



ASX Code: SVY

Issued Shares: 95.1M

Cash Balance: \$1.93M

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HIGHLIGHTS

Exploration

- Diamond drilling at the Forgan's Find VMS prospect (Ararat Project) returned 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
- Rock chip sampling in the vicinity of the historic Honeysuckle Mine in the Ararat Project has returned assays of up to 5.33 g/t gold.
- The historic high-grade Remington and Honeysuckle Mines in the Ararat Project have been identified from field reconnaissance and historic reports as warranting follow-up, with Remington to be drilled and an IP geophysical programme to be completed at Honeysuckle in advance of possible drilling.
- The Ravenswood West Exploration Permit Application (EPM26041), a highly prospective gold-copper exploration project in North Queensland, was acquired.

Corporate

- \$1.93M cash on hand as at 31st March 2016.
- \$1.54M available pursuant to the Share Subscription Agreement with Drilling contractor, Titeline Drilling Pty Ltd.
- Acquired Ukalunda Pty Ltd, the applicant of EPM26041 (Ravenswood West Project), for a purchase cost of \$2.
- Participating in Federal Government's Exploration Development Incentive (EDI) Scheme for the 2014-2015 tax year.
- Submitted a number of co-funding proposals to the Victorian Government's TARGET Minerals Exploration Initiative.

OVERVIEW

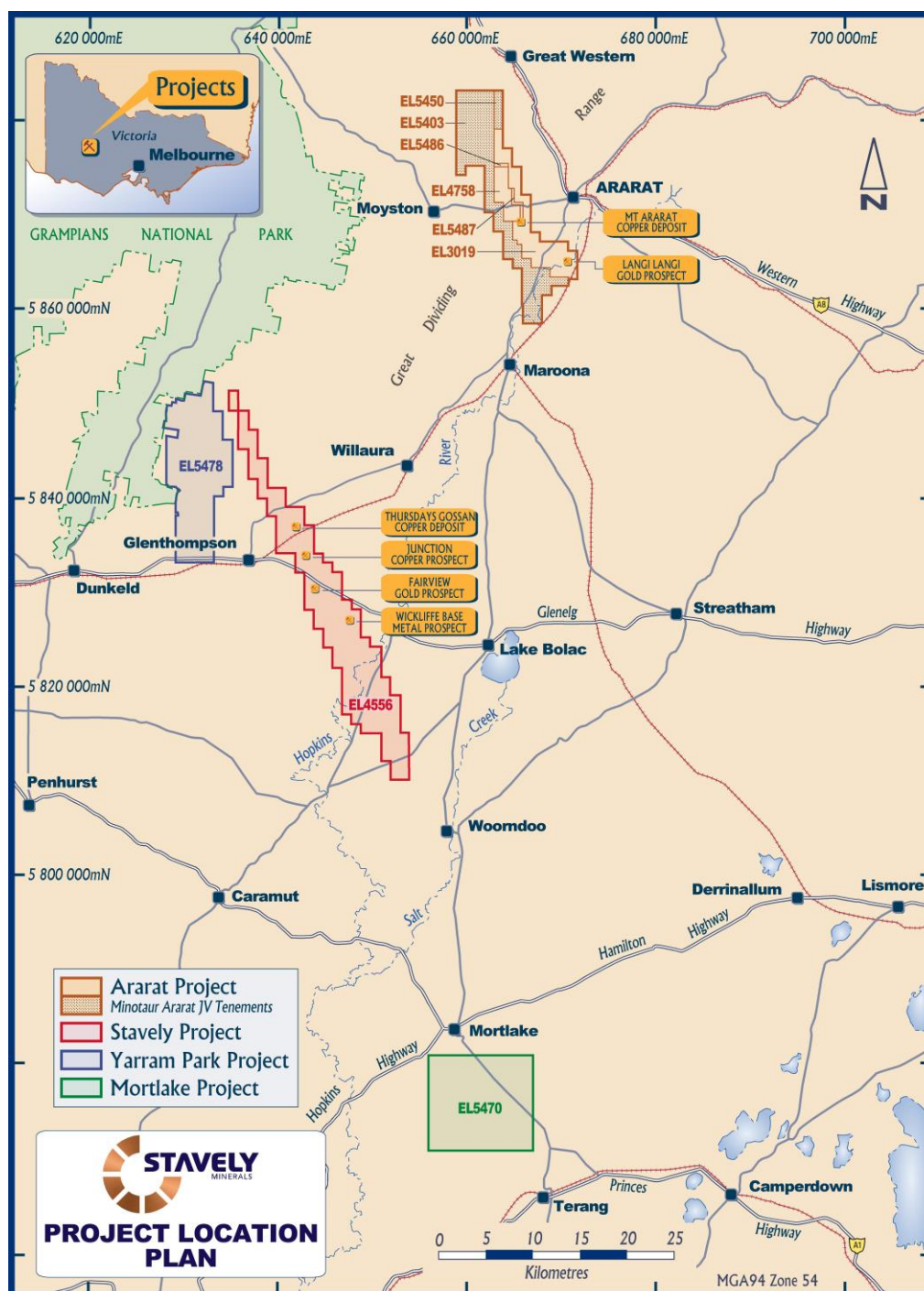


Figure 1. Project Location Plan.

Results were received for the two diamond holes drilled at the Carroll's and Forgan's Find base metal prospects during the previous quarter. Narrow intervals of massive to stringer sulphides were intersected, which were more zinc-rich and considered to reflect more distal mineralisation 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 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, which extends some 23 kilometres in Stavely Minerals' 100% owned and joint venture tenure.

