Stavely Outlines Forward Exploration Programme at Mount Stavely Porphyry Copper and Fairview Gold Prospects

New gold and molybdenum soil geochemical anomalies support interpreted buried porphyry at Mount Stavely; IP geophysics and drilling planned at Fairview Gold and Mount Stavely with recently announced Victorian Government co-funding

Highlights

- **Successful programme of soil geochemical sampling completed over the inferred Mount Stavely porphyry, with assay results anomalous for gold, molybdenum and other indicator elements consistent with the presence of a buried porphyry system**
- **The Mount Stavely buried porphyry is inferred from a distinct gravity low (the porphyry intrusion is less dense than the surrounding rocks)**
- **The strongest gold and molybdenum soil results are coincident with an Induced Polarisation (IP) chargeability anomaly on the NE margin of the inferred porphyry**
- **The Mount Stavely gravity/IP/geochemical anomaly will be drill tested in December with recently announced Victorian Government co-funding**
- **The Fairview Gold prospect is currently being reviewed with the intention of following up previous drilling results which include:**
    - **2.5m at 17.4 g/t gold from 28m drill depth**
    - **2m at 16.1 g/t gold from 23m drill depth**
    - **4m at 6.7 g/t gold from 10m drill depth**
    - **8m at 5.0 g/t gold from 6m drill depth**
- **The Fairview Gold prospect will be evaluated with a large Induced Polarisation geophysical survey with recently announced Victorian Government co-funding**

Stavely Minerals Limited (ASX Code: **SVY** – "Stavely Minerals") is pleased to provide details of upcoming exploration programmes at both the **Mt Stavely porphyry copper-gold prospect** and the high-grade **Fairview gold prospect**, both of which form part of its **Stavely Copper-Gold Project** in Western Victoria (Figures 1 & 2).

The start of this exciting new phase of exploration for the Company follows the recently announced Victorian Government co-funding, which will enable Stavely to test some of its most promising targets at the Stavely Project.

It also follows the receipt of assay results from a recent programme of soil sampling, which has produced multi-element anomalism including molybdenum and gold on the margins of the interpreted blind porphyry intrusion under the Mount Stavely prospect.

The soil sample analysis was initially by NITON™ hand-held XRF for multi-element geochemistry with follow-up laboratory gold determinations by aqua-regia digest and graphite furnace AAS analysis.

The highest gold and molybdenum values (49ppb and 9.4ppm respectively) are coincident with an IP chargeability feature which may reflect sulphide mineralisation at depth (Figures 3-5). The significance of molybdenum anomalism is that it is often centred on the core of primary porphyry copper-gold-molybdenum mineralisation. Elevated arsenic anomalism centred on Mount Stavely could indicate a higher-level mesothermal to epithermal position.

Stavely Minerals has been offered Victorian Government co-funding to drill test the coincident IP chargeability / molybdenum / gold anomaly *(see ASX announcement dated 28 June 2016)*. This drilling is scheduled to commence in December and will be coordinated with other planned drill programmes in the district at Thursday's Gossan and Yarram Park.

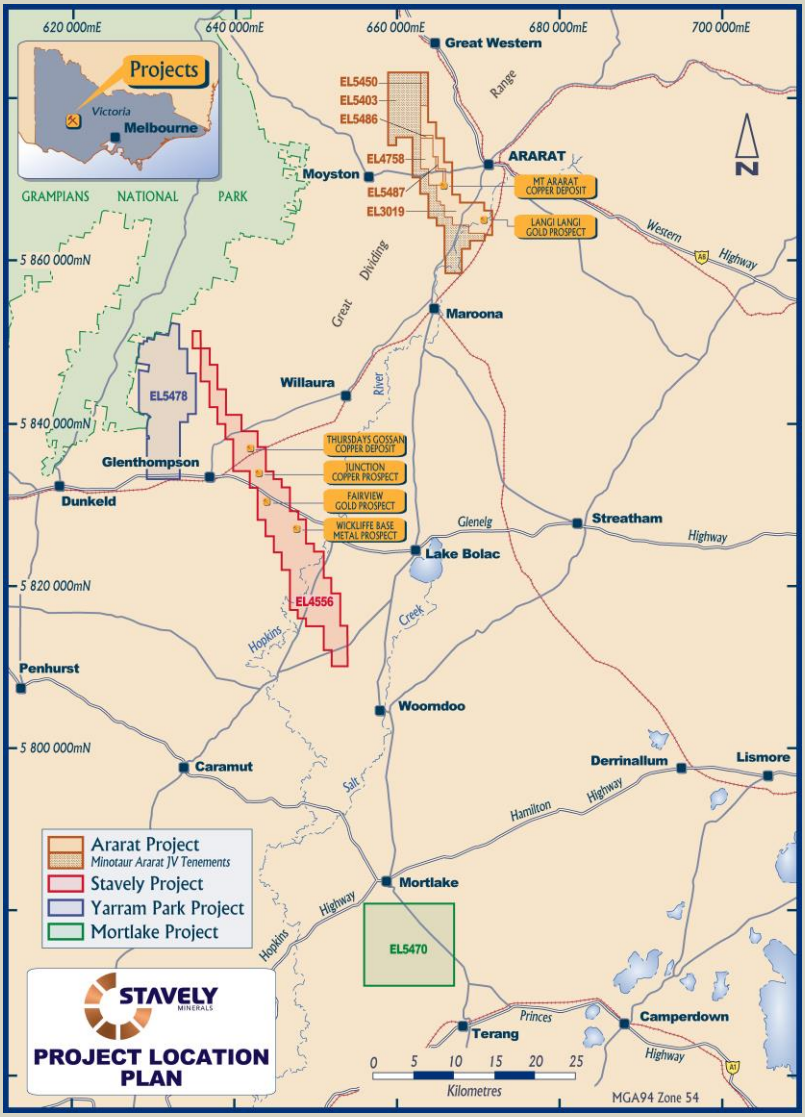

Figure 1. Tenement location map.

