Stavely Discovers Exciting Gold Prospect at Cathcart Hill

Indications of a possible 'Stawell-style' gold system at the Ararat Project

Highlights

- **Soil geochemistry has defined an 800m long arsenic and chromium anomaly with coincident gold anomalism consistent with a 'Stawell-style' gold system.**
- **Rock-chips of ferruginous duricrust with gold mineralisation to 0.8g/t gold and a nearby historical diamond drill bedrock intercept of 2m at 5g/t gold from 43m depth.**
- **Geochemical signature at Cathcart Hill shows strong similarities to that observed over the Stawell Goldfield (+6Moz of historical and modern production).**
- **Soil sampling grid being extended and a traverse of RC drilling is being planned.**

Stavely Minerals Limited (ASX Code: **SVY** – "Stavely Minerals") is pleased to advise that it has outlined an exciting gold prospect at its 100%-owned Ararat Project in western Victoria after receiving highly encouraging results from recent soil geochemical sampling and rock-chip sampling at the Cathcart Hill Prospect (Figures 1 and 2).

Stavely Minerals' field personnel have been conducting extensive soil geochemical sampling programmes for primary analysis using a Niton® portable XRF analyser with check analysis through ALS Laboratories Brisbane. While the Niton® XRF unit cannot be used reliably for analysis of gold in an exploration context unless in extremely high abundances, it has proven very effective for analysis of 'indicator' elements.

The Niton® results show a **coincident arsenic and chromium soil sample anomaly** confirmed by duplicate analysis by aqua-regia digestion and ICPMS determination which has also returned **coincident gold anomalism** (see Figure 3). The anomaly extends over 800 metres in strike and remains open to the north and south. **The current soil sample grid will be extended in both directions and a traverse of RC drilling is currently being planned.**

The Cathcart Hill area was selected for systematic soil sampling because a number of very shallow air-core drill holes drilled in 1996 returned strong arsenic anomalism to 0.27% arsenic but without coincident gold anomalism. On review, Stavely Minerals' personnel felt the air-core arsenic anomaly was the result of weathering of nearby gold-sulphide mineralisation and subsequent lateral dispersion in the weathering profile (see Figure 4).

As arsenic is more soluble and mobile in this environment than is gold, the arsenic anomaly could be expected to travel much further and provide a spatially much larger anomaly than gold would.

The weathered expression of the Stawell Gold Deposit was documented in a study by Noble et al as part of a Cooperative Research Centres project on Landscape Evolution and Mineral Exploration (CRC LEME) and can be accessed here: *ww.crcleme.org.au/RegExpOre/Stawell.pdf*

The study found that arsenic, chromium and lead in the soils over the Stawell Gold Deposits showed the greatest anomaly contrasts and that the gold dispersion is less than that of arsenic – very similar to the patterns observed at Cathcart Hill.

During the soil sampling programme, Stavely Minerals' personnel noted abundant ferruginous float or 'pseudo gossan' which, upon laboratory analysis, returned strongly anomalous arsenic (to 0.45%) and gold (to 0.8 g/t). It is interpreted that this material has formed as iron-rich concretions within the weathering profile and has been very effective at adsorbing dissolved gold and arsenic dispersed in the water table by weathering of sulphide mineralisation nearby, and that the level of arsenic and gold anomalism is highly encouraging in that context.

An inclined diamond drill hole drilled in 1977 located some 200m to the northwest of the main soil sample arsenic anomaly had returned 2m at 5.0g/t gold from 43m drill depth and is logged as a bedrock intercept.

Other shallow air-core drilling gold results are likely reflecting alluvial gold at the base of transported gravels.

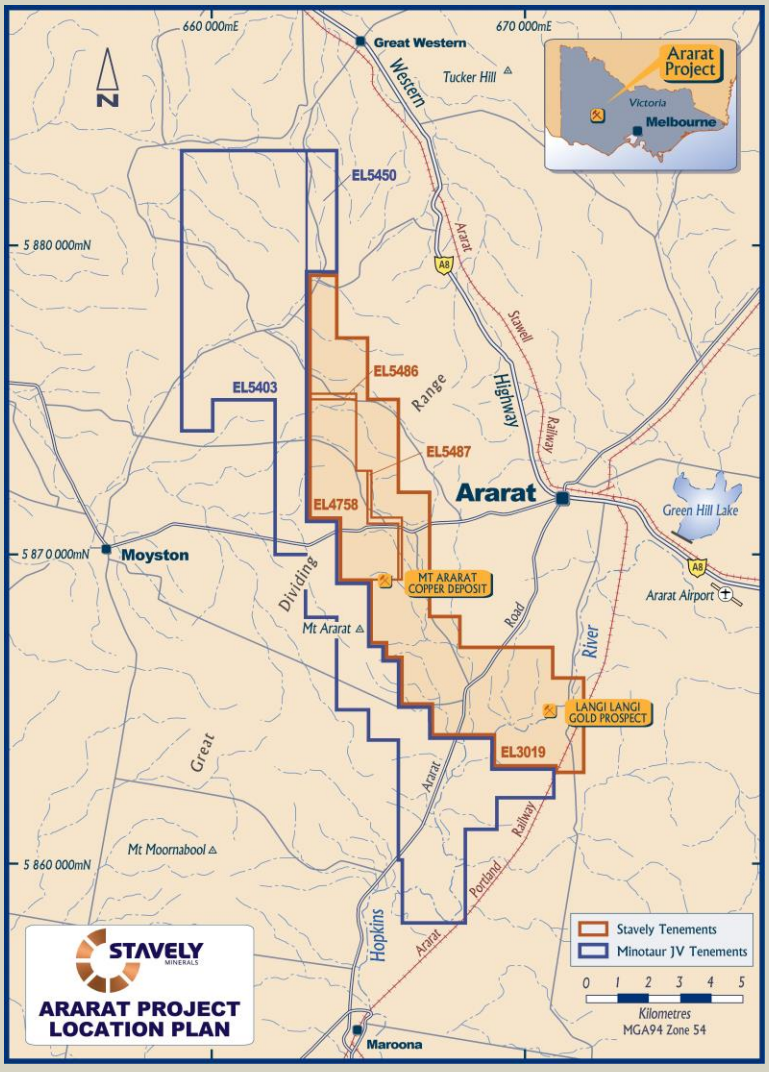

Figure 1. Tenement location map.