During the March Quarter, the regional soil sampling survey commenced over the prospective copper and gold horizons on the 100% Stavely owned Ararat tenements and the Minotaur JV tenements. Assay results were pending for the samples submitted to laboratory during the quarter.

Reconnaissance field investigations, rock chip sampling and a review of historic newspaper articles of a number of primary historical gold workings/ mines within the Ararat Project has identified two areas of significant interest, namely in the vicinity of the historic Remington and Honeysuckle Mines. These areas have been selected for follow-up geophysics and drilling during the forthcoming quarter.

Stavely Minerals has acquired a highly prospective gold-copper exploration project in North Queensland, the Ravenswood West Exploration Permit Application. The project is located near the historical Ravenswood mining centre, which has +4Moz of combined historical and modern gold production. The Ravenswood West application has excellent potential for orogenic and intrusive-related gold mineralisation with four identified porphyry copper-molybdenum-gold prospects. Additionally, early stage rare earths potential has been identified in the project.

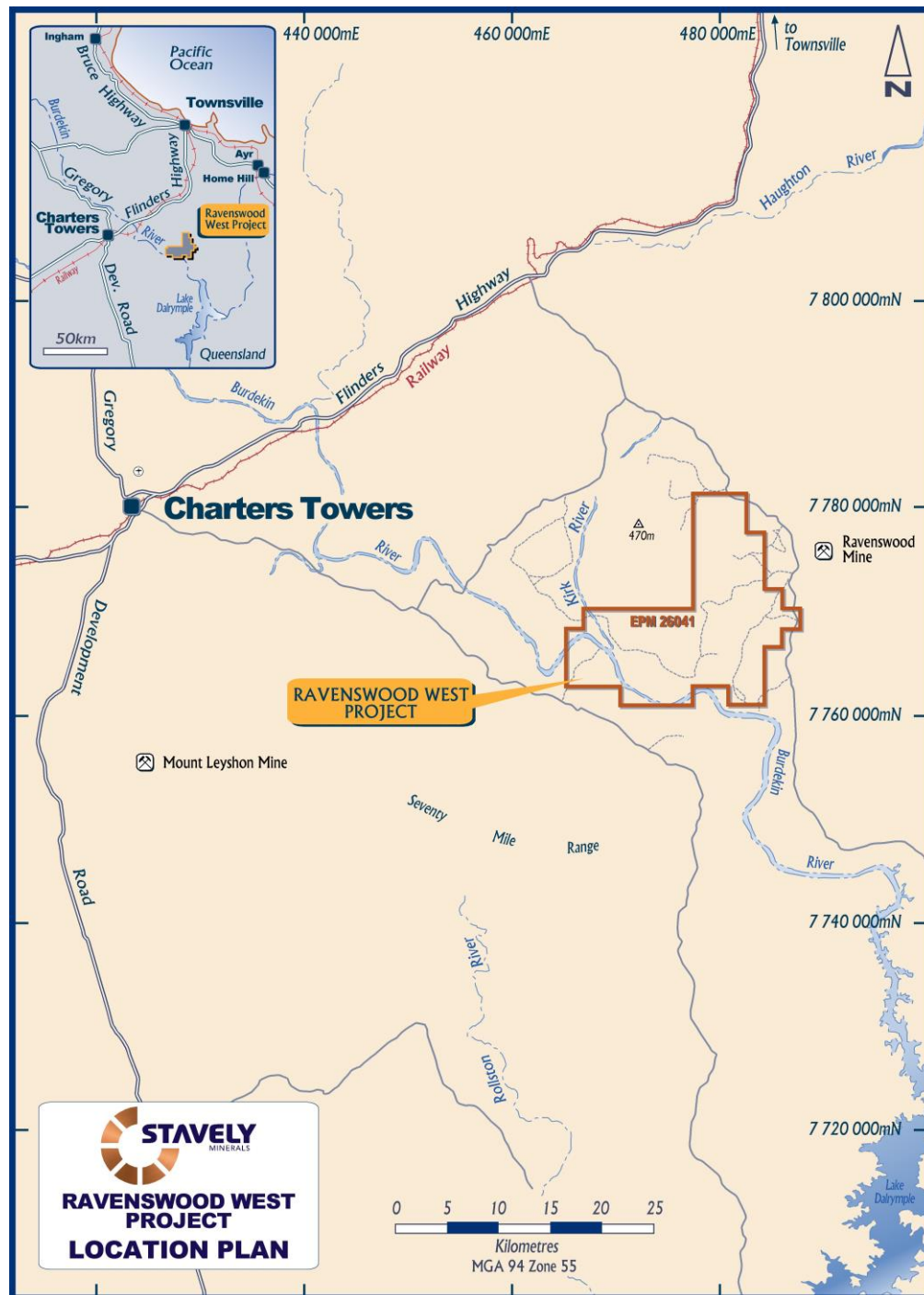


Figure 2. Ravenswood West Project Location Plan.

EXPLORATION

Ararat Project (EL4758, EL3019 & EL5486)

Forgan's Find and Carroll's Base Metal Prospects

A diamond hole (SADD005) was drilled at the Carroll's prospect to a depth of 321m during the previous quarter to test a strong IP chargeability anomaly, which coincided with a 1.5km long x 500m wide zinc-copper soil geochemistry anomaly and a surface float sample which returned a value of to 24% copper, 1.1% zinc and 0.52 g/t gold.

At Forgan's Find a diamond hole (SADD007) was drilled to a depth of 359.9m in November 2015 to test gossanous mineralisation identified at surface which fell within the 1.5km long x 500m wide zinc-copper anomaly. At Forgan's Find an in-situ gossanous rock chip returned assays of 10% copper, 0.4% zinc and 1.5 g/t gold. The geochemical anomaly is supported by the strong IP chargeability feature which has been modelled from approximately 100m depth to 250m depth.