The Company is reviewing the nearby Fairview gold prospect for additional drill testing. The Fairview gold prospect is a 5km long zone of gold mineralisation (Figure 6) with several significant historical drill intercepts including:

- 2.5m at 17.4 g/t gold from 28m drill depth
- 2m at 16.1 g/t gold from 23m drill depth
- 4m at 6.7 g/t gold from 10m drill depth
- 8m at 5.0 g/t gold from 6m drill depth

The Fairview gold prospect is interpreted to be a mesothermal to epithermal quartz sulphide vein system on the margins of, and related to, the inferred porphyry at depth beneath Mount Stavely.

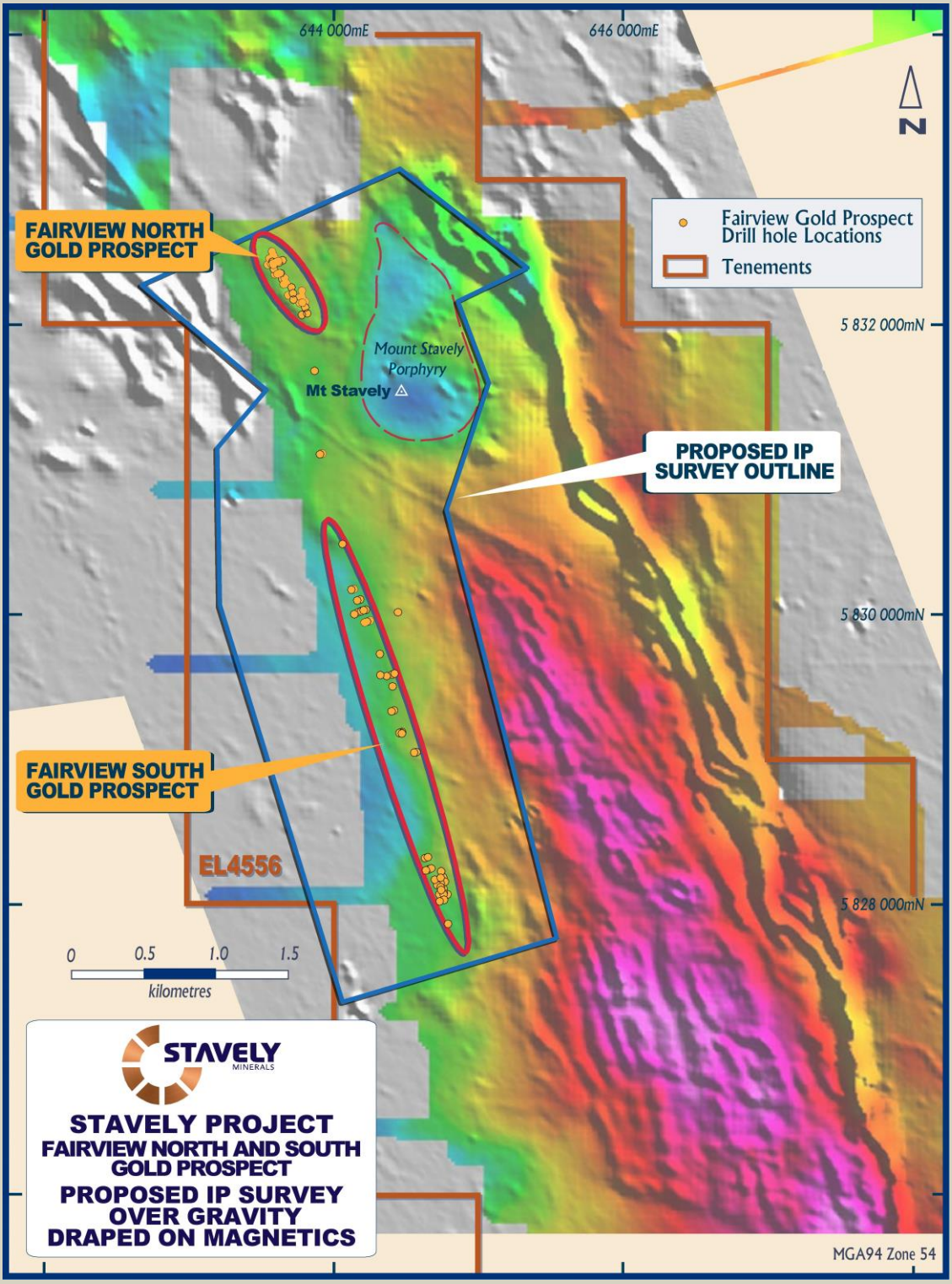

Figure 2. Mount Stavely and Fairview colour gravity overlain on grey-scale aeromagnetics.

Stavely Minerals has also been offered Victorian Government co-funding for 17 lines of IP, each 2km long, at the Fairview gold prospect (Figure 2). The Fairview IP survey is scheduled to commence in October and will be coordinated with other IP programmes planned at Thursday's Gossan and Yarram Park.

The results from the Fairview IP survey will assist in defining potential drill targets for better-developed zones of gold mineralisation.

