



ASX Code: SVY

Issued Shares: 87.1M

Cash Balance: \$1.94M

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

W: stavelly.com.au

HIGHLIGHTS

Exploration

- High-grade gold mineralisation intercepted at the **White Lead Gold Prospect** including:
 - 2m at 6.43 g/t gold, including
 - 1m at 11.3 g/t gold; and
 - 2m at 1.04 g/t gold
- Significant copper mineralisation intercepted at the **Mt Ararat VMS deposit** including:
 - 2m at 4.25% copper and 1.15% zinc, including:
 - 1m at 5.91% copper and 1.3% zinc, and
 - 3m at 1.77% copper and 0.59% zinc, including
 - 1m at 4.45% copper and 0.66% zinc
- 800m long arsenic and chromium with coincident gold soil geochemistry anomaly consistent with a 'Stawell-style' gold system, and rock chips to 0.8 g/t gold at **Cathcart Hill**.
- Rock-chip results of up to 5.57 g/t gold and 1.2km long arsenic, copper, lead and chromium soil anomaly consistent with a 'Stawell-style' gold system identified at **White Lead**.
- Soil geochemistry has defined a 1.5km long and up to 500m wide zinc, copper, lead and chromium anomaly at **Carroll's Base Metal Prospect**, and very high-grade rock-chip results, including:
 - 24.0% copper, 1.1% zinc and 0.52 g/t gold
 - 10.8% copper, 0.41% zinc and 1.54 g/t gold.
- Structural offset of the **Thursday's Gossan porphyry** target zone in a northerly direction indicated by multi-disciplinary evidence.

Corporate

- During the Quarter, the Company successfully raised \$1.4 million before costs through a share placement at 25 cents to sophisticated and institutional investors.
- Subsequent to the end of the Quarter, the Company raised a further \$1.58 million through a non-renounceable entitlement issue.
- \$1.94M cash on hand as at the 30 June 2015.

OVERVIEW

During the June Quarter, at the Ararat Project, Stavely Minerals conducted diamond drilling at the White Lead Gold Prospect (Figure 2). Results were received from the extensive geochemical soil sampling and rock chip sampling undertaken at the Cathcart Hill and White Lead Gold Prospects and the Carroll's Base Metal Prospect.

Highly encouraging results were received from the soil and rock-chip sampling conducted during the previous Quarter, with the identification of two new gold prospects, namely the Cathcart Hill and White Lead Gold Prospects. The Company believes that these new prospects could be the weathered surface expression of a possible 'Stawell-style' gold system. These gold prospects are located in the Cathcart Goldfield, which had very significant alluvial and 'deep lead' gold production in the 1850's and 1860's. The Cathcart area yielded a substantial proportion of the gold produced from the greater Ararat Goldfield, which had an estimated production in excess of 20 tonnes of gold (~640,000oz) but was not associated with any known hard-rock source.

Significant high-grade assay results were received from the three hole diamond drilling programme at the White Lead Gold Prospect, including gold intercepts of up to 11.3 g/t gold and zones of VMS copper mineralisation grading up to 5.91% copper. The drilling is considered to have been successful in confirming the structural orientations controlling the hard rock mineralisation adjacent to the historic Ararat Goldfield. Now that these structural controls are confirmed, Stavely Minerals' is in a position to target higher gold grades and wider zones of mineralisation where these structures transect favourable host stratigraphy.

To the north of the existing Mineral Resource at the Mt Ararat VMS deposit, recent soil sampling has defined a large zinc-copper geochemical anomaly that is 1.5km in strike (open to the north) with rock-chips of sub-cropping gossan returning 10.8% copper, 1.5 g/t gold and 0.4% zinc at the Carroll's Base Metal Prospect.

At the Stavely Project, the Company has taken a key step forward in its search for copper-gold porphyry mineralisation at the Thursday's Gossan Prospect, with a multi-disciplinary review of recent and historical exploration data confirming a new structural offset target location immediately north of the recent drilling. Since completing the three deep diamond drill holes at the Thursday's Gossan Prospect in late 2014, the following additional data has been acquired:

- Interpretive logging of the Company's drill holes in conjunction with re-logging of surviving historical drill holes, with the assistance of Corbett and Menzies Consulting Pty Ltd;

- Structural re-logging and interpretation with the assistance of Model Earth Pty Ltd;
- SWNIR spectrometry characterising the alteration mineralogy with data processing and analysis with the assistance of Dr Scott Halley of Mineral Mapping Pty Ltd; and
- Sulphur isotope analysis by both Geoscience Australia and Stavely Minerals through the Central Science Laboratory at the University of Tasmania.

The culmination of all this work is a compelling and coherent body of evidence indicating a low-angle structural offset to the Thursday's Gossan porphyry system. The majority (5 of 6) of kinematic indicators, the white mica SWNIR absorption feature distribution and sulphur isotope data distribution all provide supporting evidence that the porphyry 'core' has been offset to the north (and possibly to the east) below the low-angle structural zone.

At the recently purchased Yarram Park Project reprocessing of geophysical data has confirmed the presence of a coincident gravity low and magnetic high identified in the northern portion of EL5478, which is the classic geophysical signature for porphyry copper- gold mineralisation. IP geophysical surveys will be conducted during the upcoming Quarter in advance of planning drilling.

