Encouraging Results from Initial Drilling at Forgan's Find VMS Prospect, Ararat Project

First drill hole intersects sulphides potentially on the edge of a larger mineralised system

Highlights

- **Recent diamond drilling at the Forgan's Find VMS prospect (Ararat Project) returns narrow intervals of massive to stringer sulphide zinc and copper mineralisation, including:**
    - **0.2 metres at 1.77% zinc and 0.12% copper**
    - **0.25 metres at 0.57% zinc and 0.13% copper**
    - **0.25 metres at 0.41% zinc**
- **The higher zinc-to-copper values seen at Forgan's Find compared to the nearby Mt Ararat copper-gold-zinc VMS deposit (1.3Mt at 2% copper, 0.5 g/t gold and 0.4% zinc) suggests a more distal setting for these results at Forgan's Find**
- **Down-hole EM proposed to identify thicker, better developed mineralisation in a more copper and gold-rich central core**
- **Soil sampling programmes well advanced along 13km extension to the prospective VMS horizon – and will also assist in targeting gold mineralisation**

Stavely Minerals Limited (ASX Code: **SVY** – "Stavely Minerals") is pleased to advise that it has received assay results for an initial limited programme of diamond drilling completed recently at the Carroll's and Forgan's Find VMS prospects, part of its 100%-owned Ararat Project (Figures 1 and 2).

Narrow intervals of massive to stringer sulphides have been intersected in two diamond drill holes at the Carroll's and Forgan's Find VMS prospects. Drill sections are presented in Figures 3 and 4. Results include:

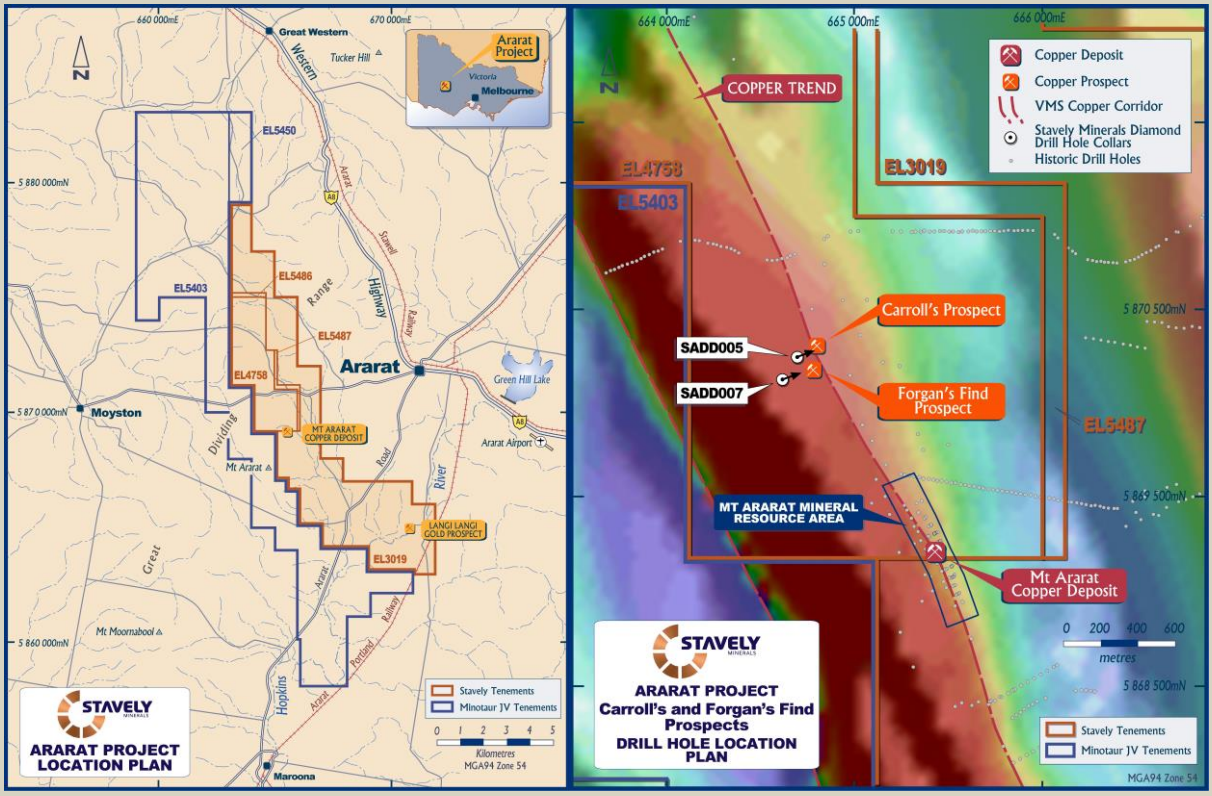
- **0.2 metres at 1.77% zinc and 0.12% copper**
- **0.25 metres at 0.57% zinc and 0.13% copper**
- **0.25 metres at 0.41% zinc**

Full results are presented in Table 1.

While the intervals of sulphide mineralisation are relatively narrow (Photo 1), it is expected that this more zinc-rich mineralisation reflects a distal mineralised position relative to the Mt Ararat VMS deposit (Inferred Mineral Resources of 1.3Mt at 2.0% copper, 0.5 g/t gold and 0.4% zinc – see Stavely Minerals' 2015 Annual Report). The Company proposes to utilise down-hole geophysical methods in order to identify potential off-hole conductive responses which may indicate the presence of a better developed, wider and more copper and gold-rich central core.

