



**ASX Code: SVY**

**Issued Shares: 95.8M**

**Cash Balance: \$1.06M**

**ABN 33 119 826 907**

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## HIGHLIGHTS

### Exploration

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- Significant new breccia-hosted gold target – The Bank breccia identified at the Ravenswood Project in Queensland.
- The Bank breccia demonstrates a classic high-level geochemical signature indicative of a breccia-hosted intrusive-related gold system (IRGS) with strong silver, arsenic, antimony and lead geochemical anomalism associated with ‘spotty’ gold anomalism typical of the upper portion of these well zoned gold systems. The implication is that the better-developed gold mineralisation is potentially preserved at depth.
- Approvals and consents for diamond drill testing of The Bank breccia are currently being fast-tracked.
- Geophysical surveys and diamond drilling Victorian Government co-funded programmes to test the porphyry / intrusive-related and mesothermal to epithermal gold targets at the Yarram Park and Stavely Projects are scheduled to commence in the December Quarter.

### Corporate

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- \$1.06M cash on hand as at 30 September 2016.
- \$1.5M available pursuant to the Share Subscription Agreement with Drilling contractor, Titeline Drilling Pty Ltd.
- \$1.05M Victorian Government co-funding for drilling and geophysical programmes.

## OVERVIEW

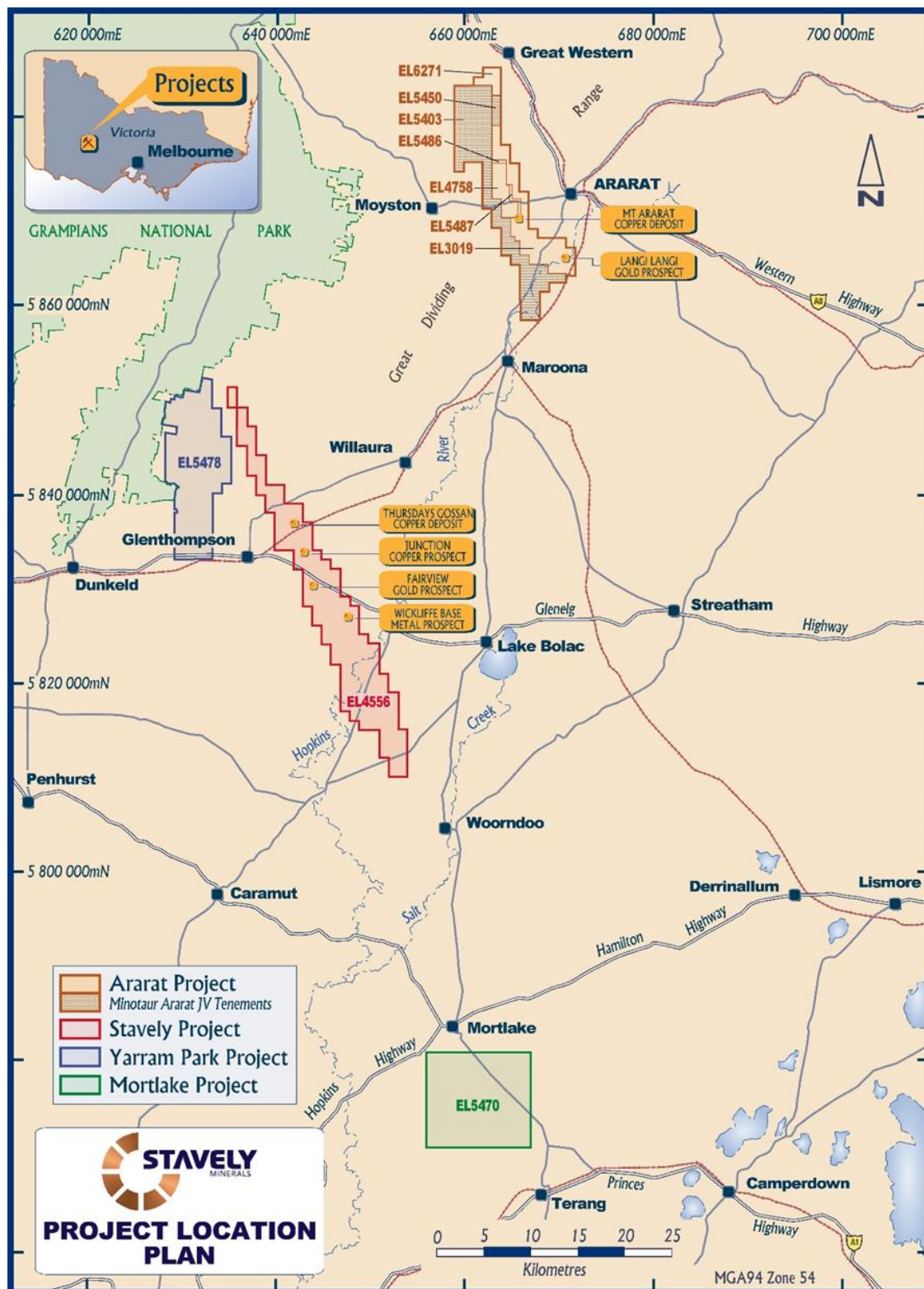


Figure 1. Western Victoria Project Location Plan.

