

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

New Thick Intercept of 92m at 0.34% Cu and 0.12 g/t Au including 30m at 0.50% Cu and 0.22 g/t Au in SMD016

Plus, another 123m zone of porphyry 'M' veins intersected in recently completed hole SMD023 – with patchy K-spar potassic alteration indicating that ongoing drilling is continuing to progress towards the core of the copper-gold porphyry system

Highlights

- Highly encouraging assay results returned from diamond hole SMD016, completed earlier this year, which intersected a ~100m interval of porphyry 'D' veins located immediately below the low-angle structure (LAS) at Thursday's Gossan, including:
 - 92m at 0.34% copper, 0.12 g/t gold and 4.4 g/t silver from 307m, including:
 - 4m at 1.83% copper, 0.23 g/t gold and 7.5 g/t silver; and
 - 30m at 0.50% copper, 0.22 g/t gold and 7.3 g/t silver, including:
 - 2m at 1.75% copper, 0.54 g/t gold and 37 g/t silver.
- SMD016 was drilled some 80m west/south-west of the original ~100m porphyry 'M' vein intercept in SMD015.
- Additionally, SMD016 intersected a shallow chalcocite-enriched zone of 25m at 0.28% copper from 33m down-hole.
- Further highly encouraging indications received from recently completed diamond drill hole SMD023, which has intersected:
 - *123m of porphyry 'M' veins from 120m to 243m;*
 - *These 'M' veins are located at shallow depth above the low-angle structure (LAS) and are interpreted as being indicative of close proximity to copper-gold mineralisation;*
 - *Additionally, patchy early K-spar alteration is interpreted as a further indication that the drilling is progressing towards the core of this copper-gold system;*
 - *'Wormy' porphyry 'A' style quartz veins which indicate that drilling has now penetrated an area near the carapace top of one of the host intrusions, suggesting that much of the vertical extent of this phase is preserved.*
- SMD023 was drilled some 100m west/north-west of the original ~100m porphyry 'M' vein intercept in SMD015.
- Drill hole SMD025 has just commenced a further ~100m west/north-west of SMD023.

Stavelly Minerals' Managing Director, Chris Cairns, said: "The broad interval of copper-gold mineralisation associated with late porphyry 'D' veins in SMD016 provides further strong evidence that the system at Thursday's Gossan is well-endowed with copper and gold, as these types of late veins are commonly barren where noted in other porphyry

deposits around the world. A few notable exceptions to this include the Hugo Dummett zone at Oyu Tolgoi in Mongolia and the Grasberg porphyry in Irian Jaya.

“Of significance is the additional porphyry ‘M’ vein intercept from a relatively shallow depth in recently completed hole SMD023. This interval displayed additional features that indicate to us that we are heading towards the core of this copper-gold porphyry.

“The occurrence of early K-spar potassic alteration is particularly encouraging. While it is not pervasive, it does suggest that we are getting into the hotter part of the system. Also, the presence of classic ‘wormy’ early porphyry ‘A’ veins indicates that we are likely at the top of the system and that the best part of the copper-gold mineralised system is likely preserved.

“Drill hole SMD025 has just commenced and is targeted into an area that has no historical RC or diamond drilling, but where our geological vectors are telling us the heart of the system could well be located.”

Stavelly Minerals Limited (ASX Code: **SVY** – “Stavelly Minerals”) is pleased to provide a further update from the ongoing diamond drilling programme at its 100%-owned **Stavelly Copper-Gold Project** in western Victoria (Figure 1), where drilling at the Thursday’s Gossan porphyry target continues to deliver significant encouragement.

Over the past several months drilling at Thursday’s Gossan has been systematically progressing with the objective of discovering copper-gold mineralisation associated with an alkalic porphyry system, similar to the Cadia Valley or the North Parkes copper-gold mines in central New South Wales. The Cadia-Ridgeway gold-copper deposit had total production to March 2012 of 76.7Mt at 1.83 g/t gold and 0.63% copper for a contained 4.5 million ounces of gold and 483,000 tonnes of copper¹.