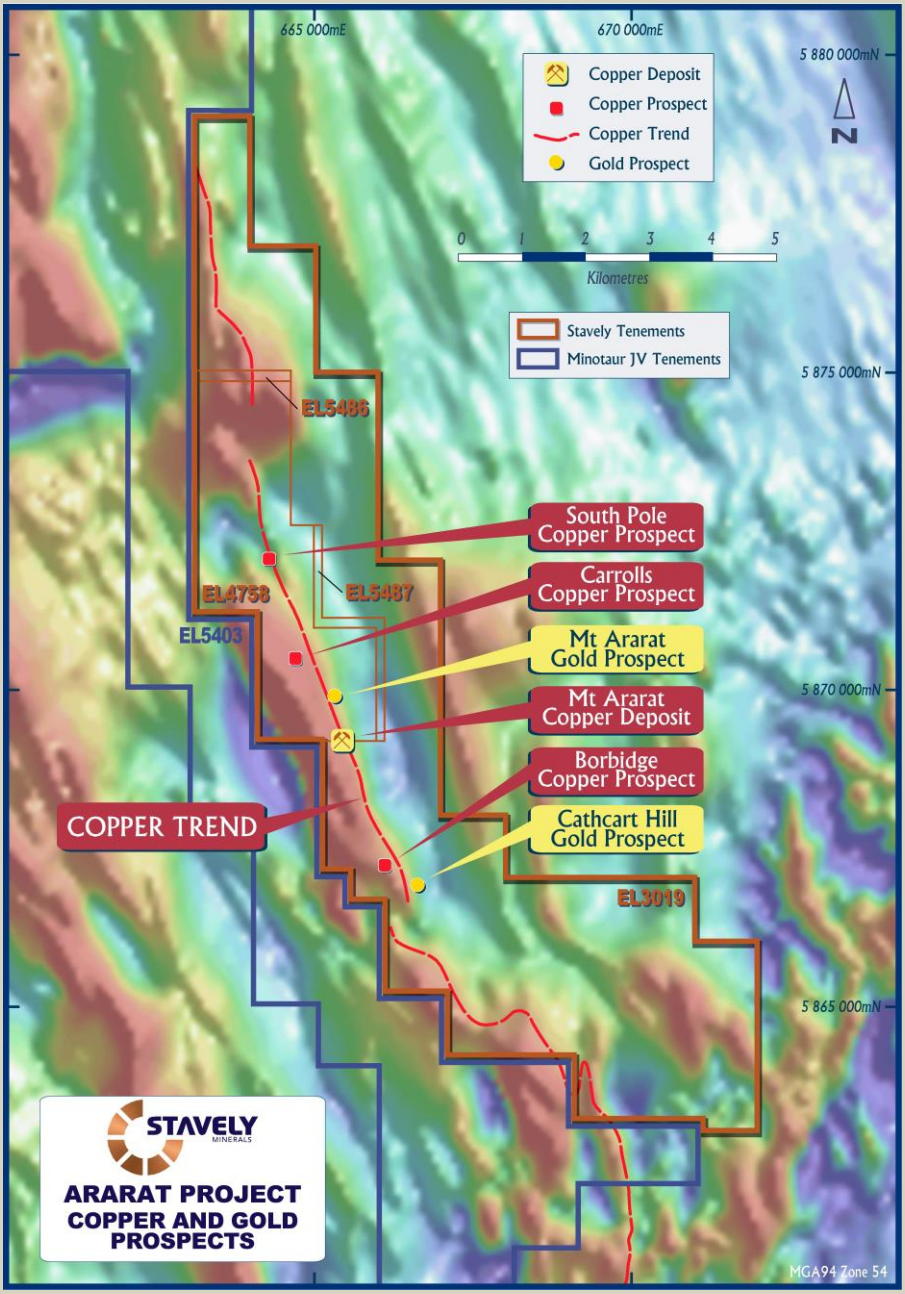

Figure 2. Prospect location map.

Of note is that the host lithologies to the Stawell Gold Mine are analogous to the lithologies in the Cathcart Hill area with the local Carroll's Amphibolite considered to be the metamorphosed equivalent to the Magdala Basalt at the Stawell Gold Mine. The Carroll's Amphibolite can be strongly magnetic as reflected by the large 4km long magnetic feature with the Stavely prospects shown along the eastern margin in Figure 2. Similarly, the Mt Ararat Granite which intrudes the Carroll's Amphibolite is contemporaneous with and of similar composition to the Stawell Granite which likewise is in close contact with the Magdala Basalt.

The Stawell Goldfield has produced over 6Moz of historical and modern gold production with the modern Stawell Gold Mine having been in continuous operation since the mid 1980's and having produced in excess of 2Moz of gold.