The confirmed occurrence of massive to stringer sulphides at the Forgan's Find and Carroll's prospects, in addition to the Mt Ararat VMS deposit confirms the potential for multiple occurrences of VMS –style mineralisation within the favourable exhalative horizon extending some 23 kilometres in Stavely Minerals' owned and managed tenure and reinforces the Company's conviction that additional discovery opportunities exist within this belt.

Regional soil geochemical programmes along a 13km long portion of the favourable VMS mineralised horizon at the Ararat Project are approximately 60% complete. These surface geochemical programmes have also been designed to cover areas of historical hard-rock gold mining operations and will also assist with the future drill targeting of gold mineralisation.



Figures 1 & 2. Project location map and prospect / drill hole location map.

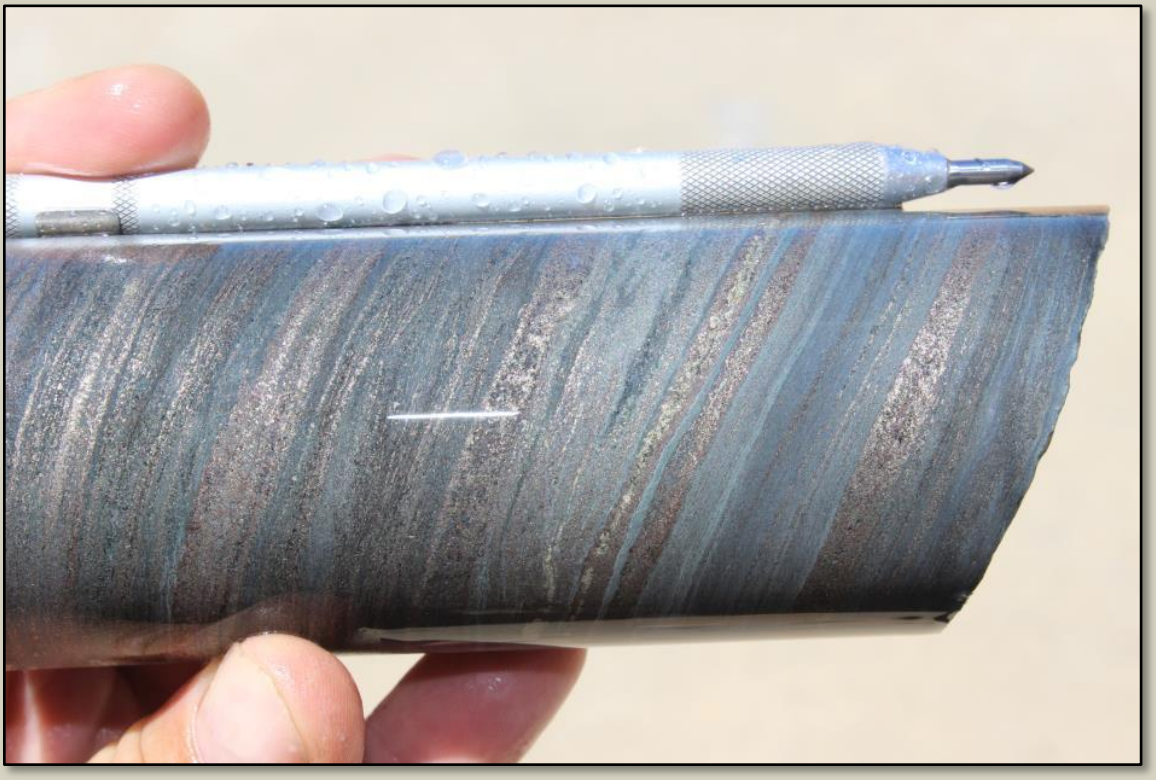


Photo 1. Narrow bands of sphalerite (reddish brown – zinc sulphide) and pyrrhotite (brassy – iron sulphide) and minor chalcopyrite (yellow – copper sulphide) from 194.5m in SADD007.