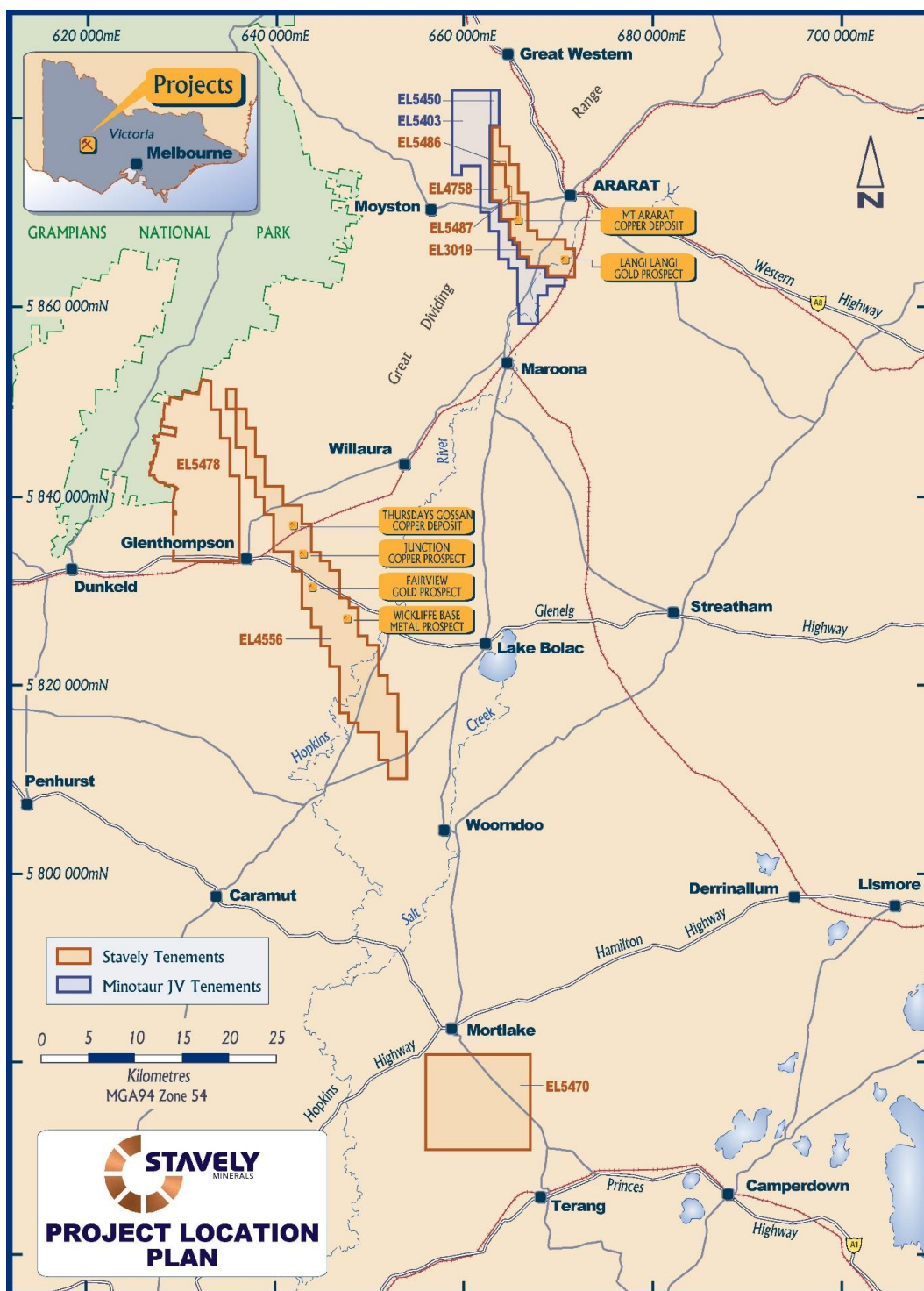


Figure 1. Project Location Plan.

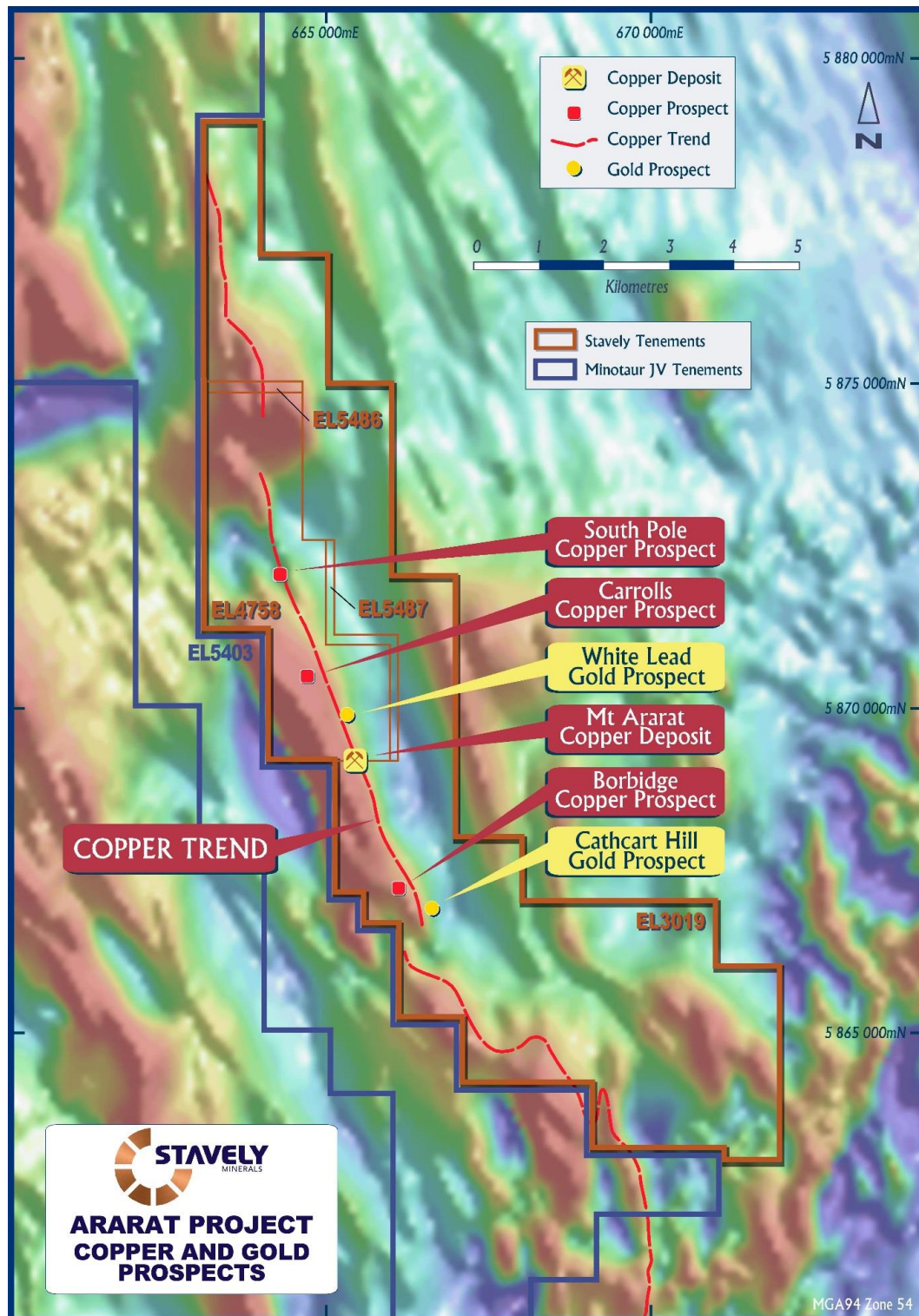


Figure 2. Ararat Project Copper and Gold Prospects.

EXPLORATION

Ararat Project (EL4758, EL3019 & EL5486)

White Lead Gold Prospect

Results have been received from the geochemical soil sampling conducted during the previous Quarter at the White Lead Gold 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 in the 1970’s was only assayed for copper and zinc.

The Niton® results show a coincident arsenic, chromium, lead and copper soil sample anomaly (Figure 3 and Figure 8), all confirmed by selected duplicate analysis by aqua-regia digestion and ICPMS determination anomalism. The surficial geochemical signature is very similar to that described at the Stawell Gold Deposit. The anomaly extends over 1.2km in strike, and remains open to the north and south.

Rock-chip sampling of surficial float has returned gold anomalous results of up to 5.57 g/t gold.

There are numerous shallow historic gold workings commencing along the White Lead gold trend and progressing downhill from there into palaeo-alluvial gravels. The White Lead area is part of the Cathcart Goldfield, where alluvial gold was first discovered at Pinky Point in 1854 and at White Lead in 1855.

During the Quarter three diamond holes (SADD001 – SADD003) were drilled for a total of 603.5m targeting the structures controlling hard-rock mineralisation at the White Lead Gold Prospect (Figure 3) .

The drilling returned significant gold assay results including:

- 2 metres at 6.43 g/t gold from 76 metres in SADD001 including
 - 1 metre at 11.3 g/t gold, and
- 2 metres at 1.04 g/t gold from 122 metres in SADD001

While these intercepts are narrow, the high grade of 1m at 11.3 g/t gold is very encouraging. The host units are not considered particularly favourable for well-developed gold mineralisation.