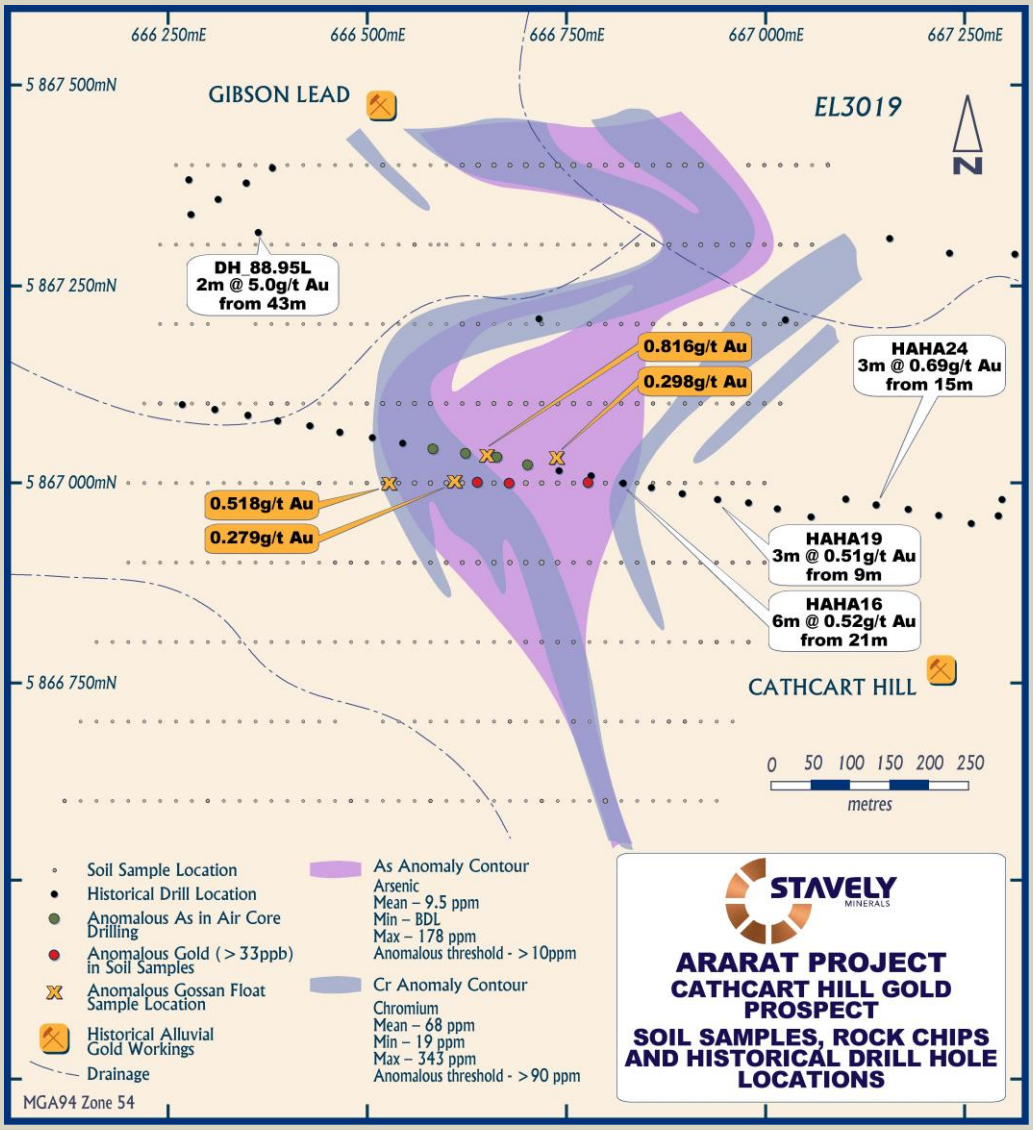

Figure 3. Cathcart Hill arsenic and chromium soil geochemistry anomaly with arsenic anomalous aircore drill hole locations shown and anomalous rock-chip and drill gold results. The soil sample arsenic and chromium anomalies are derived from pXRF data.

Stavely Minerals' Managing Director Mr Chris Cairns said the Company was encouraged by the scale, coherency and coincidence of the gold, arsenic and chromium soil anomaly at Cathcart Hill, in conjunction with the rock-chip gold results.

"Collectively, we believe this exciting new prospect could be the weathered surface expression of a possible 'Stawell-style' gold system," he said. This anomaly is in the southern portion of the Cathcart Goldfield which had very significant historic alluvial and 'deep lead'* gold production in the 1850's and 1860's but was not associated with any known hard-rock source, making it a very promising new exploration opportunity for us."