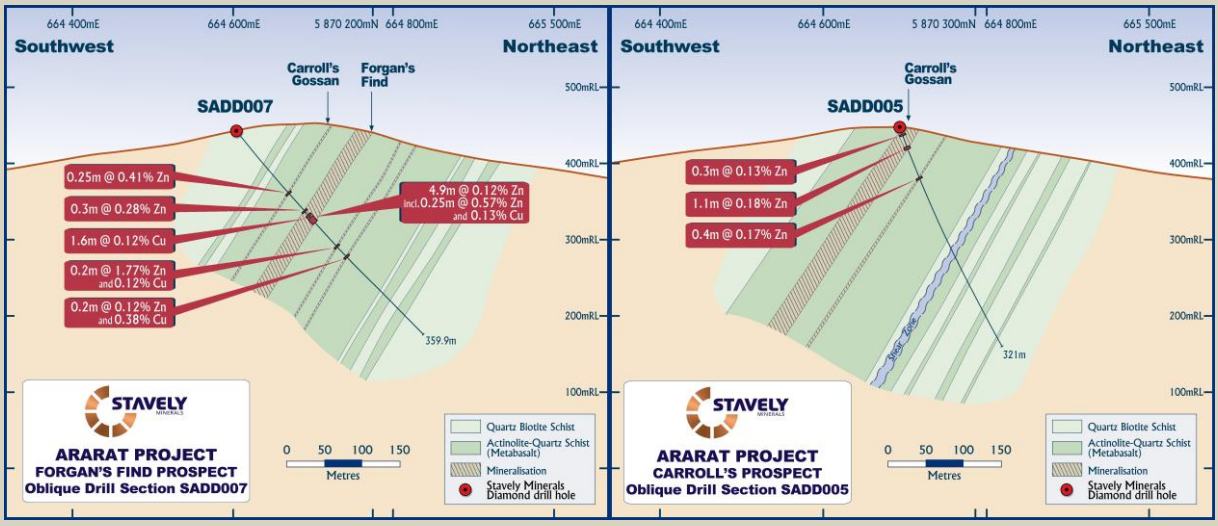


Figure 3 & 4. Drill section with SADD007 and SADD005.

Commenting on the results, Stavely's Managing Director, Mr Chris Cairns, said: "At Forgan's Find we have received some encouraging results from the first drill holes into this VMS prospect that we believe could represent the distal edge of a much larger system. The next step will be to use down-hole EM surveys to potentially vector into the thicker, better developed part of the system. Importantly, it does also confirm to us the potential for additional occurrences of VMS-style mineralisation yet to be discovered."

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.

For Further Information, please contact:

Stavely Minerals Limited

Phone: 08 9287 7630

Email: info@stavely.com.au

Media Inquiries:

Nicholas Read – Read Corporate

Phone: 08 9388 1474

Table 1. Drill hole significant assay results.

Ararat Project												
		MGA 94 zone 54					Intercept					
Hole id	Hole Type	East	North	Dip/ Azimuth	RL (m)	Total Depth (m)	From (m)	To (m)	Width (m)	Cu (%)	Ag (g/t)	Zn (%)
Carroll's Prospect												
SADD005	DD	664696	5870258	-70°/055	449	321.0	0.00	1.00	1.00		12.20	
							8.80	9.10	0.30			0.13
							28.30	29.40	1.10			0.18
							70.70	71.10	0.40			0.17
Forgan's Find Prospect												
SADD007	DD	664610	5870134	-70°/055	436	359.9	99.40	99.65	0.25			0.41
							131.70	132.00	0.30			0.28
							135.40	137.00	1.60	0.12		
							146.35	151.25	4.90			0.12
						Incl.	146.35	146.60	0.25	0.13		0.57
							194.30	194.50	0.20	0.12	1.5	1.77
							216.45	216.65	0.20	0.38	1.3	0.12

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.*	**Diamond Drilling** Diamond drilling of hole SADD007 was used to produce drill core with a diameter of 63.5mm (HQ) from surface to 119m and then drill core with a diameter of 50.5mm (NQ) to 359.9 (eoh). SADD007 was orientated at -50° toward magnetic azimuth 060° to target the gossanous material at Forgan's Find. Diamond drilling of hole SADD005 was used to produce drill core with a diameter of 85mm (PQ) from surface to 26.4m and then 63.5mm (HQ) core to 99m and then drill core with a diameter of 50.5mm (NQ) to 321.0 (eoh). SADD005 was orientated at -60° toward magnetic azimuth 055° to target a chargeability anomaly coincident with high resistivity. **Resource Estimate** Resource estimate underpinned by diamond drilling (DD) and reverse circulation drilling (RC) drilling samples.
	Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or	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.

<table>
<tr><th>Criteria</th><th>JORC Code explanation</th><th>Commentary</th></tr>
<tr><td></td><td>systems used.</td><td>Examples of QC include (but are not limited to), daily workplace and equipment inspections, as well as drilling and sampling procedures.

Examples of QA include (but are not limited to), collection of drilling duplicates (“field duplicates”), the use of certified standards and blank samples.</td></tr>
<tr><td></td><td>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 problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.</td><td>Soil sampling techniques are considered industry standard for the Ararat work programmes.

Drill sampling techniques are considered industry standard for the Ararat work programmes.

Diamond Drilling
The visually identified mineralised intervals as well as 5m above and below the interval were sampled. In general one metre half core samples were submitted to the laboratory for analysis. However where mineralisation was observed the sampling was conducted of the specific interval, but no intervals less than 0.25m were sampled.

The diamond drill 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.

Diamond core samples were analysed by ME-ICP61 – a multi acid digestion with HF and ICPAES analysis and AA23 – fire assay with AAS finish.</td></tr>
<tr><td>Drilling techniques</td><td>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).</td><td>Diamond Drilling
Diamond drilling used PQ (85mm internal diameter), HQ (63.5mm internal diameter) and NQ (50.5mm internal diameter) drill bits. Diamond drilling was standard tube. Diamond core was orientated by the Reflex ACT III core orientation tool.