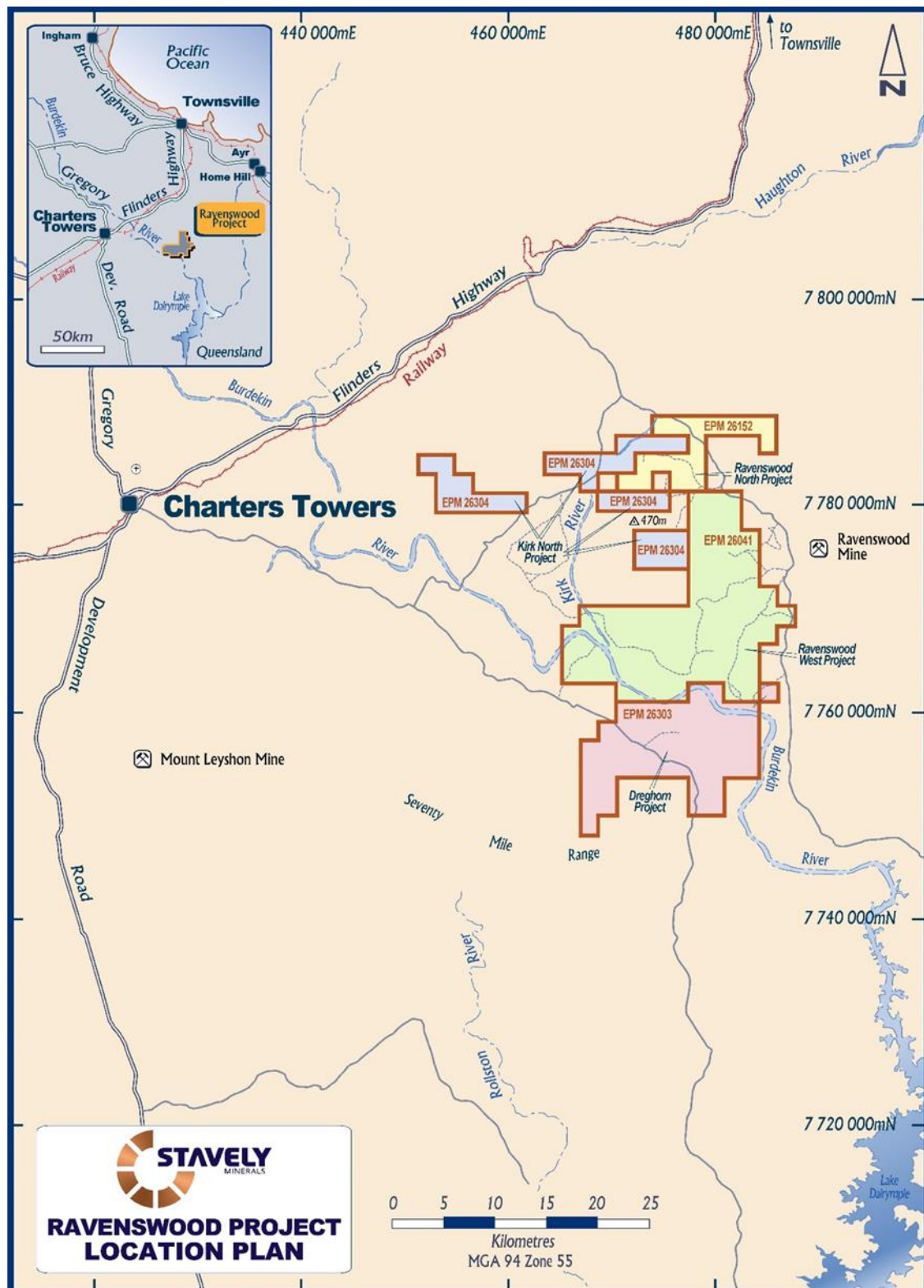
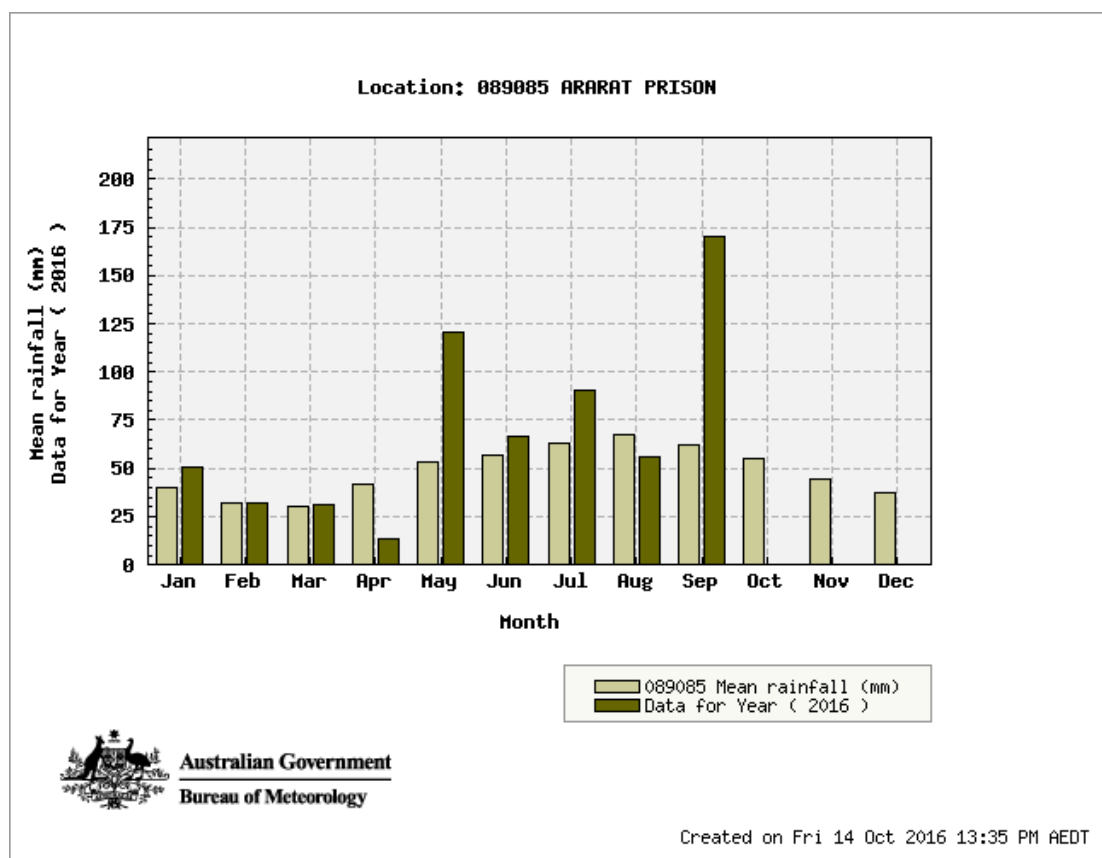


Figure 2. Ravenswood Project Location Plan.

Very limited on ground exploration activities were planned on the western Victoria project for the September Quarter due to expected winter rains. Rainfall was above average across Victoria as a whole for the winter months, 1 June 2016 to 31 August 2016. This trend has continued into spring with most of Victoria receiving significant above average rainfall during September, including areas of the highest rainfall on record in the north and west of the State. For Victoria as a whole, it was the second-wettest September on record. Victorian rainfall was 94% above average (the highest since 1916). Many sites, particularly in the State's west, where Stavely's projects are located, had their highest September daily rainfall on record and the highest total September rainfall on record. As can be seen in the graph below from the Bureau of Meteorology for the Ararat weather stations, rainfall in September 2016 has been in excess of double the mean rainfall for the period 1983 to 2016.

The unusually wet ground conditions have delayed the commencement of the exploration planned for Spring 2016. The Induced Polarisation and diamond drilling programmes planned to commence in September at the Yarram Park and Stavely Projects are now scheduled to commence in late November.



**Figure 3. 2016 rainfall in comparison with the Mean rainfall for the Ararat Prison Weather Station.**



During the Quarter, field programmes focused on the Ravenswood Project in Queensland. On ground exploration activities, including reconnaissance field investigations, detailed prospect scale mapping, rock-chip sampling, soil sampling and stream sediment sampling, were conducted during several campaigns. The systematic surface exploration programmes resulted in the identification of The Bank breccia-hosted gold target. The dimensions of the breccia pipe are similar to that at the ~1Moz Mount Wright Gold Mine located 10km north of the 4.8Moz Ravenswood gold mining operation, operated by Resolute Mining Limited. The Bank breccia is a very exciting new gold target which appears to be a genuine intrusive-related gold system with multiple phases of brecciation creating excellent permeability for later gold-bearing fluids. The Bank breccia has never been drilled.



**Photo 1. Ravenswood Project area.**

## EXPLORATION

### **Ararat Project (EL4758, EL3019, EL5486, & EL6271/Minotaur JV EL5403 & EL5450)**

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No exploration was conducted at the Ararat Project during the winter months due to the wet ground conditions.

### **Stavely Project (EL4556)**

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#### **Fairview Gold Prospect**

Reconnaissance field investigation, rock chipping and re-logging of both RC drill chips and diamond core from the Fairview Gold prospect was conducted during the Quarter.