Drill hole SMD016 returned very encouraging assay results from a ~100m interval of porphyry ‘D’ veins located immediately below the low-angle structure (LAS), with assay results including (Figure 3):

- **92m at 0.34% copper, 0.12 g/t gold and 4.4 g/t silver from 307m, including**
 - **4m at 1.83% copper, 0.23 g/t gold and 7.5 g/t silver, and**
 - **30m at 0.50% copper, 0.22 g/t gold and 7.3 g/t silver, including**
 - **2m at 1.75% copper, 0.54 g/t gold and 37 g/t silver**

Additionally, SMD016 intersected a shallow chalcocite-enriched zone of **25m at 0.28% copper** from 33m down-hole. SMD016 was drilled some 80m west/south-west of the original ~100m porphyry ‘M’ vein intercept in SMD015.

SMD023

Recent drilling continues to provide encouragement that the drilling is progressing in the correct direction, with the recently completed diamond drill hole, SMD023, intersecting

¹ Source: Porter GeoConsultancy Pty Ltd.

another 123m interval of early proximal magnetite-rich ‘M’ veins and associated fine sulphides (Figure 4).

The most recent hole, SMD023, was the second hole drilled on a section 80m to the north-west of SMD015 (Figure 2), which intersected the initial ~100m interval of magnetite-rich porphyry ‘M’ veins above the LAS.

SMD023 encountered siltstone (1-75m), porphyritic micro diorite (75-122m) and quartz diorite porphyry (122-275m). The LAS was intersected at 275m-281m, below which the hole encountered mostly porphyritic andesite and dacites (281-330.6m).