Resource Estimate
Drilling details for the Mount Ararat resource drill hole dataset

<table>
<tr><th rowspan="2">Company</th><th rowspan="2">Hole_Type</th><th colspan="2">Holes within Mt Ararat Prospect Area</th><th colspan="2">Holes intercepting Mt Ararat Mineralisation</th></tr>
<tr><th>Count</th><th>Average Total Depth (m)</th><th>Count</th><th>Average Total Depth (m)</th></tr>
<tr><td>Pennzoil</td><td>DD</td><td>19</td><td>221</td><td>11</td><td>211</td></tr>
<tr><td rowspan="2">Centaur</td><td>DD</td><td>21</td><td>96</td><td>14</td><td>48</td></tr>
<tr><td>RC</td><td>22</td><td>47</td><td>20</td><td>48</td></tr>
<tr><td rowspan="2">Beaconsfield</td><td>DD</td><td>4</td><td>121</td><td>4</td><td>121</td></tr>
<tr><td>RC</td><td>6</td><td>27</td><td>6</td><td>27</td></tr>
<tr><td rowspan="2">SVY</td><td>DD</td><td>3</td><td>201</td><td>2</td><td>195</td></tr>
<tr><td>RC</td><td>7</td><td>122</td><td>7</td><td>122</td></tr>
<tr><td colspan="2">Total</td><td>82</td><td>114</td><td>64</td><td>91</td></tr>
</table>
</td></tr>
<tr><td>Drill sample recovery</td><td>Method of recording and assessing core and chip sample recoveries and results assessed.</td><td>Diamond Drilling
Diamond core recovery for SADD007 and SADD005 was logged and recorded in the database. Recovery for the holes was good.

Resource Estimate
No detailed information or data:
Historic reports state that diamond holes had relatively low core recoveries, and RC drilling encountered water in the weathered and oxidized mineralised zone. Limited data</td></tr>
</table>

Criteria	JORC Code explanation	Commentary
		indicates that samples from this material will be significantly compromised by drilling and sampling conditions encountered.
	Measures taken to maximise sample recovery and ensure representative nature of the samples.	**Diamond Drilling** Diamond core is reconstructed into continuous runs on an angle iron cradle for orientation marking. Depths are checked against the depth given on the core blocks and rod counts are routinely carried out by the driller.
	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.	**Diamond Drilling** No analysis has been undertaken as yet regarding whether sample bias may have occurred due to preferential loss/gain of fine/coarse material and is not considered to have a material effect given the competent nature of the drill core.
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.*	**Diamond Drilling** Geological logging of samples following Company and industry common practice. Qualitative logging of samples including (but not limited to); lithology, mineralogy, alteration, veining and weathering. Diamond core logging included additional fields such as structure and geotechnical parameters. The quality of core from SADD007 and SADD005 was good and consequently the confidence in the orientations is high and structural measurements could be taken. **Resource Estimate** Lithological drill logs generated by workers but not utilised in generating resource estimate.
	Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.	**Diamond Drilling** All logging is quantitative, based on visual field estimates. Systematic photography of the diamond core in the wet and dry form was completed.
	The total length and percentage of the relevant intersections logged.	**Diamond Drilling** Detailed diamond core logging, with digital capture was conducted for 100% of the core by Stavely's on-site geologist at the Company's core shed near Glenthompson.
Sub-sampling techniques and sample preparation	*If core, whether cut or sawn and whether quarter, half or all core taken.*	**Resource Estimate** Pennzoil: Half-core samples were taken from core showing visible mineralisation. Centaur Mining: · MA24 to MA38: Half-core samples were taken from core showing visible mineralisation. Sample reduction process unknown. · MA39A to MA58: 130mm RC chips from drilling configuration utilising back-end cross-over sub to return sample. Sample collection by splitting (details unknown) and sample reduction process unknown. · M94_1 to M94_4: Half-core samples were taken from core showing visible mineralisation. Sample reduction process unknown. Beaconsfield Gold: · ARD001 to ARD004: diamond drilling – sampling method and reduction unknown. · ARC001 to ARC006: 84mm RC chips. Sample

Criteria	JORC Code explanation	Commentary
		collected by passing through 3 tiered riffle splitter. Sample reduction process unknown. Stavely Minerals: · SADD001 to SADD003: diamond drilling – ½ HQ core sampled by core saw. Crush-split and pulverise to 85% passing -75micon · SARC00[1,2,4 - 9]: RC drilling – cone splitter. Crush-split and pulverise to 85% passing -75micon
	If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.	
	For all sample types, the nature, quality and appropriateness of the sample preparation technique.	Company procedures were followed to ensure sub-sampling adequacy and consistency. These included (but were not limited to) daily work place inspections of sampling equipment and practices.
	Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.	**Diamond Drilling** Blanks and certified reference materials are submitted with the samples to the laboratory as part of the quality control procedures.
	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.	**Diamond Drilling** No second-half sampling has been conducted at this stage.
	Whether sample sizes are appropriate to the grain size of the material being sampled.	**Diamond Drilling** 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.*	**Diamond Drilling** The half core samples from the mineralised zone and 5 metres into both the foot and hanging wall and were analysed by multi-element 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 core 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

