Thursday's Gossan Porphyry Copper-Gold Project – Diamond Drilling Update

# Wide Zones of Hydrothermal Breccia with Magnetite and Bornite Mineralisation in Latest Diamond Hole

***Drill-hole SMD031, drilled to test a magnetic feature in the northern portion of the Thursday's Gossan prospect, has intersected two +45m intervals of hydrothermal breccia with hematite altered porphyry clasts hosting magnetite and bornite mineralisation***

## *Highlights*

- **Drilling of magnetic features at Thursday's Gossan continues to provide strong vectors towards the core of the porphyry system, supporting Stavely's targeting strategy.**
- **Recently completed diamond hole SMD031 has intersected a well-developed hydrothermal breccia with disseminated magnetite and lesser bornite copper-sulphide in the northern portion of Thursday's Gossan.**
- **This is the north-western-most diamond or RC drill hole drilled to date.**
- **Hydrothermal breccia was intersected over two intervals of more than 45 metres drill width and was located above the low-angle structure (LAS).**
- **The hydrothermal breccia contains clasts of strongly hematite altered porphyry, sediments and sericite-altered dacite porphyry.**
- **Sandstone units on the margins of the breccia intervals host disseminated and vein magnetite and trace disseminated bornite-chalcopyrite and pyrite.**
- **The significance of hole SMD031 has been further enhanced by a review of the mineralisation encountered in previously reported drill hole SMD024, which intersected:**
  - ***70m at 0.22% Cu including 3m at 1.01% Cu, 0.16 g/t Au and 8 g/t Ag***
- **A recent review of drill core has identified chalcopyrite copper sulphide inter-grown with 'M' veins in this intercept in SMD024. The significance of this is that the other drill hole to intersect 'M' veins below the LAS – SMD017 – had very little sulphides intergrown with the 'M' veins.**
- **In conjunction with the hydrothermal breccia in SMD031, the intergrown copper sulphides in SMD024 would indicate that drilling should proceed into areas to the north-west where there is no previous drilling.**
- **Drill hole SMD032 intersected a significant fault zone from 538m to 556m within which two intervals of massive pyrite veins were cross-cut by later chalcocite ± bornite ± covellite ± chalcopyrite veining.**
- **Drill holes SMD035 and SMD036 are currently in-progress on a drill section located 80m to the north-west of SMD024.**

Stavely Minerals Limited (ASX Code: **SVY** – "Stavely Minerals") is pleased to report further highly encouraging drilling results from its 100%-owned **Thursday's Gossan prospect** in the Stavely Copper-Gold Project, located in western Victoria (Figure 1).

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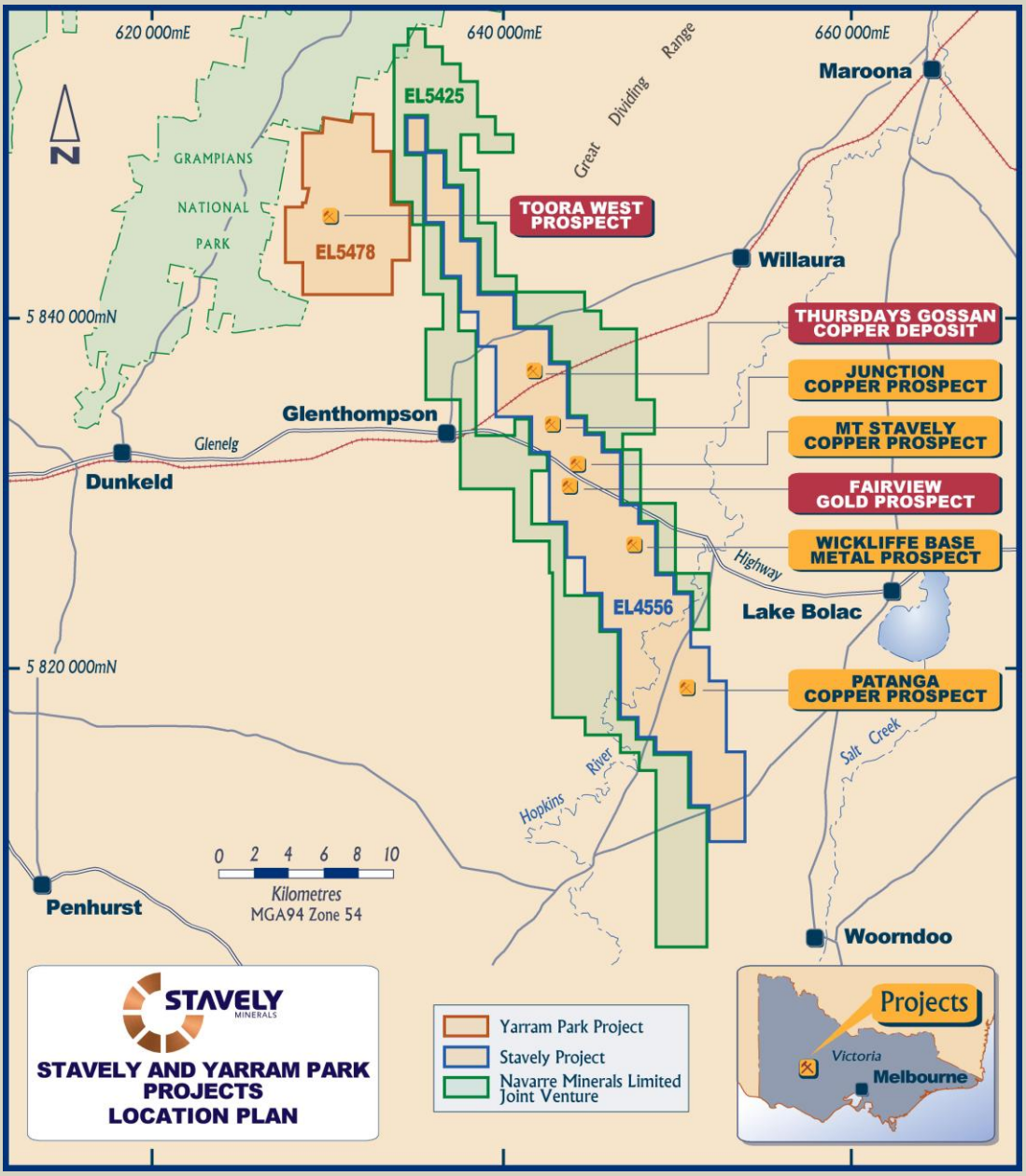


**Figure 1. Stavely Project location map.**

Recent drilling at Thursday's Gossan has been testing previously un-drilled magnetic features (Figure 3) interpreted to reflect hydrothermal magnetite as disseminations and porphyry 'M' veins as a vector to the hotter part of the mineralised system, where higher-grade copper and significantly higher-grade gold are expected to be located.