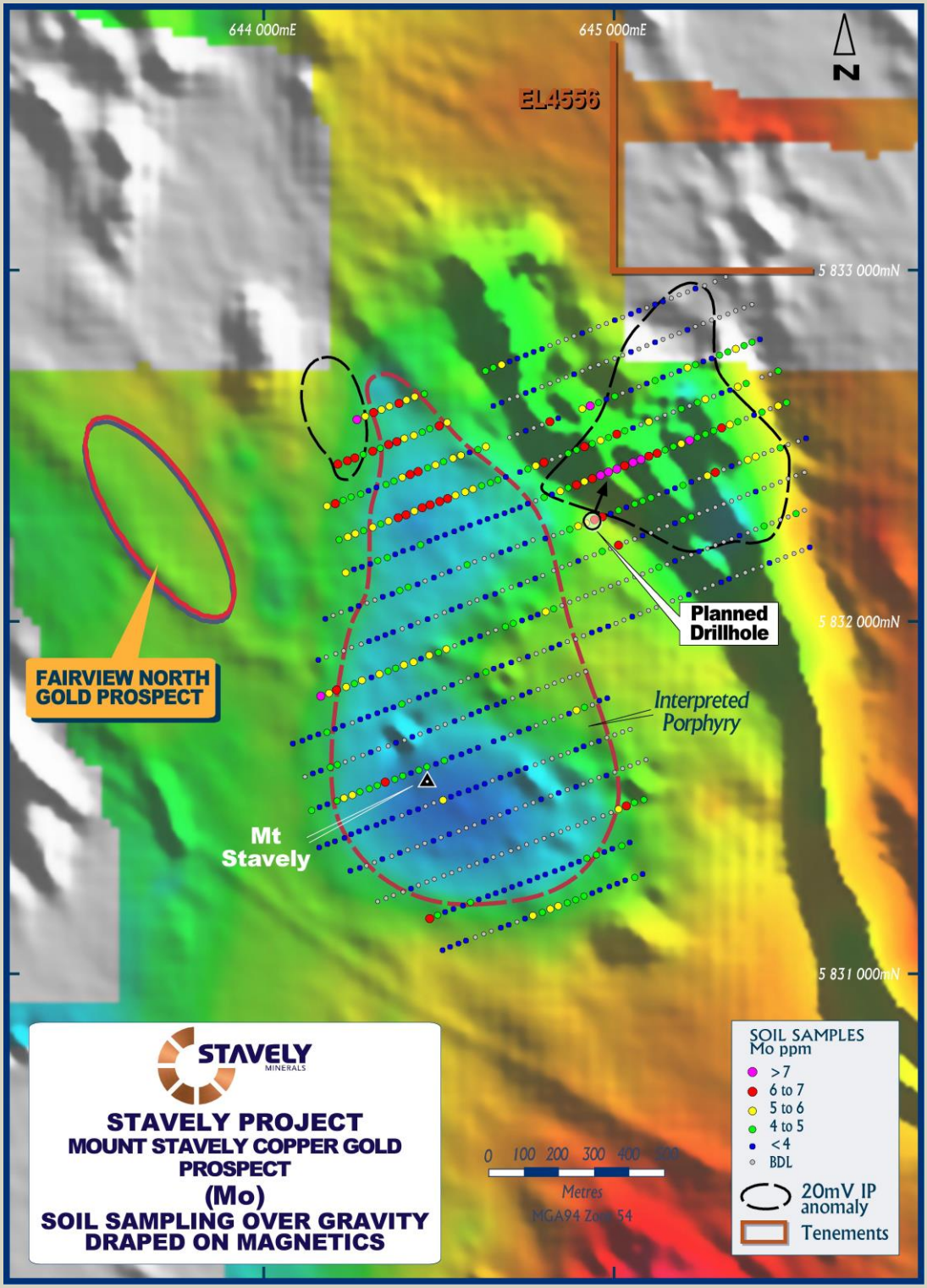

Figure 3. Mount Stavely colour gravity draped on grey-scale aeromagnetics with molybdenum soil sample NITON™ assay results and IP chargeability anomaly outlines.

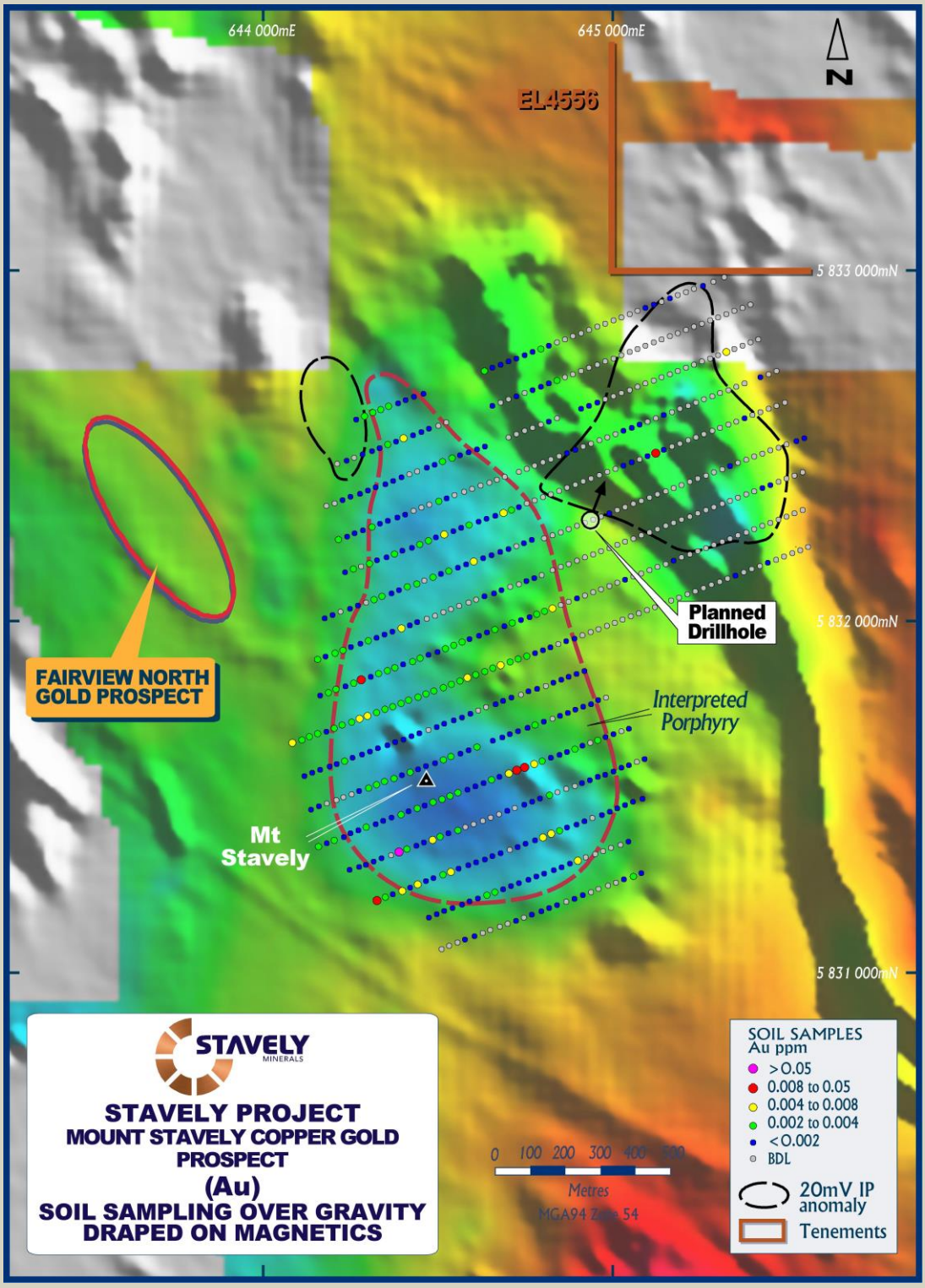

Figure 4. Mount Stavely colour gravity draped on grey-scale aeromagnetics with gold soil sample NITON™ assay results and IP chargeability anomaly outlines.

