

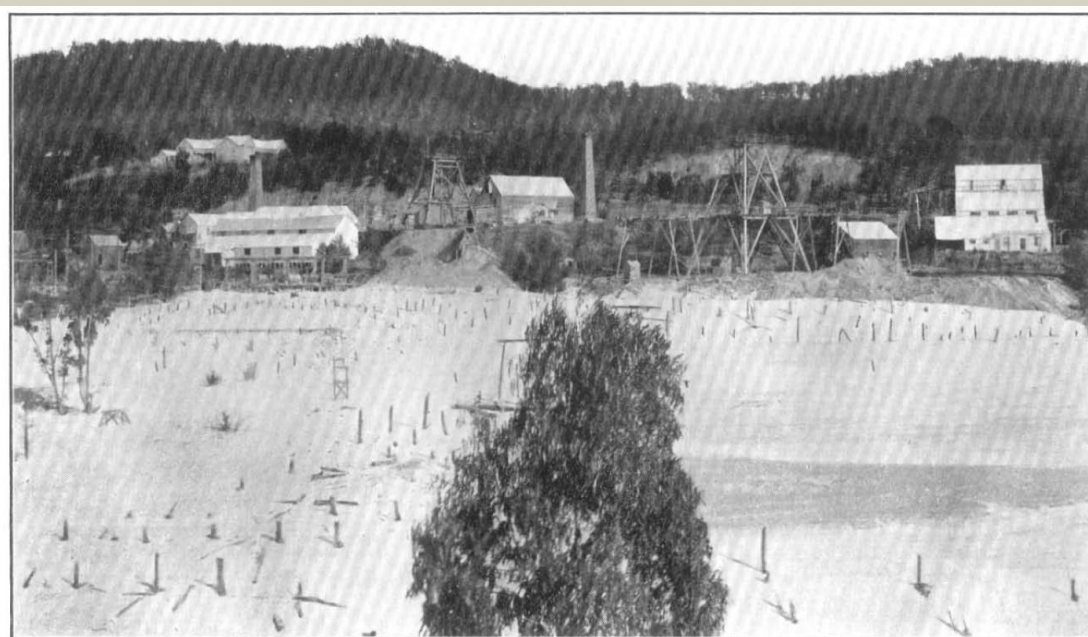
**NEW: Mathinna Gold Project**

## **Stavely Minerals Granted Application Rights to Explore Rich High-Grade Tasmanian Goldfield**

**Historical hard-rock production from the prolific Mathinna Goldfield is reported to be 289,000oz with 254,000oz produced from the Golden Gate Mine at an average grade of 26 g/t gold<sup>1</sup>**

Stavely Minerals Limited (ASX Code: **SVY** – “Stavely Minerals”) is pleased to advise that it has been granted the priority application right for an Exploration Licence (EL) covering a prolific high-grade goldfield in Tasmania, representing an exciting strategic addition to its East Coast exploration portfolio (Figure 2).

The Company has been informed by the Tasmanian Department of State Growth (Mineral Resources Tasmania) that its wholly-owned subsidiary, Stavely Tasmania Pty Ltd, has secured the priority application right after submitting a tender for the property in August 2018.



*Frontispiece.*

1. NEW GOLDEN GATE AND TASMANIAN CONSOLS MINES.

**Figure 1. Frontispiece to the 1914 Tasmania Department of Mines – Geological Survey Report No. 5: *On Some Gold-mining at Mathinna* by W. H. Twelvetrees, Government Geologist.**

Numerous Tasmanian Department of Mines and Geological Survey reports detail the mining and mineralisation of the Mathinna Goldfield, which was particularly prolific prior to the first World War (Figure 1). Official records detail production of 289,000 ounces of gold up to 1932<sup>1</sup>. However, official records almost certainly significantly underestimate actual

<sup>1</sup> Tasmania Department of Mines – Report 1992/10, *Northeast Goldfields: A Summary of the Tower Hill, Mathinna and Dans Rivulet Goldfields*, Taheri and Findlay, 1992

gold production from the Mathinna district given that estimates did not include alluvial production and a 1914 Geological Survey of Tasmania report<sup>2</sup> estimated that production to date had been between 300,000 and 320,000 ounces.