Drill hole SMD030 was drilled to test magnetic feature 'B'. This hole failed at a depth of approximately 100m due to poor ground conditions. The rig was turned around to drill in the opposite direction, with drill hole SMD031 testing the same magnetic feature.

SMD031 intersected variable magnetite altered siltstone/sandstone cross-cut by two hydrothermal breccia units from 73m to 108.7m and 152.4m to 162.5m (Figure 4). The hydrothermal breccia is comprised of rounded, subangular clasts of siltstone, sandstone, micro-gabbro, micro-diorite, andesite, hematite-altered dacite porphyry and hematite-altered quartz diorite porphyry (Photos 1 & 2).

Rare bornite, chalcopyrite and chalcocite occur disseminated within the breccia matrix and within clasts. Disseminated magnetite alterations occurs within the breccia matrix and clasts. The LAS was intersected at 252.9m. Sandstone and porphyritic andesite was intersected below the LAS down to end-of-hole at 409.5m.

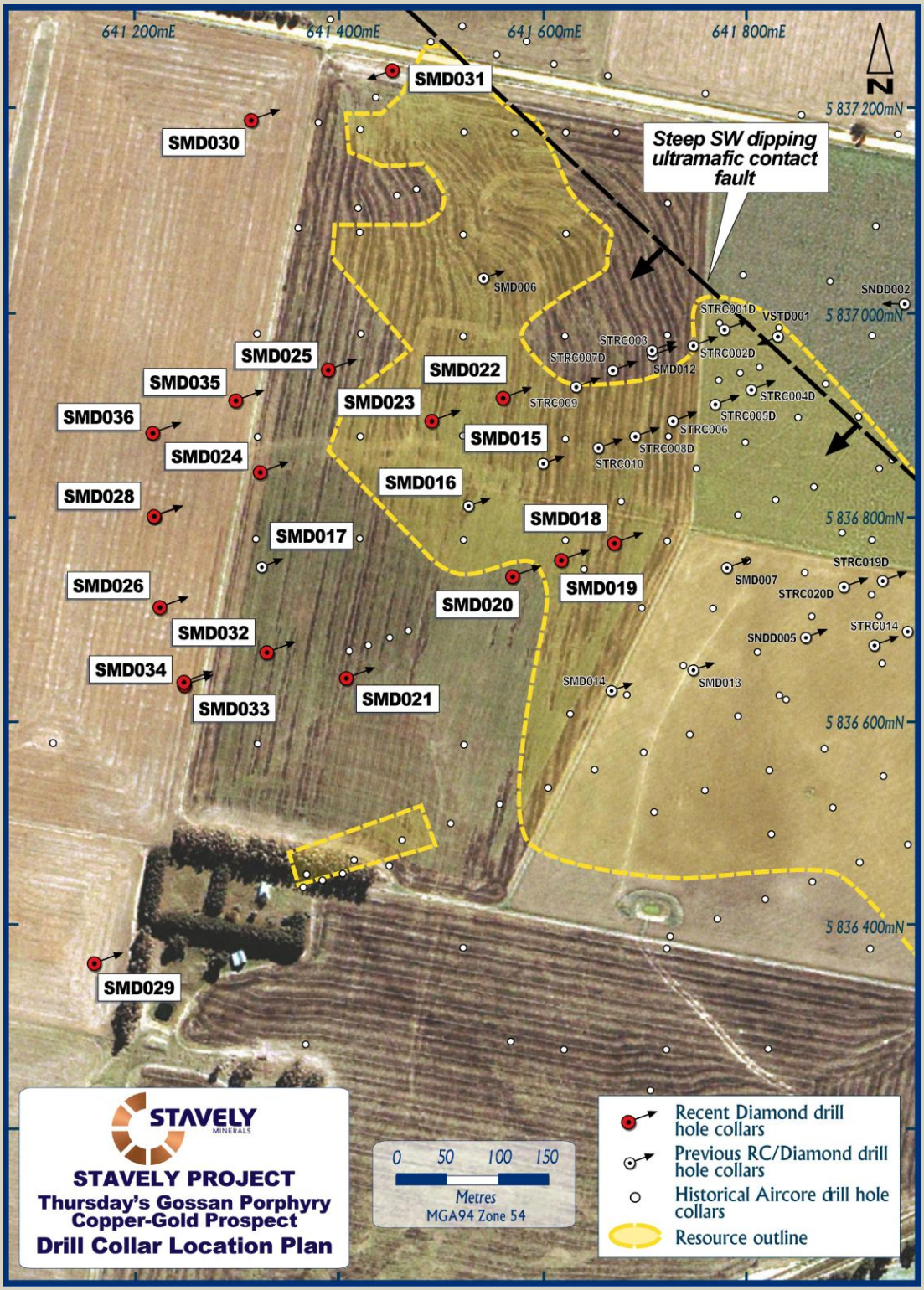


**Figure 2. Thursday's Gossan drill collar location plan.**

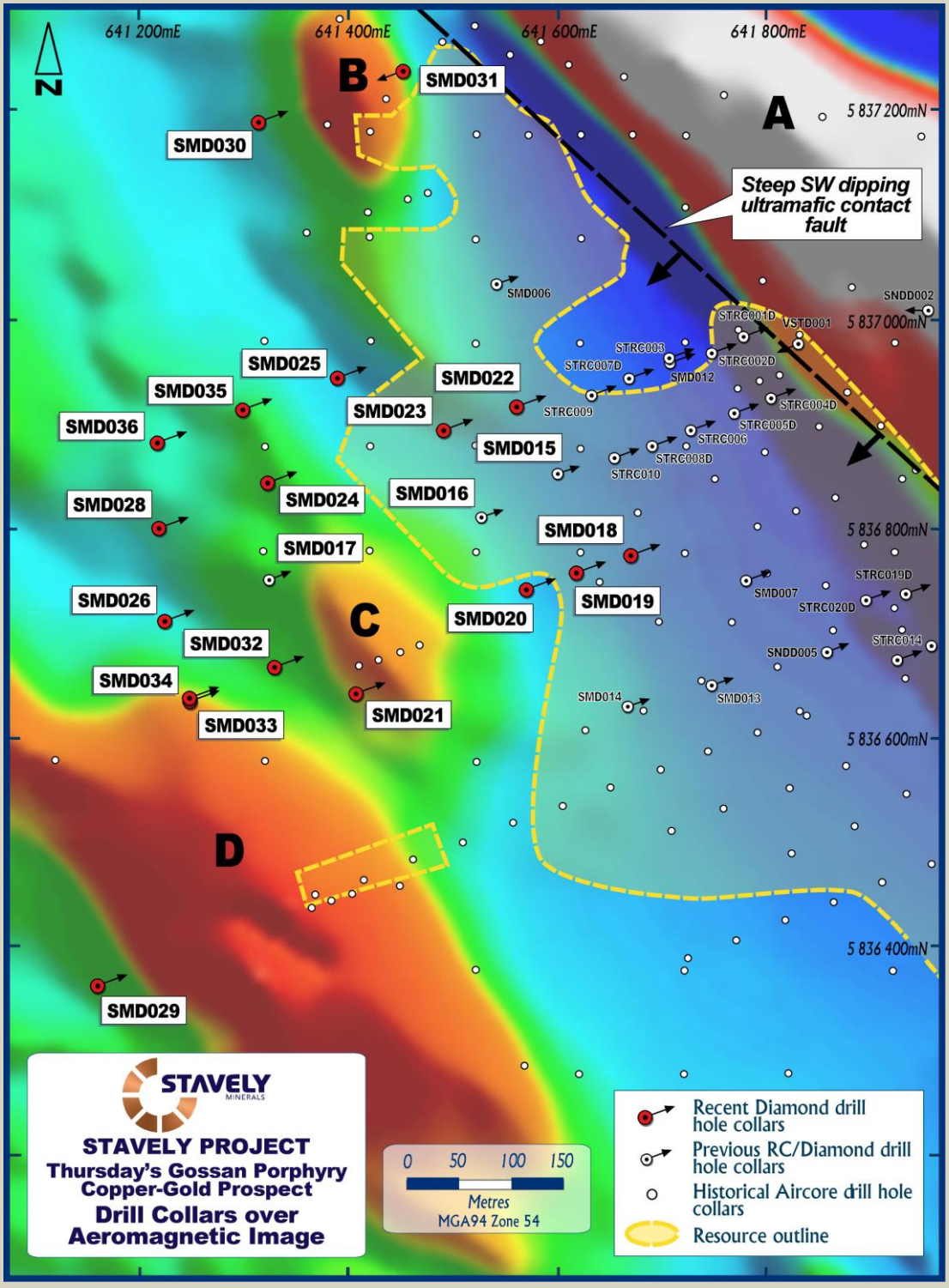


**Figure 3. 1VD magnetic image of the area of interest at Thursday's Gossan with drill collars overlaid. All holes drilled at -60 degrees to 070 azimuth with the exception of SMD031. Magnetic features of note annotated A to D.**

