Significant New Gold Targets Identified at Ararat Project

Recent soil geochemical and IP geophysical surveys have identified significant gold anomalism for follow-up in a high-grade historical gold field

Highlights

- **A series of strong Induced Polarisation (IP) chargeability anomalies have been generated at the historical Port Curtis Goldfield.**
- **Gold values of up to 5.33 g/t Au were returned from previous rock chip sampling by the Company in this area in the vicinity of the historical Honeysuckle Mine.**
- **Additional IP data will be collected prior to the selection of drill targets.**
- **A large 2.8km long arsenic anomaly with local gold anomalies has been identified immediately south of the contact with the Stawell Granite.**
- **Arsenopyrite is intimately associated with gold mineralisation at the Stawell Gold Mine, which is located on the north side of the Stawell Granite.**
- **The gold-arsenic anomaly is co-incident with three primary historical gold workings, namely the Plantagenet, New Hope and Goldburra Mines. Anomalous gold values of 1.25 g/t and 1.41 g/t were returned from rock chip samples at these locations.**

Stavely Minerals Limited (ASX Code: **SVY** – "Stavely Minerals") is pleased to advise that it has identified a number of significant gold exploration targets at its **Ararat Project**[1] in Western Victoria (Figures 1 and 2) following successful geophysical and geochemical exploration programmes.

The targets comprise new IP chargeability and soil geochemical anomalies coincident with historical gold workings which previously yielded high-grade gold sampling results.

Port Curtis Goldfield

Several historical gold mines are located within the Port Curtis Goldfield, including the Honeysuckle Mine, which is hosted within a late-phase intrusive granite in the Ararat Project (Figure 2). Field investigations have identified alteration which may indicate the presence of a reasonably sized gold mineralised system, although historical mining focused upon narrow, high-grade reefs.

Gold in the Honeysuckle area was discovered in 1897 and grades of 7.5 g/t gold were reported. With the gold being hosted within an intrusive, Induced Polarisation (IP) was considered likely to be effective in identifying sulphides potentially associated with gold mineralisation.

During the June Quarter, IP data was collected on four lines over the Curtis Diorite in the Honeysuckle Mine area. Processing of the data and integration with magnetic and gravity data has led to the identification of a number of chargeability features which are considered worthy of follow-up (Figure 3).

[1]*Stavely Minerals is earning an interest in EL5403 and EL5450 owned by Minotaur Operations Pty Ltd see ASX announcement 10 April 2015.*

Previous rock chip sampling by the Company in the vicinity of the Honeysuckle Mine returned a gold value of 5.33 g/t. Additional IP data will be collected prior to the selection of drill targets.