Since that time there has been very little modern exploration.

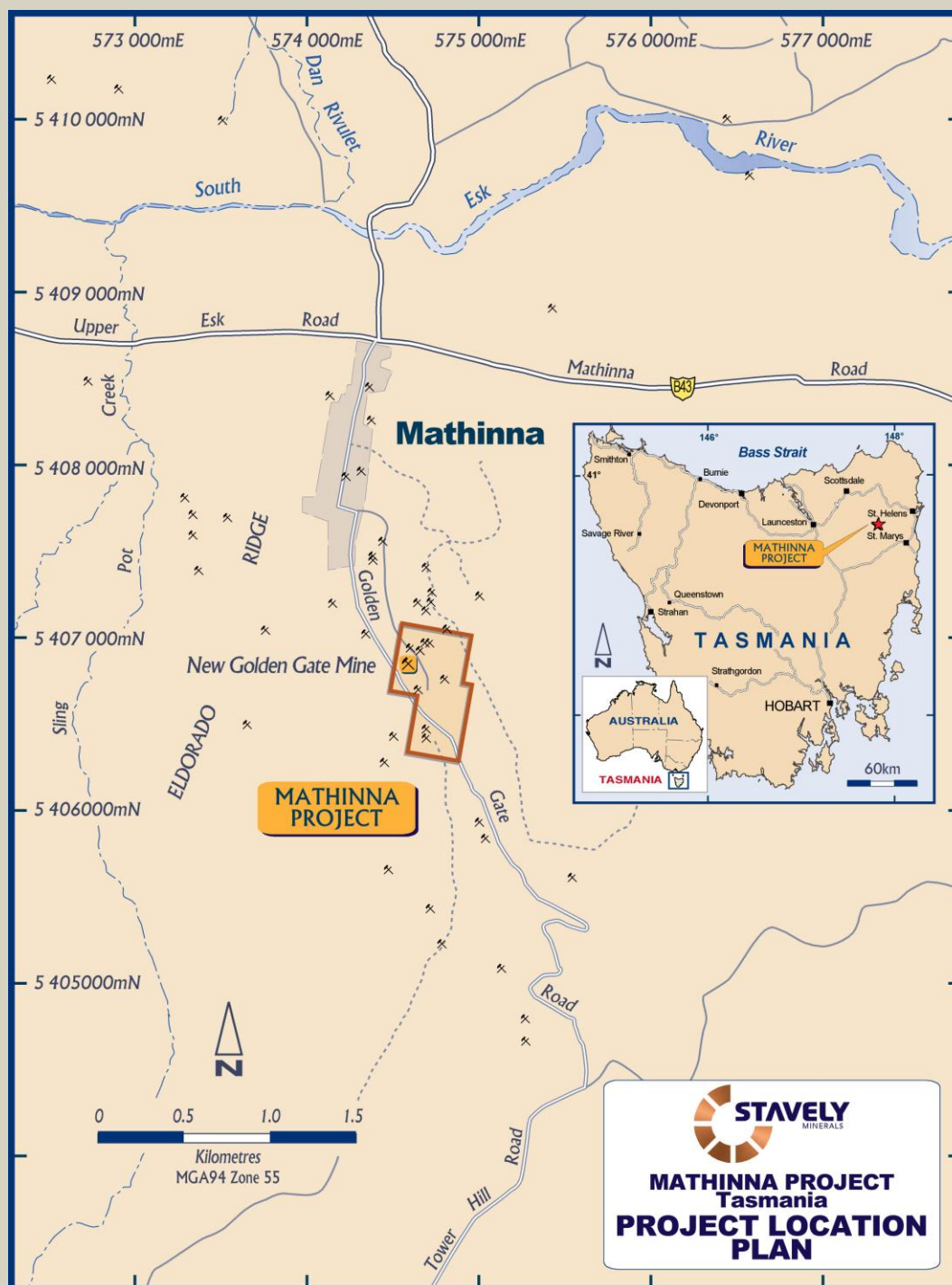


Figure 2. Project location map.