Criteria	JORC Code explanation	Commentary
		impurities (slag) and is placed in a cupel in a furnace at approximately 900°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 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. **Resource Estimate** Pennzoil: A base metal suite was assayed via AAS *(digestion not specified)* and Au was assayed via fire assay. Centaur Mining: · MA24 to MA38: A base metal suite was assayed via AAS *(digestion not specified)* and Au was assayed via fire assay. · MA39A to MA58: A base metal suite was assayed via AAS *(digestion not specified)* and Au was assayed via fire assay. · M94_1 to M94_4: A base metal suite was assayed 4 acid digest with AAS finish and Au was assayed via fire assay. Beaconsfield Gold: · ARD001 to ARD004: Assay Lab – Onsite Lab Services. Cu initially by method B101 - AR digest ICP finish. If higher than 5000ppm then A101 - Ore grade digest *(details unknown)* with AA finish. Au by PE01S - 25g Fire Assay. · ARC001 to ARC006: Assay Lab – Onsite Lab Services. Cu initially by method B101 - AR digest ICP finish. If higher than 5000ppm then A101 - Ore grade digest *(details unknown)* with AA finish. Au by PE01S - 25g Fire Assay. No quality control samples submitted with any historic routine samples Stavely Minerals: SADD00[1 – 3], SARC00[1,2,4 - 9]: Australian Laboratory Services, Orange. Cu, Ag and Zn by four acid digest (including HF), ICP-AES determination (ALS code ME-ICP61). Samples >1% Cu re-assayed by ore grade four acid digest, ICP-AES determination (ALS code ME-OG62). Au by 30g fire assay, AAS determination (ALS codes Au-AA23 and Au-AA25). Client and Laboratory QC data inserted with routine samples and establish acceptable reliability of assays.
	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.	

Criteria	JORC Code explanation	Commentary
	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.	**Diamond Drilling** Laboratory QAQC involved the submission of standards and blanks. For each 20 samples, either a Certified Reference Material (CRM) standards or a blank was submitted. The analytical laboratory also 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.
Verification of sampling and assaying	*The verification of significant intersections by either independent or alternative company personnel.*	**Diamond Drilling** Either Stavely Minerals' managing director or technical director have visually verified significant intersections. **Resource Estimate** No available data available for analysis.
	The use of twinned holes.	**Diamond Drilling** No twinned holes have been drilled.
	Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.	**Diamond Drilling** Primary data was collected for drill holes using the OCRIS logging template on Panasonic Toughbook laptop computers using lookup codes. The information was 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 estimation.*	**Diamond Drilling** Drill collar location for SADD005 and SADD007 was pegged before drilling and surveyed using Garmin handheld GPS to accuracy of +/- 3m. Collar surveying was performed by Stavely Minerals' personnel. This is considered appropriate at this early stage of exploration. Down-hole single shot surveys were conducted by the drilling contractor. Surveys were conducted at approximately every 30m down-hole. **Resource Estimate** Historic drill holes originally located according to two local grids (details unknown). Collar coordinates were converted to GDA94 zone 54S (MGA94 54S) by historic workers. Conversion details are unknown. Stavely Minerals' holes located in MGA94 54S. The estimate is undertaken using the supplied MGA94 54S grid references. GPS checking of 2 Pennzoil, 3 Centaur Mining and 4 Beaconsfield Gold hole collar locations show holes located with acceptable accuracy for reporting of Inferred and Indicated Resources.
	Specification of the grid system used.	The grid system used is GDA94, zone 54.

Criteria	JORC Code explanation	Commentary
	Quality and adequacy of topographic control.	The RL was recorded for each soil sample and drill hole 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.*	**Diamond Drilling** The drill hole spacing is project 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.	**Diamond Drilling** The drilling for mineralisation is reconnaissance in nature and not appropriate for Mineral Resource or Ore Reserve Estimations. **Resource Estimate** Within the central 500m of mineralisation (strike length): · Oxide mineralisation – drill tested on 50m centred section lines · Fresh Indicated Resources –tested at nominal 50m centres. Other areas and mineralisation extent tested by 8 holes.
	Whether sample compositing has been applied.	**Diamond Drilling** No sample compositing has been applied to the drill data.
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.*	**Diamond Drilling** SADD005 was orientated in an ENE (055) direction to intercept at a perpendicular angle to the known mineralisation. SADD007 was orientated in an ENE (060) direction to intercept at a perpendicular angle to the known mineralisation. **Resource Estimate** Holes angled mostly between 50 and 70 degrees easterly. Mineralised plane dips westerly ~60 degrees. Holes drilled mostly at 80^{O} (azimuth) and $40\text{-}50^{O}$ (sectional) to planar mineralisation.
	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.	**Diamond Drilling** The diamond hole has been orientated in an ENE direction to intercept at a perpendicular angle to the known mineralisation in the area and therefore is not considered to have introduced any sampling bias.
Sample security	*The measures taken to ensure sample security.*	**Diamond Drilling** Samples are delivered in closed poly-weave bags to the courier in Ararat by Stavely Minerals' personnel. The samples are couriered to ALS in Orange, NSW. **Resource Estimate** No available data to assess security.
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. **Resource Estimate** GPS checking of 9 hole collar locations. Basic checking of data integrity.