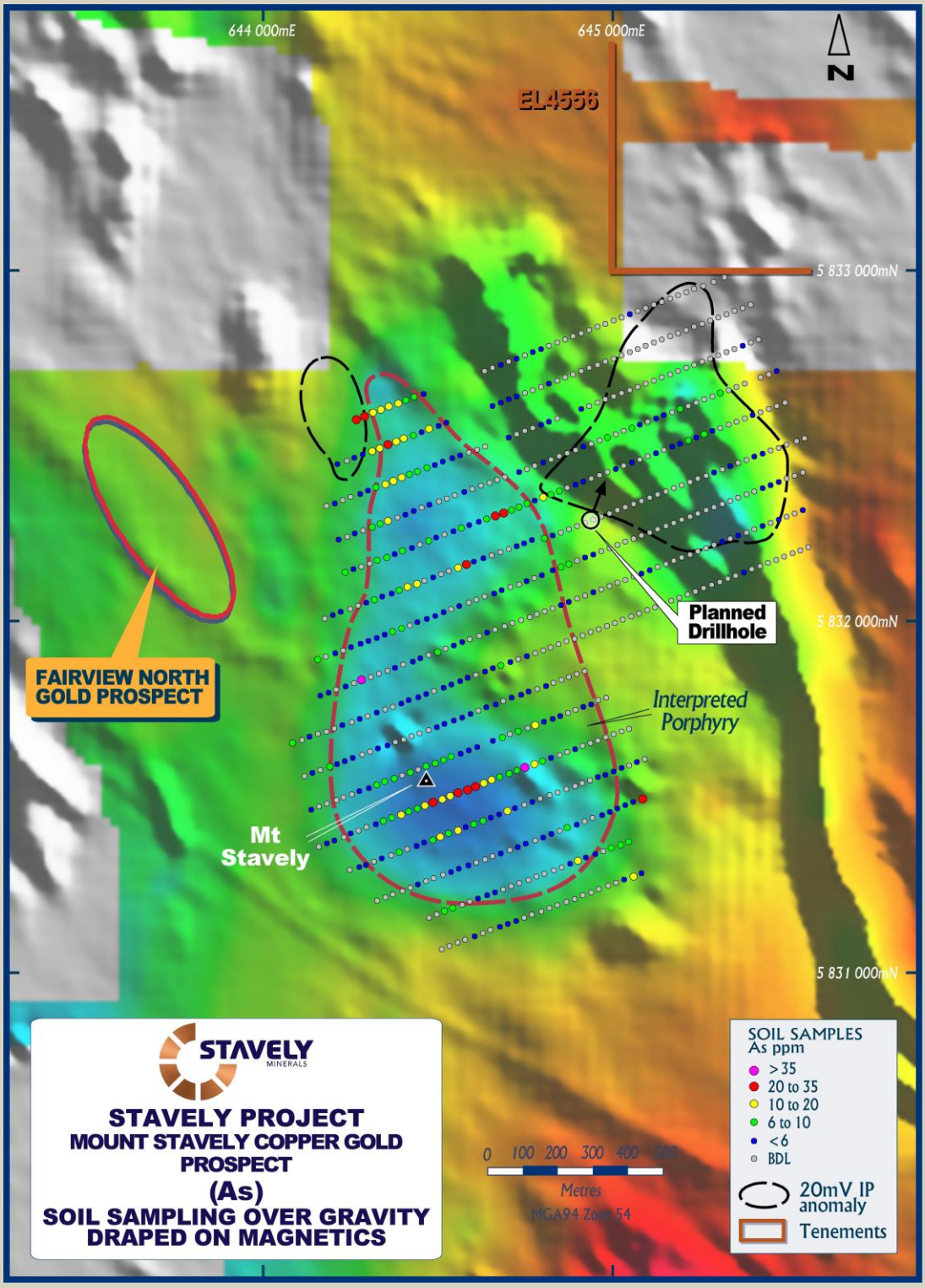

Figure 5. Mount Stavely colour gravity draped on grey-scale aeromagnetics with arsenic soil sample NITON™ assay results and IP chargeability anomaly outlines.