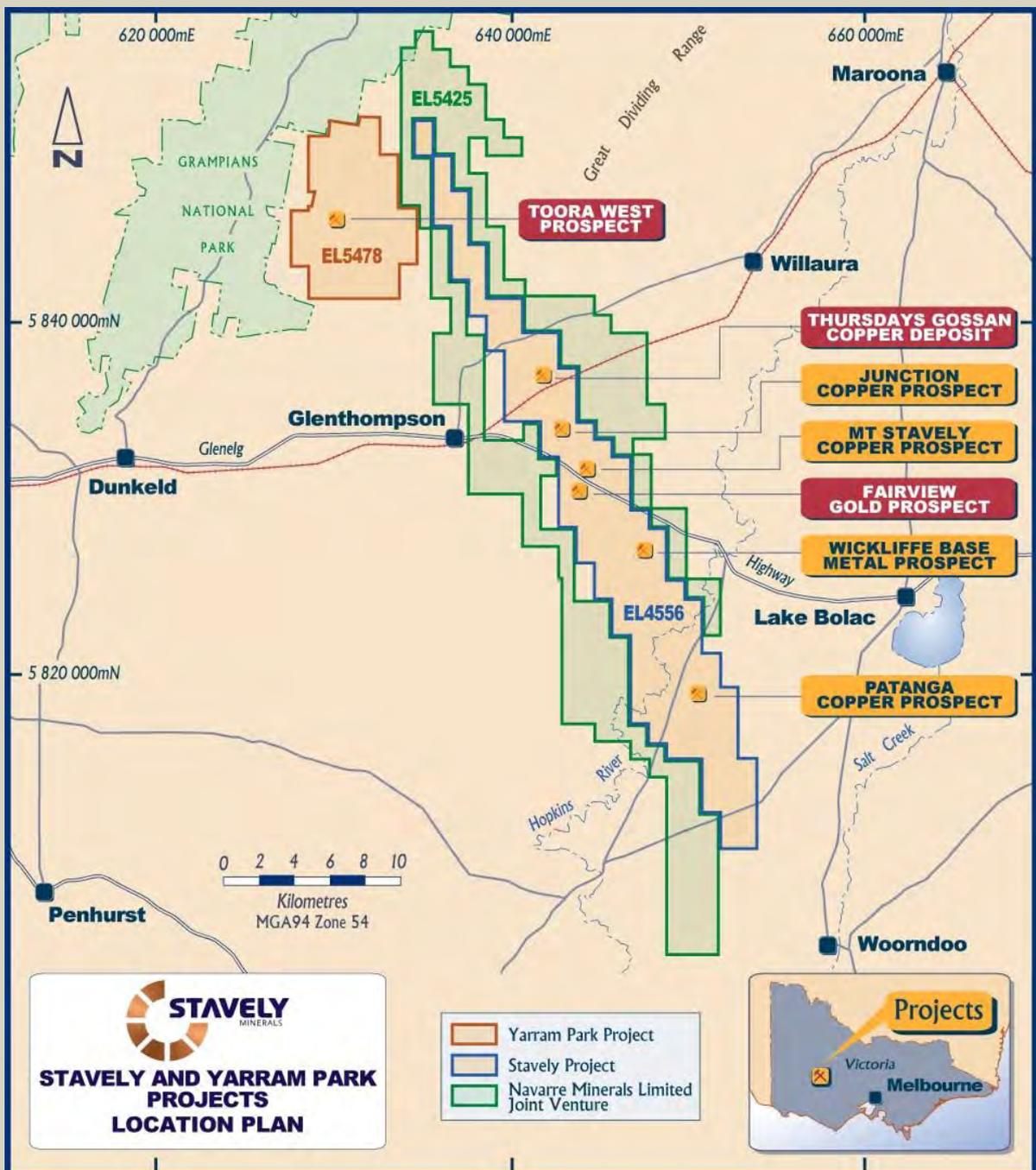


Figure 1. Project location map.

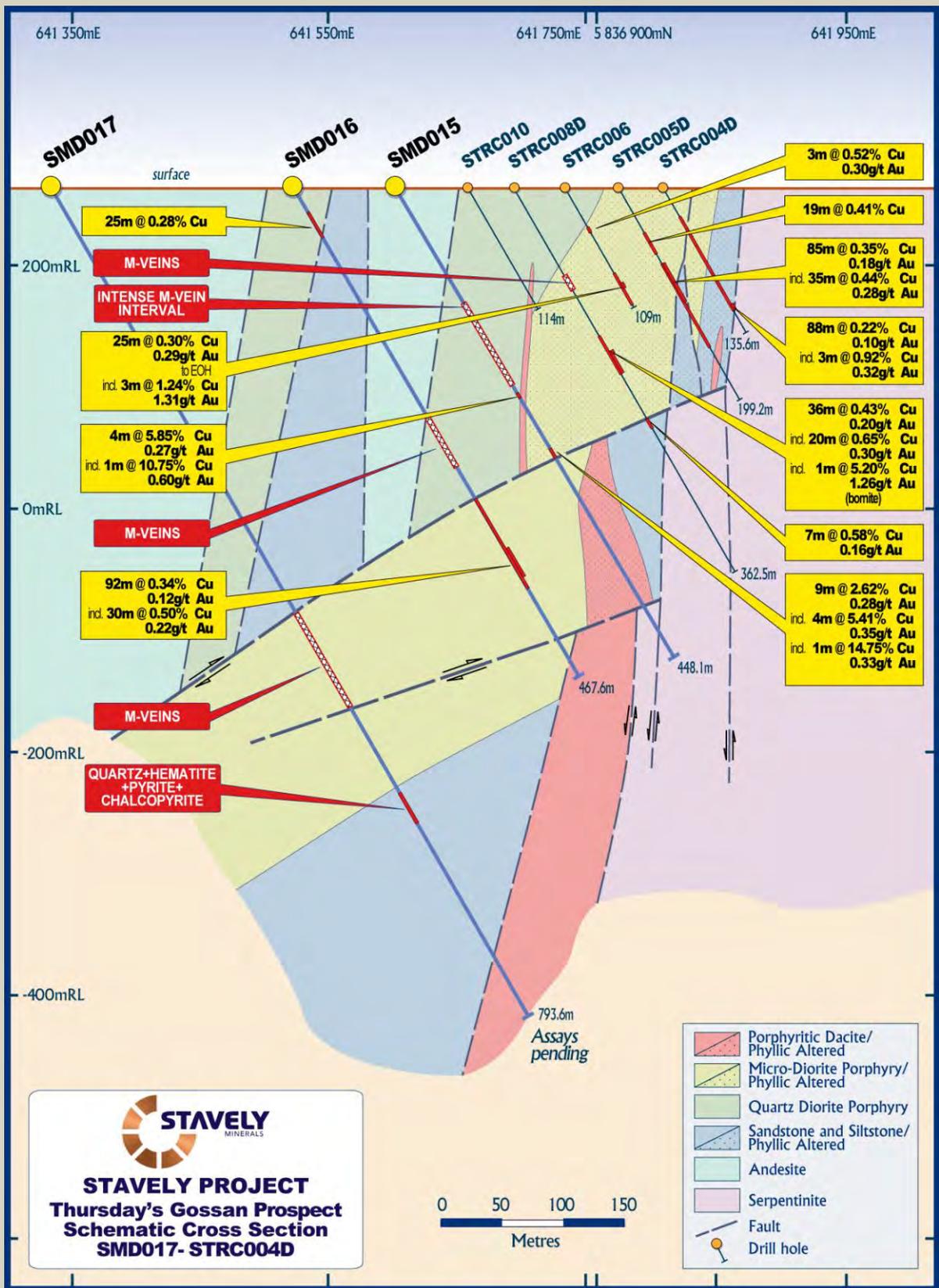


Figure 3. Drill section with SMD016.

