samples for the entire central line of the grid have been submitted to ALS Laboratories for gold and multi-element analysis to verify the pXRF data. It is not possible to determine gold assays using a portable XRF as the detection limit for gold is not sufficiently low for geochemical soil sampling. The 'Stawell-style' gold mineralisation is associated with arsenopyrite and hence samples which returned anomalous arsenic results in the pXRF will also be submitted to ALS for gold and multi-element analysis.

The laboratory assay results are pending.

During the Quarter, planning was completed for three diamond drill holes at Mt Ararat to follow-up the gold mineralisation intercepted in hole SARC001.

Recorded production of alluvial gold in the Ararat and Cathcart Goldfield is incomplete. The total known production is +600,000 ounces for the period 1853 to 1925. The production of primary hard-rock gold from the Ararat field has been limited given the richness of the alluvial deposits, with no reefs having recorded production in excess of 10 kg. To date exploration for primary gold in the Ararat goldfield has proved unsuccessful.

Carroll's Prospect

During the Quarter, geochemical soil sampling and rock-chip sampling was completed at the Carroll's Prospect. The geochemical survey at Carroll's, which comprised 397 samples, had two primary purposes. Firstly to target copper mineralisation to the west of Pennzoil historical soil sampling, where gossanous float has been observed in the field. Secondly, to obtain samples to assay for gold in the vicinity of historical gold workings in areas where the Pennzoil sampling was only assayed for copper and zinc. At the end of the Quarter, the geochemical samples were in the process of being analysed using the Niton® portable XRF. The samples for the entire central line of the grid have been submitted to ALS Laboratories for gold and multi-element analysis to verify the pXRF data. In addition any samples which return anomalous arsenic or base metal values will be submitted to ALS.

Gossanous float samples from the Carroll's Prospect were submitted to ALS Laboratories for analysis. The results for both the gossan and soil samples were pending at the end of the Quarter.

Cathcart Hill Gold Prospect

Reconnaissance field investigation conducted during the Quarter identified the presence of gossanous float at the Cathcart Hill Gold Prospect. There are two historical alluvial gold workings, the Gibson Lead and Cathcart Hill in the vicinity of the prospect.

Geochemical soil sampling was conducted in March to define a gold/ arsenic anomaly and potentially identify a drill target for primary gold mineralisation.

At the end of the Quarter, the 368 geochemical samples were in the process of being analysed using the Niton® portable XRF. As with the other soil grids, samples for the entire central line of the grid have been submitted to ALS Laboratories for gold and multi-element analysis to verify the pXRF data. In addition any samples which return anomalous arsenic values will be submitted to ALS.

Gossanous float samples from the Cathcart Hill Prospect were submitted to ALS Laboratories for analysis. The results for both the gossan and soil samples were pending at the end of the Quarter.

Stavely Project

Thursday's Gossan Prospect

Two lines of ground Induced Polarisation (IP) were completed at Thursday's Gossan to extend the survey to the east, to cover the newly interpreted position of the porphyry. Processing and inversion of the IP data has highlighted a chargeability anomaly on the northern line which was still being evaluated at the end of the Quarter. Additional IP lines will be required to the north of the current survey to augment the IP inversion modelling parameters.

Sulphur isotope analysis results for three diamond drill holes (SMD001, SMD003 and SMD0004) were received at the end of the Quarter and an assessment of them is in progress. The sulphur isotope samples were collected from copper mineralisation above and below the low-angle offset structure in the three diamond holes targeting the Thursday's Gossan Porphyry. This data will be used to provide a vector to the core of the porphyry system with the more strongly negative sulphur isotope values indicating a greater proportion of magmatic source fluids and proximity to source intrusion.

The structural study field verification for the 3-dimensional model for the Thursday's Gossan system was undertaken in February. The data review and 3D modelling for Thursday's Gossan by Model Earth Global Geological Services was completed during the Quarter and the report has been received. An assessment of the report and model is currently in progress.

During the Quarter, samples were submitted for petrographic analysis from the five diamond holes at Thursday's Gossan and Junction drilled in 2014. It is anticipated that the petrographic report will be received during the next quarter.

Mortlake Project

A ground Induced Polarisation (IP) survey comprising two lines was completed in March to test the three magnetic features within the Mortlake Project that resemble the geophysical signatures of the porphyries in the Mount Stavely Volcanic Belt. Initial observations indicate that there was a fair amount of noise in the signal due to the presence of electric fences. At the end of the Quarter, processing and inversions of the IP data was in progress.

Planned Exploration

Ararat Project

Planned exploration for the June 2015 Quarter includes drilling of three diamond drill holes at Mt Ararat to follow-up the gold zone averaging 12m at 0.97 g/t gold to end of hole, within a broader 13m interval intercepted in hole SARC001 drilled in June 2014.

When the Niton® portable XRF and laboratory assay results have been received follow-up geochemical soil sampling will be conducted at the Carroll's, Mt Ararat and Cathcart Hill Prospects.

Reconnaissance field investigation and rock-chip sampling will be conducted on the Minotaur Joint Venture tenements EL 5403 and EL 5450.