Narrow intervals of massive to stringer sulphides (Photo1) were intersected in the two drill holes. Drill sections are presented in Figures in 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.

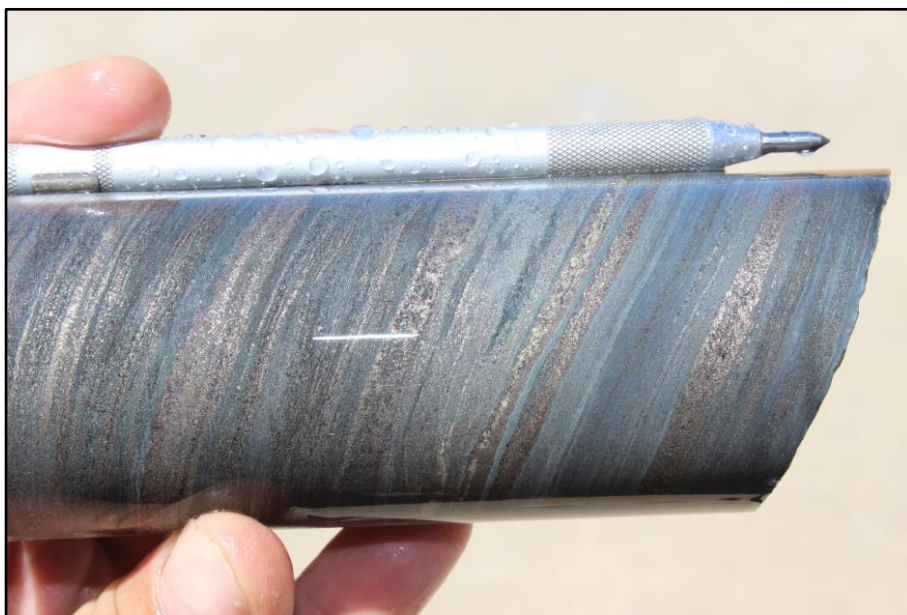


Photo 1. Narrow bands of sphalerite (reddish brown – zinc sulphide) and pyrrhotite (brassy – iron sulphide) and minor chalcopyrite (yellow – copper sulphide) from 194.5m in SADD007.

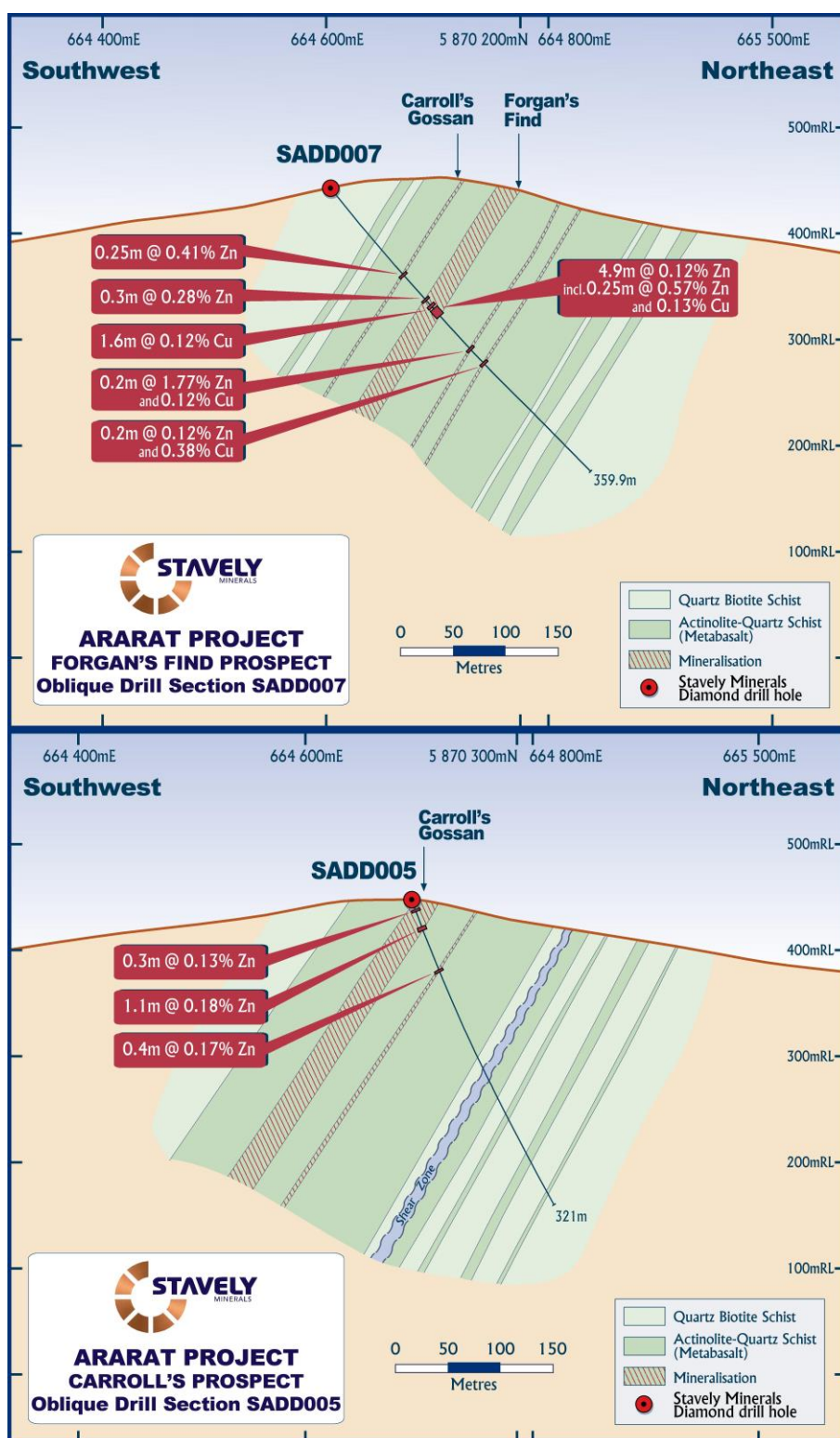


Figure 3 & 4. Drill sections with SADD007 and SADD005.