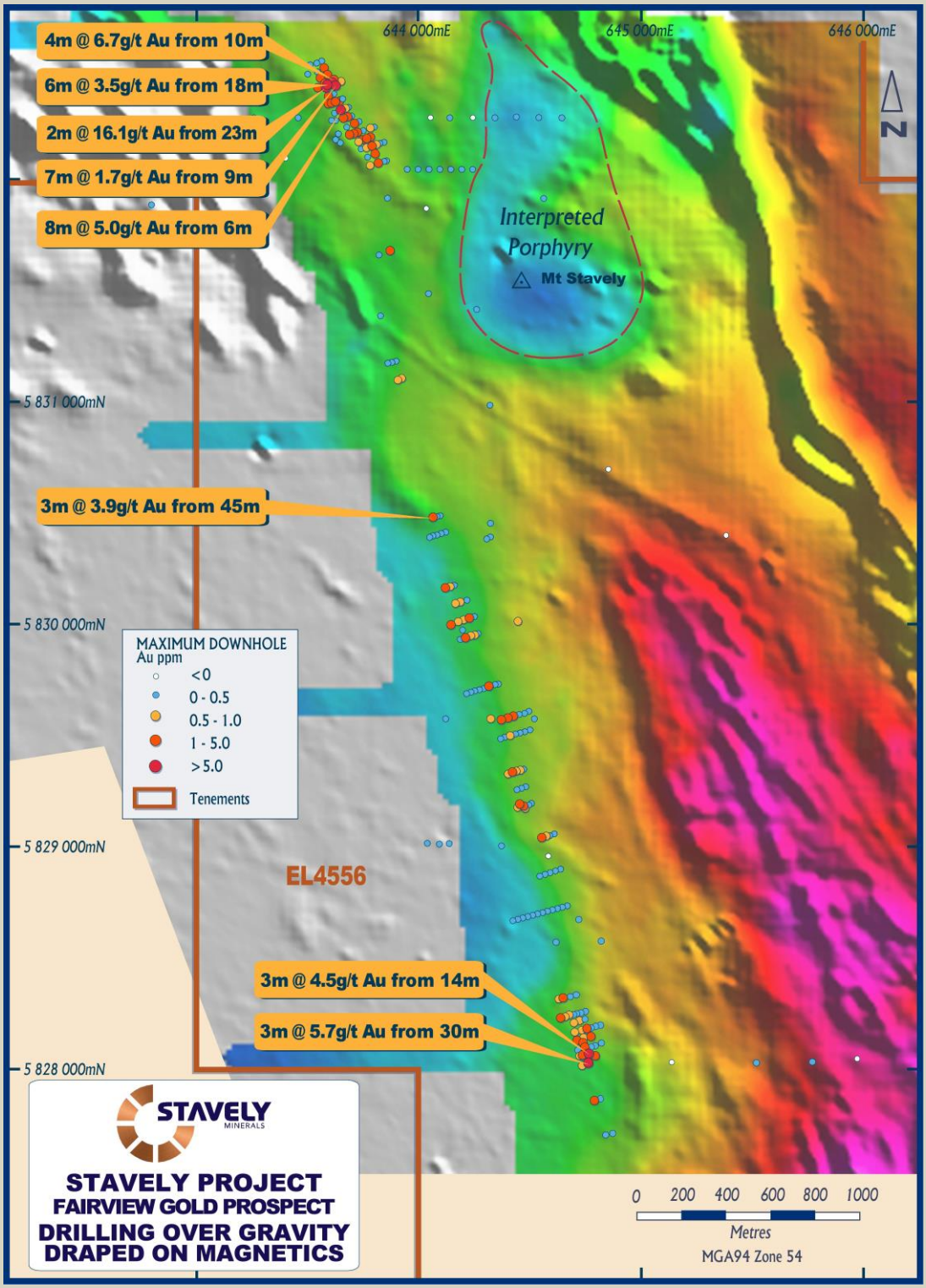

Figure 6. Mount Stavely colour gravity draped on grey-scale aeromagnetics with Fairview drill hole collars and selected gold results.

Chris Cairns
Managing Director

The information in this report that relates to Mineral Resources 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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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.*	**Soil Sampling** The soil samples were taken at the Mt Stavely prospect targeting porphyry copper-gold mineralisation. The soil samples were taken at 25 m intervals along lines spaced 100m apart. The grid co-ordinates for the samples were planned in MapInfo. A handheld GPS was used to navigate to each sample point. Either a hand held auger or a pick was used to obtain an approximately 1kg 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. Sample preparation was completed at Stavely Mineral's shed near Glenthompson. Each sample was sieved using a -80 mesh sieve to produce an approximately 40g sample and placed in a corresponding numbered small plastic geochem zip-lock bag in preparation for portable XRF analysis using a Niton™ XL3t 950+. The sieve was cleaned with a paint brush between each sample. Each small zip-lock bag was placed sequentially in a division in an RC chip tray for ease of management. The remaining portion of the sample was returned to the original large zip-lock bag and placed back in the calico bag. Upon completion of the Niton™ XRF analysis the 40g sample in the small plastic geochem zip-lock bag was submitted to ALS Laboratories in Brisbane for gold analysis by Au-TL43. **Historical Drilling** In 2006 Beaconsfield Gold Mines Pty Limited drilled aircore, RC and diamond holes at the Fairview prospect. Beaconsfield drilled 167 aircore holes (FAH001-FAH167) for 3,844m to test anomalous soil samples that had returned >100ppb Au. The holes were drilled vertical using a multipurpose drill rig and assayed for gold only. A total of 7 diamond holes (FDH001 – FDH007) were completed for 874 metres. The holes were drilled at -60^0 either to the east or the west. The diamond holes targeted immediately beneath the best geochemistry and were assayed for gold only. A total of 51 RC drill holes (FRH001 – FRH051) for 3,588 metres were also drilled to target various soil/ aircore geochemical anomalies. Apart from FRH020 which was drilled at -60^0 on an azimuth of 240^0, the holes were drilled at -60^0 on an azimuth of

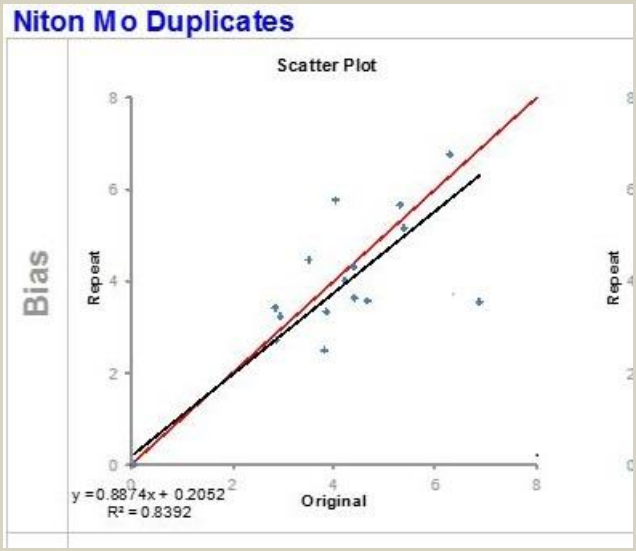
Criteria	JORC Code explanation	Commentary
		060^0. The holes were assayed for gold only. In 2009 BCD Metals Pty Ltd drilled 29 aircore holes (FAC168 – FAC203) for 1888m at the Fairview North and South prospects. The aircore drilling contractor was Broken Hill Exploration. The holes were assayed for gold only, using Fire Assay.
	Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.	**Soil Sampling** 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. **Historical Drilling** QA reported by BCD Metals for the 2009 drilling included the collection of field duplicates and the use of standards and blank samples.
	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.	**Soil Sampling** Soil sampling techniques are considered industry standard for the Stavely work programmes. **Historical Drilling** The field procedures for the aircore drilling consisted of 1m samples from the cyclone being run through a two-tier 25:75 riffle splitter and composited into 2m samples to provide approximately 5kg sample. The reject from the riffle splitter was placed into individual piles on plastic sheeting which were then sieved to provide chips for logging. With the hammer drilling the sample mass of the 2m composite was often significantly greater than 5kg and these samples were re-split through the lower tier of the riffle splitter (50-50) to reduce the mass. Fairview ground conditions were reported to be generally moderately weathered to fresh rock with generally no major sample loss or groundwater issues. The 1m split samples for the entire length of the RC drill holes were submitted for analysis. The diamond half core was sampled for the entire length of the hole, either on one metre intervals or based on mineralised zones. All field samples were dispatched to Onsite Laboratory Service's laboratory at Bendigo, with samples from Fairview assayed for gold only by Fire Assay (FA/AAS). Field duplicates and standards were routinely submitted as well as blanks. All samples were dried, crushed and pulverised to -80#.
Drilling techniques	*Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast,*	**Historical Drilling** No details were reported for the diamond drilling. For the 2012 aircore drilling, the rig was 700psi/300cfm and it was

