

## Stavely Minerals Receives Over \$1M in Offers of Victorian Government Exploration Incentive Co-funding

*Enables testing of major copper-gold exploration targets to be advanced from next quarter with co-funding from the Victorian Government's TARGET Mineral Exploration Incentive*

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### **Highlights**

- Major porphyry/intrusive-related and VMS copper-gold exploration targets identified by Stavely at its key projects in Western Victoria to be tested this year following receipt of over \$1M in offers under the Victorian Government's TARGET exploration initiative
- Geophysical, geochemical and drilling programmes for which co-funding has been offered, with activities scheduled to begin from late next quarter, include:
  - *Geophysics and drill testing for copper-gold mineralisation associated with the second-phase porphyry intrusion at the Thursday's Gossan prospect;*
  - *Geophysics and drill testing for copper-gold mineralisation associated with an untested interpreted porphyry intrusion/diatreme breccia at the Toora West prospect;*
  - *Drill testing for copper-gold mineralisation associated with an untested 'blind' porphyry intrusion at Mt Stavely;*
  - *Geophysics at the Fairview gold prospect;*
  - *Regional reconnaissance aircore geochemical drilling at the Stavely Project;*
  - *Regional geophysics in the Ararat Project;*
  - *Drilling of copper-gold targets identified by the regional geophysical programme at the Ararat Project;*
  - *Down-hole geophysics at the Carroll's VMS prospect; and*
  - *Drill testing of an off-hole conductor identified from down-hole geophysics at Carroll's VMS prospect.*

*"We are delighted to have received offers of over \$1 million of exploration co-funding from the Victorian Government under the TARGET exploration initiative. We have been saving some of our very best copper-gold exploration opportunities in Western Victoria in anticipation of receiving some government co-funding, and the receipt of these offers represents a major step forward for the Company. We applaud this initiative of the Victorian Government's, as successful exploration can have a huge impact on regional economies and provide significant employment and growth opportunities for local communities." – Stavely Minerals Managing Director, Chris Cairns.*

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Stavely Minerals Limited (ASX Code: **SVY** – "Stavely Minerals") is pleased to advise that it has received offers totalling in excess of \$1 million of co-funding for exploration programmes under the Victorian Government's TARGET exploration initiative.

Over the past two years Stavely Minerals has been developing a number of high-impact copper-gold exploration targets at its portfolio of projects in Western Victoria. These targets include potentially large-scale porphyry/diatreme and VMS copper-gold mineralised systems.

Stavely Minerals is very pleased that the TARGET exploration initiative, as advised by an independent technical panel, saw merit in co-funding these exploration programmes.

Stavely shareholders stand to gain exceptional value as these programmes are implemented, building on the strong technical work the Company has completed over the past two years in working up a series of outstanding exploration targets.

State Government co-funding exploration initiatives have proven very successful in other jurisdictions, leading to the discovery of:

- The Carrapeteena copper-gold deposit in South Australia – Mineral Resources estimate of 61Mt at 2.9% copper equivalent <sup>1</sup>;
- The Nova / Bollinger nickel deposits in Western Australia – Mineral Resources estimate of 14.3Mt at 2.3% nickel, 0.9% copper and 0.08% cobalt <sup>2</sup>;
- The Gruyere gold deposit in Western Australia – Mineral Resources estimate of 148Mt at 1.30g/t gold for 6.2Moz of gold <sup>3</sup>;

Stavely Minerals Managing Director, Mr Chris Cairns, said the return to the respective State economies from the investment in exploration drilling, the various levels of scoping and feasibility studies, and ultimately the construction, development and operation of these new mines was many multiples of the modest sums involved in early-stage exploration co-funding provided.

“In regional areas such as western Victoria and the Stavely region, these co-funded exploration programmes, if successful in helping to identify significant new mineral discoveries, could provide substantial economic benefits and employment opportunities for local communities,” Mr Cairns said.

“It must of course be stressed that mineral exploration is a high-risk business as the mineral discovery rate is low and there is no guarantee of discovery or that a discovery will prove economic. It is in this context that the Victorian Government’s TARGET exploration initiative is most welcome,” he added.

A prospect by prospect breakdown of the TARGET offers are presented in Table 1 and project location maps are shown in Figures 1-3.