Table 1. Drill hole significant assay results.

	Ararat Project											
		MGA 94 zone 54					Intercept					
Hole id	Hole Type	East	North	Dip/ Azimut h	RL (m)	Total Depth (m)	From (m)	To (m)	Width (m)	Cu (%)	Ag (g/t)	Zn (%)
Carroll's Prospect												
SADD005	DD	664696	5870258	-70 ⁰ /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 ⁰ /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

Cathcart Hill Gold Prospect

One RC hole (SARC016) drilled to a depth of 200m and two RC holes with diamond tails, SARC014D and SARC015D, drilled to a depth of 305.7m and 302.6m respectively, were completed at the Cathcart Hill prospect during the December 2015 quarter, to test IP chargeability features. These chargeability anomalies have a tabular geometry and dip against the stratigraphy and hence were considered to be significant with respect to potential gold mineralisation. The Cathcart Hill gold prospect was identified by the 2015 reconnaissance soil geochemistry programme and float rock-chip sampling. A 800m long arsenic-chrome geochemical anomaly associated with iron-rich pseudo gossan with laboratory assay results of up to 0.45% arsenic and 0.8 g/t gold was identified at Cathcart Hill.

Selective sampling of SARC014D, did not return any significant gold intercepts or any interesting pathfinder elements.

Regional

A regional soil geochemical programme commenced at the Ararat Project, with a total of 762 samples collected on the 100% Stavely owned tenements and the Minotaur JV tenements during the quarter. The surface geochemical programme was designed to cover the favourable VMS mineralised horizon and areas of historical hard-rock gold

mining operations. Sampling was conducted at 100m centres on the lines and a line spacing of 400m. The samples were sieved to -80# and submitted to ALS in Brisbane for the analysis of gold and a 48 element suite. The assay results for these samples were pending at the end of the quarter.

Reconnaissance field investigations of a number of primary historical gold workings/ mines within the Ararat Project was conducted during the quarter. Results have been received from rock chip samples collected from a number of areas. Gold assays from rock-chips have returned values of 5.33 g/t gold near the Honeysuckle Mine, 2.03 g/t gold approximately 700m south west of the Remington Mine and 1.25 g/t gold and 1.41 g/t gold in the vicinity of the Plantagenet Mine (Figure 5). Additionally, surface float from the Honeysuckle Mine area has been found with visible gold in a small quartz vein.

From the field reconnaissance and a review of historic newspaper articles two areas of interest have been selected for follow-up.

The hard rock **Remington Mine** was discovered in 1895 and was reported as producing very high-grade material of up to 23 ounces per tonne. Additionally, amongst many reports of specimen gold and nuggets retrieved from the mine was the report of a 46 ounce nugget. It was reported that four shafts were sunk on the reef up to a depth of 30 metres. With the water table being 10 metres below surface, it is likely that the mine closed in 1897 due to insufficient machinery capacity to pump out the water. A review of previous exploration has not identified any drilling ever done in the vicinity of the Remington Mine. An RC drilling programme has been planned at Remington for the June quarter.

There are a number of historic mines, including the **Honeysuckle Mine**, hosted within a late-phase intrusive granite in the Ararat Project (Figure 5). Field investigations have identified alteration which may indicate the presence of a reasonably sized mineralised system although historic mining focussed upon narrow, high-grade reefs. Gold in the Honeysuckle area was discovered in 1897 and grades of 7.5 g/t gold were reported. With the gold being hosted within an intrusive, it is considered an Induced Polarisation survey (IP) would be effective in identifying sulphides potentially associated with gold mineralisation. An IP survey has been planned for the Honeysuckle Mine area for the forthcoming quarter.

Ararat Project +1 g/t Gold Rock Chip Results

Ararat Project				
Sample ID	MGA 94 zone 54		Assays	Rock Description
	East	North	Au ppm	
			dI 0.005	
ASL10863	663128	5881262	1.405	Quartz vein
ASL10877	663900	5874186	5.33	Granite with quartz veins at Honeysuckle Hill
ASL10888	662900	5881550	1.250	Manganese rich quartz float
ASL10893	663150	5877950	2.03	Quartzite with quartz veining