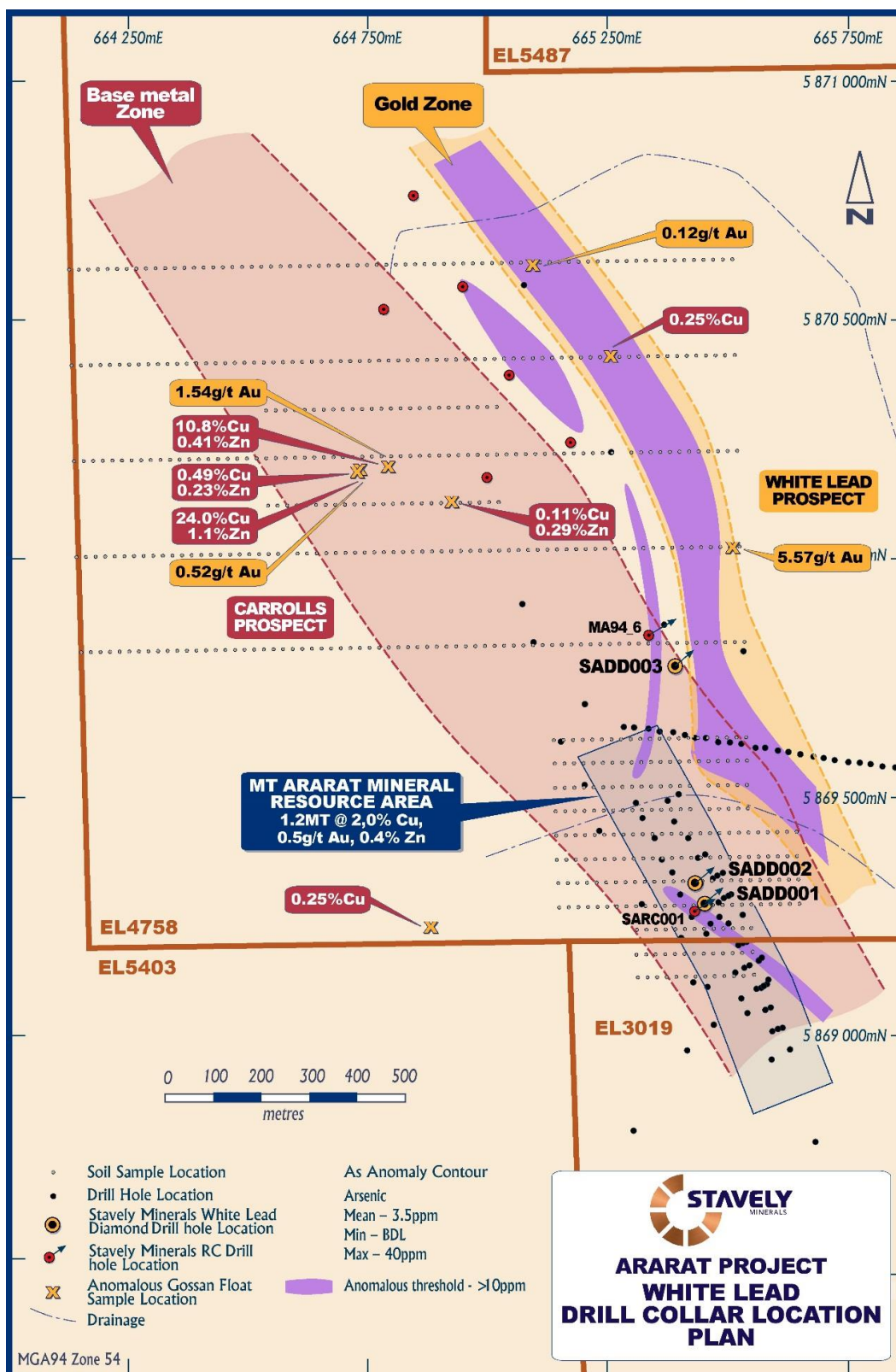


Figure 3. White Lead Gold Prospect Drill Hole Location Plan with Arsenic Geochemical Soil Anomaly.

The understanding of the structural controls on mineralisation in this area is important and allows the Company to target zones of greater width and higher grades where these structures are predicted to traverse more favourable host rocks in the sequence. In

particular, units with high free iron available for reaction with the gold-bearing fluids emanating up these structures are considered to be a very attractive target. With this relationship in mind, recent mapping has identified the Carroll's Amphibolite with abundant magnetite (a potentially reactive iron oxide) and a very large highly magnetic feature noted at depth in this area – which represents a priority target area for follow-up drilling.

From the recent diamond drilling, it is apparent that gold mineralisation in drill holes SADD001 and SADD002 are from narrow 'flat' structures dipping 40-50 degrees to the east but likely emanating as 'horse-tails' from steeper shear zones dipping more steeply at around 70 degrees to the west as drilled in SADD003 (Figure 4).

The conceptual geological model for the VMS copper-gold-zinc mineralisation and the later structurally controlled gold mineralisation is illustrated in Figure 5.

In the case of SADD003, these steeply west-dipping structures manifest as gold mineralised shear zones intercepted either side of a late rhyolite dyke indicating that the gold mineralisation used the same structures as the earlier rhyolite dykes (Figure 6).