Chris Cairns
Managing Director

**Deep leads are gold bearing alluvial gravels mined underneath younger basalt cover.*

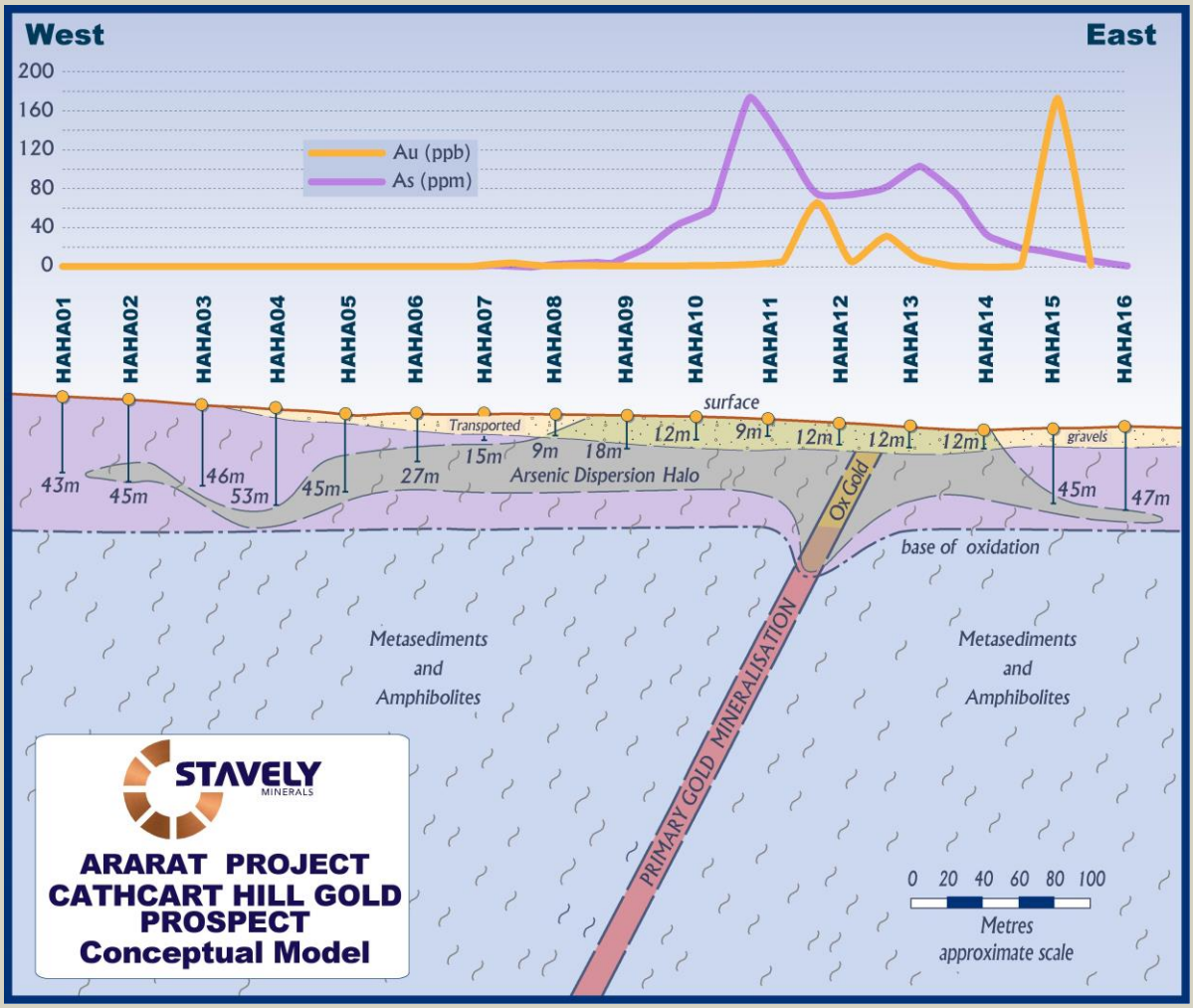

Figure 4. Cathcart Hill conceptual arsenic dispersion model showing an arsenic dispersion 'plume' within the weathering profile above the base of oxidation. Note that the soil sample line from which the geochemical profile is derived is oblique to and crosses the aircore drilling line in the vicinity of the main arsenic anomaly (see Figure 3). The arsenic and gold assay results are by ICPMS analysis.

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.

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Cathcart Hill rock chip locations and results

Ararat Project						
Sample ID	**MGA 94 zone 54**			**Assays**		**Rock Description**
	East	**North**	**RL (m)**	**Au ppm**	**As ppm**	
				dl 0.005	**dl 5**	
Cathcart Hill Prospect – Rock Chips						
ARC10001	666527	5867001	330	0.046	1980	Gossan Float
ARC10002	666528	5867001	330	0.518	7940	Gossan Float
ARC10003	666609	5867003	321	0.279	9100	Gossan Float
AR201505	666595	5867042	324	<0.005	116	Gossan Float
AR201506	666650	5867035	320	0.816	2670	Gossan Float
AR201507	666741	5867031	316	0.298	4540	Gossanous quartz breccia Float
AR201508	666700	5867035	320	<0.005	413	Gossan Float

JORC Code, 2012 Edition – Table 1

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	*Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.*	The soil samples and gossanous rock chip samples were taken at the Cathcart Hill prospect targeting gold mineralisation. The soil samples were taken at 20m intervals along lines spaced 100m apart. The grid co-ordinates for the samples were planned in MapInfo. A handheld GPS was used to navigate to each sample point. Either a hand held auger or a pick was used to obtain an approximate 1kg soil sample at a depth of between 10cm and 20cm, so as to obtain a sample of the B soil horizon. The sample was then sieved using a coarse mesh (-2mm) sieve to remove organic matter and rock fragments. The sieved sample was placed in a numbered zip-lock bag and subsequently into an alike numbered calico bag. A sample data sheet was filled in at the sample site, which for each sample included the date, grid, sampler names, sample number, RL, soil type, regolith, substrate and comments. Sample preparation was completed at Stavely Minerals' shed near Glenthompson. Each sample was sieved using a -80 mesh sieve to produce an approximate 40g sample and placed in a corresponding numbered small plastic geochem zip-lock bag in preparation for portable XRF analysis using a Niton XL3t 950+. The sieve was cleaned with a paint brush between each sample. Each small zip-lock bag was placed sequentially in a division in an RC chip tray for ease of management. The remaining portion of the sample was returned to the original large zip-lock bag and placed back in the calico bag.

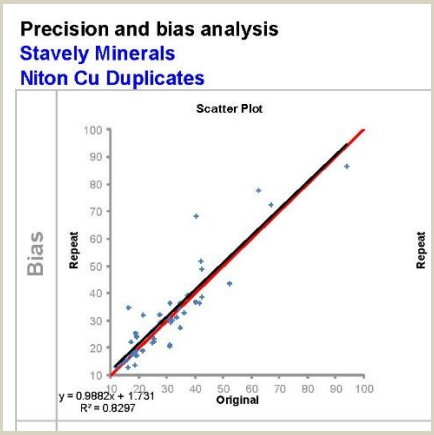
Criteria	JORC Code explanation	Commentary
		One complete line of samples from each of the three grids was prepared for submission to ALS Laboratories for assay analysis to check the Niton® XRF results. Preparation involved sieving using a -80 mesh sieve to produce an approximate 100g to 150g sample, which was weighed on a digital kitchen scale and was subsequently placed in a corresponding numbered brown paper geochem bag. Damp samples were placed in an oven at low temperature to dry out prior to sieving. The remaining portion of the sample was returned to the original large zip-lock bag and placed back in the calico bag. The 100 – 150g -80 mesh samples were submitted to ALS Laboratory in Brisbane. In addition, samples which were considered to have returned anomalous Niton® XRF As or Cu values were selected for submission to ALS Laboratories in Brisbane. Sample preparation involved sieving using a -80 mesh sieve to produce an approximate 100g to 150g sample which was placed in a corresponding numbered brown paper geochem bag. The remaining portion of the sample was returned to the original large zip-lock bag and placed back in the calico bag. Historical diamond drill hole 88.95.L was drilled by Pennzoil of Australia Ltd in 1977 to a depth of 50.3m to test a strong MIP chargeability anomaly. The hole was orientated at -60^0 towards magnetic azimuth 77.5^0. Selected one and two metre interval samples were collected and analysed for Cu, Pb, Zn, Ag and Au. No other drilling information was provided. Historical vertical aircore drill holes HAHA01 to HAHA54 were drilled by Centaur Mining and Exploration Limited in 1996. Method of sampling was described for dry samples as quarter and cone and the wet samples as grab. The 3 metre composite samples were assayed at AMDEL in Adelaide for Au, As, Cu, Pb and Zn. No other drilling information was provided.
	Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.	Sample representivity was ensured by a combination of Company Procedures regarding quality controls (QC) and quality assurance/ testing (QA). Daily calibration of the Niton® XRF was undertaken.
	Aspects of the determination of mineralisation that are Material to the Public Report - In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling	Soil sampling techniques are considered industry standard for the Ararat work programmes. No sample preparation or assay techniques are available for the historical drilling.