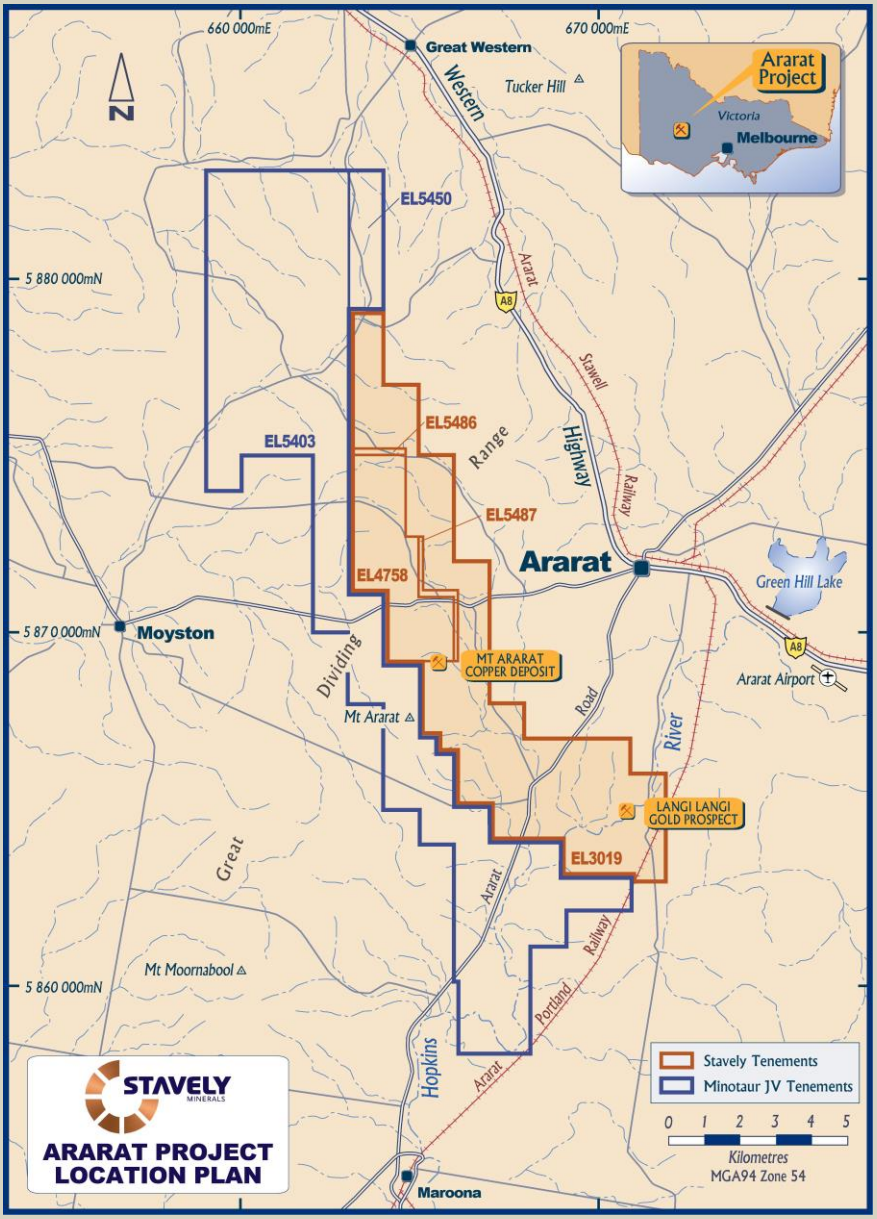

Figure 1. Tenement location map.

Regional Soil Geochemical Programme

Stavely continued a regional soil geochemical programme at the Ararat Project during the June Quarter, with a total of 254 samples collected on its 100%-owned tenements and the Minotaur JV tenements. The soil sampling programme is still in progress but is currently paused due to the wet ground conditions.

The surface geochemical programme was designed to cover the favourable VMS mineralised horizon and areas of historical hard-rock gold mining operations. Sampling was conducted at a line spacing of 400m with samples at 100m centres on the lines.

In areas where the regional soil sampling returned anomalous results, in-fill sampling was undertaken at 50m intervals along lines spaced 200m apart. The samples were sieved to minus 80 mesh (minus 0.177mm) and submitted to ALS in Brisbane for the analysis of gold and a 48 element assay suite.