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

**Chris Cairns**  
**Managing Director**

<sup>1</sup> Oz Minerals ASX release 6 October 2015

<sup>2</sup> Independence Group ASX release 28 October 2015

<sup>3</sup> Gold Road ASX release 22 April 2016

*The information in this report that relates to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Chris Cairns, a Competent Person who is a Member of the Australian Institute of Geoscientists. Mr Cairns is a full-time employee of the Company. Mr Cairns is the Managing Director of Stavely Minerals Limited, is a substantial shareholder*

of the Company and is an option holder of the Company. Mr Cairns has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Cairns consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

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**Table 1. TARGET Offers**

Project	Tenement	Prospect	Proposed Programme	Budget	Target Offer
Yarram Park	EL5478	Toora West	2 diamond drill holes for a total of 600m		
Yarram Park	EL5478	Toora West	3 lines at 1.1 km per line for 3.3 line kilometres		
Stavely	EL4556	Thursdays Gossan	2 lines at 3 km per line for 6 line kilometres		
Stavely	EL4556	Thursdays Gossan	3 diamond drill holes for a total of 1,350m		
Stavely	EL4556	Mt Stavely	1 diamond drill hole for 400m		
Stavely	EL4556	Fairview	17 lines at 2 km per line for 34 line kilometres		
Stavely	EL4556	Regional	162 aircore drill holes for a total of 7,000m		
Ararat	EL3019/ EL5403/ EL5450	Regional	12 lines at 2.5 km per line for 30 line kilometres		
Ararat	EL3019/ EL5403/ EL5450	Regional	5 diamond drill holes (100m RC pre-collar and 200m diamond tail per hole)		
Ararat	EL4758	Carroll's	DHEM on two previously completed diamond drill holes		
Ararat	EL4758	Carroll's	1 diamond drill hole for 400m		
<b>Total</b>				<b>\$2,142,761</b>	<b>\$1,000,522</b>