Criteria	JORC Code explanation	Commentary
	problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.	
Drilling techniques	*Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	Historical hole 88.95.L was drilled by Pennzoil of Australia Ltd in 1977 using a diamond drill rig. Historical holes HAHA01 to HAHA54 are aircore holes drilled by Centaur Mining and Exploration Limited in 1996. No other details of the drilling are known.
Drill sample recovery	*Method of recording and assessing core and chip sample recoveries and results assessed.*	No details are available for the historical drill holes.
	Measures taken to maximise sample recovery and ensure representative nature of the samples.	No details are available for the historical drill holes.
	Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.	No details are available for the historical drill holes.
Logging	*Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.*	Only basic geological logging was reported for the historical drill holes.
	Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.	Only basic geological logging was reported for the historical drill holes.
	The total length and percentage of the relevant intersections logged.	Basic logging of the entire historical drill hole was conducted.
Sub-sampling techniques and sample preparation	*If core, whether cut or sawn and whether quarter, half or all core taken.*	No information has been recorded for the historical diamond drill hole.
	If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.	The historical aircore holes were split using a cone splitter. For dry samples, a quarter sample was collected and for wet samples a grab sample was collected.
	For all sample types, the nature, quality and appropriateness of the	Company procedures were followed to ensure sub-sampling adequacy and consistency. These included (but were not limited to), daily work place inspections of

Criteria	JORC Code explanation	Commentary
	sample preparation technique.	sampling equipment and practices. No details of sample preparation are given for the historical drilling.
	Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.	Duplicate analysis, blanks and certified reference materials were included in the Niton® XRF analysis process as part of the quality control procedures. Eight separate standards were employed on a 1:10 basis while duplicate analyses and blanks were employed on a 1:20 basis. No details of quality control procedures are given for the historical drilling.
	Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.	No field duplicates were collected for the soil sampling. No details are given for the historical drilling.
	Whether sample sizes are appropriate to the grain size of the material being sampled.	The sample sizes are considered to be appropriate to correctly represent the sought mineralisation.
Quality of assay data and laboratory tests	*The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.*	**Soil Samples** Niton® pXRF analysis of samples was conducted with the instrument in a portable test stand and was remotely controlled by connection to a laptop computer. Each day the instrument was allowed to warm up for at least 10 minutes before being calibrated. Samples were sequentially stored in small zip-lock bags in 20-compartment RC chip trays. For each tray a standard was analysed at the beginning and the end of the tray. A blank was analysed after the 10th sample in the tray and after the end of the tray was complete and the second standard analysed, a duplicate analysis of the tenth sample was completed. Data was downloaded for each RC chip tray – amounting to 24 analyses with 20 samples, 2 standards, a blank and a duplicate. Each RC tray 'sequence' was saved as an individual Excel file named with the corresponding sample number range. The data from each of these files, was in sequence, saved to a master analysis electronic data sheet and sample numbers and sample type designations added. The sieved -80 mesh soil samples were analysed for gold by Method Au-TL43 and for a range of multi-elements, including Ag, As, Bi, Co, Cu, Fe, Mn, Mo, Ni, Pb and Zn by Method ME-ICP43 at Australian Laboratory Services ("ALS") in Brisbane, Queensland. No sample preparation was required by the laboratory. Gold by Method Au-TL43, is by aqua regia extraction with ICP-MS finish. Up to a 25g sample is digested in aqua

Criteria	JORC Code explanation	Commentary
		regia, and the acid volume is partially reduced by evaporation. The solution is diluted to volume and mixed thoroughly. Gold content is measured by ICP mass spectrometry. Alternatively, an aliquot is taken, a complexing agent added and the gold complex is extracted into an organic solvent. Gold concentration can be measured by flame AAS using matrix matching standards. The selected multi-elements by Method ME-ICP43 are analysed by using an aliquot of the gold digestion liquor Au-TL43 for simultaneous analysis by ICP Atomic Emission Spectrometry. The determination of gold in soils by aqua regia digest offers very low detection limits, making it an attractive option for geochemical orientation surveys. Aqua regia effectively dissolves both native gold as well as gold bound in sulphide ore minerals. Aqua Regia is a partial digestion method and will not digest silicate minerals present in the sample. **Rock Chip Samples** The rock chip samples were submitted to Australian Laboratory Services ("ALS") in Orange, NSW. Laboratory sample preparation involved:- sample crushed to 70% < 2mm, riffle/rotary split off 1kg, pulverize split to >85% passing 75 microns. Rock chip samples were analysed by ME-ICP61 - Multi acid digest with HF and ICPAES and ICPMS and Au-AA23 – fire assay with AAS finish. The rock chip samples were analysed by multielement ICPAES Analysis - Method ME-ICP61. A 0.25g sample is pre-digested for 10-15 minutes in a mixture of nitric and perchloric acids, then hydrofluoric acid is added and the mixture is evaporated to dense fumes of perchloric (incipient dryness). The residue is leached in a mixture of nitric and hydrochloric acids, the solution is then cooled and diluted to a final volume of 12.5mls. Elemental concentrations are measured simultaneously by ICP Atomic Emission Spectrometry. This technique approaches total dissolution of most minerals and is considered an appropriate assay method for porphyry copper-gold systems. The rock chip samples were also analysed for gold using Method Au-AA23. Up to a 30g sample is fused at approximately 1100ºC with alkaline fluxes including lead oxide. During the fusion process lead oxide is reduced to molten lead which acts as a collector for gold. When the fused mass is cooled the lead separates from the impurities (slag) and is placed in a cupel in a furnace at approximately 900^{o}C. The lead oxidizes to lead oxide, being absorbed by the cupel, leaving a bead (prill) of gold, silver (which is added as a collector) and other precious metals. The prill is dissolved in aqua regia with a reduced final volume. Gold content is determined by flame AAS using matrix matched standards. For samples which are