The 4.8 kilometre long Fairview North and Fairview South mesothermal to epithermal gold anomalies were originally identified in soil sampling and followed-up with shallow reconnaissance aircore, RC and limited diamond drilling. The drilling conducted by Beaconsfield Gold Mines Pty Limited between 2006 and 2010 returned numerous anomalous gold intercepts, including 2.5m at 17.44 g/t gold; 2m at 16.06 g/t gold and 4m @ 6.69 g/t gold. However previous drilling has failed to provide a focus for further drilling which could potentially lead to the discovery of a Lake Cowal-style gold deposit.

The results for the rock-chip sampling were pending at the end of the Quarter.

### **Ravenswood West Project (EPM26041)**

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During the September Quarter, field mapping, rock chip and soil sampling was conducted at the Ravenswood West Project. The exploration programmes have led to the identification of The Bank breccia-hosted gold target, located on EPM26041 approximately 10km from the Ravenswood Gold Mine operated by Resolute Mining Limited (Figure 4). The Bank breccia is interpreted to be a sub-volcanic breccia pipe formed by deep-seated explosive fracturing of a column of rock above a porphyry intrusion (Figure 5). The brecciated column of rock can be in excess of 1km in vertical extent.

In north-east Queensland these breccia pipes are often associated with porphyritic rhyolite intrusions and, due to the additional porosity induced by the often multiple brecciation events, present ideal hosts for later Intrusive-Related Gold System (IRGS) style gold mineralisation.

Other notable IRGS gold deposits in north-east Queensland include:

Kidston	5.0 million ounces of gold (breccia-hosted)
Ravenswood	4.8 million ounces of gold
Mount Leyshon	3.5 million ounces of gold (breccia-hosted)
Red Dome	2.1 million ounces of gold
Mungana	1.1 million ounces of gold
Mount Wright	1.0 million ounces of gold (breccia-hosted)
Welcome	0.21 million ounces of gold (breccia-hosted).

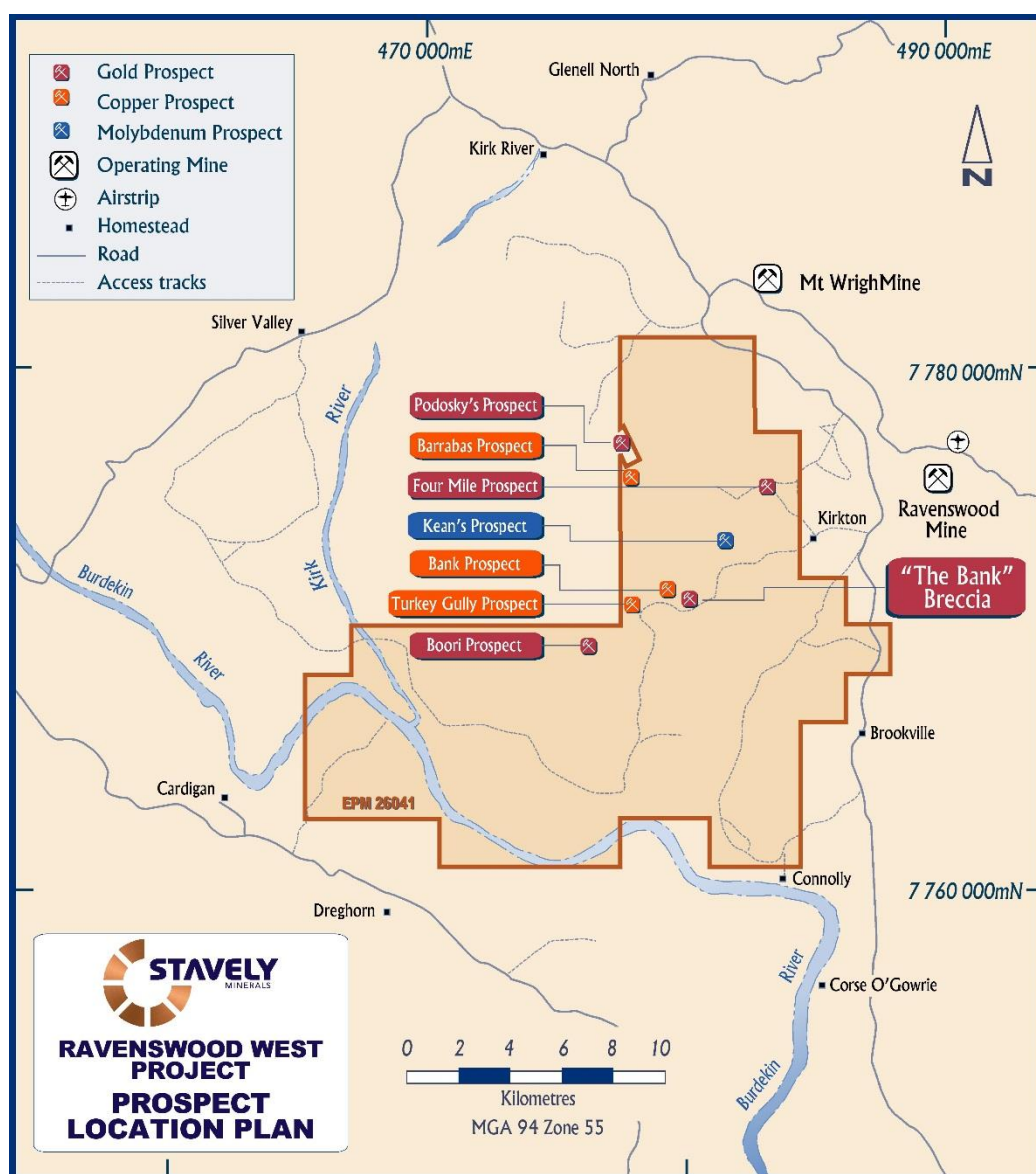
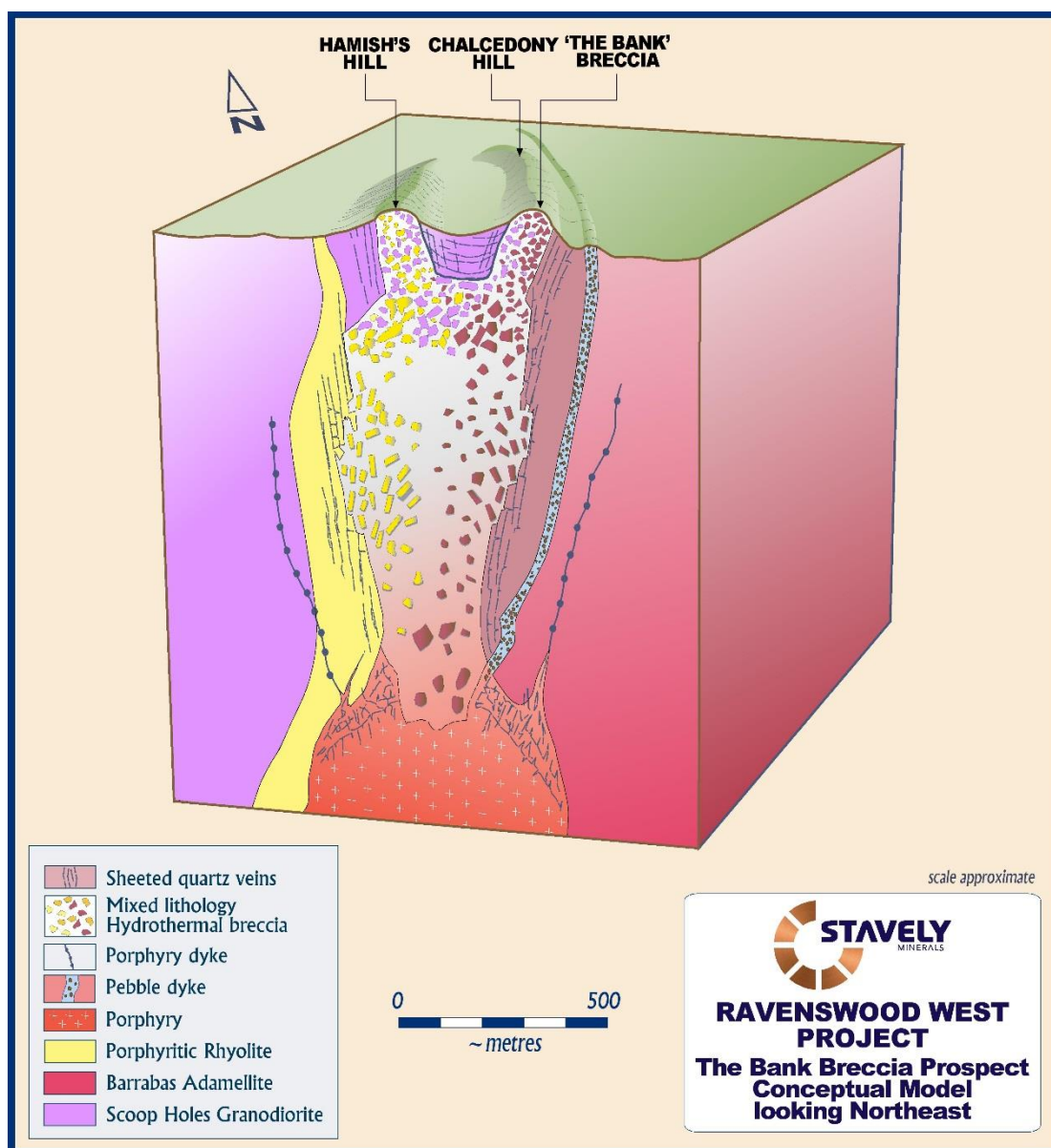