Criteria	JORC Code explanation	Commentary
	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).	found that the conditions at Fairview South were more difficult than anticipated and the a down-the-hole hammer had to be used instead. At Fairview North some of the aircore drilling was completed with a RAB-style hammer using a cross-over to provide sample return through the rods. When this hammer failed it was replaced with the same small hammer used at Fairview South. In 2006 the RC and diamond drilling was conducted by a multipurpose drilling rig. The holes were internally surveyed down hole.
Drill sample recovery	*Method of recording and assessing core and chip sample recoveries and results assessed.*	**Historical Drilling** At Fairview ground conditions were reported by BCD Metals to be generally moderately weathered to fresh rock with generally no major sample loss or groundwater issues.
	Measures taken to maximise sample recovery and ensure representative nature of the samples.	**Historical Drilling** No details are available for the historical drill holes.
	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.	**Historical Drilling** No details are available for the historical drill holes.
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.*	**Historical Drilling** The historical drill holes have been geologically logged on 1m intervals.
	Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.	**Historical Drilling** All logging is quantitative.
	The total length and percentage of the relevant intersections logged.	**Historical Drilling** The historical drill holes have been geologically logged on 1m intervals in their entirety.
Sub-sampling techniques and sample preparation	*If core, whether cut or sawn and whether quarter, half or all core taken.*	**Historical Drilling** Half core was sampled for the diamond drilling at the Fairview prospect. The samples were dried, crushed and pulverised to -80# at the laboratory.
	If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.	**Historical Drilling** The field procedures for the aircore drilling consisted of 1m samples from the cyclone being run through a two-tier 25:75 riffle splitter and composited into 2m samples to provide approximately 5kg sample. With the hammer

Criteria	JORC Code explanation	Commentary
		drilling the sample mass of the 2m composite was often significantly greater than 5kg and these samples were re-split through the lower tier of the riffle splitter (50-50) to reduce the mass. The 1m split samples for the RC drill holes were submitted for analysis. The samples were dried, crushed and pulverised to -80# at the laboratory.
	For all sample types, the nature, quality and appropriateness of the sample preparation technique.	**Soil Sampling** 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. **Historical Drilling** No details of quality control procedures are given for the historical drilling.
	Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.	**Soil Sampling** Duplicate analysis, blanks and certified reference materials were included in the Niton™ XRF analysis process as part of the quality control procedures. Eight separate standards were employed on a 1:10 basis while duplicate analyses and blanks were employed on a 1:20 basis. **Historical Drilling** Field duplicates, blanks and standards were submitted with the samples to the laboratory as part of the quality control procedures for the aircore, RC and diamond drilling.
	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.	**Soil Sampling** No field duplicates were collected. **Historical Drilling** Field duplicates were submitted with the samples to the laboratory as part of the quality control procedures for the aircore and RC drilling.
	Whether sample sizes are appropriate to the grain size of the material being sampled.	**Soil Samples** The sample sizes are considered to be appropriate to correctly represent the sought mineralisation. **Historical 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.*	**Soil Samples** Niton™ pXRF analysis of samples was conducted with the instrument in a portable test stand and was remotely controlled by connection to a laptop computer. Each day the instrument was allowed to warm up for at least 10 minutes before being calibrated.

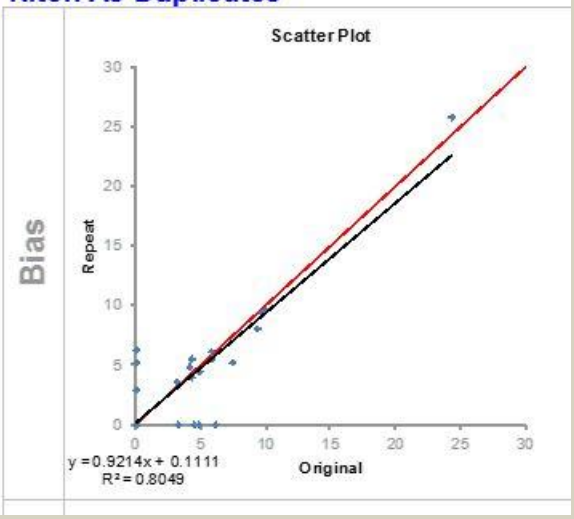
Criteria	JORC Code explanation	Commentary
		Samples were sequentially stored in small zip-lock bags in 20-compartment RC chip trays. For each tray a standard was analysed at the beginning and the end of the tray. A blank was analysed after the 10th sample in the tray and after the end of the tray was complete and the second standard analysed, a duplicate analysis of the tenth sample was completed. Data was downloaded for each RC chip tray – amounting to 24 analyses with 20 samples, 2 standards, a blank and a duplicate. Each RC tray 'sequence' was saved as an individual Excel file named with the corresponding sample number range. The data from each of these files, was in sequence, saved to a master analysis electronic data sheet and sample numbers and sample type designations added. The sieved -80 mesh soil samples were analysed for gold by Method Au-TL43 at Australian Laboratory Services ("ALS") in Brisbane, Queensland. No sample preparation was required by the laboratory. 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. The determination of gold in soils by aqua regia digest offers very low detection limits, making it an attractive option for geochemical orientation surveys. Aqua regia effectively dissolves both native gold as well as gold bound in sulphide ore minerals. Aqua Regia is a partial digestion method and will not digest silicate minerals present in the sample. **Historical Drilling** The samples were analysed for gold by Fire Assay with a flame atomic absorption spectroscopy finish. A 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