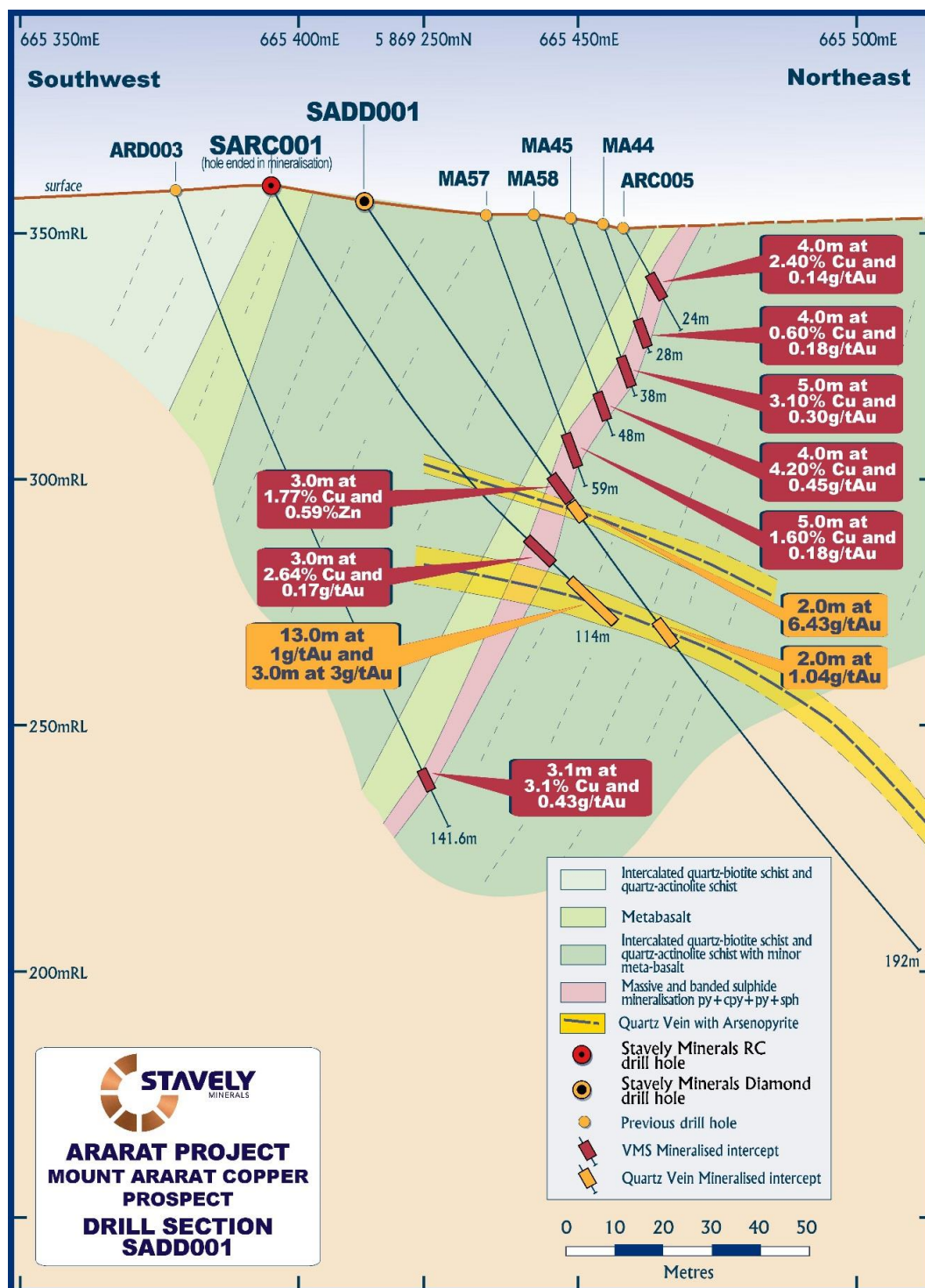


Figure 4. White Lead and Mt Ararat Prospects Drill Section SADD001.

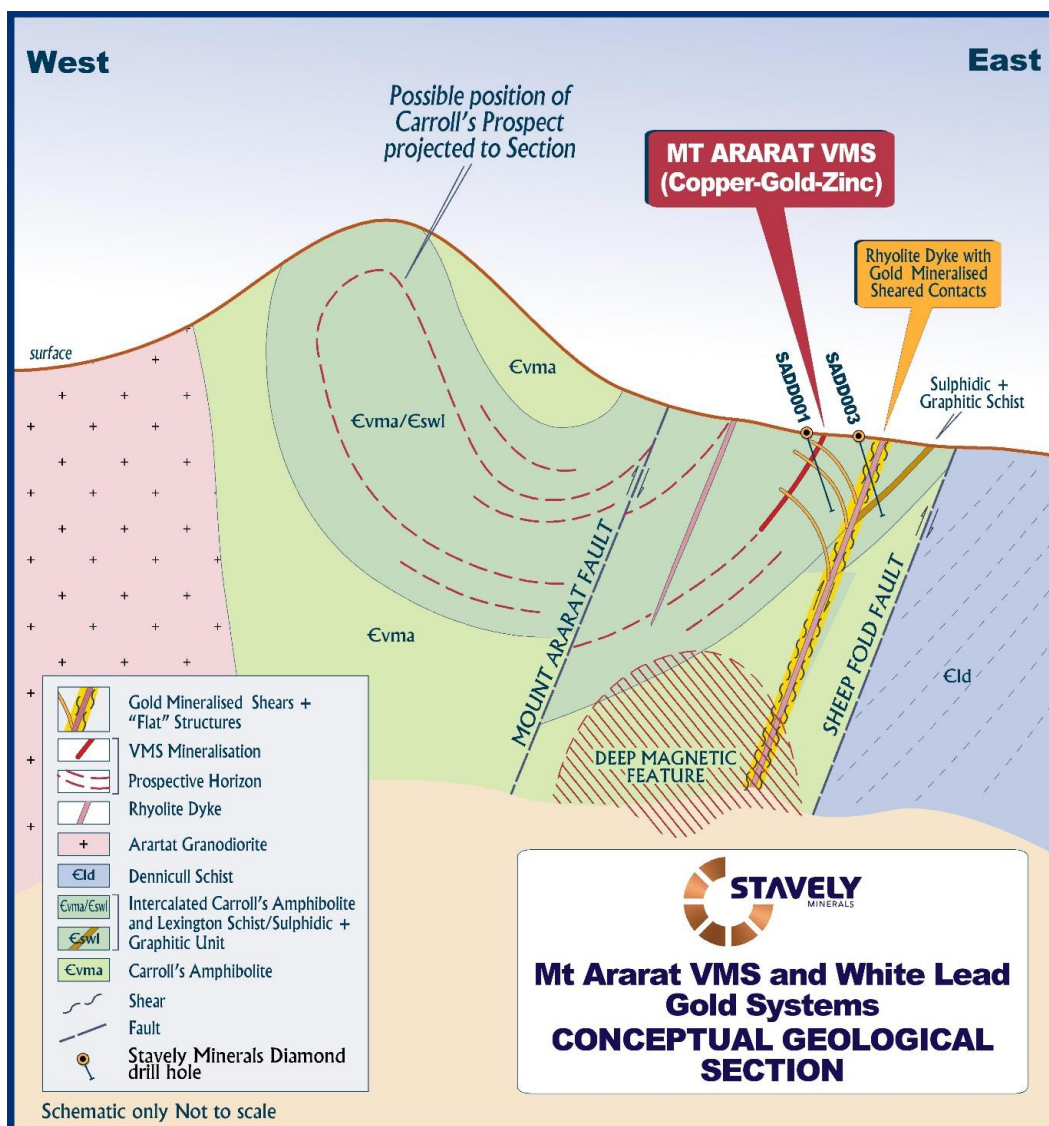


Figure 5. Mt Ararat VMS and White Lead Gold Systems Conceptual Geological Section.