Figure 4. Ravenswood West Project – Prospect Location Plan.





**Figure 5. The Bank breccia conceptual model.**

At The Bank breccia there is evidence of poly-phase brecciation, quartz veining and sulphide mineralisation both as disseminations and as fill in the core of dog's tooth and banded quartz veins. The breccia system appears to encompass three low hills including The Bank breccia to the south, Hamish's Hill to the north and Chalcedony Hill to the east (Figure 6). Rock-chip sampling confirms the 'spotty' gold anomalism with more consistent anomalism in elements considered to reflect the very high level of exposure of the breccia pipe system including lead, silver, arsenic and antimony. Rock-chips up to 0.5 g/t gold and high silver to 28.5 g/t with associated high lead values to 7,740 ppm characterise Hamish's Hill (Figure 6).

These results from Hamish's Hill are considered analogous to the high silver and lead values with rare surface rock-chip gold values above 0.2 g/t gold seen at the 1Moz Mount Wright gold deposit.



At The Bank breccia, rock-chip results have returned up to 0.25 g/t gold with high silver to 45.7 g/t associated with strong arsenic and antimony anomalism to 4,310 ppm and 1,720 ppm respectively (Figure 6).

This geochemical association is considered typical of a peripheral / high-level position in the well documented zonation pattern of these IRGS style deposits. The silver, antimony, arsenic peripheral geochemical association is well established at the 4.8 Moz Ravenswood gold field.

In accordance with these IRGS models, the geochemical anomalism observed at The Bank breccia system indicates better-developed gold mineralisation is potentially preserved at depth. The high-level IRGS geochemical character of The Bank breccia system is also well reflected in wide-spaced (100m x 100m) soil sample geochemistry with a well-defined silver (Ag), antimony (Sb), arsenic (As), copper (Cu) and bismuth (Bi) anomaly and associated spotty gold anomalism (Figure 7).

Additionally, The Bank breccia system also demonstrates a classic lead, zinc, thallium peripheral soil geochemical anomaly consistent with other north-east Queensland IRGS deposits.

Diamond drilling of The Bank breccia, which has never previously been drilled, is planned for the December Quarter, subject to land access negotiations.

Preliminary stream sediment sampling was conducted within the Ravenswood West Project area to identify the source of the strong rare earths element anomalism in a stream sediment sample taken by BHP Minerals in the mid 1990's. The sample returned results up to 0.25% cerium, 0.14% lanthanum, 768 ppm neodymium, 218 ppm praseodymium and 102 ppm samarium, and other rare earth elements which to date have not been followed up. These 'Lanthanide' light rare earth elements are characteristic of a rare intrusive rock called a carbonatite which globally host the largest and highest grade rare earth deposits (eg. Mt Weld, in Western Australia).

The recent stream sediment samples returned even more anomalous results of up to 0.63% cerium, 0.34% lanthanum, 2,270 ppm neodymium, 672 ppm praseodymium and 345 ppm samarium. Further sampling of targeted tributaries and geologic reconnaissance is required to identify the source of the rare earth element anomalism.