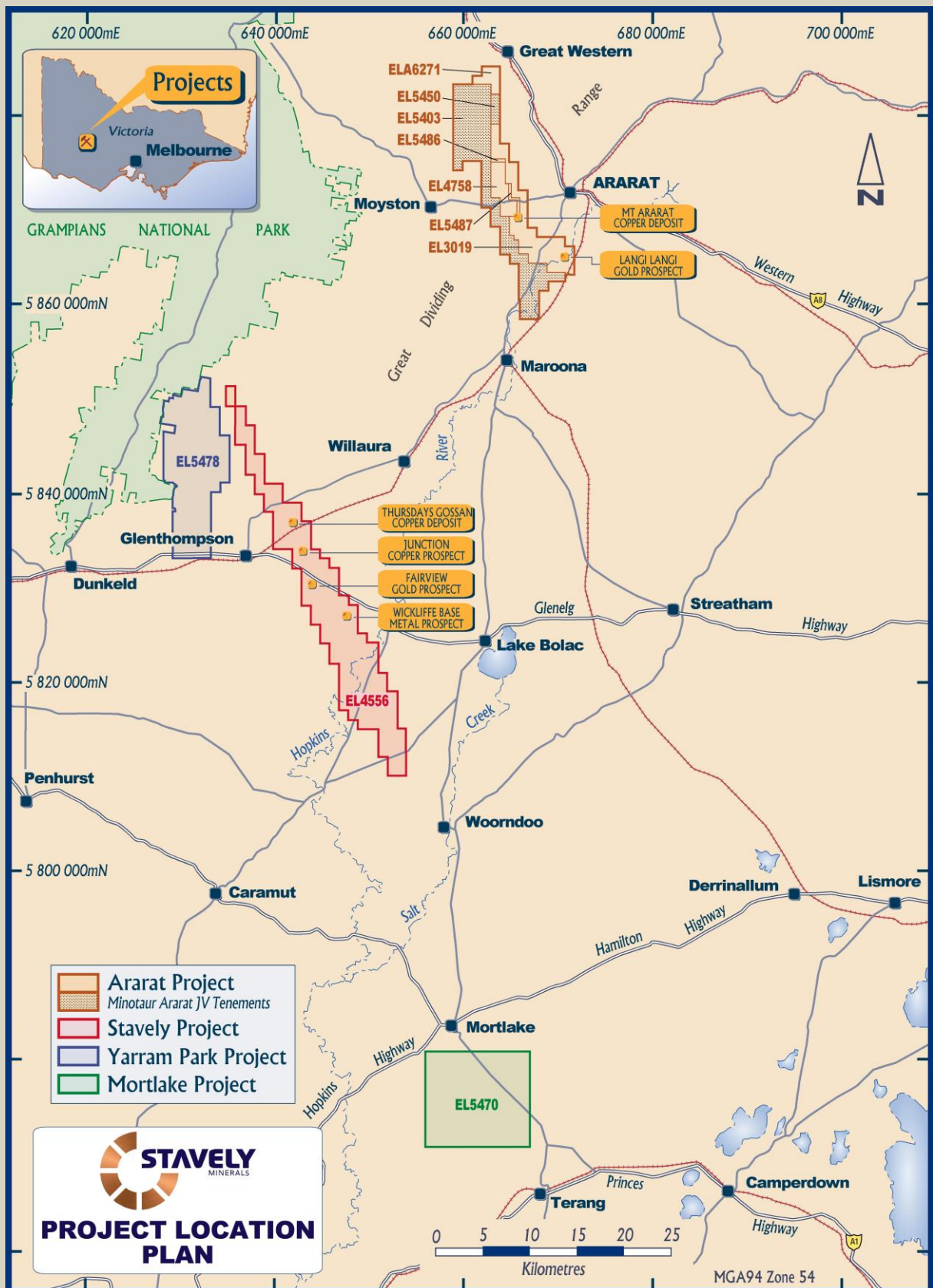


Figure 1. Project location map.

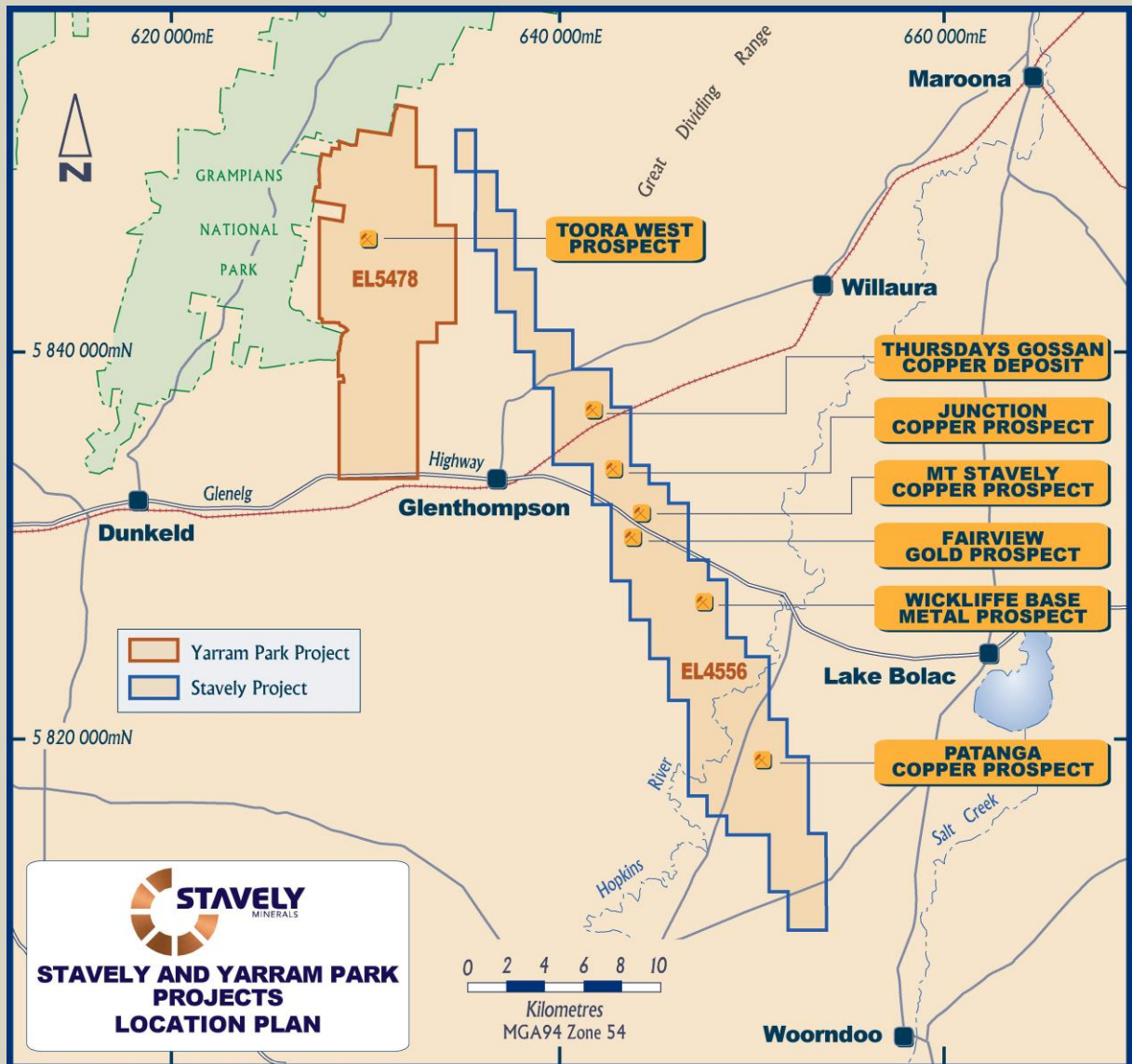


Figure 2. Stavely and Yarram Park Projects location map.