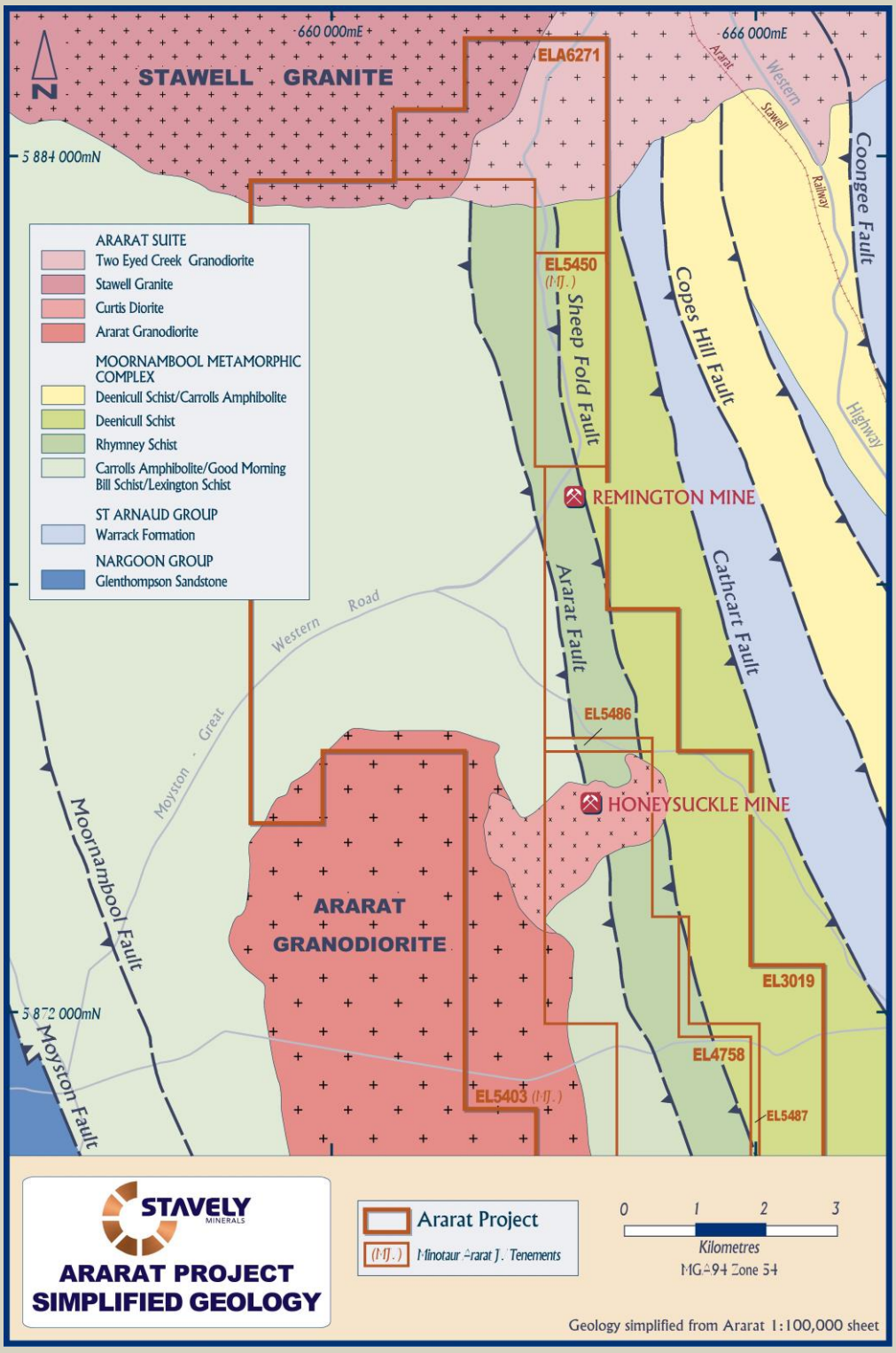

Figure 2. Prospect location map.

Assay results have been received for all the regional soil samples collected to date.

A strong arsenic anomaly has been defined in the northern portion of the Ararat Project. The +20ppm arsenic anomaly extends for more than 2.8km and is predominantly located on the Minotaur Joint Venture tenement EL5450 (Figure 4).