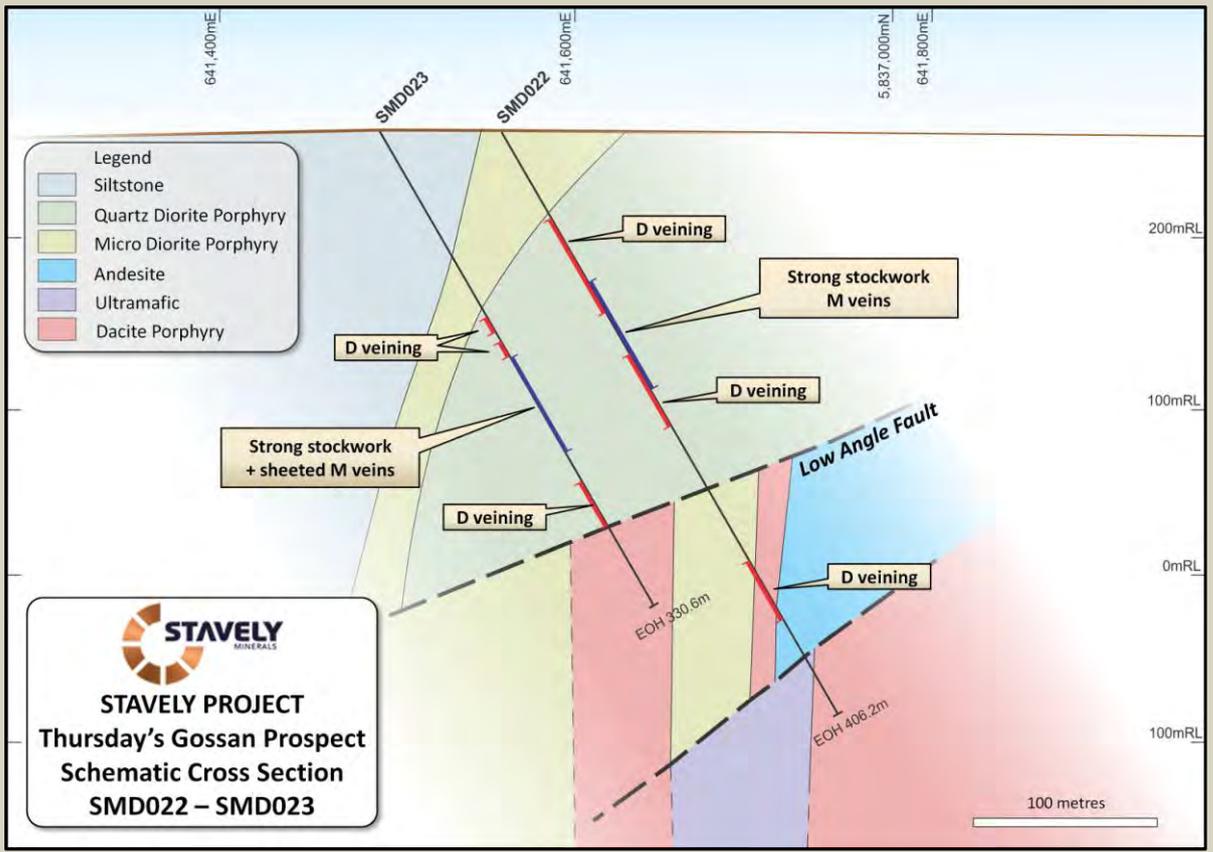


Photo 1. Quartz-magnetite ± hematite 'M' veins cross-cut by a quartz-pyrite 'B' vein in a quartz diorite porphyry at 161.0m in SMD023.