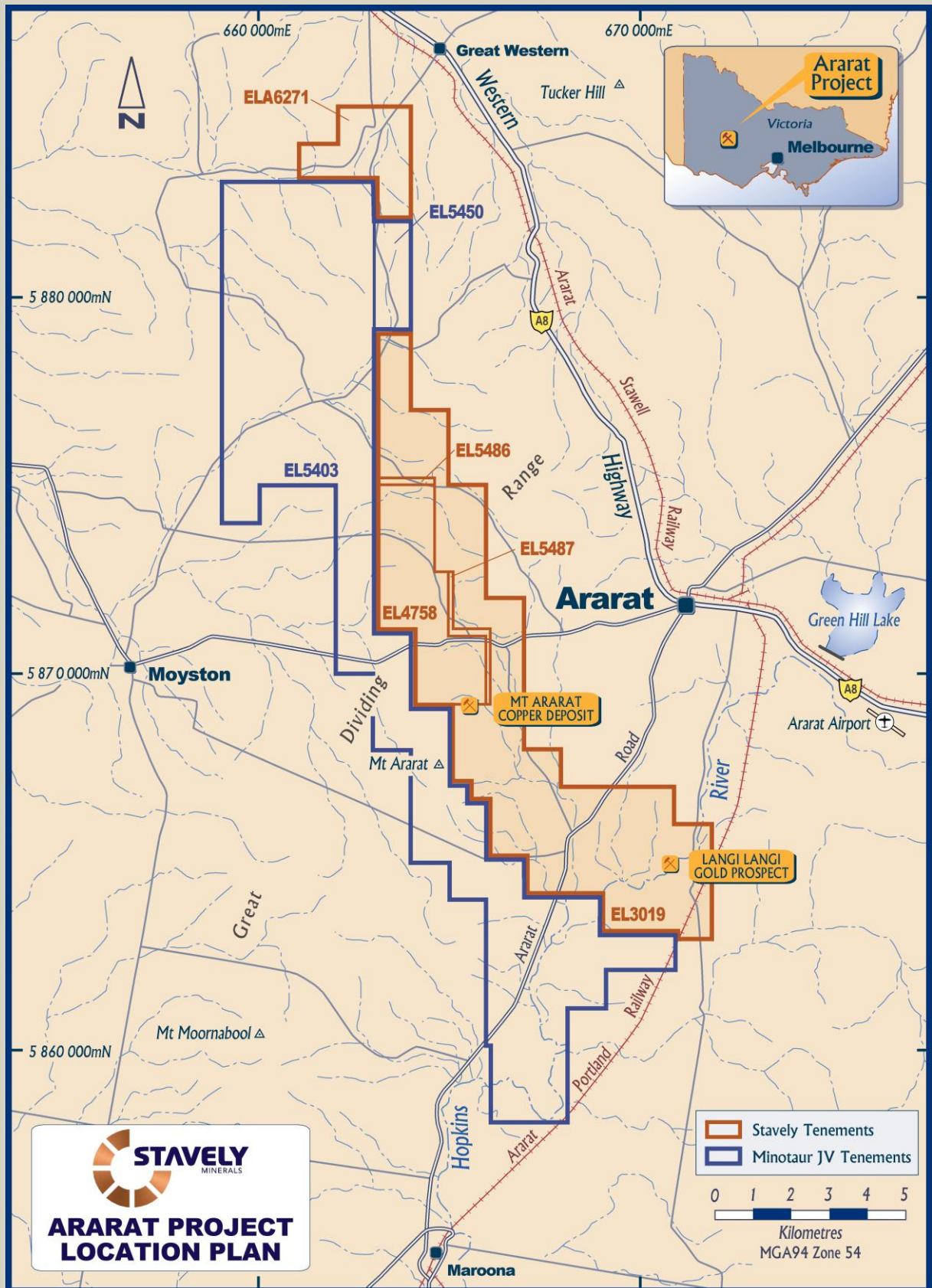


Figure 3. Ararat Project location map.