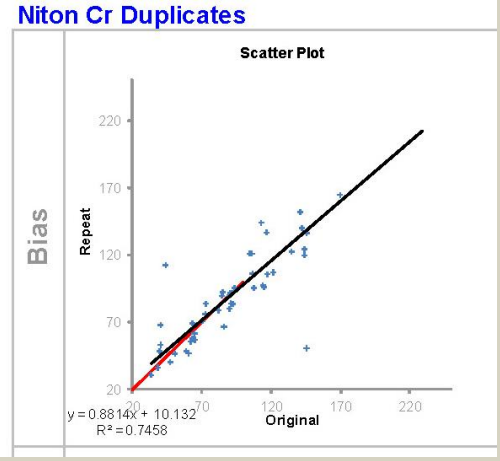
Criteria	JORC Code explanation	Commentary
		difficult to fuse a reduced charge may be used to yield full recovery of gold. This technique approaches total dissolution of most minerals and is considered an appropriate assay method for detecting gold mineralisation. Rock chip samples which returned >1% Cu or > 1% Zn by ICPAES Analysis - Method ME-ICP61 were re-analysed for Cu and Zn by multi-element ICPAES Analysis – Method ME-OG62. A 0.4g finely pulverized sample is digested in nitric, perchloric and hydrofluoric acids. The digestion mixture is evaporated to incipient dryness (moist salts). The residue is cooled, then leached in concentrated hydrochloric acid and the solution is diluted to a final volume of 100mls. Final acid concentration is 20%. Elemental concentrations are determined by ICPAES. An internal standard is used to enhance accuracy and precision of measurement. This technique approaches total dissolution of most minerals and is considered an appropriate assay method for ore grade rock chip samples. **Historical Drill Holes** Historical diamond drill hole 88.95.L drilled by Pennzoil of Australia Ltd in 1977 was analysed for selected one and two metre interval. The samples were analysed for Cu, Pb, Zn, Ag and Au. No other information was provided. Historical vertical aircore drill holes HAHA01 to HAHA54 drilled by Centaur Mining and Exploration Limited in 1996 were sampled for the entire length. Method of sampling was described for dry samples as quarter and cone and the wet samples as grab. The 3 metre composite samples were assayed at AMDEL in Adelaide for Au (dl 0.02ppm), As (dl 20ppm), Cu (dl 1ppm), Pb (dl 3ppm) and Zn (1ppm). No other information was provided.
	For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.	All the soil samples were analysed by portable XRF using a Niton XL3t 950+. The following procedure was employed for the analysis: It was ensured that all samples were dry at the time of analysis. Any samples which displayed condensation on the inside of the plastic bag were heated in the microwave to remove all moisture. The Niton was placed in a purpose built stand. The Niton was set to SOILS analytical mode for the analysis. The instrument was allowed to warm up for 10 minutes prior to the start of any analyses. Each sample was placed in the sample chamber and analysed in soil mode for a total of 90 seconds. The following elements and their respective errors were recorded for each sample – Mo, Zr, Sr, U, Rb, Th, Pb, Au, Se, As, Hg, Zn, W, Cu, Ni, Co, Fe, Mn, Cr, Ti, Sc, Ca, K

Criteria	JORC Code explanation	Commentary
		and S. After ever 20 samples analysed, the sample chamber was flushed with compressed air. No calibration factors have been applied.
	Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.	The analytical laboratory provide their own routine quality controls within their own practices. The results from their own validations were provided to Stavely Minerals. Results from the CRM standards and the blanks gives confidence in the accuracy and precision of the assay data returned from ALS. The Niton® XRF analysis was performed by Chris Cairns, whom is trained in operating the instrument. For the Niton® XRF analysis for every 20 samples, one duplicate, one blank and two standards were analysed. The standards used were a combination of Niton Standards and Certified Reference Material (CRM). The Niton® XRF results are used only as semi-quantitative and preliminary. Quality control was conducted on the Niton® XRF analysis for Cu, Cr, Zn and As, which are the primary elements of interest. Duplicate analysis of the sample material was undertaken to allow estimation of analytical variance over a range of element concentrations. Statistics for the duplicates for Cu, As, Cr and Zn are presented below. **Cu** 

Criteria	JORC Code explanation	Commentary
		Duplicate statistics

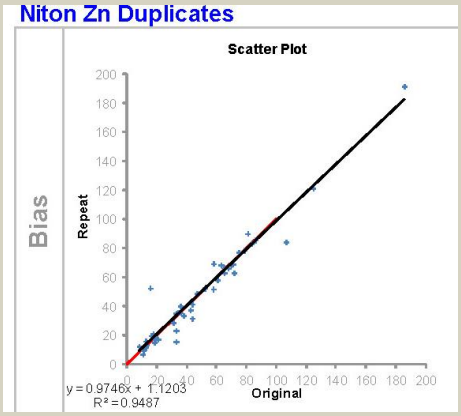
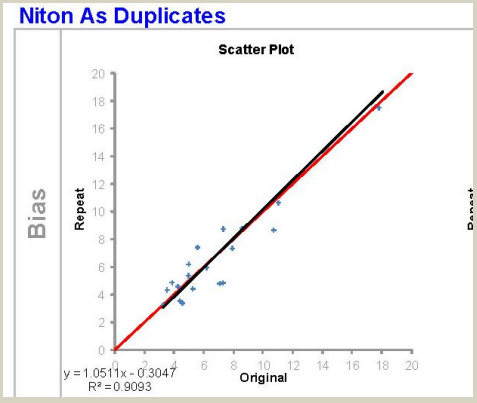
	Original	Repeat
Number of data	47	47
Maximum	94.030	86.930
Minimum	11.920	13.190
Mean	29.882	31.262
First quartile	18.525	19.225
Median	27.380	27.730
Third quartile	35.375	36.755
Skewness	1.937	1.685
Standard deviation	15.678	17.010
Coeff. of variation	0.525	0.544