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 diamond drilling 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. Mineralisation at Mt Ararat straddles the boundary between exploration licences EL4758 and EL3019. 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.*	**Forgan's Find and Carroll's Base Metals Prospect** Pennzoil of Australia Ltd held the tenement which covers the Forgan's Find base metals prospect between 1973 and 1983. Pennzoil conducted soil sampling over an area to the east and south of the Forgan's Find base metals prospect. That area, which became the Mt Ararat VMS Deposit, returned a coincident soil copper +/- zinc anomaly. Newcrest Operations Limited explored the Ararat Project under option from Range River Gold NL and undertook gravity and airborne VTEM surveys in 2007. The VTEM survey identified an EM anomaly which coincided with the Pennzoil soil Cu and Zn anomaly. The work conducted by previous operators at the Mt Ararat VMS Deposit is considered to be of a high quality. **Mount Ararat Resource** Pennzoil: 12 holes drilled into mineralisation. Centaur Mining: 38 holes drilled into mineralisation. Beaconsfield Gold: 10 holes drilled into mineralisation. Stavely Minerals: 9 holes drilled into mineralisation.
Geology	*Deposit type, geological setting and style of mineralisation.*	**Forgan's Find and Carroll's Base Metals Prospect** The Forgan's Find and Carroll's base metals prospects are associated with the Cambrian volcanogenics and tholeiitic basalts of the metamorphosed Magdala Volcanics. The Forgan's Find base metals prospect is potentially "Besshi" type volcanic massive sulphide (VMS) mineralisation which resulted "from the exhalation of sulphides onto the sea floor". VMS deposits are typically polymetallic massive sulphide deposits formed at or near the sea floor during submarine hydrothermal activity. They can contain stratiform to strata-bound concentrations of copper, zinc, lead, gold and silver, depending on the geological setting of the deposits, and often form clusters of

<table>
<tr><th>Criteria</th><th>JORC Code explanation</th><th>Commentary</th></tr>
<tr><td></td><td></td><td>deposits. Those formed in dominantly basalt sequences in back-arc tectonic settings tend to be copper- and zinc-rich and are often referred to as “Besshi” type.

Mount Ararat Resource
Steeply westerly dipping, single planar massive sulphide horizon (historically described as VMS).</td></tr>
<tr><td rowspan="2">Drill hole Information</td><td>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:
○ easting and northing of the drill hole collar
○ elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar
○ dip and azimuth of the hole
○ down hole length and interception depth
○ hole length.</td><td>Resource Estimate
82 holes drilled in the prospect area, 64 holes intercepted mineralisation, 5 holes define the strike extent of mineralisation.

Collar locations verified as acceptable through field checking of 9 holes

Downhole surveys for describing hole trace and sample locations available for 32 holes:

<table>
<tr><th>HoleID</th><th>Number of DH Surveys</th><th>TDepth Hole</th><th>HoleID</th><th>Number of DH Surveys</th><th>TDepth Hole</th><th>HoleID</th><th>Number of DH Surveys</th><th>TDepth Hole</th></tr>
<tr><td>ARD001</td><td>3</td><td>111</td><td>PENZ003</td><td>1</td><td>152</td><td>SADD001</td><td>7</td><td>192.9</td></tr>
<tr><td>ARD002</td><td>6</td><td>114</td><td>PENZ006</td><td>1</td><td>152</td><td>SADD002</td><td>6</td><td>197.8</td></tr>
<tr><td>ARD003</td><td>5</td><td>142</td><td>PENZ007</td><td>1</td><td>115</td><td>SADD003</td><td>8</td><td>212.8</td></tr>
<tr><td>ARD004</td><td>5</td><td>118</td><td>PENZ009</td><td>1</td><td>219</td><td>SARC001</td><td>12</td><td>114.0</td></tr>
<tr><td>M94_1</td><td>4</td><td>221</td><td>PENZ010</td><td>1</td><td>252</td><td>SARC004</td><td>16</td><td>153.0</td></tr>
<tr><td>M94_2</td><td>4</td><td>198</td><td>PENZ011</td><td>1</td><td>381</td><td>SARC005</td><td>15</td><td>135.0</td></tr>
<tr><td>M94_3</td><td>3</td><td>192</td><td>PENZ019</td><td>6</td><td>381</td><td>SARC006</td><td>13</td><td>123.0</td></tr>
<tr><td>M94_4</td><td>4</td><td>204</td><td>PENZ021</td><td>3</td><td>364</td><td>SARC007</td><td>9</td><td>80.0</td></tr>
<tr><td>M94_5</td><td>6</td><td>249</td><td>PENZ023</td><td>4</td><td>329</td><td>SARC008</td><td>14</td><td>129.0</td></tr>
<tr><td>M94_6</td><td>4</td><td>214</td><td>SP01</td><td>1</td><td>110</td><td>SARC009</td><td>12</td><td>123.0</td></tr>
<tr><td>PENZ001</td><td>1</td><td>133</td><td>SP02</td><td>1</td><td>111</td><td></td><td></td><td></td></tr>
</table>

Assaying of those samples logged with visible sulphide mineralisation.

Lithology logs available for all holes.

Oxidation state available for 34 Centaur Mining holes.

Summary moisture data available for 18 Centaur Mining RC holes.

39 SG measurements taken from 4 Beaconsfield Gold holes ARD[001-004]</td></tr>
<tr><td>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.</td><td>No material drill hole information has been excluded.</td></tr>
<tr><td>Data aggregation methods</td><td>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.</td><td>Diamond Drilling
No top-cutting of high grade assay results has been applied, nor was it deemed necessary for the reporting of significant intersections.