Criteria	JORC Code explanation	Commentary
		standards. Fire assay is a total digestion method and is suitable for determining ore-grade gold results.
	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.	**Soil Samples** All the soil samples were analysed by portable XRF using a Niton™ XL3t 950+. The following procedure was employed for the analysis: It was ensured that all samples were dry at the time of analysis. Any samples which displayed condensation on the inside of the plastic bag were heated in the microwave to remove all moisture. The Niton™ was placed in a purpose built stand. The Niton™ was set to SOILS analytical mode for the analysis. The instrument was allowed to warm up for 10 minutes prior to the start of any analyses. Each sample was placed in the sample chamber and analysed in soil mode for a total of 90 seconds. The following elements and their respective errors were recorded for each sample – Mo, Zr, Sr, U, Rb, Th, Pb, Au, Se, As, Hg, Zn, W, Cu, Ni, Co, Fe, Mn, Cr, Ti, Sc, Ca, K and S. After ever 20 samples analysed the sample chamber was flushed with compressed air. No calibrations factors have been applied.
	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.	**Soil Samples** The analytical laboratory 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. The Niton™ XRF analysis was performed by Stavely Minerals' personnel, whom are trained in operating the instrument. For the Niton™ XRF analysis for every 20 samples, one duplicate, one blank and two standards were analysed. The standards used were a combination of Niton™ Standards and Certified Reference Material (CRM). The Niton™ XRF results are used only as semi-quantitative and preliminary. Quality control was conducted on the Niton™ XRF analysis for the elements reported on which are Mo and As. Duplicate analysis of the sample material was undertaken to allow estimation of analytical variance over a range of

Criteria	JORC Code explanation	Commentary
		element concentrations. Statistics for the duplicates for Mo and As are presented below. **Mo**  **Duplicate statistics** Original / Repeat Number of data 23 23 Maximum 6.870 6.800 Minimum 0.050 0.050 Mean 2.858 2.742 First quartile 0.050 0.050 Median 3.500 3.370 Third quartile 4.395 4.200 Skewness -0.091 -0.022 Standard deviation 2.304 2.232 Coeff. of variation 0.806 0.814 **Summary bivariate Statistics** Correlation 91.61% Slope 0.9456 R^2 0.8392 Intercept 0.2656 Mean Abs Diff 0.5374 Average Diff 0.1165 Std Dev Diff. 0.9319 95% Rel Conf. 0.1827

Criteria	JORC Code explanation	Commentary
		As

Precision and bias analysis
Stavely Minerals
Niton As Duplicates



Duplicate statistics

	Original	Repeat
Number of data	37	37
Maximum	24.330	25.860
Minimum	0.050	0.050
Mean	3.058	2.929
First quartile	0.050	0.050
Median	0.050	0.050
Third quartile	4.850	5.250
Skewness	2.672	3.026
Standard deviation	4.808	4.937
Coeff. of variation	1.572	1.686

Summary bivariate Statistics

Correlation	89.72%
Slope	0.8736
R^2	0.8049
Intercept	0.4997
Mean Abs Diff	1.1700
Average Diff	0.1295
Std Dev Diff.	2.2133
95% Rel Conf.	0.4338

A silicon blank sample was analysed every 20 sample readings to monitor for dust contamination of the detector window. All the blanks returned BDL for Mo and As.

The Certified Reference Material (CRM) was placed into the same small plastic geochem ziplock bag used for the samples, prior to it being analysed. The CRM's were selected to cover a range of expected values for the elements of interest. Two standards were analysed per 20 sample readings.

The Niton™ specific standards TILL-4PP and 2709a

Criteria	JORC Code explanation	Commentary
		which cover a range of values for the elements of interest, namely As and Mo performed well with respect to expected values and repeatability. The Niton™ specific standard 2780 performed well for the expected values for Mo but did not perform well for As, however the expected value for As was 48.8ppm which is not within the range of reading obtained. **Historical Drilling** The quality control data for the historical drilling has not been assessed.
Verification of sampling and assaying	*The verification of significant intersections by either independent or alternative company personnel.*	**Historical Drilling** Stavely Minerals has not conducted any verification of the sampling and assaying of the holes drilled by Beaconsfield and BCD Metals at the Fairview Prospects.
	The use of twinned holes.	
	Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.	**Soil Sampling** Primary data was collected for soil sample 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. **Historical Drilling** No details are available for the historical drilling.
	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.*	N/A
	Specification of the grid system used.	The grid system used is GDA94, zone 54.
	Quality and adequacy of topographic control.	**Soil Sampling** The RL was recorded for each soil sample 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.*	**Soil Sampling** The soil samples were taken on 100m line spacings and 25m sample spacing, refer to figures in text. **Historical Drilling** Drill hole locations are shown in the figures in the text.
	Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the	N/A