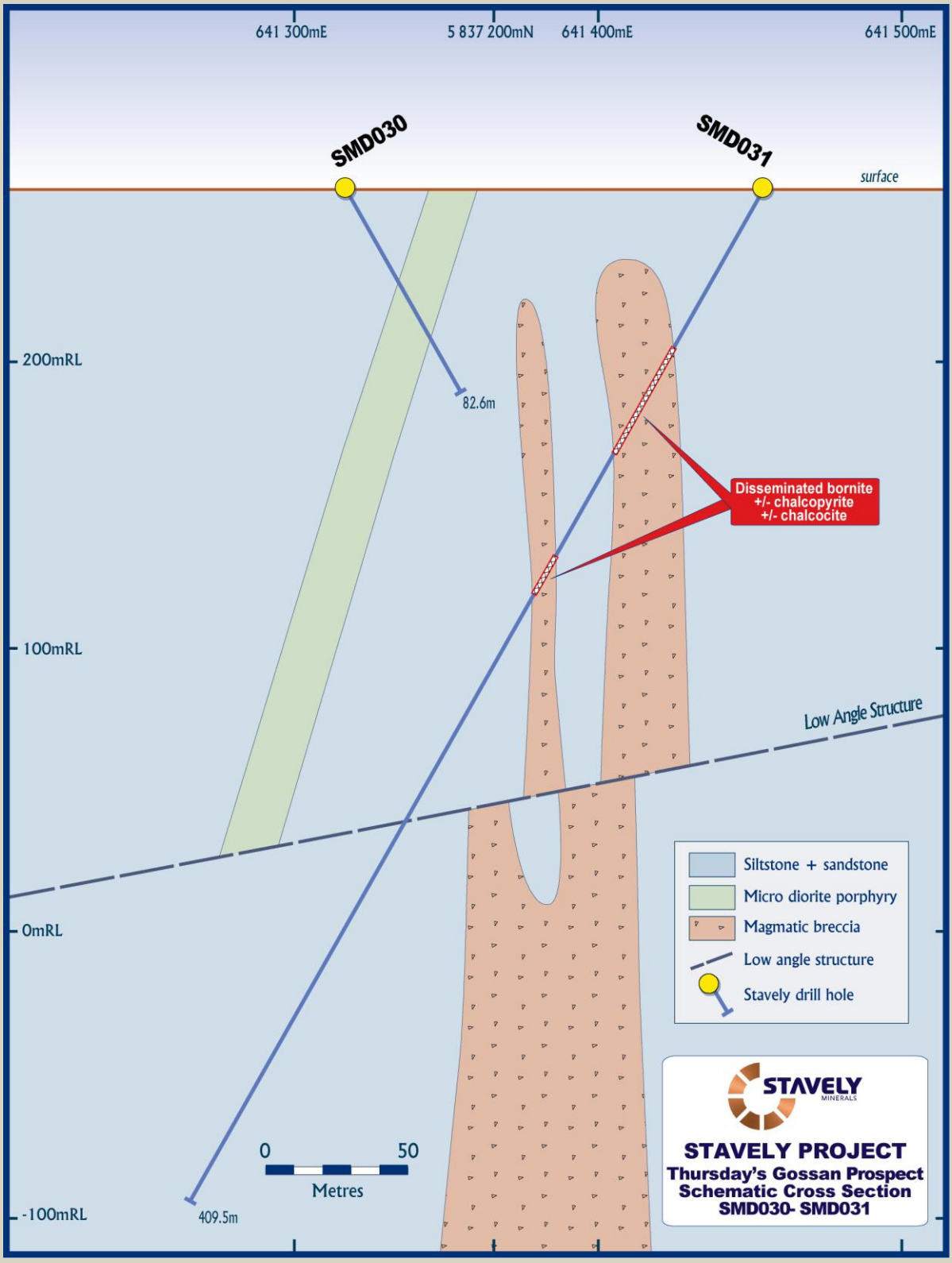


**Figure 4. SMD031 cross section.**

**Photo 1. Hydrothermal breccia with bornite in clast at 80m.**

**Photo 2. Hydrothermal breccia at 82m.**

In his recent report reviewing drill holes from Thursday's Gossan (refer to www.stavely.com.au/technical-data), respected porphyry expert Dr Greg Corbett noted that the laminated quartz-magnetite porphyry 'M' veins are the primary interest for future exploration.

Dr Corbett's key observation was that the laminated 'M' veins encountered to date in drill holes SMD017 and SMD024 – both intercepts located below the LAS – were developed in cooler conditions than would otherwise be conducive to precipitation of the copper sulphides chalcopyrite and bornite.

Consequently, Dr Corbett's recommendation is to follow the 'M' veins down towards the source intrusion into the hotter central potassic hydrothermal alteration zone. It could be expected that, as the 'M' veins become developed in progressively hotter conditions, they would host chalcopyrite, followed by mixed chalcopyrite-bornite and then bornite as the main copper sulphides towards the core of the mineralised porphyry.