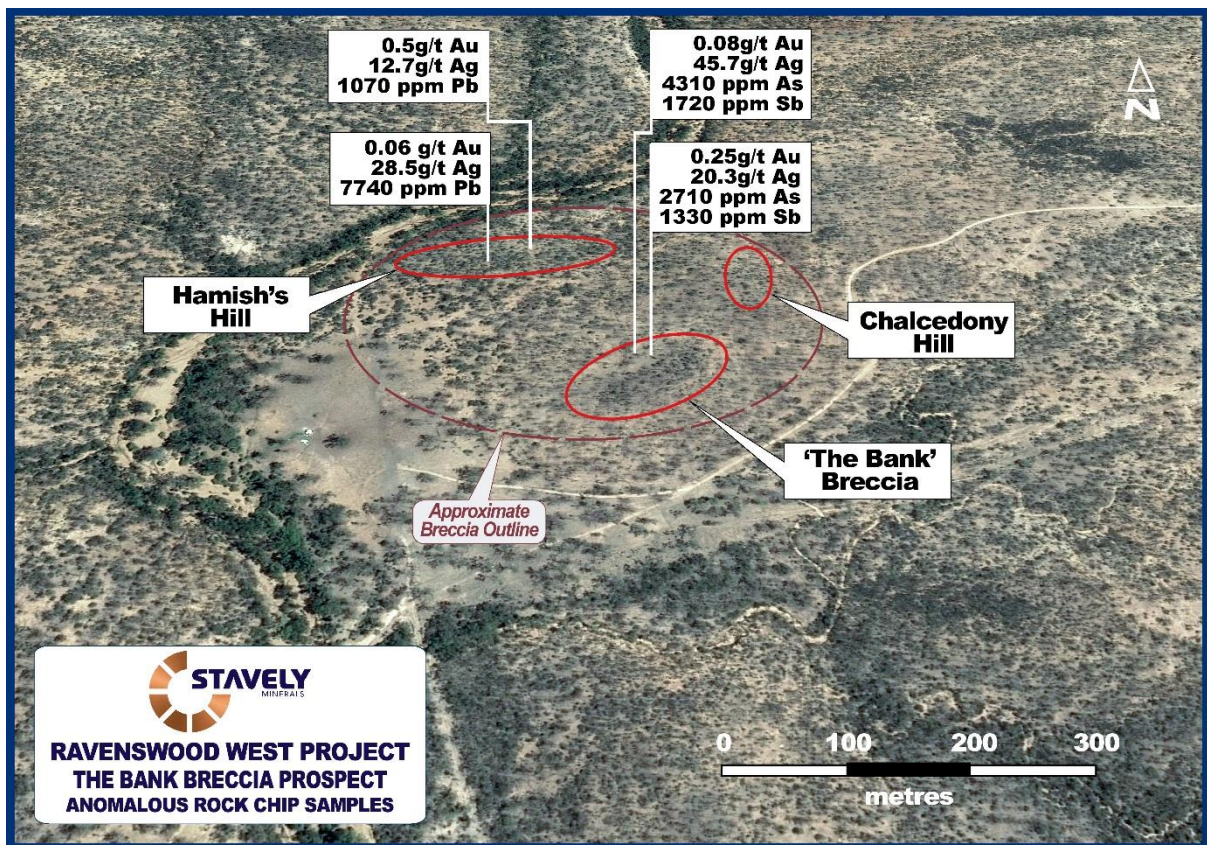


Figure 6. Google Earth image of The Bank breccia area. Note how the creek goes around the silica altered hills.



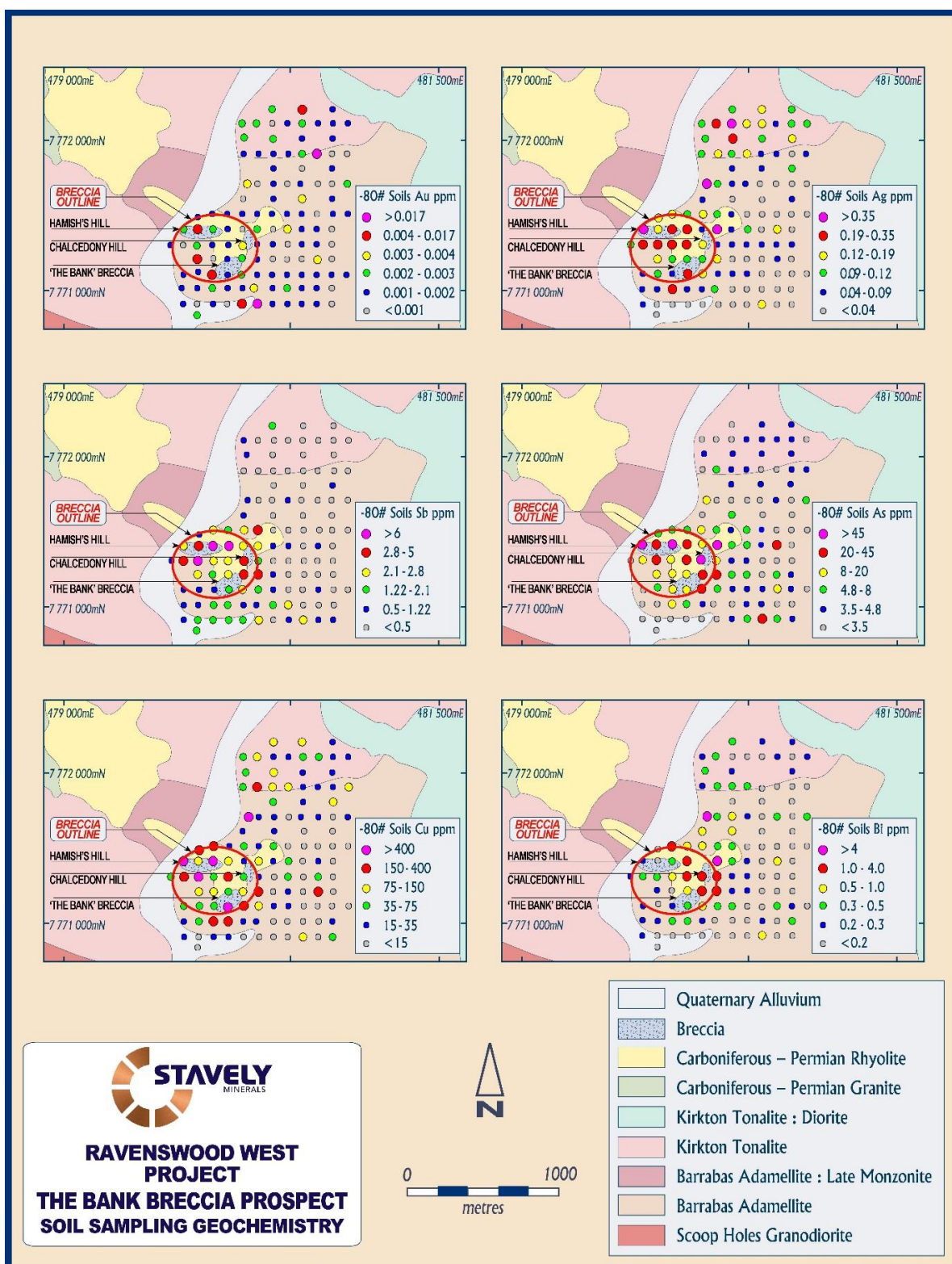


Figure 7. The Bank breccia soil sample geochemistry.



## Planned Exploration

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### **Ararat Project (EL4758, EL3019, EL5486 and EL6271/Minotaur Exploration JV EL5403 and EL5450)**

The regional soil geochemical programme will be continued once the ground dries out after the winter rains.

### **Stavely Project (EL4556)**

The Induced Polarisation and preparation for diamond drilling at Stavely and Yarram Park, scheduled to commence in September, has been postponed due to the un-seasonally wet winter and significantly above average spring rains. It is now expected that fieldwork on the Stavely and Yarram Park Projects will commence in late November.

All the planned exploration activities form part of the TARGET co-funding offer received from the Victorian Government. IP surveys will be undertaken at the Thursday's Gossan copper-gold porphyry target and at the Fairview North and South gold prospects.

The three diamond drill holes planned at Thursday's Gossan and the one diamond drill hole planned at Mt Stavely have been scheduled for the March 2017 Quarter.

### **Yarram Park Project (EL5478)**

The IP survey at Toora West which has been planned ahead of the diamond drilling programme is scheduled for the end of November. The survey will close-up the line spacing, which will significantly improve the constraints along strike and also permit 3D inversion modelling and improved drill targeting.

The two diamond drill holes planned to target intrusion related copper and gold mineralisation at the Toora West prospect, are scheduled to be conducted in December.

### **Ravenswood West Project (EPM26041)**

During the December Quarter, diamond drilling has been planned to test The Bank breccia gold target. Recent geochemical results from soil sampling and rock-chip sampling indicate a high-level of exposure in a breccia-hosted intrusive-related gold system. The planned drilling will target The Bank breccia, Hamish's Hill and Chalcedony Hill. The drilling will commence as soon as all approvals and consents are received.

## CORPORATE

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Stavely Minerals had a total of \$1.06M cash on hand at the end of the September 2016 Quarter, with a further \$1.5M available pursuant to the Share Subscription Agreement with Drilling contractor, Titeline Drilling Pty Ltd and \$1.05M Victorian Government co-funding.