Criteria	JORC Code explanation	Commentary
	Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.	
	Whether sample compositing has been applied.	**Soil Sampling** No sample compositing has been applied. **Historical Drilling** For the aircore drilling 2m composite samples were submitted to the laboratory.
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.*	**Soil Sampling** The soil sampling grid is approximately perpendicular to the strike of the lithological and structural boundaries. **Historical Drilling** The drill grid is approximately perpendicular to the strike of the lithological and structural boundaries.
	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.	**Historical Drilling** The Fairview gold anomaly is hosted in an inferred structural contact between the Fairview Andesite Breccia and the Glenthompson Sandstone. Drilling was conducted perpendicular to the strike of the lithological and structural boundaries and is not considered to have introduced a sampling bias.
Sample security	*The measures taken to ensure sample security.*	**Soil Samples** The small plastic zip-lock geochem sample bags containing the sieved soil samples were packaged in a cardboard box for despatch by TNT Transport by Stavely Minerals' personnel. The samples were delivered to ALS in Brisbane, Queensland. **Historical Drilling** No data is available to assess sample 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 have 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
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 soil sampling and historical drilling was conducted in the Stavely Project, comprising EL4556. The Stavely Project was purchased by Stavely Minerals (formerly Northern Platinum) from BCD Resources Limited in May 2013. Stavely Minerals hold 100% ownership of the Stavely Project Tenements. The Stavely Project is on freehold agricultural land and not subject to Native Title claims. New Challenge Resources Pty Ltd retains a net smelter return royalty of 3% in EL4556, although there is an option to reduce this to 1% upon payment of $500k.
	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 – RL2017 was applied for over the entire extent of EL4556 in May 2014. The tenement is in good standing and no known impediments exist.
Exploration done by other parties	*Acknowledgment and appraisal of exploration by other parties.*	**Fairview North and South Gold Prospects** The Fairview Gold prospect was first identified as a gold-in-soil anomaly approximately 4 km in length, hosted in an inferred structural contact between the Fairview Andesite and the Glenthompson Sandstone. A single aircore hole drilled by Newcrest intersected 14 m of 0.4 g/t Au from 32 m to the end of the hole, confirming a bedrock source for the soil anomaly. Shallow aircore drilling of Fairview North by Beaconsfield Gold Mines Pty Ltd generated significant near-surface gold values in excess of 1 g/t, including 4 m of 6.69 g/t Au from 10 m (FAH035) and 30 m of 1.39 g/t Au from surface (FAH131). BCD Metals Pty Ltd drilled an intercept of 10 m of 4.2 g/t Au from 6 m in FAC178 from Fairview North in 2012. All work conducted by previous operators at the Fairview Gold prospects is considered to be of a high quality. **Mount Stavely Copper- Gold Prospects** In 2013 Stavely Minerals completed a regional ground gravity survey over the central portion of EL4556. Processing of the gravity data revealed a gravity low at Mount Stavely. Porphyry intrusions are commonly less dense than the surrounding country rocks and produce a gravity low. A co-incident 'low' was identified in the airborne magnetic data which is interpreted to reflect magnetite destructive hydrothermal fluid alteration. The inferred porphyry is in proximity to the marginal gold mineralisation at the Fairview gold prospect. In early 2014 Stavely Minerals commissioned an Induced Polarisation (IP) survey over the Mount Stavely Prospect. A chargeability anomaly of up to 20mV/V is located slightly offset from the gravity low and truncates a regionally extensive serpentinite horizon. The

Criteria	JORC Code explanation	Commentary
		chargeability feature is interpreted as reflecting disseminated pyrite associated with retrograde phyllic alteration overprinting earlier prograde potassic/ propylitic alteration. At Thursday's Gossan deep diamond drilling has shown there to be an excellent correlation between IP chargeability features and phyllic alteration.
Geology	*Deposit type, geological setting and style of mineralisation.*	**Fairview North and South Gold Prospects** The Fairview gold anomaly is hosted in an inferred structural contact between the Fairview Andesite Breccia and the Glenthompson Sandstone. The gold mineralisation is associated with sericite, albite and K-spar (adularia) alteration and quartz sulphide veins with chalcopyrite, sphalerite, galena and gold. The sphalerite is of a pale yellow colour and, in conjunction with the adularia, suggestive of a high-level low-temperature low-sulphidation epithermal affinity. **Mount Stavely Copper- Gold Prospect** The Mount Stavely Copper-Gold prospect is located in the Mount Stavely Volcanic Complex (MSVC). Intrusion of volcanic arc rocks such at the Mount Stavely Volcanic Complex by shallow level porphyries can lead to the formation of porphyry copper ± gold ± molybdenum deposits. The Mt Stavely target comprises a coincident gravity and magnetic low with an induced polarisation chargeability feature and geochemical support within the prospective Mount Stavely Volcanic Complex.
Drill hole Information	*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.*	**Historical Drilling** A table of selected significant exploration results are provided in the body of the text. The table includes:- • Collar coordinated in GDA94 Zone 54, • Elevation, • Dip and azimuth of hole, • Total hole depth, • Length weighted average grade for Au g/t.
	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	No material drill hole information has been excluded.

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	clearly explain why this is the case.	
Data aggregation methods	*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.*	**Historical Drilling** Selected significant intercepts from the historical drilling were reported. No top-cutting of high grade assay results has been applied, nor was it deemed necessary for the reporting of significant intersections.
	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.	**Historical Drilling** All the aircore results were based on 2 metre composite sampling.
	The assumptions used for any reporting of metal equivalent values should be clearly stated	No metal equivalent values are used for reporting exploration results.
Relationship between mineralisation widths and intercept lengths	*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.*	**Historical Drilling** An assessment of the geometry of the mineralisation has not been made.
	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').	**Historical Drilling** The true width for the gold intercepts are not known.
Diagrams	*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.*	Refer to Figures in body of text. A plan view of the soil sample and historical drill hole locations is included. .
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*	Anomalous thresholds are shown in Figures in body of text.

Criteria	JORC Code explanation	Commentary
	Results.	
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.
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.*	**Mount Stavely Porphyry Copper-Gold Target** A diamond hole is planned to target porphyry copper-gold mineralisation in the Mount Stavely Volcanic Complex (MSVC) at the Mt Stavely prospect. The drill hole has been designed to test a coincident induced polarisation chargeability feature and soil geochemical anomalism. The IP chargeability feature is at a depth of between approximately 250m and 350m. In order to test the targeted potassic 'core' beneath the phyllic alteration, which is represented by chargeability features the hole be drilled to a planned depth of 400m. Refer to Figures in body of text. **Fairview North and South Gold Prospects** An induced polarisation survey (IP) is planned at the Fairview Gold prospects. The 4.8 kilometre long Fairview North and Fairview South low-sulphidation epithermal gold anomalies, originally identified in soil sampling and followed-up with shallow reconnaissance aircore, RC and limited diamond drilling has not been investigated by any geophysical techniques. The IP will provide vital information for focused drill targeting. The proposed survey will be conducted along 2 kilometre length lines at 300m spacings. Refer to Figures in body of text.