<sup>2</sup> Tasmania Department of Mines – Report No. 5. *On Some Gold-mining at Mathinna*, W. H. Twelvetees, Government Geologist.

Stavely Minerals' Executive Chairman, Mr Chris Cairns, said: "While our primary focus is the search for a well-mineralised copper-gold porphyry in western Victoria at our namesake Stavely Project, this opportunity was brought to us, we were asked to participate by people we hold in high regard and we thought it was far too good an opportunity to pass up.

"We are delighted to be working with BestLevel Pty Ltd on the Mathinna Project and we are very excited about the distinct lack of exploration in this genuine high-grade goldfield."



Figure 3. Structure and geology of the Mathinna / Tower Hill / Ringarooma gold trend.



The Mathinna Goldfield is hosted in a thick sequence of bedded fine- to medium-grained quartz-rich turbidites with shale tops considered as southern analogues to the units within the Melbourne Zone in Victoria that hosts the Walhalla and Woods Point Goldfields. The host units are intruded by I and S-type granites and are folded along a north-northwest trending axis.

Mineralisation is interpreted to be hosted within dextral strike-slip shear zones with right-hand jogs creating dilatant zones that host the structurally controlled quartz vein arrays (Figure 3). Mineralisation is described as being hosted in quartz veins of variable width from a few centimetres to 10m and ranging in strike length from 5m to over 300m.

The majority of gold productive veins are reported to be less than 1m wide and between 30m to 60m in strike length. The maximum vertical strike extent for a single vein is 336m at the New Golden Gate Mine (Figure 4).