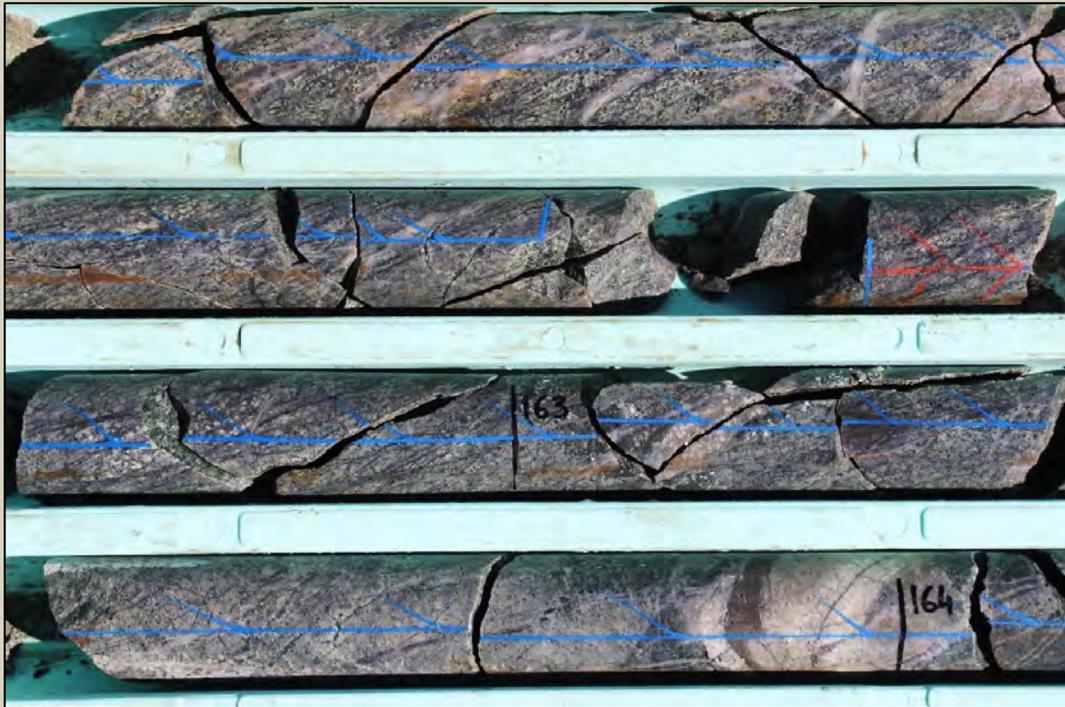


Photo 2. Quartz-magnetite ± hematite 'M' veining at 163m in SMD023.

A massive pyrite-quartz ± hematite 'D' vein was intersected from 130m to 140m in which the pyrite cross-cuts the earlier quartz-magnetite veins (Photo 3). Pyrite ± quartz veining with strong sericite alteration halos was strong between 147m and 157m and another massive quartz-pyrite ± hematite 'D' vein is seen from 224m to 226m again with the pyrite cross-cutting the earlier quartz-magnetite 'M' veins (Photo 4). Below 243m, there are regular pyrite ± quartz 'D' veins with sericite halos down to the LAS at 258m.

The 'M' veins in Photos 1 and 2 are interpreted as similar to the early pre-mineralisation 'M' veins described at the Cadia-Ridgeway mine.

The quartz diorite porphyry hosting the 'M' veins has mostly pervasive sericite alteration which appears to possibly be overprinting earlier K-feldspar potassic alteration (Photo 5). Recent petrography work has indicated that there are patches of K-feldspar alteration associated with the 'M' veins which has been overprinted by sericite alteration.

Forward Programme

Two diamond drill rigs are currently operating at Thursday's Gossan. Drill holes SMD024 and SMD025 are in progress and are respectively testing targets both below and above the LAS. Drill hole SMD025 is being drilled on the next section north and is located ~100m to the west/north-west of SMD023.

It is hoped that current / future drill holes will intersect the better mineralised 'core' of the system, both above and also below the LAS, that chalcopyrite will transition to bornite as the dominant copper sulphide, and that gold grades should improve markedly due to gold's greater affinity with bornite.