Further, it is expected that the gold grade will increase proportionately as the bornite abundance increases, given gold's high affinity with bornite.

However, a recent review of SMD024, where the 'M' vein interval coincides with copper mineralisation (Figure 5) including:

- **70m at 0.22% copper**, including:
  - **3m at 1.01% copper, 0.16 g/t gold and 8 g/t silver**

has identified chalcopyrite copper sulphide inter-grown with the 'M' veins (Photo 3).

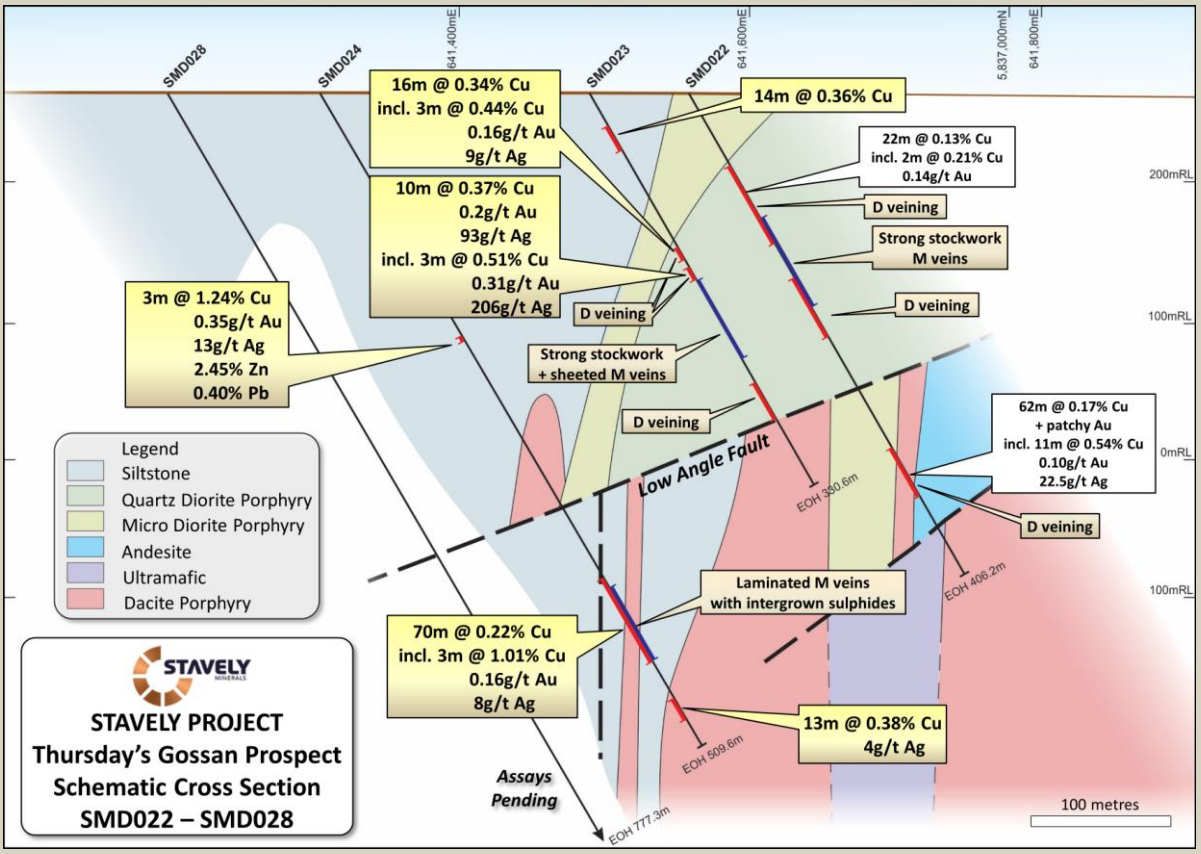


**Figure 5. Drill section including SMD023 and SMD024.**

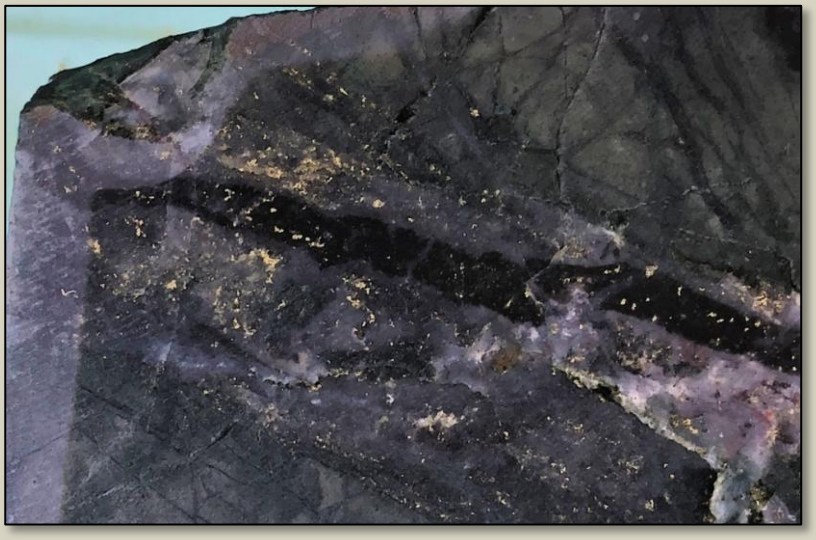

**Photo 3. SMD024 'M' vein with intergrown chalcopyrite.**

The occurrence of chalcopyrite intergrown in the 'M' veins in SMD024 and the hydrothermal breccia with bornite intercepted in SMD031 both provide encouragement to continue drilling into areas to the north-west where there has been no previous drilling.