The Company presented at the following investor conferences during and subsequent to the Quarter:

21 July 2016 – Noosa Mining Conference

11 October 2016 – Precious Metals Investment Symposium

## ANNOUNCEMENTS

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Investors are directed to the following announcements (available at [www.stavely.com.au](http://www.stavely.com.au)) made by Stavely Minerals during the September 2016 Quarter and subsequently announced for full details of the information summarised in the Quarterly Report.

01/09/2016 - Significant New Breccia-Hosted Gold Target Identified at Ravenswood Project, Queensland

## Tenement Portfolio - Victoria

The tenements held by Stavelly Minerals as at 30 September 2016 are as follows:

Area Name	Tenement	Grant Date/ (Application Date)	Size (Km <sup>2</sup> )
Mt Ararat	EL 3019	21 December 1989	42
Ararat	EL 4758	29 January 2004	12
Stavelly	EL 4556	5 April 2001	139
Yarram Park	EL 5478	26 July 2013	99
Mortlake	EL 5470	17 June 2013	110
Ararat	EL 5486	10 July 2014	1
Ararat	ELA 5487	(21 June 2013)	5
Ararat	EL 6271	21 July 2016	6
Ararat	RLA 2020	(12 June 2014)	28
Stavelly	RLA 2017	(20 May 2014)	139
Ararat	EL 5403	25 January 2012	68
Ararat	EL 5450	21 February 2013	4

Exploration licence EL6271 was granted on 21 July 2016.

The Company did not dispose of any tenements during the quarter.

## Tenement Portfolio - Queensland

The tenements held by Ukalunda Pty Ltd as at 30 September 2016 are as follows:

Area Name	Tenement	Grant Date/ (Application Date)	Size (Km <sup>2</sup> )
Ravenswood West	EPM26041	24 May 2016	241
Ravenswood North Application	EPM26152	(15 February 2016)	48
Dreghorn Application	EPM26303	( 1 August 2016)	49
Kirk North Application	EPM26304	( 1 August 2016)	29

During the Quarter two new tenement applications, EPM26303 and EPM26304 were made adjacent to the existing Ravenswood West tenement.



A handwritten signature in black ink, appearing to read "Ch. Cairns".

**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.*

*The information in this report that relates to the conceptual study is based on information compiled by Mr Bill Plyley, a Competent Person who is a Member of the Australian Institute Mining and Metallurgy. Mr Plyley is not full-time employee of the Company. Mr Plyley is the Non-Executive Chairman of the Board of Stavely Minerals Limited, is not a substantial shareholder of the Company and is an option holder of the Company. Mr Plyley 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 Plyley consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.*

## 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
<b>Sampling techniques</b>	<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><b>The Bank Breccia Prospect</b></p> <p>Soil sampling, rock chipping and stream sediment sampling was conducted at “The Bank” breccia prospect at the Ravenswood West Project.</p> <p>The soil samples were taken at either 100m or 200m intervals along lines spaced at 100m apart. The grid co-ordinates for the samples were planned in MapInfo. A handheld GPS was used to navigate to each sample point.</p> <p>A pick was used to obtain an approximately 1 kg soil sample at a depth of between 10 cm and 20cm, so as to obtain a sample of the B soil horizon. The sample was then sieved using a coarse mesh (-2mm) sieve to remove organic matter and rock fragments. The sieved sample was placed in a numbered zip-lock bag and subsequently into an alike numbered calico bag. A sample data sheet was filled in at the sample site, which for each sample included the date, grid, sampler names, sample number, RL, soil type, regolith, substrate and comments.</p> <p>The stream sediment samples were collected on the highest order tributaries of the Barrabas Creek in an area where historic samples had returned anomalous REE assays. The stream sediment samples were collected from the central portion of ephemeral stream, slightly upstream from their confluence with the Barrabas Creek. The samples were sieved using a coarse mesh (-2mm) sieve at the sample site to remove organic matter and rock fragments. The sieved sample was placed in a numbered zip-lock bag and subsequently into an alike numbered calico bag.</p> <p>Sample preparation for the soil and stream sediment samples was completed by Stavely Minerals’ personnel. Preparation involved mechanical sieving using a -80 mesh sieve stack to produce an approximately 100g to 150g sample, which was weighed on a digital kitchen scale and was subsequently placed in a corresponding numbered brown paper geochem bag. Damp samples were sun dried prior to sieving. The 100 to 150g -80 mesh samples were submitted to Australian Laboratory Services (“ALS”) in Townsville.</p> <p>The rock-chip samples were also submitted to ALS in Townsville.</p> <p><b>Bank Porphyry Prospect</b></p> <p>In 1967 Asarco Australia drilled 11 Rotary Percussion holes in the prospect for a total of 942 feet (287m) - maximum was 100 feet (30.5m) vertical and sank three</p>

Criteria	JORC Code explanation	Commentary
		shallow pits along the 2,000 feet of mineralisation.
	<i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i>	<p><b>The Bank Breccia Prospect</b></p> <p>Sample representivity was ensured by a combination of Company Procedures regarding quality controls (QC) and quality assurance/ testing (QA).</p> <p><b>Bank Porphyry Prospect</b></p> <p>Noranda Australia Limited reported in 1968 that the sampling was considered to be fairly representative of the first 100 feet (30.5m).</p>
	<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>	<p>No sample preparation is available for the historical drilling stream sediment sampling, or rock chip sampling.</p> <p><b>The Bank Breccia Prospect</b></p> <p>Soil sampling techniques are considered industry standard for the Ravenswood West work programmes.</p>
<b>Drilling techniques</b>	<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>	<p><b>Bank Porphyry Prospect</b></p> <p>In 1967 Asarco Australia drilled 11 Rotary Percussion holes in the prospect for a total of 942 feet (287m) - maximum was 100 feet (30.5m) vertical and sank three shallow pits along the 2,000 feet of mineralisation.</p>
<b>Drill sample recovery</b>	<i>Method of recording and assessing core and chip sample recoveries and results assessed.</i>	<p><b>Bank Porphyry Prospect</b></p> <p>No details are available for the historical drill holes.</p>
	<i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i>	<p><b>Bank Porphyry Prospect</b></p> <p>No details are available for the historical drill holes.</p>



Criteria	JORC Code explanation	Commentary
	<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>	<b>Bank Porphyry Prospect</b>  No details are available for the historical drill holes.
<b>Logging</b>	<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>	<b>Bank Porphyry Prospect</b>  No details are available for the historical drill holes.
	<i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i>	<b>The Bank Prospect</b>  No details are available for the historical drill holes.
	<i>The total length and percentage of the relevant intersections logged.</i>	<b>Bank Porphyry Prospect</b>  No details are available for the historical drill holes.
<b>Sub-sampling techniques and sample preparation</b>	<i>If core, whether cut or sawn and whether quarter, half or all core taken.</i>	<b>Bank Porphyry Prospect</b>  No details are available for the historical drill holes.
	<i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i>	<b>Bank Porphyry Prospect</b>  No details are available for the historical drill holes.
	<i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i>	<b>Bank Porphyry Prospect</b>  No details are available for the historical drill holes.
	<i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i>	<b>Bank Porphyry Prospect</b>  No details are available for the historical drill holes.
	<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>	<b>Bank Porphyry Prospect</b>  No details are available for the historical drill holes.