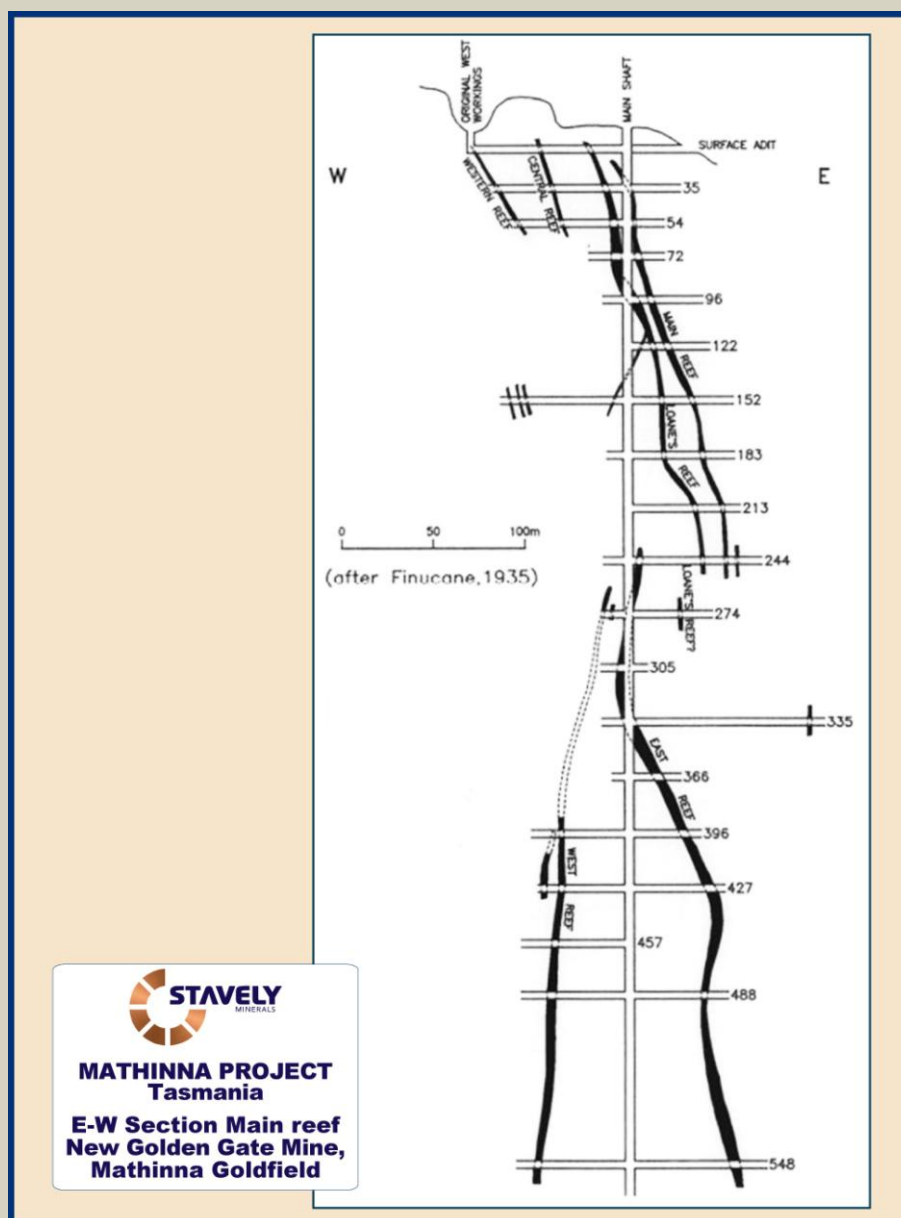


Figure 4. Cross section of the New Golden Gate Mine.

Gold mineralisation is reported to be in the form of free gold, is non-refractory and is associated with low abundance of ~1-2% sulphides including arsenopyrite, galena, sphalerite and chalcopyrite.

There is a large volume of historical mine tailings in the valley below the mine workings. These tailings are of unknown volume and grade given a portion was treated with a mobile gold plant approximately 10 years ago.

Subject to grant of the EL, Stavely Minerals intends to complete initial environmental baseline studies to quantify the extent of historic disturbance and to identify flora and fauna requiring conservation. Subject to these studies, Stavely Minerals intends to undertake a review of the structural controls on mineralisation and then drill the best potentially mineralised orientations with low-impact diamond drilling.

The opportunity to apply for the EL over the Mathinna Goldfield was brought to the attention of Stavely Minerals by some industry colleagues of Stavely Minerals' management team.

Accordingly, Stavely Tasmania Pty Ltd was formed to lodge the EL application and has entered into an agreement with Bestlevel Holdings Pty Ltd (Bestlevel) with the following terms:

- Stavely Tasmania is the manager.
- Upon the grant of the tenements, Stavely Tasmania Pty Ltd will have a 51% interest in the tenement(s) and Bestlevel will have a 49% interest.
- In consideration for a \$50,000 payment to Bestlevel, Stavely Tasmania has the right to earn an interest of up to 85% in the tenement(s) in the following stages:
  - Exploration-related expenditure of \$500,000 within a two-year period to earn an additional interest of 24% (to 75%); and
  - At completion of a Feasibility Study and payment of \$200,000 to Bestlevel, Stavely Tasmania may earn an additional 10% interest (to 85%).
- Subject to Stavely Tasmania having earned its 85% interest, a Joint Venture will be formed and subsequent expenditure will be on a 'contribute or dilute' basis.
- Should Bestlevel's interest fall below 5%, it will be transferred to Stavely Tasmania in consideration for a 1.5% net smelter return (NSR).
- Stavely Tasmania retains a right to purchase Bestlevel's NSR for payment of \$250,000 per 0.5% NSR to a maximum of \$750,000 to acquire the entire NSR.
- Should the Joint Venture announce in a JORC-compliant Public Report an Ore Reserve in excess of 500,000oz, Stavely Tasmania will pay Bestlevel \$500,000.
- Both parties have pre-emptive rights over the other's interest.

Yours sincerely,



**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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