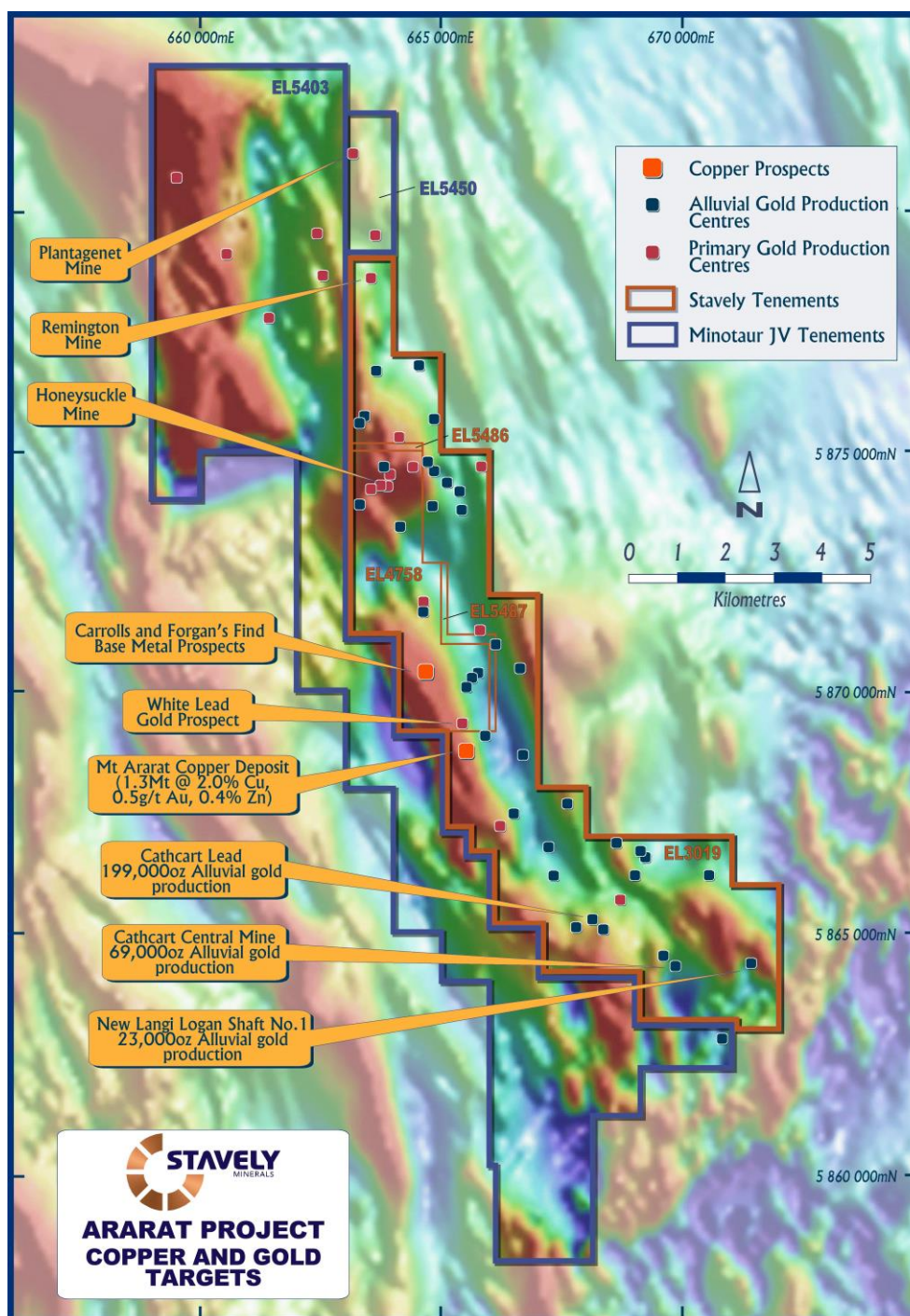


Figure 5. Ararat Project – Copper and Gold Targets.

Stavely Project (EL4556)

Mount Stavely Prospect

Niton® analysis of the soil samples collected at the Mount Stavely prospect was in progress at the end of the quarter. The Mount Stavely porphyry target is reflected as a 'low' in gravity data and as a 'low' in the airborne magnetic data which is interpreted to reflect magnetite destructive hydrothermal fluid alteration. A porphyry is inferred to exist at depth and is in proximity to marginal gold mineralisation at the Fairview gold prospect, which itself is interpreted to be a low-sulphidation epithermal style mineralisation. An IP survey, conducted in 2014 in the Mount Stavely area returned a chargeability feature which was slightly offset to the north-east from the gravity low.

The soil samples were collected 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.

Ravenswood West Project (EPM26041)

During the quarter the Company acquired a highly prospective new gold-copper project in North Queensland, though the acquisition of Ukalunda Pty Ltd.

The new Ravenswood West Project Exploration Permit Application (EPM26041), which covers an area of 241 square kilometres approximately 5km south-west of the town of Ravenswood, is located near the historical mining centre of Charters Towers and the multi-million ounce Ravenswood goldfield in North Queensland.

Gold has been mined at Ravenswood over a 150-year period with alluvial gold discovered in the area in 1868. Initial production up until the time when early mining ceased in 1917 is estimated to have been 950,000oz at a grade of around 30 g/t gold. In modern times, mining resumed in 1987 and continues today with total production (historical and current) of more than 4Moz from the Ravenswood Area, which hosts Proven and Probable Ore Reserves of 1.3Moz and Mineral Resources of 1.0Moz (see Resolute Mining Limited 2015 Annual Report).

The presence of high-grade gold mineralisation at the Podosky's prospect (located on a small Mining Lease, ML 10315 held by Kitchener Mining NL, which is excised from Stavely's new EPM26041 application) highlights the potential for high-grade gold mineralisation in this area (Figure 6).

Significant high-grade drill intercepts from the Podosky's prospect include (see Haoma mining Quarterly Report December 2003):

- 6 metres at 16.7 g/t gold from 14m depth in drill hole PDR-2
- 6 metres at 13.38 g/t gold from 26m depth in drill hole PDR-9

- 5 metres at 12.06 g/t gold from 29m depth in drill hole PDR-23.

The Ravenswood West Project has four identified porphyry copper-molybdenum-gold prospects – The Bank, Keane’s, Barrabas and Turkey Gully (Figure 6), none of which have had any drilling since the early 1970s. Surface rock chip results of up to 49% copper, 0.24 g/t gold, 0.2% molybdenum and 1,793 g/t silver have been returned from these prospects.