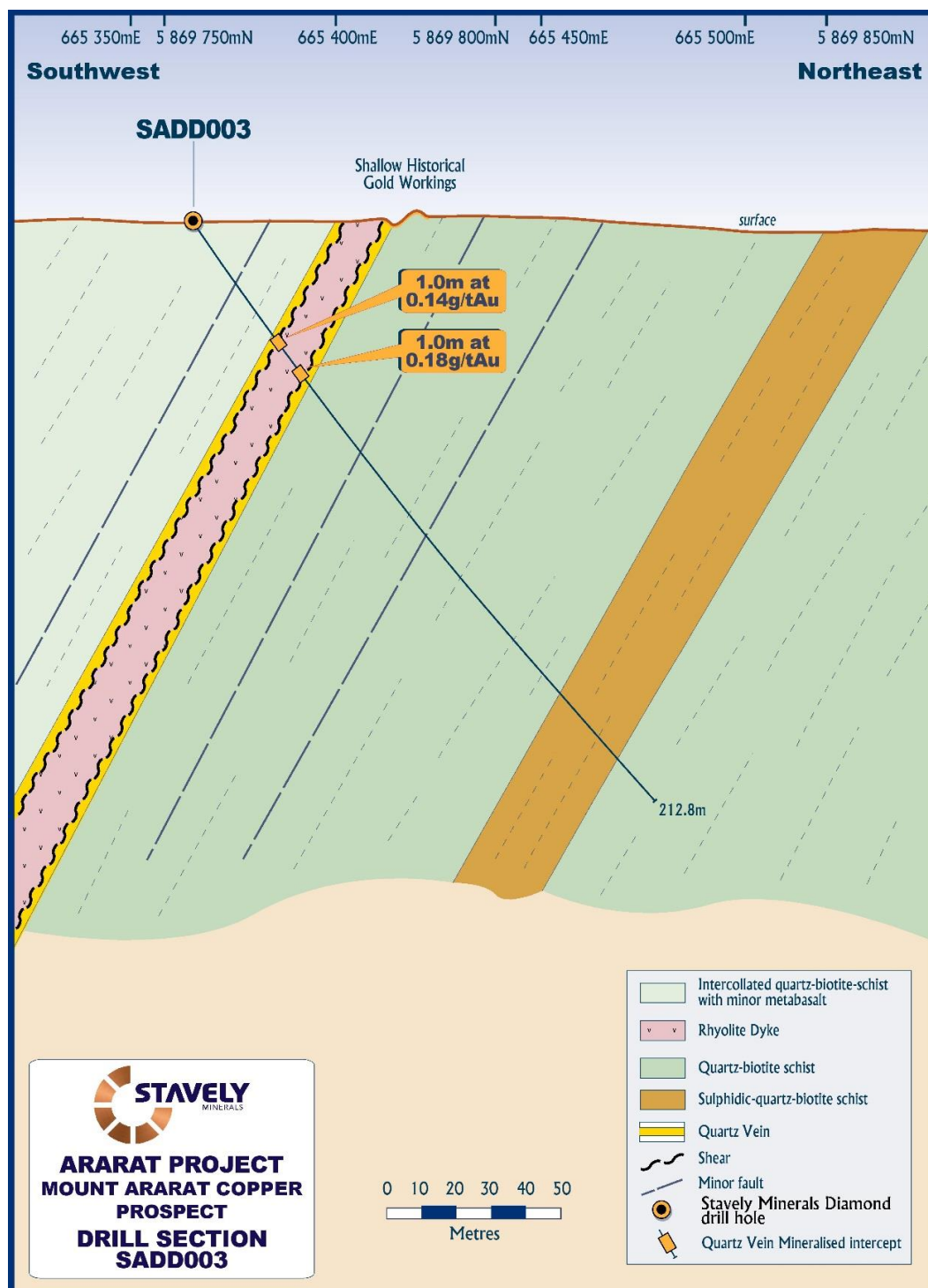


Figure 6. White Lead Gold Prospect Drill Section SADD003.

Mount Ararat VMS Deposit

Diamond drill holes SADD001 and SADD002 passed through the existing Mt Ararat VMS copper, gold and zinc deposit on the way to testing the gold mineralised structures (Figure 4). Base metals intercepts received from these drill holes include:

- 2m at 4.25% copper and 1.15% zinc from 62m depth in SADD002, including
 - 1m at 5.91% copper and 1.3% zinc; and
- 3m at 1.77% copper and 0.59% zinc from 74m depth in SADD001, including
 - 1m at 4.45% copper and 0.66% zinc

While these zones were not the primary target being tested by the drilling programme, the grades are consistent with those of the known VMS deposit (Inferred Mineral Resource of 1.2Mt at 2.0% copper, 0.5 g/t gold, 0.4% zinc and 6 g/t silver) and provide further encouragement as to the prospectivity of the Ararat Project to host significant VMS mineralisation.

Carroll's Base Metal Prospect

During the Quarter results were received for the geochemical soil sampling and rock-chip sampling conducted during the previous Quarter. Sampling was conducted to target copper mineralisation to the west of Pennzoil historical soil sampling, where gossanous float has been observed in the field and to obtain samples to assay for gold in the vicinity of historical gold working in areas where the Pennzoil sampling was only assayed for copper and zinc.

The Niton® results show coincident zinc, copper and chromium and a slightly offset lead soil sample anomalies, all confirmed by duplicate analysis by aqua-regia digestion and ICPMS determination anomalism. The anomaly extends over a strike length of 1.5km, is up to 500m wide and remains open to the north and south. Rock-chip sampling of sub-cropping mineralisation has returned very strong assay results including:

- 10.8% copper, 0.41% zinc and 1.54 g/t gold

Rock-chip sampling of copper mineralised float returned extremely high assay results including:

- 24.0% copper, 1.1% zinc and 0.52 g/t gold

These results from the Carroll's Base Metal Prospect demonstrate an 'orders of magnitude' spatially larger zinc-copper anomaly than that at the Company's existing Mt Ararat copper-gold-zinc deposit which has a current Inferred Mineral Resource estimate of 1.2Mt at 2.0% copper, 0.5 g/t gold, 0.4% zinc and 6 g/t silver.

Soil sample zinc values are up to 597ppm zinc while the highest value over the Mt Ararat VMS deposit was 292ppm zinc (Figure 7). The maximum copper result from the new Carroll's Base Metal Prospect was 182ppm while the highest value over the Mt Ararat VMS deposit was 392ppm copper (Figure 8). In the soil samples at least, the Carroll's Base Metal Prospect would appear to be more zinc-rich, notwithstanding the outstanding rock-chip copper grades.