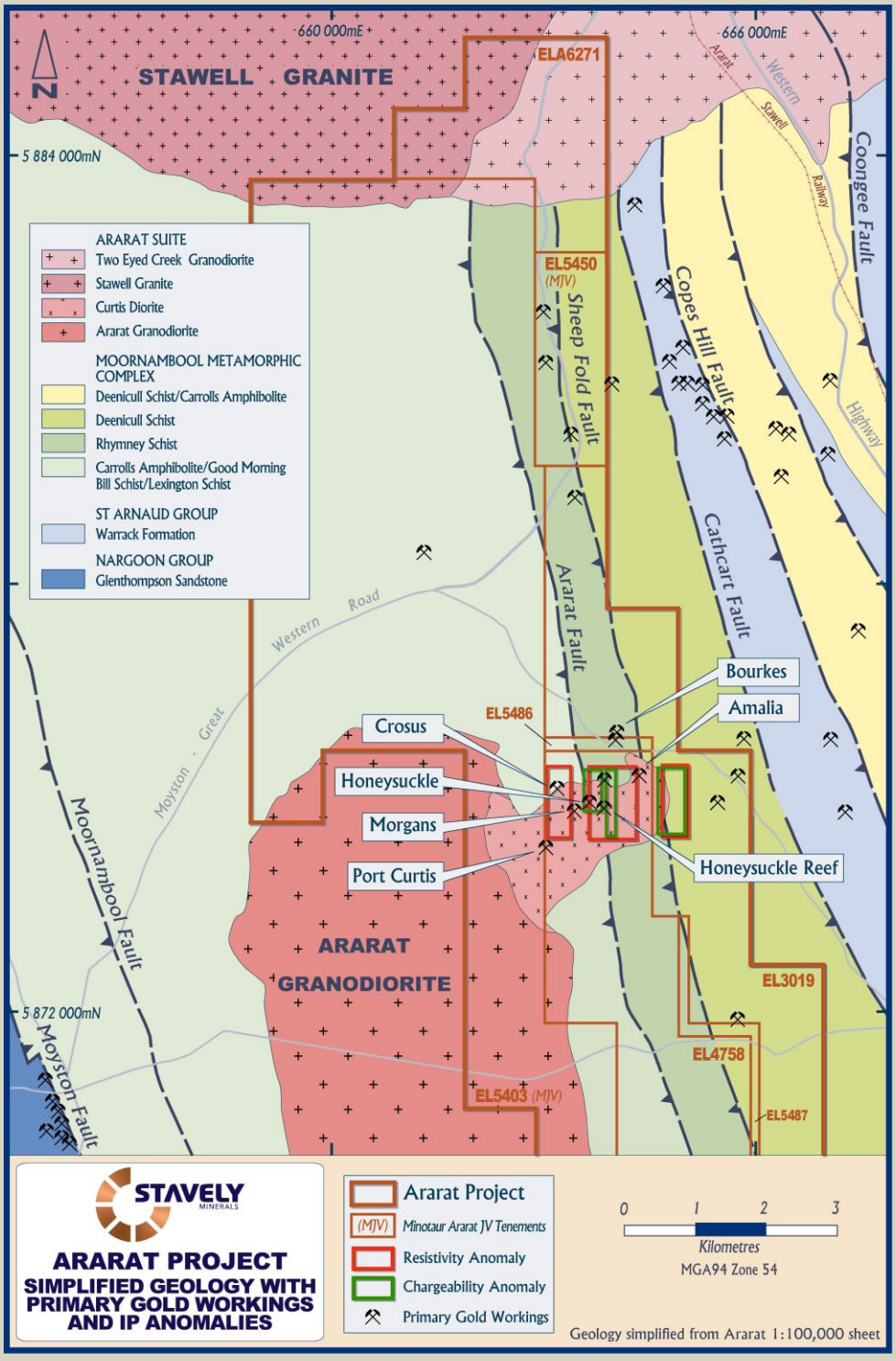

Figure 3. Primary Gold Workings with IP anomalies.

Several of the soil samples in this area returned gold values in excess of 50ppb, with peak values of 103ppb (0.10 g/t) and 238ppb (0.24 g/t) Au. The gold-arsenic anomaly is coincident with three primary historical gold workings, namely the Plantagenet, New Hope and Goldburra Mines.