Resource Estimate
Assay sample intervals:
<table>
<tr><th rowspan="2">Era</th><th rowspan="2">Drill Type</th><th colspan="8">Count of Sample Lengths</th></tr>
<tr><th>0.0m to 0.5m</th><th>0.5m to 1m</th><th>1.0m to 1.5m</th><th>1.5m to 2.0m</th><th>2.0m to 2.5m</th><th>2.5m to 3.0m</th><th>3.0m to 3.5m</th><th>Total</th></tr>
<tr><td rowspan="4">pre-2015</td><td>AC</td><td></td><td>55</td><td></td><td></td><td></td><td></td><td></td><td>55</td></tr>
<tr><td>DD</td><td>43</td><td>48</td><td>11</td><td>6</td><td>1</td><td>1</td><td></td><td>110</td></tr>
<tr><td>RC</td><td></td><td>105</td><td></td><td></td><td></td><td></td><td></td><td>105</td></tr>
<tr><td>UNKN</td><td>65</td><td>176</td><td>4</td><td>1</td><td></td><td></td><td>1</td><td>247</td></tr>
<tr><td rowspan="2">2015</td><td>DD</td><td></td><td>143</td><td></td><td></td><td></td><td></td><td></td><td>143</td></tr>
<tr><td>RC</td><td></td><td>342</td><td></td><td></td><td></td><td></td><td></td><td>342</td></tr>
<tr><td colspan="2">Total</td><td>108</td><td>869</td><td>15</td><td>7</td><td>1</td><td>1</td><td>1</td><td>1002</td></tr>
</table>

Composited to 1m intervals for resource estimate.</td></tr>
</table>

<table>
<tr><th>Criteria</th><th>JORC Code explanation</th><th>Commentary</th></tr>
<tr><td></td><td>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.</td><td>Diamond Drilling
Exploration results are nominally reported where zinc or copper results are greater than 0.1% Zn or Cu or silver is greater than 1g/t Ag.

No top-cutting of high grade assay results has been applied, nor was it deemed necessary for the reporting of significant intersections.</td></tr>
<tr><td></td><td>The assumptions used for any reporting of metal equivalent values should be clearly stated</td><td>No metal equivalent values are used for reporting exploration results.</td></tr>
<tr><td>Relationship between mineralisation widths and intercept lengths</td><td>These relationships are particularly important in the reporting of Exploration Results.

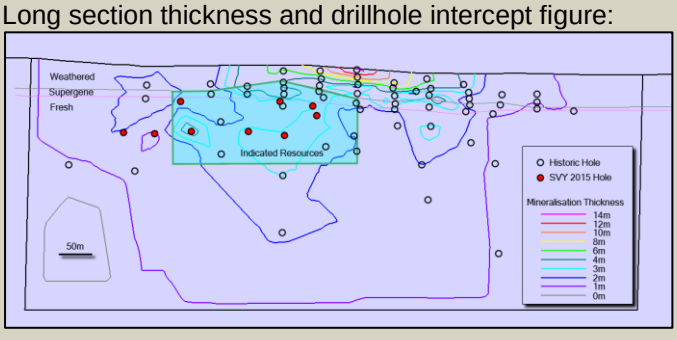
If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</td><td>Diamond Drilling
The diamond holes SADD005 and SADD007 has been orientated in an ENE direction to intercept at a perpendicular angle to the known mineralisation.

Resource Estimate
No apparent association when data assessed by drill type and mineralisation style breakdown.

Significant relationship differences when assessing DD vs RC holes:
<table><tr><th>Drill Type</th><th>Number of Holes</th><th>Total Metres</th><th>Average Intercept</th><th colspan="4">Average Grade (ppm)</th></tr><tr><th></th><th></th><th></th><th></th><th>Cu</th><th>Au</th><th>Ag</th><th>Zn</th></tr><tr><td>Diamond</td><td>34</td><td>82</td><td>2.4</td><td>31123</td><td>0.95</td><td>9.1</td><td>4384</td></tr><tr><td>Reverse Circulation</td><td>26</td><td>145</td><td>5.6</td><td>15551</td><td>0.23</td><td>1.7</td><td>1614</td></tr></table>
Smearing and/or preferential loss and/or cross-contamination of samples may be present in RC drill sample assay dataset.

Preferential loss of friable non-mineralised material may have biased the DD drill sample assay dataset.

Both the RC and DD datasets may be preferentially weighted by material with significantly different tenor of in situ grade.</td></tr>
<tr><td></td><td>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’).</td><td>Diamond Drilling
Intercept widths for SADD005 and SADD007 would be approximate true width.</td></tr>
<tr><td>Diagrams</td><td>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.</td><td>Refer to Figures in body of text.

Resource Estimate
Historic cross sections and plans were reviewed
Long section thickness and drillhole intercept figure:
 
</td></tr>
</table>

Criteria	JORC Code explanation	Commentary
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.*	**Diamond Drilling** All Zn or Cu values greater than 0.1% have been reported. **Resource Estimate** Selective sampling of holes where mineralisation observed is considered acceptable for estimating sulphide resources.
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; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	All relevant exploration data is shown on figures and discussed in the text. **Resource Estimate** A further 53 holes have been drilled within the exploration tenements.
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.*	**Forgan's Find Base Metals Prospect** A downhole electromagnetic (DHEM) is planned for SADD005 and SADD007 to provide information as to whether there is an off-hole conductor potentially relating to well-developed copper-gold-zinc-silver mineralisation. The off-hole conductor would provide direct targeting for a further diamond drill hole. **Mount Ararat Resource** Mineralisation thins but is open at depth and opportunities for defining drilling targets (thick shoots). Additional resources may be identified by better definition of the thick mineralisation directly below the Indicated Resources.