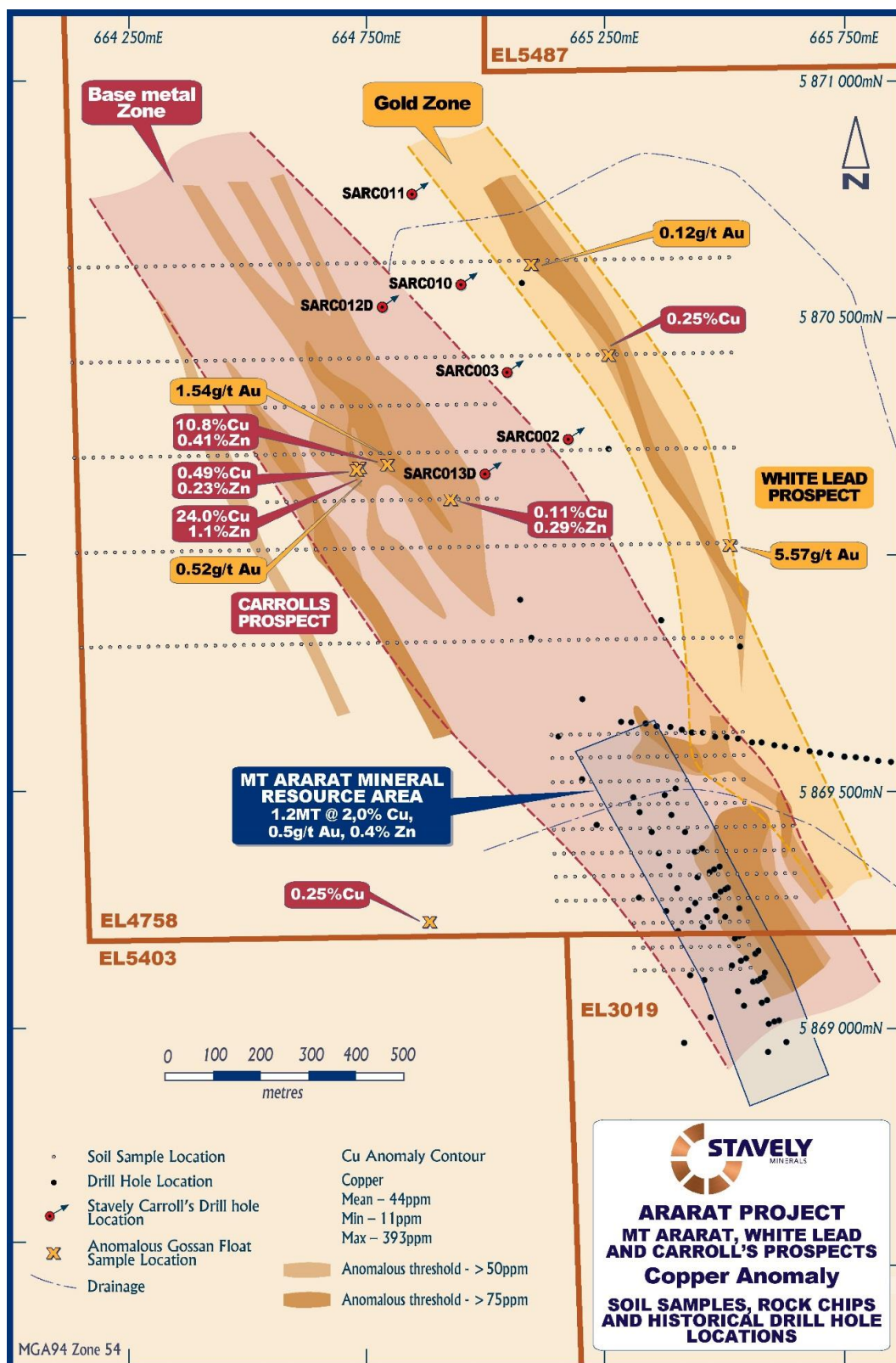


Figure 8. Mt Ararat, White Lead Gold and Carroll's Base Metal Prospects – Copper Anomaly.

Cathcart Hill Gold Prospect

Results have been received for the geochemical soil sampling conducted in the March Quarter to define a gold/ arsenic anomaly and potentially identify a drill target for primary gold mineralisation.

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 (Figure 9). The anomaly extends over 800 metres in strike and remains open to the north and south.

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, it was concluded that the air-core arsenic anomaly was the result of weathering of nearby gold-sulphide mineralisation and subsequent lateral dispersion in the weathering profile (Figure 10). As arsenic is more soluble and mobile than gold in this environment, the arsenic anomaly could be expected to travel much further and provide a spatially much larger anomaly than gold would.

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 5.0 g/t gold from 43m drill depth and is logged as a bedrock intercept.

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.

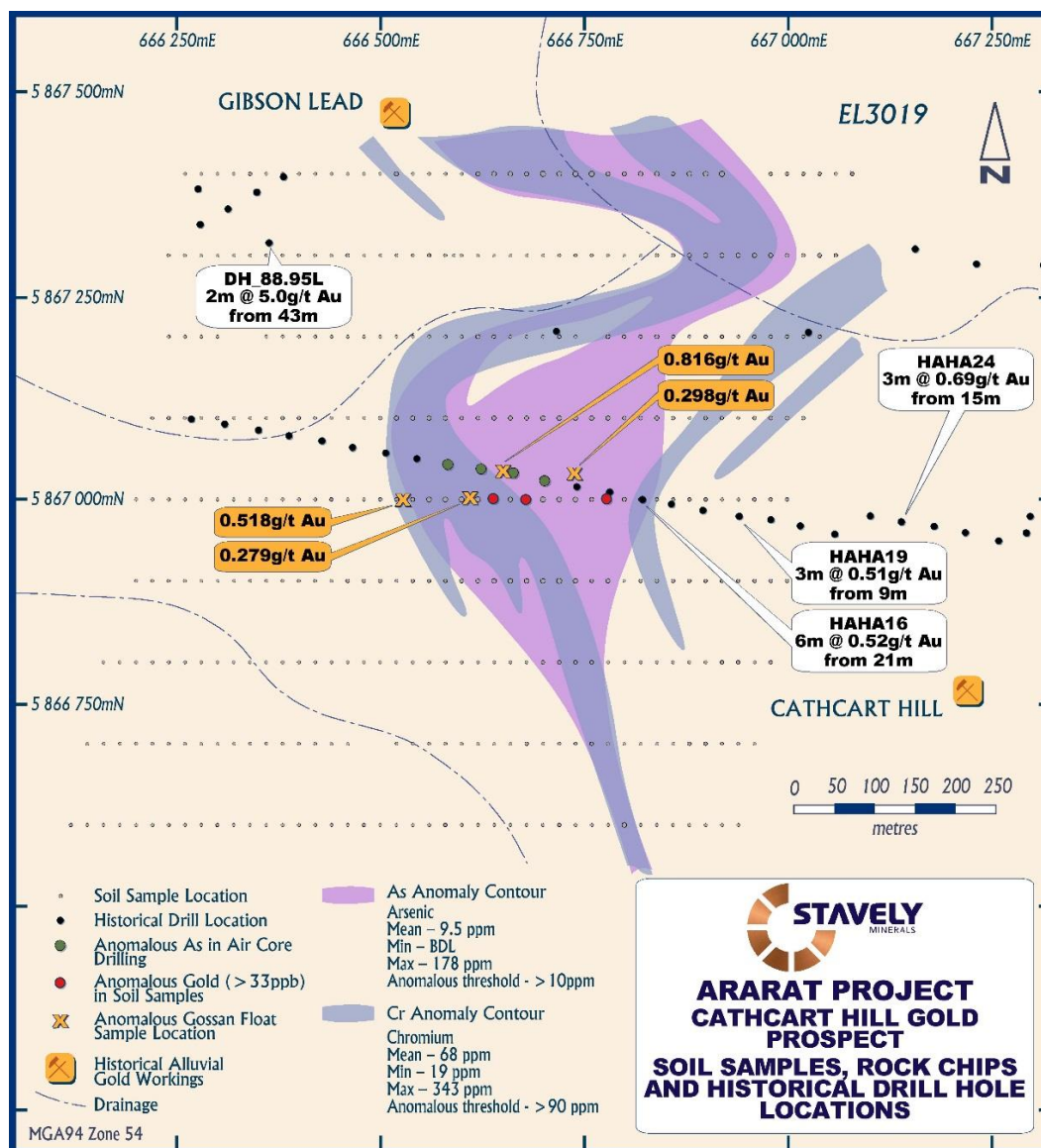


Figure 9. Cathcart Hill Gold Prospect – Soil Samples, Rock Chips and Historical Drill Hole Locations.