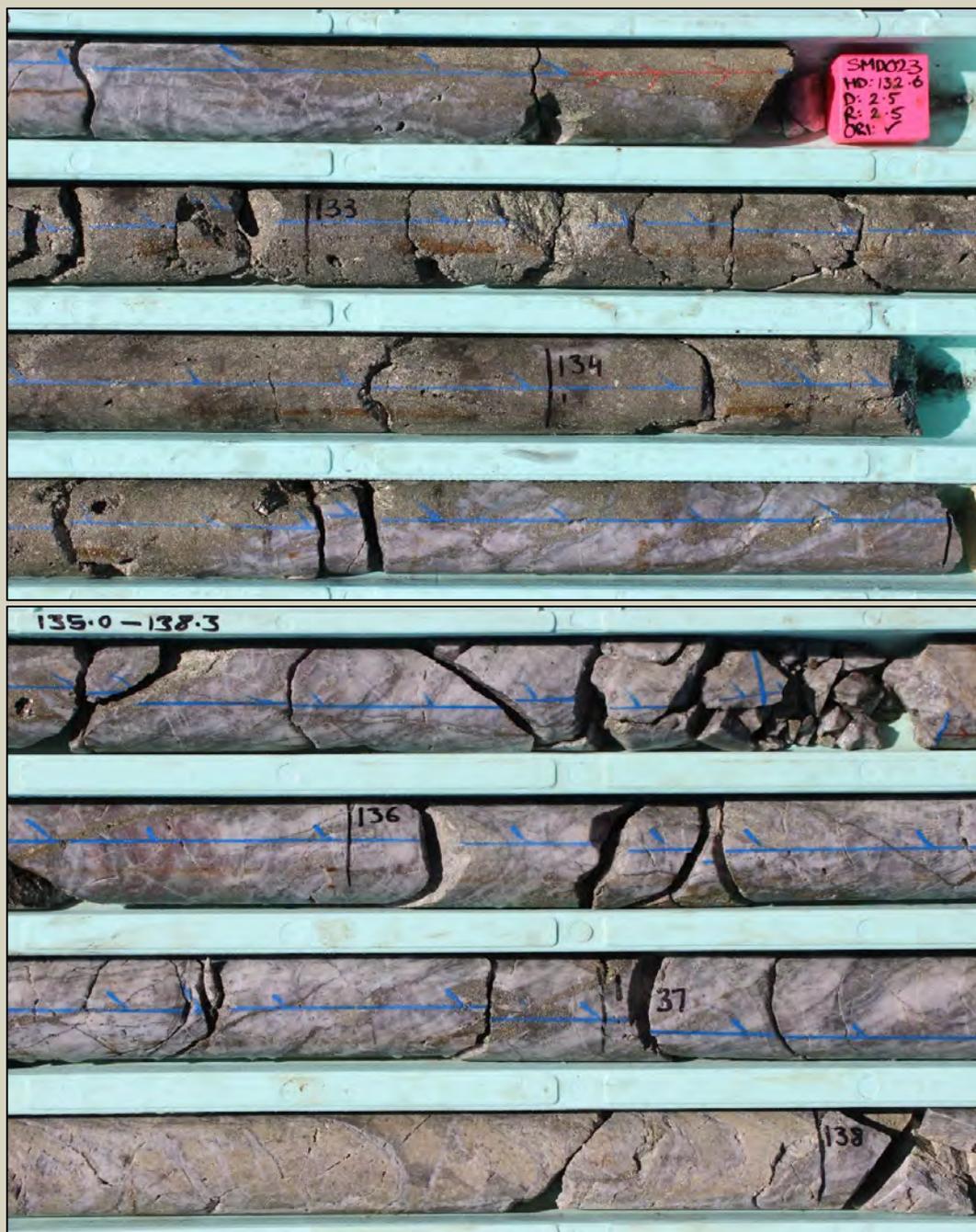


Photo 3. Pyrite-quartz ± hematite 'D' veining at 132m to 138m in SMD023.



Photo 4. Pyrite-quartz ± hematite veining at 225m in SMD023.



Photo 5. Quartz diorite porphyry with early 'wormy' 'A' type quartz veins, early 'M' type quartz-magnetite veins, and sericite alteration overprinting probable k-feldspar potassic alteration at 181.75m in SMD023.