**SMD032**

SMD032 intersected siltstone, sandstone, porphyritic andesite, and porphyritic dacite down to 371m after which quartz-diorite porphyry was intersected down to the LAS at 406m.

Below the LAS, quartz-diorite porphyry continued with minor intervals of micro-diorite down to 550m. The quartz-diorite porphyry hosts fine disseminated magnetite alteration, occasional quartz-pyrite-molybdenite veins, and occasional aplitic veins.

A significant fault zone was intersected from 538m to 556.5m. The structure hosts a late porphyry intrusion from 543.2m to 551m. This fault zone also contains two intervals of massive pyrite veins (either side of the late porphyry intrusion) cross-cut by later chalcocite ± bornite ± covellite ± chalcopyrite veining (Photo 4). This hole ended at 582.8m due to drilling difficulties.

**Photo 4. Massive pyrite vein with later chalcocite veining at 542.3m.**

Drill holes SMD033 and SMD034 did not reach planned depth and failed due to poor ground conditions.

Drill holes SMD035 and SMD036 are currently in progress.

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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| Thursday's Gossan Prospect – Collar Table | | | | | | | |
|---|---|---|---|---|---|---|---|
| | | MGA 94 zone 54 | | | | | |
| Hole id | Hole Type | East | North | Dip/ Azimuth | RL (m) | Total Depth (m) | Comments |
| SMD017 | DD | 641325 | 5836750 | -60/070 | 262 | 793.6 | |
| SMD018 | DD | 641670 | 5836772 | -60/070 | 264 | 96.3 | Hole failed did not reach target depth |
| SMD019 | DD | 641620 | 5836755 | -60/070 | 264 | 477.5 | |
| SMD020 | DD | 641570 | 5836740 | -60/070 | 264 | 465.4 | |
| SMD021 | DD | 641410 | 5836640 | -60/070 | 264 | 534.9 | |
| SMD022 | DD | 641560 | 5836915 | -60/070 | 264 | 406.2 | |
| SMD023 | DD | 641490 | 5836895 | -60/070 | 264 | 330.6 | |
| SMD024 | DD | 641315 | 5836835 | -60/070 | 264 | 509.6 | |
| SMD025 | DD | 641390 | 5836940 | -60/070 | 264 | 399.2 | |
| SMD026 | DD | 641225 | 5836710 | -60/070 | 264 | 796 | |
| SMD028 | DD | 641220 | 5836800 | -60/070 | 264 | 777.3 | |
| SMD029/ SMD029W | DD | 641164 | 5836363 | -60/070 | 264 | 384/ 837.5 | Hole wedged due to drilling problems in original hole |
| SMD030 | DD | 641315 | 5837185 | -60/070 | 264 | 109.4 | Hole failed did not reach target depth |
| SMD031 | DD | 641455 | 5837235 | -60/250 | 264 | 409.5 | Redrill of SMD030 from opposite direction |
| SMD032 | DD | 641330 | 5836665 | -60/070 | 264 | 582.8 | |
| SMD033 | DD | 641250 | 5836635 | -60/070 | 264 | 121.2 | Drilling issues resulted in hole being abandoned |
| SMD034 | DD | 641250 | 5836635 | -60/070 | 264 | 150 | Redrill of SMD033, hole failed did not reach target depth |
| SMD035 | DD | 641300 | 5836910 | -60/070 | 264 | In progress | |
| SMD036 | DD | 641220 | 5836880 | -60/070 | 264 | In progress | |

| Thursday's Gossan Prospect – Intercept Table | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | MGA 94 zone 54 | | | | | Intercept | | | | | | |
| Hole id | Hole Type | East | North | Dip/ Azimuth | RL (m) | Total Depth (m) | From (m) | To (m) | Width (m) | Cu (%) | Au (g/t) | Ag (g/t) | Zn (%) |
| SMD023 | DD | 641490 | 5836895 | -60/070 | 264 | 330.6 | 29 | 43 | 14 | 0.36 | | | |
| | | | | | | | 74 | 90 | 16 | 0.34 | | | |
| | | | | | | Incl. | 85 | 88 | 3 | 0.44 | 0.16 | 9 | |
| | | | | | | | 130 | 140 | 10 | 0.37 | 0.2. | 93 | |
| | | | | | | Incl. | 132 | 135 | 3 | 0.51 | 0.31 | 206 | |
| SMD024 | DD | 641315 | 5836835 | -60/070 | 264 | 509.6 | 190 | 193 | 3 | 1.24 | 0.35 | 13 | 2.45 |
| | | | | | | | 372 | 442 | 70 | 0.22 | | | |
| | | | | | | Incl. | 372 | 375 | 3 | 1.01 | 0.16 | 8 | |
| | | | | | | and | 479 | 492 | 13 | 0.38 | | | |