Historical drill results from the Keane’s molybdenite prospect include:

- 45 feet 3 inches (13.8m) at 0.26% molybdenum
- 1 foot 7 inches (0.38m) at 2.26 ounces (70.3 g/t) silver per tonne
- 9 feet (2.74m) at 9.6 pennyweight of gold plus silver (15 g/t) of which 0.58 g/t was gold.

The Project area is underlain by a very large gravity low which is interpreted to reflect a large intrusive body at depth, and is likely to be the source intrusion for the multiple phases of higher-level porphyry intrusion at the three prospect areas (Figure 7).

In conjunction with very strong regional structural trends, the Ravenswood West Project is considered to have excellent potential for porphyry, diatreme and intrusive-related mineralisation.

Early stage rare earths potential identified with very anomalous stream sediment sample results up to 0.25% cerium, 0.14% lanthanum and other rare earth elements yet to be followed up.

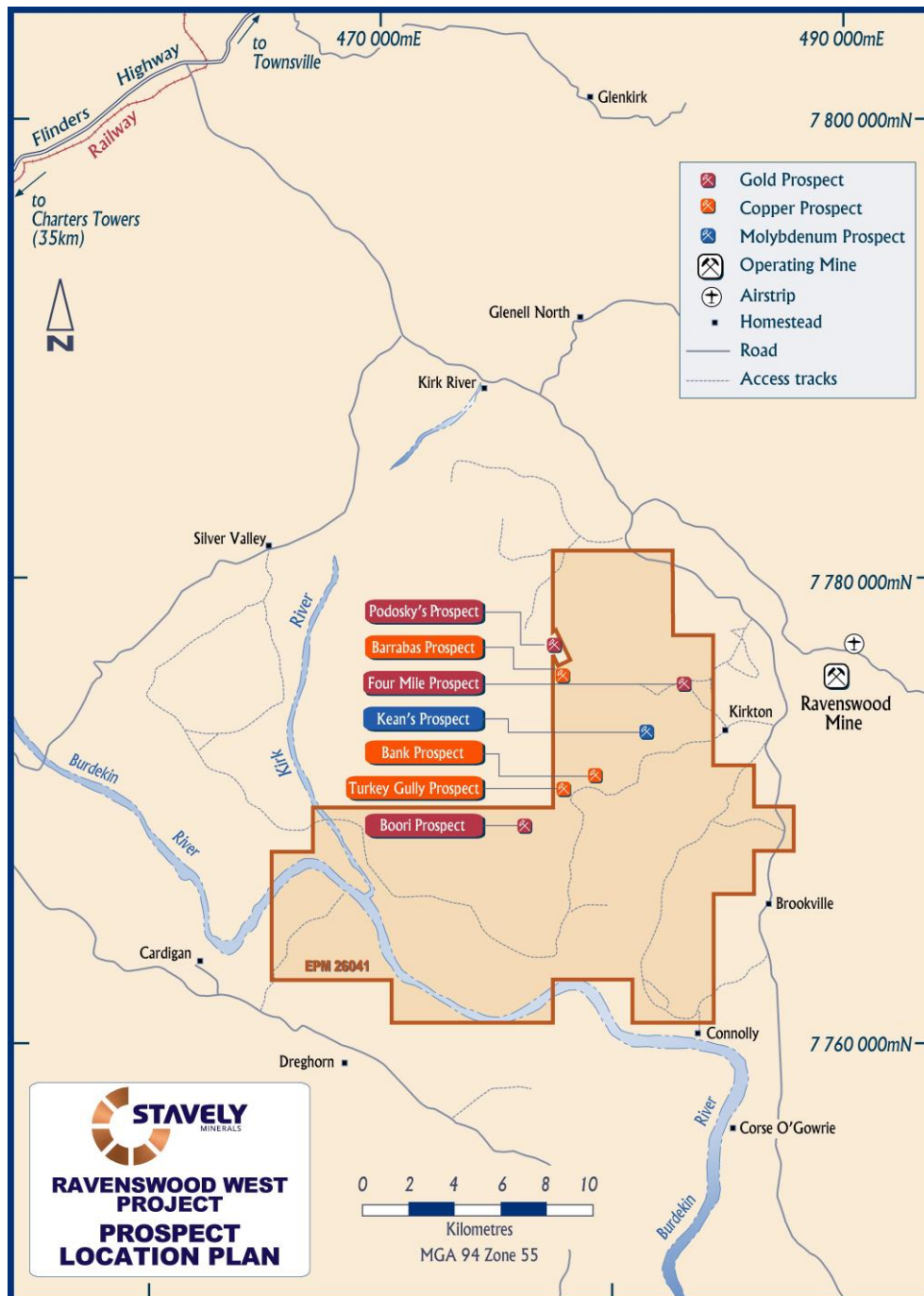


Figure 6. Ravenswood West Project – Prospect Location Plan.