Criteria	JORC Code explanation	Commentary
	<i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i>	<p><b>Bank Porphyry Prospect</b></p> <p>No details are available for the historical drill holes.</p>
<b>Quality of assay data and laboratory tests</b>	<i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i>	<p><b>The Bank Breccia Prospect</b></p> <p>The sieved -80 mesh soil samples and rock chip samples were analysed for gold by Method Au-TL43 and for a range of multi-elements by Method ME-MS61 at ALS in Townsville, Queensland.</p> <p>The sieved -80 mesh stream sediment samples were analysed for gold by Method Au-TL43 and for a range of multi-elements by Method ME-MS61r at ALS in Townsville, Queensland. The over range REE were analysed by Method ME-MS81h at ALS in Townsville.</p> <p>No sample preparation was required for the soil and stream sediment samples by the laboratory. The rock chip samples required comminution and pulverisation at the laboratory.</p> <p>Gold by Method Au-TL43, is by aqua regia extraction with ICP-MS finish. Up to a 25g sample is digested in aqua regia, and the acid volume is partially reduced by evaporation. The solution is diluted to volume and mixed thoroughly. Gold content is measured by ICP mass spectrometry. Alternatively, an aliquot is taken, a complexing agent added and the gold complex is extracted into an organic solvent. Gold concentration can be measured by flame AAS using matrix matching standards.</p> <p>The selected multi-elements by Method ME-ICP43 are analysed by using an aliquot of the gold digestion liquor Au-TL43 for simultaneous analysis by ICP Atomic Emission Spectrometry.</p> <p>The determination of gold by aqua regia digest offers very low detection limits, making it an attractive option for soil sampling surveys. Aqua regia effectively dissolves both native gold as well as gold bound in sulphide ore minerals and various oxide minerals.</p> <p>Aqua Regia is a partial digestion method and will not digest silicate minerals present in the sample.</p> <p>The samples were analysed by multielement MS Analysis - Method ME-MS61/ME-MS61r. 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</p>

Criteria	JORC Code explanation	Commentary
		<p>approaches total dissolution of most minerals.</p> <p>The stream sediment samples which returned over range REE were reanalysed by Method ME-MS81h. A finely pulverised sample is fused in a lithium borate flux. The resultant melt is leached in dilute aqua regia and made top volume. Elemental concentrations are determined by IPC mass spectrometry.</p> <p><b>Bank Porphyry Prospect</b></p> <p>No details are available for the historical drill holes.</p> <p><b>Historical Stream Sediment Sampling</b></p> <p>BHP Exploration's -2mm stream sediment samples were analysed for Au by active cyanide solvent extraction, carbon rod finish. This is a partial extraction technique.</p> <p>The -80# stream sediment samples were analysed for a range of base-metal, indicator and rare-earth elements including Ag, As, Cu, Fe, Mn, Mo, Pb, Zn, P, Cd, V and Zr were analysed using aqua-regia/ perchloric digestion and ICPOES determination with Th, Ce, Dy, Er, Eu, Gd, Ho, La, Nd, Pr, Sm, Tb, Tm and Yb analysed using aqua-regia/perchloric/hydrofluoric digestion and ICPOES determination.</p> <p><b>Historical Rock-chip Sampling</b></p> <p>BHP Exploration's rock chip samples were analysed using an aqua-regia digestion and AAS determination for Au (0.001), Cu (0.5), Pb (0.5), Zn (0.5), Ag (0.1), As (5), Mo (1), Bi (1) and Sb (2) – ppm detection limit in brackets.</p>
	<p><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></p>	N/A
	<p><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></p>	<p><b>The Bank Breccia Prospect</b></p> <p>The analytical laboratory provide their own routine quality controls within their own practices. The results from their internal validations were provided to Stavelly Minerals.</p> <p><b>Bank Porphyry Prospect</b></p> <p>No details are available for the historical drill holes.</p>

Criteria	JORC Code explanation	Commentary
		<b>Historical Stream Sediment Sampling</b> No quality control is available for the BHP Exploration's stream sediment sampling programme assay data.  <b>Historical Rock-chip Sampling</b> No quality control is available for the BHP Exploration's rock-chip sampling programme assay data.
<b>Verification of sampling and assaying</b>	<i>The verification of significant intersections by either independent or alternative company personnel.</i>	NA
	<i>The use of twinned holes.</i>	<b>Bank Porphyry Prospect</b>  No holes twinned.
	<i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i>	<b>The Bank Breccia Prospect</b>  Primary data was collected for soil sample and rock chip samples using a paper sample sheet. The sampling data was subsequently entered into an excel spreadsheet. The information was then sent to a database consultant for validation and compilation into a SQL database.  <b>Bank Porphyry Prospect</b>  No details are available for the historical drill holes.
	<i>Discuss any adjustment to assay data.</i>	No adjustments or calibrations were made to any assay data used in this report.
<b>Location of data points</b>	<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>	<b>The Bank Breccia Prospect</b>  NA  <b>Bank Porphyry Prospect</b>  No details are available for the historical drill holes.
	<i>Specification of the grid system used.</i>	<b>The Bank Breccia Prospect</b>  The grid system used by Stavely Minerals is GDA94, zone 54. Locations in previous exploration by BHP were in AMG84.  <b>Bank Porphyry Prospect</b>  No details are available for the historical drill holes.
	<i>Quality and adequacy of topographic control.</i>	<b>The Bank Breccia Prospect</b>  The RL was recorded for each soil sample location from the GPS. Accuracy of the GPS is considered to be within 5m.



Criteria	JORC Code explanation	Commentary
		<b>Bank Porphyry Prospect</b> No details are available for the historical drill holes.
<b>Data spacing and distribution</b>	<i>Data spacing for reporting of Exploration Results.</i>	The drill hole spacing is project specific. <b>The Bank Breccia Prospect</b> The soil spacing is shown in the figures in the text. Nominally 100m x 100m.
	<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>	<b>The Bank Breccia Prospect</b> No sample compositing has been applied. <b>Bank Porphyry Prospect</b> No details are available for the historical drill holes.
<b>Orientation of data in relation to geological structure</b>	<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>	<b>The Bank Breccia Prospect</b> The soil sampling grid was not orientated (100m by 100m sampling) and is considered to have achieved unbiased sampling. <b>Bank Porphyry Prospect</b> No details are available for the historical drill holes.
	<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>	<b>Bank Porphyry Prospect</b> There is insufficient drilling data to date to demonstrate continuity of mineralised domains and determine if any orientation sampling bias can be identified in the data.
<b>Sample security</b>	<i>The measures taken to ensure sample security.</i>	No available data to assess security for the historical drilling, stream sediment or rock-chip sampling. <b>The Bank Breccia Prospect</b> The brown paper geochem sample bags containing the sieved soil samples were packaged in a sealed cardboard box for hand delivery to ALS in Townsville, Queensland. The rock chip samples in numbered calico sample bags in a poly-weave bag were delivered by hand to ALS in Townsville, Queensland. Approximately 10 calico sample

Criteria	JORC Code explanation	Commentary
		bags per poly-weave bag.
<b>Audits or reviews</b>	<i>The results of any audits or reviews of sampling techniques and data.</i>	No audits or reviews of the data management system has been carried out.