# 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.* | **Stavely Project**<br>**Thursday's Gossan Prospect**<br>**Stavely Minerals' RC Drilling**<br>Reverse Circulation (RC) percussion drilling was used to produce a 1m bulk sample (~25kg) which was collected in plastic bags and representative 1m split samples (12.5% or nominally 3kg) were collected using a cone splitter and placed in a calico bag. The cyclone was cleaned out with compressed air at the end of each hole and periodically during the drilling. The 1m split samples were submitted for analysis.<br>**Stavely Minerals' Diamond Drilling**<br>The diamond core for intervals of interest, ie. those that contained visible sulphides as well as 5m above and below were sampled. PQ quarter core and HQ half core was submitted for analysis. Sample intervals were based on lithology but in general were 1m. No intervals were less than 0.4m or greater than 1.2m. |
| | *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* | **Stavely Project**<br>**Thursday's Gossan Prospect**<br>**Stavely Minerals' Diamond and RC Drilling**<br>Sample representivity was ensured by a combination of Company Procedures regarding quality control (QC) and quality assurance/ testing (QA). Certified standards and blanks were inserted into the assay batches. |
| | *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* | **Stavely Project**<br>**Thursday's Gossan Prospect**<br>**Stavely Minerals' Diamond Drilling**<br>Drill sampling techniques are considered industry standard for the Stavely work programme.<br>PQ quarter core and HQ half core was submitted for analysis. Sample intervals were based on lithology but in general were 1m. No intervals were less than 0.3m or greater than 1.8m.<br>The diamond drill samples were submitted to Australian Laboratory Services ("ALS") in Adelaide, SA. Laboratory sample preparation involved:- sample crush to 70% < 2mm, riffle/rotary split off 1kg, pulverize to >85% passing 75 microns.<br>Diamond core samples were analysed by ME-ICP61 – multi acid digest with HF and ICPAES and ICPMS and Au-AA23 – fire assay with AAS finish.<br>**Stavely Minerals' RC Drilling**<br>Drill sampling techniques are considered industry standard for the Stavely work programme.<br>The 1m split samples were submitted to Australian |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| | *detailed information.* | Laboratory Services ("ALS") in Orange, NSW. Laboratory sample preparation involved:- sample crush to 70% < 2mm, riffle/rotary split off 1kg, pulverize to >85% passing 75 microns.<br>The RC samples were analysed by ME-ICP61 – multi acid digest with HF and ICPAES and ICPMS and Au-AA23 – fire assay with AAS finish. |
| ***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).* | **Stavely Project**<br>**Thursday's Gossan Prospect**<br>**Stavely Minerals' Diamond Drilling**<br>Diamond drill holes were drilled by Titeline Drilling in 2014 (SMD001, SMD003 and SMD004) and 2017 (SMD006, SMD007, SMD008 and SMD012). Diamond tails were completed on drill holes STRC001D, STRC002D, STRC004D, STRC005D, STRC007D, STRC008D, STRC019D and STRC020D. Holes SMD013, SMD014 and SMD015 were drilled in 2017 by Titeline Drilling. Holes SMD016, SMD017, SMD018, SMD019, SMD020, SMD021 SMD022, SMD023, SMD024, SMD025, SMD026, SMD028, SMD029, SMD029W, SMD030, SMD031, SMD032, SMD033, and SMD034 were drilled in 2018 by Titeline Drilling. For the diamond holes, drilling was used to produce drill core with a diameter of 85mm (PQ) from surface until the ground was sufficiently consolidated and then core with a diameter of 63.5mm (HQ) was returned. For the diamond tails, drilling was used to produce drill core with a diameter of 63.5mm (HQ).<br>Diamond drilling was standard tube. Diamond core was orientated by the Reflex ACT III core orientation tool.<br>SMD003 was orientated at -60° towards azimuth 060° to a depth of 522.3m.<br>SMD006, SMD007 and SMD008 were orientated at -60° towards azimuth 070° to depths of 353.3m, 355.6m and 240m respectively. SMD012 was orientated at -60° towards azimuth 065° to a depth of 206.6m.<br>SMD013, SMD014 and SMD015 were orientated at -60° towards azimuth 070° to depths of 573.9m, 738.9m and 448.1m respectively. SMD016 was orientated at -60° towards azimuth 080° to a depth of 467.6m.<br>The dips, azimuths and depths of holes SMD017 to SMD026, inclusive, and SMD028 to SMD036, inclusive, are provided in the Thursday's Gossan Prospect Collar Table.<br>**Stavely Minerals' RC Drilling**<br>The RC holes were drilled by Budd Exploration Drilling P/L. The RC percussion drilling was conducted using a UDR 1000 truck mounted rig with onboard air. A Sullair 350/1150 auxiliary compressor was used. 4" RC rods were used and $5^1/_4$" to $5^3/_4$" drill bits. A Reflex Digital Ezy-Trac survey camera was used. |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| | | The holes were oriented at -60° towards azimuth 070°. |
| ***Drill sample recovery*** | *Method of recording and assessing core and chip sample recoveries and results assessed.* | **Stavely Project**<br>**Thursday's Gossan Prospect**<br>**Stavely Minerals' Diamond Drilling**<br>Diamond core recoveries were logged and recorded in the database.<br>Core recovery for SMD001, SMD003 and SMD007 was good. In general, the core recovery for SMD012 was good but there were several intervals where core was lost or there was poor core recovery.<br>Core recoveries for SMD013, SMD014, SMD015, SMD016, and SMD017 were generally very good, with the vast majority of intervals returning +95% recovery and only a few intervals, mainly near the surface, returning poor (<50%) recoveries. Core recoveries for SMD018, SMD019, SMD020, SMD021, SMD022, SMD023 and SMD024 were good with the holes averaging above 92% recovery for the total hole. Core recovery for SMD025 averaged 84.5%. Core recovery for SMD026 and SMD028 was 91% and 95% respectively. Core recovery for SMD029 was 90% and for SMD029W was 93%. The core recovery for SMD030 was not good, at an average of 69%. SMD030 was abandoned at 109m. Core recovery for SMD031 averaged 92%. Core recovery for SMD032 averaged 93%.<br>Core recovery for SMD033 was good averaging 91%, however the hole was lost at 121.2m<br>**Stavely Minerals' RC Drilling**<br>RC sample recovery was good. Booster air pressure was used to keep the samples dry despite the hole producing a significant quantity of water. RC sample recovery was visually checked during drilling for moisture or contamination. |
| | *Measures taken to maximise sample recovery and ensure representative nature of the samples.* | **Stavely Project**<br>**Thursday's Gossan Prospect**<br>**Stavely Minerals' Diamond Drilling**<br>Diamond core is reconstructed into continuous runs on an angle iron cradle for orientation marking. Depths are checked against the depth given on the core blocks and rod counts are routinely carried out by the driller.<br>**Stavely Minerals' RC Drilling**<br>The RC samples are collected by plastic bag directly from the rig-mounted cyclone and laid directly on the ground in rows of 10. The drill cyclone and sample buckets are cleaned between rod-changes and after each hole to minimise down-hole and/or cross contamination. |
| | *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of* | **Stavely Project**<br>**Thursday's Gossan Prospect**<br>**Stavely Minerals' Diamond Drilling**<br>Not an issue relevant to diamond drilling. |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| | *fine/coarse material.* | **Stavely Minerals' RC Drilling**<br>No analysis has been undertaken as yet regarding whether sample bias may have occurred due to preferential loss/gain of fine/coarse material and is not considered to have a material effect given the good sample recovery. |