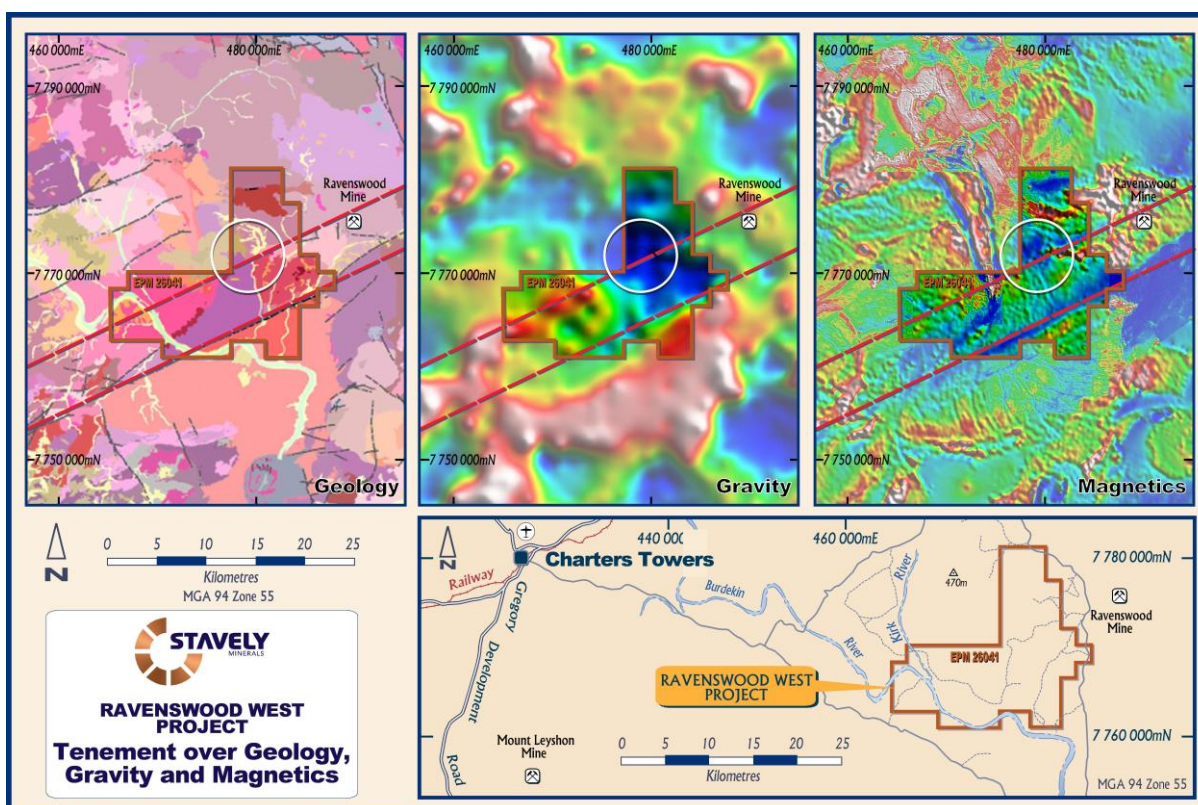


Figure 7. Ravenswood West Project – Tenement over Geology, Gravity and Magnetics. White circle denotes interpreted buried intrusive source.

Planned Exploration

Ararat Project (EL4758, EL3019 & EL5486/ Minotaur Exploration JV EL5403 & EL5450)

Planned exploration for the June 2016 Quarter includes an RC drilling programme at the historical Remington Mine site. The drilling has been planned to target high-grade gold mineralisation beneath and along strike from the historic workings.

An Induced Polarisation (IP) Survey has been planned for the forthcoming quarter to test for chargeable sulphides within the granite in the vicinity of the historic Honeysuckle Mine. The results from the IP survey will determine if follow-up drilling is conducted.

The regional soil geochemical programme throughout the VMS prospective horizon and the areas of historical hard-rock gold mining operation will continue through the next quarter at the Ararat Project. Upon receipt and analysis of the assays from the regional soil geochemical programme, detailed infill soil sampling will be planned and depending on the weather, will commence during the June quarter.

Stavelly Project (EL4556)

Niton® analysis of the soil samples collected at the Mount Stavelly Prospect will continue during the next Quarter.

CORPORATE

Stavely Minerals had a total of \$1.93M cash on hand at the end of the March 2016 Quarter with a further \$1.54M available pursuant to the Share Subscription Agreement with Drilling contractor, Titeline Drilling Pty Ltd.

Acquisition of Ukalunda Pty Ltd

Stavely Minerals acquired Ukalunda Pty Ltd ('Ukalunda'), being the applicant of EPM26041 in North Queensland for a purchase cost of \$2. The purchase is a related party transaction as Ukalunda was established in 2007 by Stavely Minerals' Directors Mr Chris Cairns and Mr Peter Ironside with the specific purpose of opportunistically applying for exploration permits in north Queensland.

Ukalunda has made previous unsuccessful applications under Queensland's competitive application regime. Since 2007, a watching brief has been maintained with the area under application recently becoming available.

Ukalunda was the vehicle used for the application as the potential for rare earth elements (REE's) is considered to be outside of Stavely's normal copper and gold focus, and having a wholly-owned subsidiary to hold the asset could represent a strategic advantage in the future should the REE's potential be progressed towards any significant value and be considered for a possible future asset sale.

In Board discussions on the decision to acquire Ukalunda, Mr Cairns and Mr Ironside were excused from the meeting. The Board commissioned and received an independent report on EPM26041 from CSA Global to assist the Board to make an informed decision on the acquisition.

Loans made by Mr Cairns and Mr Ironside to Ukalunda were discharged by Stavely Minerals upon purchase.

Exploration Development Incentive (EDI) Scheme

Stavely Minerals will be participating in the Federal Government's Exploration Development Incentive (EDI) Scheme for the 2014-2015 tax year administered by the Australia Taxation Office (ATO). The EDI legislation was passed by Parliament on 3 March 2015 and is effective from 1 July 2014.

The EDI enables eligible exploration companies to create exploration credits by giving up a portion of their tax losses from eligible exploration expenditure and distributing these exploration credits to equity shareholders. Australian resident shareholders that are issued with an exploration credit will be entitled to a refundable tax offset (for shareholders who are individuals or superannuation funds) or franking credits (for shareholders who are companies). Non-resident shareholders will receive the exploration credits but cannot use them. The exploration company's carry forward losses will be reduced proportionately to reflect the amount of exploration credits created.