Cr



Duplicate statistics

	Original	Repeat
Number of data	48	48
Maximum	229.340	255.940
Minimum	33.440	31.470
Mean	93.336	92.402
First quartile	63.188	61.438
Median	90.310	90.445
Third quartile	115.290	114.900
Skewness	0.871	1.424
Standard deviation	39.969	40.794
Coeff. of variation	0.428	0.441

Criteria	JORC Code explanation	Commentary
		Zn  **Duplicate statistics** Original / Repeat Number of data 49 49 Maximum 186.130 192.150 Minimum 8.270 7.450 Mean 46.476 46.415 First quartile 18.480 17.750 Median 37.970 37.920 Third quartile 65.240 67.080 Skewness 1.619 1.730 Standard deviation 34.726 34.746 Coeff. of variation 0.747 0.749 **As** 

Criteria	JORC Code explanation	Commentary

Duplicate statistics

	Original	Repeat
Number of data	20	20
Maximum	18.090	21.490
Minimum	3.250	3.350
Mean	7.319	7.388
First quartile	4.490	4.613
Median	5.870	5.750
Third quartile	8.073	8.778
Skewness	1.694	2.059
Standard deviation	4.245	4.679
Coeff. of variation	0.580	0.633

A silicon blank sample was analysed every 20 sample readings to monitor for dust contamination of the detector window. For the blanks, apart from one Cu reading of 12 ppm and one Zn reading of 6.7 ppm the remaining 46 blanks returned BDL for the elements of interest, Cu, Cr, Zn and As for all readings.

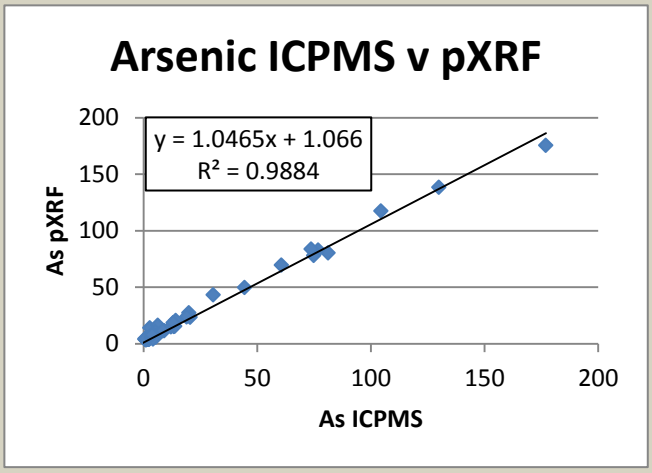
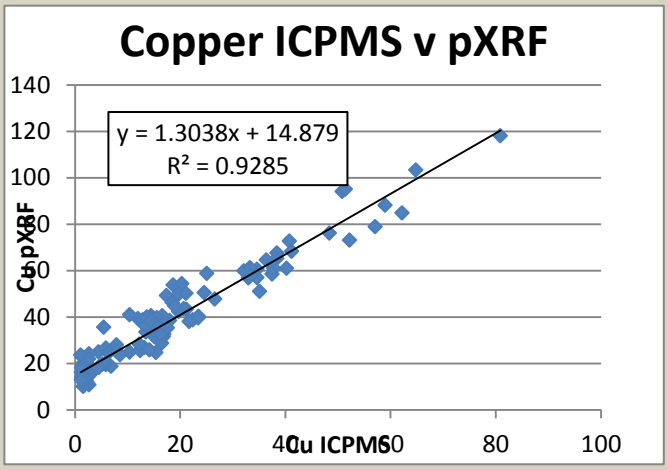
The Certified Reference Material (CRM) was placed into the same small plastic geochem ziplock bag used for the samples, prior to it being analysed. The CRM's were selected to cover a range of expected values for the elements of interest. Two standards were analysed per 20 sample readings.

The Niton specific standards which cover a range of values for the elements of interest, namely As, Cr, Cu and Zn and, which included TILL-4PP, 2780PP and 2709a performed well with respect to expected values and repeatability.

The CRM material including OREAS200, OREAS45D, OREAS 901 and G907-8 performed well on the repeatability for As, Cu, Zn and Cr and were within an acceptable difference from the expected value for As and Cu. However the Cr and Zn reading varied significantly from the expected values but performed well in repeatability. It is worth noting that these standards are not certified for these elements.

Laboratory check samples were submitted to ALS Laboratories to establish correlation with the pXRF data. One entire traverse of samples in the centre of the grid was submitted for laboratory analysis to verify the pXRF results.

ICPMS arsenic results correlate very closely with the pXRF but there was an approximate 30% over estimation of copper abundance by the pXRF relative to the ICPMS but this did not appear to affect the relativity of anomalous samples.

Criteria	JORC Code explanation	Commentary
		  No quality control information is available for the historical drill holes.
Verification of sampling and assaying	*The verification of significant intersections by either independent or alternative company personnel.*	N/A
	The use of twinned holes.	N/A
	Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.	Primary data was collected for soil sample and rock chip samples using a paper sample sheet. The sampling data was entered into an excel spreadsheet. The information was then sent to a database consultant for validation and compilation into a SQL database.
	Discuss any adjustment to assay data.	No adjustments or calibrations were made to any assay data used in this report.
Location of data points	*Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource*	Historical drill hole 88.95.L was drilled on a local grid and conversion to grid system GDA94, zone 54 could have resulted in inaccuracy in the location. Aircore holes HAHA01 to HAHA54 collars would have