| ***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.* | **Stavely Project**<br>**Thursday's Gossan Prospect**<br>**Stavely Minerals' Diamond and RC Drilling**<br>Geological logging of samples followed Company and industry common practice. Qualitative logging of samples including, but not limited to, lithology, mineralogy, alteration, veining and weathering. Diamond core logging included additional fields such as structure and geotechnical parameters.<br>Magnetic Susceptibility measurements were taken for each 1m RC and diamond core interval. |
| | *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* | **Stavely Project**<br>**Thursday's Gossan Prospect**<br>**Stavely Minerals' Diamond Drilling**<br>All logging is quantitative, based on visual field estimates. Systematic photography of the diamond core in the wet and dry form was completed.<br>**Stavely Minerals' RC Drilling**<br>All logging is quantitative, based on visual field estimates. Chip trays with representative 1m RC samples were collected and photographed then stored for future reference. |
| | *The total length and percentage of the relevant intersections logged.* | **Stavely Project**<br>**Thursday's Gossan Prospect**<br>**Stavely Minerals' Diamond Drilling**<br>Detailed diamond core logging, with digital capture, was conducted for 100% of the core by Stavely Minerals' on-site geologist at the Company's core shed near Glenthompson.<br>**Stavely Minerals' RC Drilling**<br>All RC chip samples were geologically logged by Stavely Minerals' on-site geologist on a 1m basis, with digital capture in the field. |
| ***Sub-sampling techniques and sample preparation*** | *If core, whether cut or sawn and whether quarter, half or all core taken.* | **Stavely Project**<br>**Thursday's Gossan Prospect**<br>**Stavely Minerals' Diamond Drilling**<br>Quarter core for the PQ diameter diamond core and half core for the HQ diameter core was sampled on site using a core saw. |
| | *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* | **Stavely Project**<br>**Thursday's Gossan Prospect**<br>**Stavely Minerals' RC Drilling**<br>Splitting of RC samples occurred via a rotary cone splitter |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| | | by the RC drill rig operators. Cone splitting of RC drill samples occurred regardless of whether the sample was wet or dry. |
| | *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* | **Stavely Project**<br>**Thursday's Gossan Prospect**<br>**Stavely Minerals' Diamond and RC Drilling**<br>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.* | **Stavely Project**<br>**Thursday's Gossan Prospect**<br>**Stavely Minerals' Diamond and RC Drilling**<br>Blanks and certified reference materials are submitted with the samples to the laboratory as part of the quality control procedures. |
| | *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.* | **Stavely Project**<br>**Thursday's Gossan Prospect**<br>**Stavely Minerals' Diamond and RC Drilling**<br>No second-half sampling of the diamond core or field duplicates for the RC drilling has been conducted at this stage. |
| | *Whether sample sizes are appropriate to the grain size of the material being sampled.* | **Stavely Project**<br>**Thursday's Gossan Prospect**<br>**Stavely Minerals' Diamond and RC Drilling**<br>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.* | **Stavely Project**<br>**Thursday's Gossan Prospect**<br>**Stavely Minerals' Diamond and RC Drilling**<br>The core samples and 1m RC split 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.<br>The core samples and 1m RC split samples were also analysed for gold using Method Au-AA23. Up to a 30g sample is fused at approximately 1,100$^{o}$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 |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| | | 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 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. |
| | *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.* | |
| | *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.* | **Stavely Project**<br>**Thursday's Gossan Prospect**<br>**Stavely Minerals' Diamond and RC Drilling**<br>Laboratory QAQC involved the submission of standards and blanks. For every 20 samples submitted either a standard or blank was submitted.<br>The analytical laboratory provide their own routine quality controls within their own practices. The results from their own validations were provided to Stavely Minerals.<br>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.* | **Stavely Project**<br>**Thursday's Gossan Prospect**<br>**Stavely Minerals' Diamond and RC Drilling**<br>Either Stavely Minerals' Managing Director or Technical Director has visually verified significant intersections in the core and RC chips at Thursday's Gossan. |
| | *The use of twinned holes.* | No twinned holes have been drilled. |
| | *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* | **Stavely Project**<br>**Thursday's Gossan Prospect**<br>**Stavely Minerals' Diamond and RC Drilling**<br>Primary data was collected for drill holes using the OCRIS logging template on Panasonic Toughbook laptop computers using lookup codes. The information was 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. |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| ***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.* | **Stavely Project**<br>**Thursday's Gossan Prospect**<br>**Stavely Minerals' Diamond and RC Drilling**<br>Drill collar locations were pegged before drilling and surveyed using Garmin handheld GPS to accuracy of +/- 3m. Collar surveying was performed by Stavely Minerals' personnel. This is considered appropriate at this early stage of exploration.<br>For the diamond holes, down-hole single shot surveys were conducted by the drilling contractor. Surveys were conducted at approximately every 30m down-hole. |
| | *Specification of the grid system used.* | The grid system used is GDA94, zone 54. |
| | *Quality and adequacy of topographic control.* | At the Thursday's Gossan prospect topographic control is achieved via use of DTM developed from a 2008 airborne magnetic survey conducted by UTS contractors measuring relative height using radar techniques.<br>For Stavely Minerals' exploration, the RL was recorded for each drill hole and 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 drill hole spacing is project specific, 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.* | **Stavely Project**<br>**Thursday's Gossan Prospect**<br>**Stavely Minerals' Diamond Drilling**<br>Sample intervals were based on lithology but in general were 1m. No intervals were less than 0.4m or greater than 1.2m.<br>**Stavely Minerals' RC Drilling**<br>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.* | **Stavely Project**<br>**Thursday's Gossan Prospect**<br>**Stavely Minerals' Diamond and RC Drilling**<br>The RC and diamond drill holes were orientated at -60$^{o}$ toward 070$^{o}$ (or 080$^{o}$ for SMD016) to perpendicularly intercept the sulphide rich 'D' veins within the low angle structure. SMD031 is oriented at -60$^{0}$ towards 150$^{o}$ to test a magnetic high in the aeromagnetic data. |
| | *If the relationship between the drilling orientation and* | **Stavely Project**<br>**Thursday's Gossan Prospect** |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| | *the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.* | **Stavely Minerals' Diamond and RC Drilling**<br>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. |