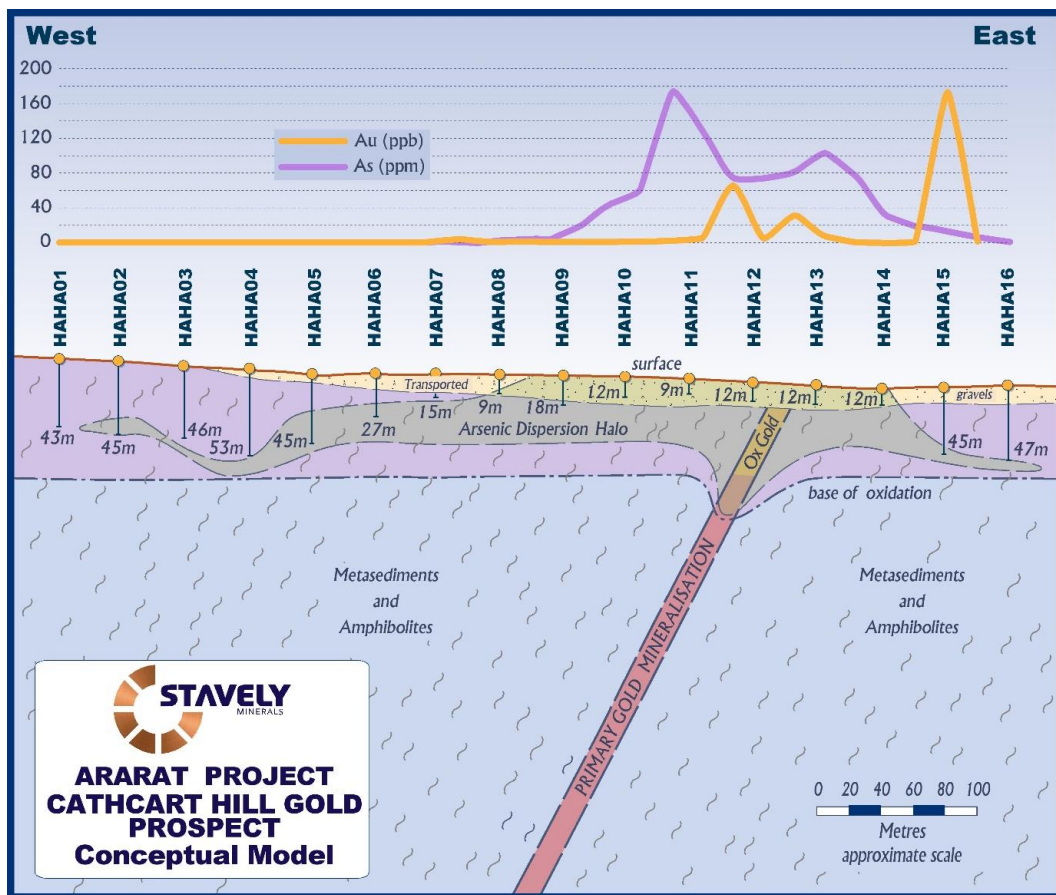


Figure 10. Cathcart Hill Gold Prospect – Conceptual Model.

Stavely Project (EL4556)

Thursday's Gossan Prospect

Multi-disciplinary analysis of drill core from the deep diamond holes completed by Stavely Minerals in 2014 indicates that this drilling was progressing towards the potassic 'core' of the porphyry system at the Thursday's Gossan Prospect before intersecting a low-angle structural zone, below which the character of the hydrothermal alteration demonstrated a marked change to a more distal position beneath the fault (Figure 11).

This marked change across the structural zone is supported by the near infra-red (NIR) wavelength absorption features of white micas displaying an abrupt transition from short wavelengths to longer wavelengths across the structure, particularly in drill hole SMD003 (Figure 12).

This abrupt transition is interpreted to reflect a proximal magmatic signature above the structural zone to a distal signature below the zone in SMD003.

In contrast, the white mica NIR absorption features below the structural zone indicate increasing proximity to a magmatic source to the north. These data support the structural movement interpretation.

In addition, 23 sulphur isotope determinations taken from Stavely Minerals' and previous explorers' diamond drill core broadly support this interpretation of increasing proximity to a porphyry magmatic source.

Above the low-angle fault structure, the sulphide isotope indications were of increasing proximity to the porphyry source to the south; whereas below the structure, the indications from the sulphur isotopes are that the porphyry source has been transposed from south to north.

The sulphur isotope values observed at Thursday's Gossan are consistent with those observed at the Goonumbla (North Parkes) and Cadia Valley porphyry copper-gold systems in central New South Wales and also porphyry copper-gold deposits in British Columbia such as Mt Polley, Red Chris and Afton.

All of these deposits are considered to be alkalic copper-gold porphyry systems which, while typically smaller spatially than calc-alkalic porphyries, are attractive exploration targets because they characteristically have higher grades, especially for gold.

Structural logging and interpretation by structural experts Model Earth Pty Ltd has confirmed the low-angle structural offset interpretation and has identified kinematic

indicators of a strike-slip movement of the block below the structural zone being offset to the north.

The three independent disciplines of kinematic indicators, white mica NIR absorption features and sulphur isotope data are in broad agreement that the lower block below the structure has been moved to the north. Geophysical induced polarisation (IP) survey coverage was extended to the north and east to identify potential zones of disseminated sulphide mineralisation below the structural zone in those areas. New chargeability anomalies have been identified by these surveys and, with minor additional geophysical work to refine targets, will need to be drill tested.

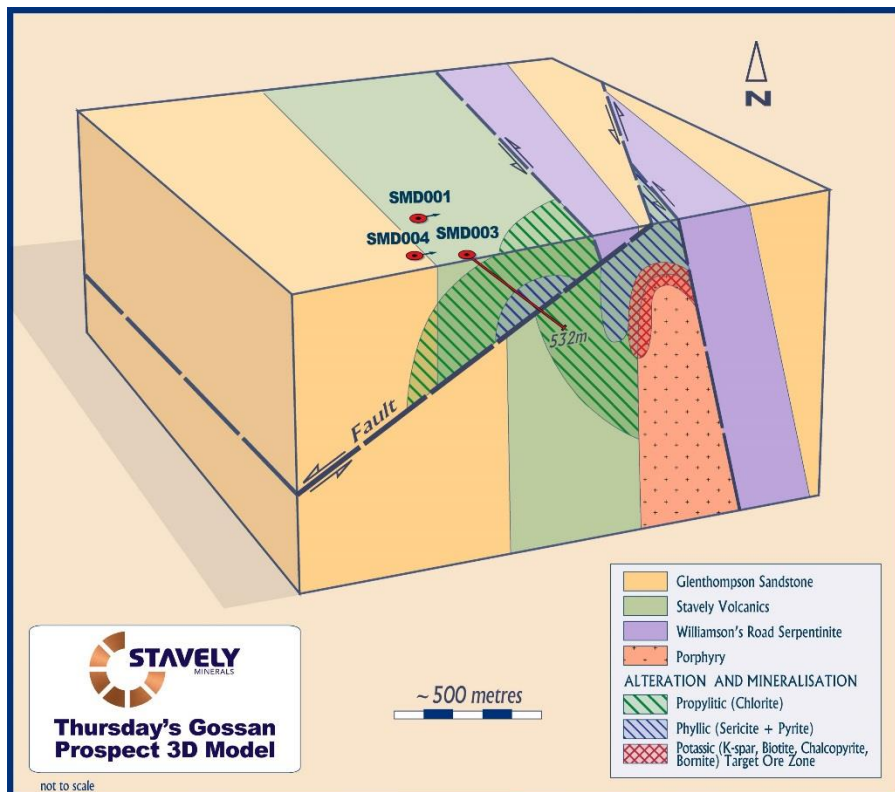


Figure 11. Thursday's Gossan Prospect.