On 27 November 2015, the ATO declared a modulation factor of 1 for the purposes of calculating an entity's maximum exploration credit amount for the 2014-2015 income year.

Stavely Minerals has claimed \$2.49 million of 2014-2015 eligible exploration expenditure and estimate that exploration credits of \$745,000 (30%) are eligible to be distributed to shareholders. The entitlements to the EDI credits will be determined 30 days prior to the issue date ('Record Date') and will be relative to the number of shares held on the Record Date as a proportion of the total shares on issue.

The EDI credits must be issued by 30 June 2016, and will be available for eligible shareholders to use for the 2015-2016 tax year.

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

24 -24 February – RIU Explorers Conference – Fremantle

ANNOUNCEMENTS

Investors are directed to the following announcements (available at www.stavely.com.au) made by Stavely Minerals during the March 2016 Quarter for full details of the information summarised in the Quarterly Report.

02/02/2016 - Stavely to Participate in the Exploration Development Incentive.

16/02/2016 - Stavely Acquires Highly Prospective Ravenswood Gold-Copper Project in North Queensland.

24/02/2016 - Encouraging Results from Initial Drilling at Forgan's Find VMS Prospect, Ararat Project

Tenement Portfolio - Victoria

The tenements held by Stavely Minerals as at 31 March 2016 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
Yarram Park	EL 5478	26 July 2013	99
Mortlake	EL 5470	17 June 2013	110
Mt Ararat	EL 5486	10 July 2014	2
Mt Ararat	ELA 5487	(21 June 2013)	5
Ararat	RLA 2020	(12 June 2014)	28
Stavely	RLA 2017	(20 May 2014)	139
Ararat	EL 5403	25 January 2012	68
Ararat	EL 5450	21 February 2013	4

During the quarter a renewal was applied for Minotaur Exploration Joint Venture tenement EL5450 which was due to expire on the 21st February 2016. The Company did not dispose of or apply for any tenements during the quarter.

Tenement Portfolio - Queensland

The tenements held by Ukalunda Pty Ltd as at 31 March 2016 are as follows:

Area Name	Tenement	Grant Date/ (Application Date)	Size (Km ²)
Ravenswood West Application	EPM26041	(15 September 2015)	241
Ravenswood North Application	EPM26152	(15 February 2016)	48



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 updated Mineral Resources at the Mt Ararat VMS copper-gold-zinc deposit, the information is extracted from the report entitled "Mt Ararat VMS JORC Mineral Resource Update" dated 8 September 2015 and available to view on www.stavely.com.au and the ASX company announcements platform website under company code SVY. 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.

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	<i>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.</i>	<p>The rock chip samples were taken at the Ararat Project targeting gold mineralisation.</p> <p>A handheld GPS was used to determine the co-ordinates of each rock chip sample.</p> <p>A sample data sheet was filled in at the sample site, which for each sample included the date, co-ordinates, sampler names, sample number, RL and rock chip description.</p> <p>The rock chip samples were submitted to ALS Laboratory in Orange, NSW.</p>
	<i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i>	N/A
	<i>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.</i>	Rock chip sampling techniques are considered industry standard for the Ararat work programmes.
Drilling techniques	<i>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).</i>	N/A
Drill sample recovery	<i>Method of recording and assessing core and chip sample recoveries and results assessed.</i>	N/A
	<i>Measures taken to maximise sample recovery and ensure</i>	N/A

Criteria	JORC Code explanation	Commentary
	<i>representative nature of the samples.</i>	
	<i>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.</i>	N/A
Logging	<i>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.</i>	N/A
	<i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i>	N/A
	<i>The total length and percentage of the relevant intersections logged.</i>	N/A
Sub-sampling techniques and sample preparation	<i>If core, whether cut or sawn and whether quarter, half or all core taken.</i>	N/A
	<i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i>	N/A
	<i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i>	N/A
	<i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i>	N/A
	<i>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.</i>	N/A
	<i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i>	N/A

Criteria	JORC Code explanation	Commentary
<i>Quality of assay data and laboratory tests</i>	<i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i>	<p>Rock Chip Samples</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>The rock chip samples were also analysed for gold using Method Au-AA23. Up to a 30g sample is fused at approximately 1100°C 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°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.</p> <p>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.</p>

Criteria	JORC Code explanation	Commentary
	<i>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.</i>	N/A
	<i>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.</i>	The analytical laboratory provide their own routine quality controls within their own practices. The results from their own validations were provided to Stavely Minerals.
Verification of sampling and assaying	<i>The verification of significant intersections by either independent or alternative company personnel.</i>	N/A
	<i>The use of twinned holes.</i>	N/A
	<i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i>	Primary data was collected for 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.
	<i>Discuss any adjustment to assay data.</i>	No adjustments or calibrations were made to any assay data used in this report.
Location of data points	<i>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.</i>	N/A
	<i>Specification of the grid system used.</i>	The grid system used is GDA94, zone 54.
	<i>Quality and adequacy of topographic control.</i>	The RL was recorded for each rock chip location from the GPS. Accuracy of the GPS is considered to be within 5m.
Data spacing and distribution	<i>Data spacing for reporting of Exploration Results.</i>	No specific rock chip sample spacing.
	<i>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.</i>	N/A
	<i>Whether sample compositing has been applied.</i>	No sample compositing has been applied to the rock chip samples.

Criteria	JORC Code explanation	Commentary
<i>Orientation of data in relation to geological structure</i>	<i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i>	N/A
	<i>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.</i>	N/A
<i>Sample security</i>	<i>The measures taken to ensure sample security.</i>	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.
<i>Audits or reviews</i>	<i>The results of any audits or reviews of sampling techniques and data.</i>	No audits or reviews of the data management system have been carried out.