Criteria	JORC Code explanation	Commentary
	estimation.	been located using a GPS.
	Specification of the grid system used.	The grid system used is GDA94, zone 54.
	Quality and adequacy of topographic control.	The RL was recorded for each soil sample location from the GPS. Accuracy of the GPS is considered to be within 5m.
Data spacing and distribution	*Data spacing for reporting of Exploration Results.*	The soil spacing is prospect specific, refer to figures in text.
	Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.	N/A
	Whether sample compositing has been applied.	No sample compositing has been applied to the soil samples. Two metre composite samples were collected for historical drill hole 88.95.L. Three metre composite samples were collected for historical drill holes HAHA01 to HAHA54.
Orientation of data in relation to geological structure	*Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.*	The soil sampling grid is approximately perpendicular to the strike of the lithological and structural boundaries.
	If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.	Historical drill hole 88.95.L. was orientated at -60^0 towards magnetic azimuth 77.5^0 , which is approximately perpendicular to the dip and strike of lithology. Historical drill holes HAHA01 to HAHA54 were drilled vertically.
Sample security	*The measures taken to ensure sample security.*	The brown paper geochem sample bags containing the sieved soil samples were enclosed in a waterproof RC sample bag and packaged in a cardboard box for despatch by TNT Transport by Stavely Minerals' personnel. The samples were delivered to ALS in Brisbane, Queensland. The rock chip samples in numbered calico sample bags were packaged in a cardboard box and despatched by TNT Transport by Stavely Minerals' personnel. The samples were delivered to ALS in Orange, NSW for sample preparation. Subsequently the samples were sent to ALS in Brisbane, Queensland for analysis.
Audits or reviews	*The results of any audits or reviews of sampling techniques and data.*	No audits or reviews of the data management system has been carried out.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	*Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.*	The soil sampling and rock chip sampling was conducted in the Ararat Project, comprising EL4758 and EL3019. The Ararat Project was purchased by Stavely Minerals (formerly Northern Platinum) from BCD Resources Limited in May 2013. Stavely Minerals hold 100% ownership of the Ararat Project Tenements. Apart from a small area which overlaps the Ararat Hills Regional Park (not an area of interest for exploration at this stage) the tenements are on freehold land and are not subject to native title claim.
	The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.	A retention licence – RL2020 was applied for over an area of interest, including the Mt Ararat, Carroll's and Cathcart Hill Prospects on EL4758 and EL3019 in June 2014. The tenements are in good standing and no known impediments exist.
Exploration done by other parties	*Acknowledgment and appraisal of exploration by other parties.*	**Cathcart Hill Prospect** Pennzoil of Australia Ltd held the tenement which covers the Cathcart Hills prospect between 1973 and 1983. In 1977, Hole 88.95.L was drilled by Pennzoil in the vicinity of the Cathcart Prospect to a depth of 50.30m to test a strong MIP chargeability anomaly. The hole intersected a sequence of graphitic quartz biotite schist showing strong limonite development at 31.1m extending for 19m. The hole intersected 2m @ 5.0 g/t Au from 43m. EL1224 which covered the Cathcart Hill Prospect was acquired by Centaur Mining and Exploration on 12 August 1983. In 1993, Centaur planned drilling around the hole drilled (DDH_88.95L) by Pennzoil in 1977 which returned 2m @ 5.0 g/t Au. Five RC holes (A93-25,26,27,28,29) where drilled in this area referred to as Area 3 - William's Paddock (Line 3400 N and 3440 N). No anomalous results were returned from this drill program. In 1996, Centaur Mining and Exploration Limited conducted aircore drilling in the vicinity of Cathcart Hill (HAHA01 to HAHA54). Primary and alluvial mineralisation was identified. Three mineralised intervals totalling 500m width were identified. They had discrete boundaries with barren ground to their sides, and are characterised by anomalous gold, sulphides quartz veining and chlorite alteration. Significant results are given below:- 6 m @ 0.52 g/t Au from 21m in HAHA16 3 m @ 0.51 g/t Au from 9m in HAHA19 Drill holes HAHA10, HAHA11 and HAHA12 are anomalous in As, recording +1000ppm As for the entire

Criteria	JORC Code explanation	Commentary
		hole. Previous exploration is considered to be of good quality.
Geology	*Deposit type, geological setting and style of mineralisation.*	**Cathcart Hill Prospect** The gold mineralisation at Cathcart Hill is considered to be analogous to the mineralisation at the Stawell Gold Mine. The host lithologies to the Stawell Gold Mine are analogous to the lithologies in the Cathcart Hill area with the local Carroll's Amphibolite considered to be the metamorphosed equivalent to the Magdala Basalt at the Stawell Gold Mine. The Mt Ararat Granite which intrudes the Carroll's Amphibolite is contemporaneous with and of similar composition to the Stawell Granite which likewise intrudes the Magdala Basalt. The Stawell mineralisation is strongly associated with arsenopyrite. Strong arsenic anomalism has been observed at the Carthcart Hill Prospect. The Stawell Goldfield has produced over 6 million ounces of historic and modern gold production with the modern Stawell Gold Mine having been in continuous operation since the mid 1980's and having produced in excess of 2 million ounces of gold.
Drill hole Information	*A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* o *easting and northing of the drill hole collar* o *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* o *dip and azimuth of the hole* o *down hole length and interception depth* o *hole length.*	Data for the historical drill holes is provided in the plans in the body of text.
	If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.	N/A
Data aggregation methods	*In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually*	N/A

Criteria	JORC Code explanation	Commentary
	Material and should be stated.	
	Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.	N/A
	The assumptions used for any reporting of metal equivalent values should be clearly stated	No metal equivalent values are used for reporting exploration results.
Relationship between mineralisation widths and intercept lengths	*These relationships are particularly important in the reporting of Exploration Results.* *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.*	N/A
	If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').	The true width for the intercept in historical drill hole DDH_88.95L is not known.
Diagrams	*Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	Refer to Figures in body of text. A plan view of the soil sample and rock chip locations is included.
Balanced reporting	*Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	Anomalous thresholds are shown in the attached plans.
Other substantive exploration data	*Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment;*	All relevant exploration data is shown on figures and discussed in the text.

Criteria	JORC Code explanation	Commentary
	metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.	
Further work	*The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	The current soil sample grid will be extended in both directions as the anomaly remains open both to the north and south and a traverse of RC drilling is being planned.