Anomalous gold values of 1.25 g/t and 1.41 g/t were returned from rock chip samples previously collected by Stavely Minerals in this area. An application has been made for an exploration licence (EL6271) immediately to the north of the Ararat Project to cover the extension of the anomalous soil geochemistry trend into the Stawell Granite (Figure 4).

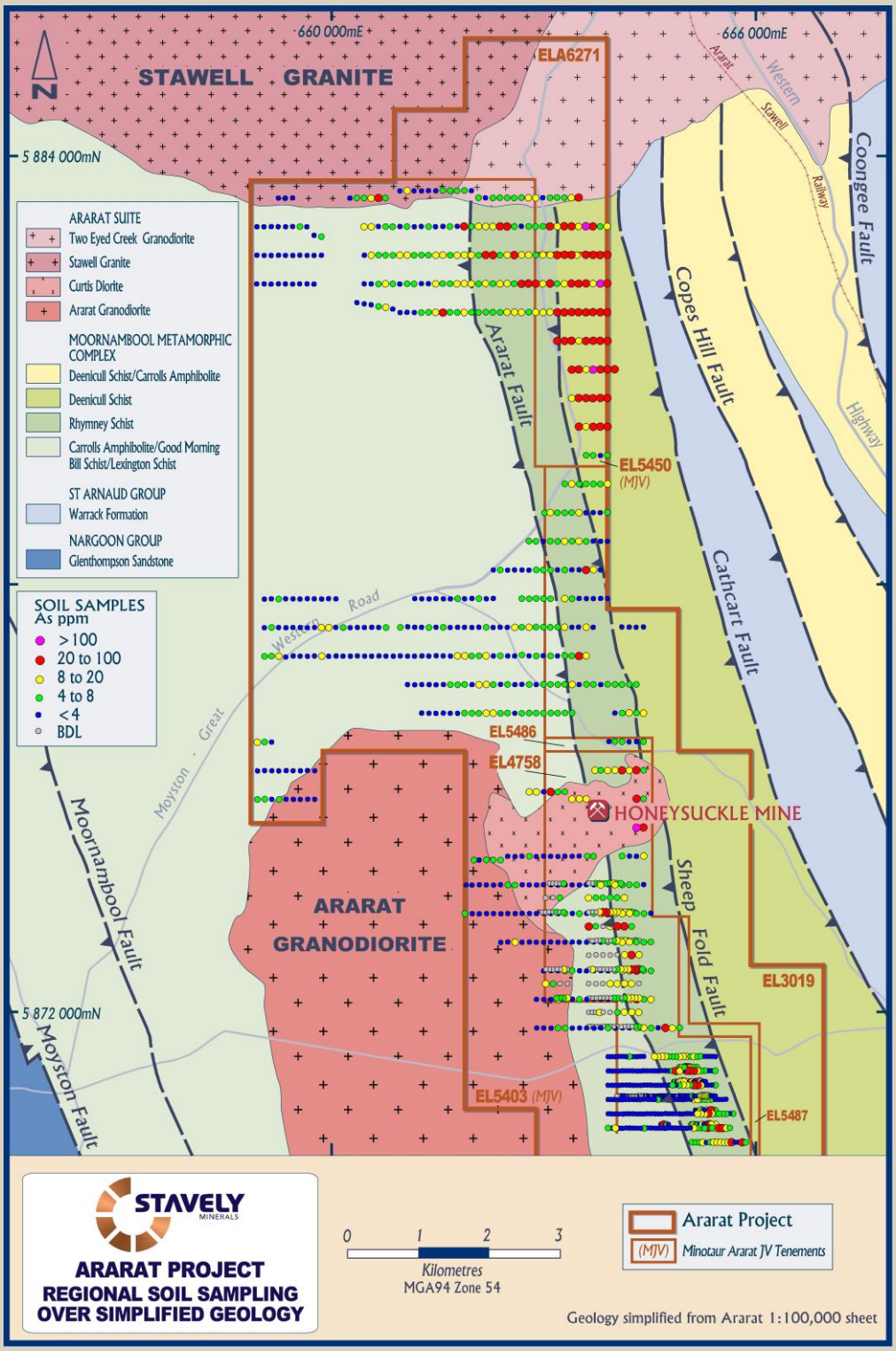

Figure 4. Ararat Project Regional Soil Sampling Programme with Arsenic results.