Section 3 Estimation and Reporting of Mineral Resources

(Criteria listed in section 1, and where relevant in section 2, also apply to this section.)

Criteria	JORC Code explanation	Commentary
Database integrity	*Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes.* *Data validation procedures used.*	Data management protocols and provenance largely unknown for historic data. Limited cross checks with paper records of drill hole and assay data for historic data. Field verification of 9 historic hole collar locations. Relational and spatial integrity assessed and considered acceptable.
Site visits	*Comment on any site visits undertaken by the Competent Person and the outcome of those visits.* *If no site visits have been undertaken indicate why this is the case.*	Not undertaken by CP. Stavely Minerals' personnel verify existence of core. CP has viewed photos of chip trays with mineralisation taken by Stavely Personnel and 2015 diamond drill core photos.
Geological interpretation	*Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.* *Nature of the data used and of any assumptions made.* *The effect, if any, of alternative interpretations on Mineral Resource estimation.* *The use of geology in guiding and controlling Mineral Resource estimation.* *The factors affecting continuity both of grade and geology.*	Single planar mineralised massive sulphide body interpreted and modelled for grade interpolation. Oxide state modelled and utilised for grade interpolation and reporting of resource estimate.
Dimensions	*The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.*	Mineralisation extends for a strike length of 830m (towards 335deg), vertically for 350m and ranges mostly between 1m and 3m thick (total massive + sub-massive + stringer mineralisation). The mineralisation is modelled between 4m and 14m thick in the upper 50m (this may be real, due to supergene actions or introduced due to the suspected wet/difficult RC drilling conditions). The block model and grade estimate encompasses the extent of the mineralisation.
Estimation and modelling techniques	*The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and*	Copper, gold, silver and zinc grades were interpolated into a Vulcan™ non-regular block model with 10x10x10 metre parent blocks – subblocked to 1x1x1 metre minimum block dimensions. Hard boundaries utilised to estimate weathered domain separate from supergene-fresh domain.

Criteria	JORC Code explanation	Commentary
	maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used. *The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.* *The assumptions made regarding recovery of by-products.* *Estimation of deleterious elements or other non-grade variables of economic significance (eg sulphur for acid mine drainage characterisation).* *In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.* *Any assumptions behind modelling of selective mining units.* *Any assumptions about correlation between variables.* *Description of how the geological interpretation was used to control the resource estimates.* *Discussion of basis for using or not using grade cutting or capping.* *The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.*	1m composite intervals utilised. Grades greater than: · 6% Cu, · 2.50ppm Au, · 15ppm Ag, · 1% Zn, were restricted to inform blocks within a 55m radius of their location. Single pass ID2 interpolation run employed utilising 400m sample search within the plane of mineralisation. Minimum of 20 and maximum of 40 composites utilised to estimate grade. The Mt Ararat resource is classified as Indicated and Inferred under the guidelines set out in the 2012 JORC Code.
Moisture	*Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content*	15 of 18 RC holes drilled by Centaur Mining encountered wet drilling through the mineralisation. Grade profiles suggest down hole smearing of grade (cross-contamination) in the oxide/supergene mineralisation. Core recovery averages 85% through the oxide/weathered mineralisation, down from >97% recorded for the supergene and primary mineralisation. There is no information or data to assess the affect core loss has on grade.

Criteria	JORC Code explanation	Commentary
Cut-off parameters	*The basis of the adopted cut-off grade(s) or quality parameters applied.*	The resource is reported by weathering and oxidation state. Cuts of 1.0% and 2.0% copper were applied. The breakdowns and grade tonnage plots are reported to allow differing economic assessment on the project.
Mining factors or assumptions	*Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.*	Reporting cuts similar to those utilised in operating VMS mines. Indicated Resources centred on mineralisation of similar thicknesses as those exploited in operating VMS mines.
Metallurgical factors or assumptions	*The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.*	Not evaluated.
Environmental factors or assumptions	*Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of*	Not evaluated.

Criteria	JORC Code explanation	Commentary
	early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.	
Bulk density	*Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples.* *The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc), moisture and differences between rock and alteration zones within the deposit.* *Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.*	A single tonnage factor of 3.17 tonnes/m^3 was applied to all mineralisation.
Classification	*The basis for the classification of the Mineral Resources into varying confidence categories.* *Whether appropriate account has been taken of all relevant factors (ie relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data).* *Whether the result appropriately reflects the Competent Person's view of the deposit.*	The estimate is classified as Indicated and Inferred under the JORC Code (2012 Edition). Indicated classification assigned to thicker mineralisation drilled at nominal 50m centres and informed by recent Stavely Minerals' drill samples. Important data for evaluating risk to the estimate (such as recover and moisture versus grade) are key factors in assigning an Inferred Classification to weathered mineralisation.
Audits or reviews	*The results of any audits or reviews of Mineral Resource estimates.*	No Audit or Review of estimate undertaken.
Discussion of relative accuracy/ confidence	*Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent*	Not undertaken other than that stated under the classification section.

Criteria	JORC Code explanation	Commentary
	Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate. *The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.* *These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.*	