| ***Sample security*** | *The measures taken to ensure sample security.* | **Stavely Project**<br>**Thursday's Gossan Prospect**<br>**Stavely Minerals' Diamond and RC Drilling**<br>Samples in closed poly-weave bags were collected from the Company's Glenthompson shed by a contractor and delivered to either Ararat or Hamilton from where the samples are couriered to ALS Laboratory in Adelaide, SA. |
| ***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.* | **Stavely Project**<br>The diamond drilling and RC drilling at Thursday's Gossan was located on EL4556, which forms the Stavely Project.<br>The mineralisation at Thursday's Gossan is situated within exploration licence EL4556.<br>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.<br>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.* | **Stavely Project**<br>A retention licence, RL2017, was applied for over the majority of EL4556 in May 2014.<br>The tenement is in good standing and no known impediments exist. |
| ***Exploration done by other parties*** | *Acknowledgment and appraisal of exploration by other parties.* | **Stavely Project**<br>**Thursday's Gossan Prospect**<br>Exploration activity became focused on Thursday's Gossan and the Junction prospects following their discovery by Pennzoil of Australia Ltd in the late 1970s. North Limited continued to focus on Thursday's Gossan in the 1990s. North's best drill result at Thursday's Gossan came from VICT1D1 which gave 161m of 0.26% Cu from 43m, including 10m of 0.74% Cu from 43m from a |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| | | supergene-enriched zone containing chalcocite.<br>The tenement was optioned to CRA Exploration between 1995 and 1997. CRAE drilled several deep diamond drill holes into Thursday's Gossan, including DD96WL10, which intersected 186m from 41m of 0.15% Cu and DD96WL11, which intersected 261.7m from 38.3m of 0.13% Cu.<br>EL4556 was further explored by Newcrest Operations Limited under option from New Challenge Resources Ltd between 2002 and 2004. Their main focus was Thursday's Gossan in order to assess its potential as a porphyry copper deposit. One of their better intersections came from drill hole VSTD01 on the northern edge of the deposit which gave 32m at 0.41 g/t Au and 0.73% Cu from 22m in supergene-enriched material.<br>The Stavely Project was optioned to Beaconsfield Gold Mines Pty Ltd in 2006 who flew an airborne survey and undertook an extensive drilling programme focused on several prospects including Thursday's Gossan. One of their diamond drill holes at Thursday's Gossan, SNDD001, encountered zones with quartz- sulphide veins assaying 7.7m at 1.08 g/t Au and 4.14% Cu from 95.3m and 9.5m at 0.44 g/t Au and 2.93% Cu from 154.6m along silicified and sheared contacts between serpentinite and porphyritic intrusive rocks.<br>Once Beaconsfield Gold Mines Pty Ltd had fulfilled their option requirements, title of EL4556 passed to their subsidiary company, BCD Metals Pty Ltd, who undertook a gravity survey and extensive drilling at prospects including Thursday's Gossan. They also commissioned a maiden Mineral Resource estimate for Thursday's Gossan.<br>All work conducted by previous operators at Thursday's Gossan is considered to be of a reasonably high quality. |
| ***Geology*** | *Deposit type, geological setting and style of mineralisation.* | **Stavely Project**<br>**Thursday's Gossan Prospect**<br>The Thursday's Gossan and Junction prospects are 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.<br>The Thursday's Gossan Chalcocite deposit (TGC) is considered to be a supergene enrichment of primary porphyry-style copper mineralisation. Mineralisation is characterised by chalcopyrite, covellite and chalcocite copper sulphide mineralisation within a sericite, illite and kaolin clay alteration assemblage. Copper mineralisation is within a flat lying enriched 'blanket' of overall dimensions of 4 kilometres north-south by up to 1.5 kilometres east-west by up to 60 metres thick with an average thickness of approximately 20 metres commencing at an average depth below surface of |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| | | approximately 30 metres. The majority (circa 60%) of the Mineral Resources reside within a higher-grade zone of approximate dimensions of 1 kilometre x 300 metres by 35 metres thick.<br>The Thursday's Gossan area hosts a major hydrothermal alteration system with copper-gold mineralisation over a 10 kilometre long corridor. The Junction porphyry target is defined by a coincident magnetic high, strong soil copper geochemistry, RAB drilling copper anomalism. Stavely Minerals believes the technical evidence indicates there is significant porphyry copper-gold mineralisation potential at depth at Thursday's Gossan. |
| ***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:*<br>*easting and northing of the drill hole collar*<br>*elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar*<br>*dip and azimuth of the hole*<br>*down hole length and interception depth*<br>*hole length.* | Included in the drill hole table in the body of the report. |
| | *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.* | No material drill hole information has been excluded. |
| ***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.* | **Stavely Project**<br>**Thursday's Gossan Prospect**<br>Exploration results are nominally reported where copper results are greater than 0.1% Cu over a down-hole width of a minimum of 3m.<br>No top-cutting of high grade assay results have been applied, nor was it deemed necessary for the reporting of significant intersections. |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| | *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.* | **Stavely Project**<br>**Thursday's Gossan Prospect**<br>In reporting exploration results, length weighted averages are used for any non-uniform intersection sample lengths. Length weighted average is (sum product of interval x corresponding interval grade %) divided by sum of interval length. |
| | *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.*<br>*If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* | **Stavely Project**<br>**Thursday's Gossan Prospect**<br>There is insufficient drilling data to date to demonstrate continuity of mineralised domains and determine the relationship between mineralisation widths and intercept lengths. |
| | *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').* | Refer to the Tables and Figures in the text. |
| ***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 the text. A plan view of the drill hole collar 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.* | **Stavely Project**<br>**Thursday's Gossan Prospect**<br>All copper and gold values considered to be significant for porphyry mineralisation have been reported. Some subjective judgement has been used. |
| ***Other substantive exploration data*** | *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results;* | All relevant exploration data is shown on figures and discussed in the text. |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| | *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.* | |
| ***Further work*** | *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).*<br>*Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.* | **Stavely Project**<br>**Thursday's Gossan Prospect**<br>Further deep diamond drilling has been planned to test the targeted high-grade copper-gold mineralisation below the low-angle structure using the 'M' veins as a vector. |