The current anomaly is a southern mirror image to the Stawell Gold Mine on the northern margin of the Stawell Granite.

The regional sampling over the Curtis Diorite in the vicinity of the historic Honeysuckle Mine is incomplete but the limited results received to date have returned anomalous arsenic values up to 123 ppb gold.

Follow-up sampling will be completed once the winter rains abate.

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.

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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.*	A regional soil sampling programme and rock chip sampling was conducted on the Ararat Project targeting base metal and gold mineralisation. The regional soil samples were taken at 100 m intervals along lines spaced 400m apart. The in-fill soil samples were taken at 50m intervals along lines spaced 200m 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 10cm 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 Minerals' shed near Glenthompson. Preparation involved using a -80 mesh sieve 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. The sieve was cleaned with a paint brush between each sample. Damp samples were placed in an oven at low temperature to dry out prior to sieving. The remaining portion of the sample was returned to the original large zip-lock bag and placed back in the calico bag. The 100 – 150g -80 mesh samples were submitted to ALS Laboratory in Brisbane.
	Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.	Sample representivity was ensured by a combination of Company Procedures regarding quality controls (QC) and quality assurance/ testing (QA).
	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	Soil sampling techniques are considered industry standard for the Ararat work programmes.

Criteria	JORC Code explanation	Commentary
	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.	
Drilling techniques	*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).*	N/A
Drill sample recovery	*Method of recording and assessing core and chip sample recoveries and results assessed.*	N/A
	Measures taken to maximise sample recovery and ensure representative nature of the samples.	N/A
	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.	N/A
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.*	N/A
	Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.	N/A
	The total length and percentage of the relevant intersections logged.	N/A
Sub-sampling techniques and sample	*If core, whether cut or sawn and whether quarter, half or all core taken.*	N/A

Criteria	JORC Code explanation	Commentary
preparation	*If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.*	N/A
	For all sample types, the nature, quality and appropriateness of the sample preparation technique.	Company procedures were followed to ensure sub-sampling adequacy and consistency. These included (but were not limited to), daily work place inspections of sampling equipment and practices.
	Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.	No blanks, standards or field duplicates were submitted to the laboratory.
	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.	No field duplicates were collected.
	Whether sample sizes are appropriate to the grain size of the material being sampled.	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** The regional sieved -80 mesh soil samples were analysed for gold by Method Au-TL43 and for a multi-element suite by Method ME-MS61 at Australian Laboratory Services ("ALS") in Brisbane, Queensland. The in-fill sieved -80 mesh soil samples were analysed for gold by Method Au-TL43 and for a multi-element suite by Method ME-ICP61 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 regional soil samples were analysed by multielement ICPAES/ICPMS Analysis - Method ME-MS61. 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 25mls. Elemental concentrations are measured using ICP Atomic