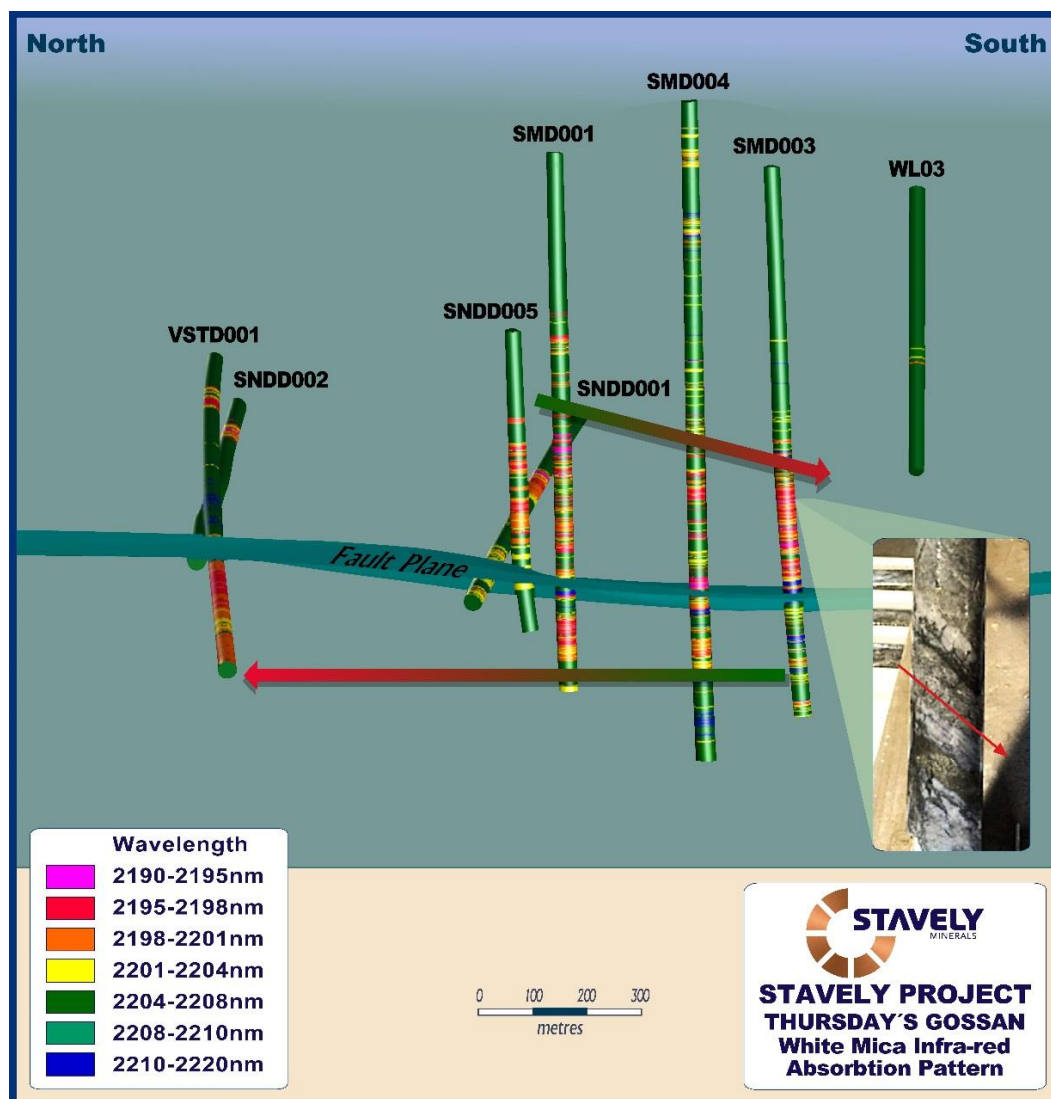


Figure 12. Thursday's Gossan White Mica Infra-red Absorption Pattern.

Yarram Park Project (EL5478)

The Yarram Park Project covers an interpreted offset of the Mount Stavelly Volcanic Belt. Reprocessing of the geophysical data during the Quarter has confirmed a coincident gravity low and magnetic high in the northern portion of the project, the classic geophysical signature for a porphyry intrusion. Mineralisation in porphyry copper- gold deposits is commonly associated with magnetite that can produce strong discrete magnetic anomalies. Porphyry intrusions are commonly less dense than the surrounding country rocks and produce a gravity low.

Planned Exploration

Ararat Project (EL4758, EL3019 & EL5486)

Planned exploration for the September 2015 Quarter includes geophysical induced polarisation (IP) surveys at the Cathcart Hill Gold Prospect, White Lead Gold Prospect and at the Carroll's Base Metal Prospect. Planning of drill holes at the two gold and one base metal prospects will be undertaken following the processing of the IP data.

The current soil sample grids will be extended once the ground dries out after the winter rains.

A ground gravity survey has been planned on Stavely Minerals' Ararat tenements and the Minotaur Exploration JV tenements EL5403 and EL5450.

Stavely Project (EL4556)

Additional IP will be conducted during the upcoming Quarter in advance of diamond drill hole planning at the Thursday's Gossan porphyry target.

Yarram Park Project (EL5478)

During the September 2015 Quarter ground IP will be conducted over a coincident gravity low and magnetic high identified in the northern portion of EL5478. Drill hole planning will be finalised on completion of the geophysical survey.

CORPORATE

Stavely Minerals had a total of \$1.94M cash on hand at the end of the June 2015 Quarter.

In June 2015, the Company successfully raised \$1.4 million before costs through a share placement at 25 cents per share with a 1 for 2 free attaching option (exercisable at 30 cents and expiring 30 June 2016) to sophisticated and institutional investors.

Subsequent to the Quarter, a further \$1.58 million was raised through a 1-for-10 non-renounceable entitlement issue, also at 25 cents with a 1 for 2 free attaching option (exercisable at 30 cents per share and expiring 30 June 2016).

The funds raised will be used to underpin the next phase of exploration and evaluation of the Thursday's Gossan porphyry copper target at the Stavely Project and to undertake further drilling at both an emerging 'Stawell-style' gold prospect and a VMS-style copper-gold-zinc deposit at the Ararat Project.

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

13 - 14 May RIU Sydney Resources Round-up.

ANNOUNCEMENTS

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

- 16/07/2015 - Non-Renounceable Entitlement Issue Notification of Shortfall
- 10/07/2015 - Rights Issue to Close on Monday 13 July 2015
- 06/07/2015 - Completion of Entitlement and Acceptance Form
- 06/07/2015 - Significant High-Grade Gold & VMS Copper Intersects
- 01/07/2015 - Rights Offer Opens and Prospectus Despatched
- 30/06/2015 - Investor Presentations Upcoming and Video
- 26/06/2015 - Rights Issue Presentation
- 24/06/2015 - Letter to Shareholders – Entitlements Issue
- 22/06/2015 - Entitlements Issue Prospectus
- 22/06/2015 - \$1.4M Placement & \$2M Rights Issue to Fast-Track Exploration
- 18/06/2015 - Roadshow Presentation
- 18/05/2015 - Trading Halt
- 14/05/2015 - RIU Resources Round-up Presentation
- 12/05/2015 - New Structural Offset to Thursdays Gossan Porphyry Target
- 08/05/2015 - Two New Gold and Base Metal Prospects at Ararat
- 29/04/2015 - Exciting Gold Prospect at Cathcart Hill
- 10/04/2015 - Tenement Acquisition and New Joint Venture

Tenement Portfolio - Victoria

The tenements held by Stavely Minerals Limited as at 30 June 2015 are as follows:

Area Name	Tenement	Grant Date/ (Application Date)	Size (Km ²)
Mt Ararat	EL 3019	21 December 1989	42
Ararat	EL 4758	29 January 2004	12
Stavely	EL 4556	5 April 2001	139
Stavely	EL5478	26 July 2013	132
Mortlake	EL 5470	17 June 2013	110
Glenthompson	EL 5471	Surrendered	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 2020	(12 June 2014)	28
Stavely	RLA 2017	(20 May 2014)	139
Ararat	EL 5403	25 January 2012	68
Ararat	EL5450	21 February 2013	4

During the Quarter a reduction of the original licence area of Mortlake tenement EL5470 was undertaken in accordance with section 38A of the Mineral Resources (Sustainable Development) Act on the second anniversary of its initial grant.

Following a detailed review of the exploration potential of EL5471 a decision was made to surrender the tenement.



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.