## Section 2 Reporting of Exploration Results

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

Criteria	JORC Code explanation	Commentary
<b>Mineral tenement and land tenure status</b>	<i>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.</i>	<p>EPM26041 was granted to Ukalunda Pty Ltd on 24 May 2016. Ukalunda Pty Ltd is a wholly owned subsidiary of Stavely Minerals Limited. EPM26041 is located 10km south west of Ravenswood in north Queensland. The Mingela-Ravenswood-Burdekin Dam road passes down the eastern boundary of the tenement. The Burdekin River parallels the southern boundary of EPM26041.</p> <p>The Podosky's prospect is located on excised mining lease ML 10315 which is held by Kitchener Mining NL, which is owned by Haoma Mining NL.</p> <p>EPM26041 is subject to the Birriah People Native Title Grant.</p>
	<i>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.</i>	EPM26041 was granted on 24 May 2016 and is due to expire on 23 May 2021.
<b>Exploration done by other parties</b>	<i>Acknowledgment and appraisal of exploration by other parties.</i>	<p>There has been almost continuous exploration activity in the Ravenswood area including the area of EPM26041, since the mid-1960's. Initially activities were focused on Cu_Mo exploration and then from the early 1980's for Au. Exploration companies active in the area included North Broken Hill, New Consolidated Goldfields, Norranda, Planet, Kennecott, Geopeko, ESSO, Newmont, Poseidon Exploration, Placer Exploration, BHP Minerals, Aurora and more recently Carpentaria.</p> <p>Historical exploration activities have been mainly regional in nature with multiple drainage surveys including – 80# stream sediment and BLEG sampling programmes.</p> <p>Four prospects within EPM26041 have had detailed follow-up exploration – Boori, The Bank, Keane's and Gargarin. Some shallow drilling has been done and results indicate narrow zones of sub-economic mineralisation e.g. Keane's prospect returned multiple zones of &lt;20cm width at +0.5%Mo with the widest intersection in hole R3 of 15m at 0.26% Mo.</p> <p>At the Podosky's prospect exploration was conducted by Haoma Mining NL in 2003 and 2004. RC drilling was conducted as well as a review of an earlier IP geophysical survey. In 2003 Haoma completed a resource model on the Podosky's prospect and estimated 50,903t at 4.95 g/t gold.</p> <p>Apart from a regional soil sampling and rock chipping survey conducted by Carpentaria Gold no other detailed exploration has been undertaken at The Bank breccia</p>

Criteria	JORC Code explanation	Commentary
		prospect.
<b>Geology</b>	<i>Deposit type, geological setting and style of mineralisation.</i>	<p>The dominant rock types within EPM26041 are typically I-type calcic hornblende-biotite granodiorite to tonalite of the Ravenswood Batholith of Middle Silurian to Middle Devonian age. A major structure, the Mosgardies Shear Zone, cuts east-west through the Ravenswood Batholith adjacent to three gold centres. The shear zone is up to 2.5km wide. The main reef at Ravenswood, the “Buck Reef”, is contained within the Mosgardies Shear Zone.</p> <p>The Bank breccia pipe is considered to be analogous with the Mt Wright Gold Mine (~1Moz) and the Welcome breccia pipe (210koz).</p> <p>The Mt Wright breccia complex comprises granite, polymict and rhyolite breccias, as well as rhyolite and tuffsite intrusives, and is approximately 350m in diameter, and at least 1200m deep. The complex is positioned near the contact between the Ordovician Millaroo Granite and Glenell Granodiorite of the Ravenswood Batholith. The main rhyolite body/spine (which hosts the bulk of the mineralisation) is texturally complex, but generally evolves from massive at depth and/or in the core of the spine, to flow banded, and (auto) brecciated variations with decreasing depth and/or proximity to the margins. Most of the gold occurs with marcasite, pyrite and minor pyrrhotite mineralisation as breccia and vug fill, veins and disseminations. . This broadly grades into carbonate-sphalerite-galena-chalcopyrite mineralisation, and decreasing gold, towards the surface and also laterally away from the rhyolite.</p> <p>The Welcome deposit is hosted within the Ordovician Mingela Granodiorite of the Ravenswood batholith, with numerous NNE trending micro-granodiorite (porphyry) to diorite dykes, also of an Ordovician age in the area. The breccia is a well-defined pipe, approximately 20m by 50m across and dips steeply at between 75° and 85° to the NE. Clasts are predominantly granodiorite, with minor micro-granodiorite, andesite and rarely rhyolite. A vein array extends up to 30m beyond the edge of the breccia and includes proximal quartz-carbonate-sulphide shear and sheeted (tension) veins and distal chlorite-carbonate shear veins. Gold mineralisation is hosted within both the breccia and in the adjacent vein array, and is associated with quartz-carbonate-pyrite-sphalerite +/- chalcopyrite-galena.</p>
<b>Drill hole Information</b>	<i>A summary of all information material to the understanding of the exploration results including a tabulation of the</i>	<p><b>Bank Porphyry Prospect</b></p> <p>No details are available for the historical drill holes.</p>



Criteria	JORC Code explanation	Commentary
	<p>following information for all Material drill holes:</p> <ul style="list-style-type: none"> <li>○ easting and northing of the drill hole collar</li> <li>○ elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</li> <li>○ dip and azimuth of the hole</li> <li>○ down hole length and interception depth</li> <li>○ hole length.</li> </ul>	
	<p>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.</p>	No available material drill hole information has been excluded.
<b>Data aggregation methods</b>	<p>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.</p>	<p><b>Bank Porphyry Prospect</b></p> <p>No details are available for the historical drill holes.</p>
	<p>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.</p>	N/A
	<p>The assumptions used for any reporting of metal equivalent values should be clearly stated.</p>	No metal equivalent values are used for reporting exploration results.
<b>Relationship between mineralisation widths and intercept lengths</b>	<p>These relationships are particularly important in the reporting of Exploration Results.</p> <p>If the geometry of the mineralisation with respect to the drill hole angle is known,</p>	<p><b>Bank Porphyry Prospect</b></p> <p>There is insufficient drilling data to date to demonstrate continuity of mineralised domains and determine the relationship between mineralisation widths and intercept lengths.</p>

Criteria	JORC Code explanation	Commentary
	<i>its nature should be reported.</i>	
	<i>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').</i>	<b>Bank Porphyry Prospect</b>  No details are available for the historical drill holes.
<b>Diagrams</b>	<i>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.</i>	Refer to Figures in body of text.
<b>Balanced reporting</b>	<i>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.</i>	Anomalous thresholds are shown in the attached plans.
<b>Other substantive exploration data</b>	<i>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.</i>	All relevant exploration data is shown on figures and discussed in the text.
<b>Further work</b>	<i>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</i>	<b>The Bank Breccia Prospect</b>  Diamond drilling to test The Bank breccia prospect is planned. To date no drilling has been conducted at The Bank breccia Prospect. Soil sampling, rock chipping and prospect scale mapping will be used to target the drilling.  Further stream sediment sampling is planned targeting tributaries of the Barrabas and Elphinstone Creeks to

Criteria	JORC Code explanation	Commentary
	<i>geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i>	identify the source of the rare earth element anomalism.