Criteria	JORC Code explanation	Commentary
		Emission Spectrometry and ICP Mass Spectrometry The in-fill soil samples were analysed by multielement ICPAES Analysis - Method ME-ICP61. A 0.25g sample is pre-digested for 10-15 minutes in a mixture of nitric and perchloric acids, then hydrofluoric acid is added and the mixture is evaporated to dense fumes of perchloric (incipient dryness). The residue is leached in a mixture of nitric and hydrochloric acids, the solution is then cooled and diluted to a final volume of 12.5mls. Elemental concentrations are measured simultaneously by ICP Atomic Emission Spectrometry. This technique approaches total dissolution of most minerals and is considered an appropriate assay method for porphyry copper-gold systems. 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. **Rock Chip Samples** The rock chip samples were submitted to Australian Laboratory Services ("ALS") in Orange, NSW. Laboratory sample preparation involved:- sample crushed to 70% < 2mm, riffle/rotary split off 1kg, pulverize split to >85% passing 75 microns. Rock chip samples were analysed by ME-ICP61 - Multi acid digest with HF and ICPAES and ICPMS and Au-AA23 – fire assay with AAS finish. The rock chip samples were analysed by multielement ICPAES Analysis - Method ME-ICP61. A 0.25g sample is pre-digested for 10-15 minutes in a mixture of nitric and perchloric acids, then hydrofluoric acid is added and the mixture is evaporated to dense fumes of perchloric (incipient dryness). The residue is leached in a mixture of nitric and hydrochloric acids, the solution is then cooled and diluted to a final volume of 12.5mls. Elemental concentrations are measured simultaneously by ICP Atomic Emission Spectrometry. This technique approaches total dissolution of most minerals and is considered an appropriate assay method for porphyry copper-gold systems. The rock chip samples were also analysed for gold using Method Au-AA23. Up to a 30g sample is fused at approximately 1100ºC with alkaline fluxes including lead oxide. During the fusion process, lead oxide is reduced to molten lead which acts as a collector for gold. When the fused mass is cooled the lead separates from the impurities (slag) and is placed in a cupel in a furnace at approximately 900^{o}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

Criteria	JORC Code explanation	Commentary
		final volume. Gold content is determined by flame AAS using matrix matched standards. For samples which are difficult to fuse a reduced charge may be used to yield full recovery of gold. This technique approaches total dissolution of most minerals and is considered an appropriate assay method for detecting gold mineralisation. Rock chip samples which returned >1% Cu or > 1% Zn by ICPAES Analysis - Method ME-ICP61 were re-analysed for Cu and Zn by multi-element ICPAES Analysis – Method ME-OG62. A 0.4g finely pulverized sample is digested in nitric, perchloric and hydrofluoric acids. The digestion mixture is evaporated to incipient dryness (moist salts). The residue is cooled, then leached in concentrated hydrochloric acid and the solution is diluted to a final volume of 100mls. Final acid concentration is 20%. Elemental concentrations are determined by ICPAES. An internal standard is used to enhance accuracy and precision of measurement. This technique approaches total dissolution of most minerals and is considered an appropriate assay method for ore grade rock chip samples.
	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.	**Ground IP Survey** Survey Specification Array: Dipole - Dipole Line spacing: 150 m Rx Dipole Separation: 50 m Tx Dipole Separation: 50 m Max N separation: 12 Coordinate System: MGA94 Zone 54 Base Frequency: 0.0125 Hz Total chargeability Integration time: 590-1450 ms Typical Current: 4 A Max Current: 7.2 A Min Current: 1.1 A Equipment Transmitter: Geonics GDD TX II Max Current: 10 A Max Voltage: 4800 V Current at max Voltage: 2.6 A Motor Generator: Kubota 9 kVA

Criteria	JORC Code explanation	Commentary
		Receiver Make: Geonics GDD Rx-16 Channels: 16 Serial Number(s): 1036 Software: Scientific Computing Applications - TQIPdb Electrodes Potential Electrodes: Porous Copper Sulphate PotSize: 1m x 1m Current Electrodes: Aluminium foil, hand dug Orientation: Horizontal Pattern: Dipole – Dipole Location GPS Type: Hand Held – High Sensitivity Model: Garmin 60CSx Location Accuracy: +/-3m
	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.	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.
Verification of sampling and assaying	*The verification of significant intersections by either independent or alternative company personnel.*	N/A
	The use of twinned holes.	N/A
	Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.	Primary data was collected for soil sample and rock chip samples using a paper sample sheet. The sampling data was entered into an excel spreadsheet. The information was then sent to a database consultant for validation and compilation into a SQL database.
	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.