Stavely Project

A geochemical sampling survey has been planned for the next quarter at Thursday's Gossan to follow-up the IP chargeability anomaly on the northern line. In addition soil sampling has been planned for tenement EL 5478, which was recently acquired from Diatreme Resources Limited.

At Thursday's Gossan, planning of further Induced Polarisation (IP) survey lines to the north of the current coverage is in progress to augment the 3D IP model and is expected be conducted during the June 2015 Quarter.

Following the assessment of all the recently acquired data, including the IP survey, 3D modelling, structural data and sulphur isotopes, planning of drilling to target the new interpreted position of the porphyry core at Thursday's Gossan will be conducted.

CORPORATE

Stavely Minerals had a total of \$0.95M cash on hand at the end of the March 2015 Quarter.

Subsequent to the end of the Quarter, the Company signed a deed of variation to the share subscription agreement with Titeline Drilling Pty Ltd, whereby Stavely Minerals will have the option to settle 100% rather than the previously agreed 50% of the drilling charges by way of offset of the price of subscription application for shares. The subscription price for each subscription application will be based on the lower of a 5-day and 10-day VWAP of Stavely Minerals' share price as at the date of each application.

As a means of conserving cash for exploration activities, Stavely Minerals' management and field staff have taken a 40% reduction in salary and the non-executive board

members have waived their fees. The Company is reviewing remuneration packages and, in accordance with its remuneration philosophy, is considering issuing equity incentives, such as share options. Shareholder approval will be required for any equity incentives to be granted to Directors.

Stavely Minerals completed two transactions to expand its land holding at both the Stavely and Ararat Project areas. During the Quarter, the Company acquired EL 5478 from Diatrema Resources Limited in the Stavely Project area with the outright 100% purchase of the tenement for \$5,000.

Subsequent to the end of the Quarter, the Company entered into a Joint Venture with Minotaur Operations Pty Ltd for EL 5403 and EL 5450 in the Ararat Project area. Key terms of the Earn-in and Joint Venture Agreement with Minotaur Operations (a subsidiary of Minotaur Exploration Limited) for EL 5403 and EL 5450 were:

- Stavely must spend a minimum of \$44,000 in the first year before being able to withdraw from the agreement
- Stavely to spend \$100,000 in exploration and related costs within 3 years of commencement to earn 51% equity
- Stavely to spend a further \$100,000 within 5 years of commencement to earn a further 24% (75% total)
- Parties to contribute pro-rata or dilute thereafter
- Should Minotaur's equity fall below 5% it will revert to a 1% NSR royalty.

The Company presented at the following investor conference during the Quarter:

25-26 February - RIU Explorers Conference - Fremantle

ANNOUNCEMENTS

Investors are directed to the following announcements (available at www.stavely.com.au) made by Stavely Minerals during and subsequent to the March 2015 Quarter for full details of the information summarised in the Quarterly Report.

- 10/04/2015 - Stavely Project Tenement Acquisition and New Ararat Project Joint Venture
- 06/03/2015 - Half Yearly Report and Accounts
- 25/02/2015 - RIU Explorers Conference
- 20/01/2015 - Outline 2015 Copper and Gold Exploration Programmes

Tenement Portfolio - Victoria

The tenements held by Stavely Minerals Limited as at 31 March 2015 are as follows:

Area Name	Tenement	Grant Date/ (Application Date)	Size (Km ²)
East Ararat	ELA 5477	Withdrawn	86
Mt Ararat	EL 3019	21 December 1989	42
Ararat	EL 4758	29 January 2004	12
Stavely	EL 4556	5 April 2001	139
Stavely	EL 5478	26 July 2013	132
Mortlake	EL 5470	17 June 2013	475
Glenthompson	EL 5471	17 June 2013	15
Mt Ararat	EL 5486	10 July 2014	2
Mt Ararat	ELA 5487	(21 June 2013)	5
Ararat	RLA 2011	(14 August 2013)	11
Ararat	RLA 2011	Withdrawn	11
Ararat	RLA 2020	(12 June 2014)	28
Stavely	RLA 2017	(20 May 2014)	139
Ararat	EL 5403	25 January 2012	68
Ararat	EL 5450	21 February 2013	4

During the Quarter, the Company received notification from the Department of Economic Development, Jobs, Transport and Resources that the decision on the cancellation of EL 3019 would be deferred until a decision is reached regarding retention licence application RL 2020, which covers the majority of the tenement.

Stavely Minerals acquired EL 5478 from Diatreme Resources Limited during the Quarter.

Subsequent to the end of the Quarter, Stavely Minerals assumed management of EL 5403 and EL 5450, by way of a joint venture with Minotaur Operations Pty Ltd.

The Company was required to withdraw the application for EL 5477, as the competing application by Navarre Minerals Ltd for EL 5476 was granted during the Quarter.

The Company did not dispose of or apply for any tenements during the Quarter.



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.

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 "Stavely Minerals Limited – Prospectus" created on 26 March 2014 and is available to view on www.stavely.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.