Criteria	JORC Code explanation	Commentary
	Quality and adequacy of topographic control.	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.*	The soil spacing is either 400m by 100m or 200m by 50m, refer to figures in text.
	Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.	N/A
	Whether sample compositing has been applied.	No sample compositing has been applied.
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.*	The soil sampling 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.	N/A
Sample security	*The measures taken to ensure sample security.*	The brown paper geochem sample bags containing the sieved soil samples were enclosed in a waterproof RC sample bag and packaged in a cardboard box for despatch by TNT Transport by Stavely Minerals' personnel. The samples were delivered to ALS in Brisbane, Queensland. The rock chip samples in numbered calico sample bags were packaged in a cardboard box and despatched by TNT Transport by Stavely Minerals' personnel. The samples were delivered to ALS in Orange, NSW for sample preparation. Subsequently the samples were sent to ALS in Brisbane, Queensland for analysis.
Audits or reviews	*The results of any audits or reviews of sampling techniques and data.*	No audits or reviews of the data management system has been carried out.

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 rock chip sampling was conducted in the Ararat Project, comprising EL4758 and EL3019 and on the Minotaur Joint Venture tenements, comprising EL5403 and EL5450. The Ararat Project was purchased by Stavely Minerals (formerly Northern Platinum) from BCD Resources Limited in May 2013. Stavely Minerals hold 100% ownership of the Ararat Project Tenements. Stavely Minerals entered into a Joint Venture with Minotaur Operations Pty Ltd in April 2015. Apart from a small area which overlaps the Ararat Hills Regional Park (not an area of interest for exploration at this stage) the tenements are on freehold land and are not subject to native title claim.
	The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.	A retention licence – RL2020 was applied for over an area of interest, including the Mt Ararat, Carroll's, Honeysuckle and Cathcart Hill prospects on EL4758 and EL3019 in June 2014. The tenements are in good standing and no known impediments exist.
Exploration done by other parties	*Acknowledgment and appraisal of exploration by other parties.*	**Honeysuckle Prospect** The Port Curtis goldfield was first discovered in 1856, followed by the discovery of the Port Curtis lead proper. Several of the thin shears and quartz veins in the weathered dolerite proved auriferous and were worked to depths of up to 31m where the dolerite host rock became hard at the water table. Gold grades averaged 1 oz/t (31 g/t) but ranged up to 6 oz/t (187 g/t). From a study of old newspaper articles it would appear that gold at Honeysuckle was discovered in 1897. Grades of 7.5 g/t Au were reported.
Geology	*Deposit type, geological setting and style of mineralisation.*	**Honeysuckle Prospect** The Honeysuckle/ Morgans/ Amalia/ Bourkes/ Hodges/ Crosus historical mines are located within the intrusive Curtis granodiorite. The Curtis Diorite is an apophysis off the northeast corner of the Ararat pluton and although is a separate phase, it is also an oxidised I-type granite with a similar mineralogy and appearance and is regarded as being genetically related. A large sluiced area on the diorite shows local weathering. The sluicing has exposed anastomosing shear zones with quartz veinlets that carry veinlets. Several pits may be working these veinlets. The shear zones lie subparallel to the projected trace of the Mount Ararat Fault, which is stitched by the Curtis Diorite. It is therefore possible that the fault has undergone minor reactivation after intrusion, with gold mineralisation introduced at that time. The fractures in the granite host auriferous quartz veins and are the source of the alluvial gold of the Curtis goldfield.

Criteria	JORC Code explanation	Commentary
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.*	N/A
	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.	N/A
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.*	N/A
	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.	N/A
	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 reporte.*	N/A

Criteria	JORC Code explanation	Commentary
	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').	N/A
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 rock chip 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 Results.*	Anomalous thresholds are shown in the attached plans.
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.*	The current soil sample programme will be extended to cover the remaining areas of the Ararat Project and Minotaur Joint Venture tenements. Additional ground Induced Polarisation (IP) has been planned at the Honeysuckle prospect.