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 Stavelly 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)
SMD016	DD	641525	5836810	-60	264	467.6
SMD017	DD	641325	5836750	-60	262	793.6
SMD018	DD	641670	5836772	-60	264	96.3
SMD019	DD	641620	5836755	-60	264	477.5
SMD020	DD	641570	5836740	-60	264	465.4
SMD021	DD	641410	5836640	-60	264	534.9
SMD022	DD	641560	5836915	-60	264	406.2
SMD023	DD	641490	5836895	-60	264	330.6
SMD024	DD	641323	5836839	-60	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)	
SMD016	DD	641525	5836810	-60	264	467.6	33	58	25	0.28			
								307	399	92	0.34	0.12	4.4
							Incl.	333	337	4	1.83	0.23	7.5
							and	343	373	30	0.50	0.22	7.3
								367	369	2	1.75	0.54	37

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	<i>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.</i>	<p>Stavely Project</p> <p>Thursday's Gossan Prospect</p> <p>Stavely Minerals' RC Drilling</p> <p>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.</p> <p>Stavely Minerals' Diamond Drilling</p> <p>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.</p>
	<i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i>	<p>Stavely Project</p> <p>Thursday's Gossan Prospect</p> <p>Stavely Minerals' Diamond and RC Drilling</p> <p>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.</p>
	<i>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</i>	<p>Stavely Project</p> <p>Thursday's Gossan Prospect</p> <p>Stavely Minerals' Diamond Drilling</p> <p>Drill sampling techniques are considered industry standard for the Stavely work programme.</p> <p>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.</p> <p>The diamond drill samples were submitted to Australian 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.</p> <p>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.</p> <p>Stavely Minerals' RC Drilling</p> <p>Drill sampling techniques are considered industry standard for the Stavely work programme.</p>

Criteria	JORC Code explanation	Commentary
	<i>warrant disclosure of detailed information.</i>	<p>The 1m split samples were submitted to Australian 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.</p> <p>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.</p>
Drilling techniques	<i>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 orientated and if so, by what method, etc).</i>	<p>Stavelly Project</p> <p>Thursday’s Gossan Prospect</p> <p>Stavelly Minerals’ Diamond Drilling</p> <p>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 and SMD025 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) was returned.</p> <p>Diamond drilling was standard tube. Diamond core was orientated by the Reflex ACT III core orientation tool.</p> <p>SMD003 was orientated at -60° towards azimuth 060° to a depth of 522.3m.</p> <p>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.</p> <p>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.</p> <p>SMD017, SMD018, SMD019, SMD020, SMD021, SMD022 and SMD023 were orientated at -60° towards azimuth 070° to depths of 793.6m, 96.3m, 477.5m, 465.4m, 534.9m, 406.2m and 330.6m respectively.</p> <p>Stavelly Minerals’ RC Drilling</p> <p>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 5¹/₄” to 5³/₄” drill bits. A Reflex Digital Ezy-Trac survey camera was used.</p> <p>The holes were orientated at -60° towards azimuth 070°.</p>

Criteria	JORC Code explanation	Commentary
<p>Drill sample recovery</p>	<p><i>Method of recording and assessing core and chip sample recoveries and results assessed.</i></p>	<p>Stavely Project Thursday's Gossan Prospect Stavely Minerals' Diamond Drilling</p> <p>Diamond core recoveries were logged and recorded in the database.</p> <p>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.</p> <p>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 and SMD023 were good with the holes averaging above 92% recovery for the total hole.</p> <p>Stavely Minerals' RC Drilling</p> <p>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.</p>
	<p><i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i></p>	<p>Stavely Project Thursday's Gossan Prospect Stavely Minerals' Diamond Drilling</p> <p>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.</p> <p>Stavely Minerals' RC Drilling</p> <p>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.</p>
	<p><i>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.</i></p>	<p>Stavely Project Thursday's Gossan Prospect Stavely Minerals' Diamond Drilling</p> <p>Not an issue relevant to diamond drilling.</p> <p>Stavely Minerals' RC Drilling</p> <p>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.</p>

Criteria	JORC Code explanation	Commentary
Logging	<i>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.</i>	<p>Stavely Project</p> <p>Thursday's Gossan Prospect</p> <p>Stavely Minerals' Diamond and RC Drilling</p> <p>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.</p> <p>Magnetic Susceptibility measurements were taken for each 1m RC and diamond core interval.</p>
	<i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i>	<p>Stavely Project</p> <p>Thursday's Gossan Prospect</p> <p>Stavely Minerals' Diamond Drilling</p> <p>All logging is quantitative, based on visual field estimates. Systematic photography of the diamond core in the wet and dry form was completed.</p> <p>Stavely Minerals' RC Drilling</p> <p>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.</p>
	<i>The total length and percentage of the relevant intersections logged.</i>	<p>Stavely Project</p> <p>Thursday's Gossan Prospect</p> <p>Stavely Minerals' Diamond Drilling</p> <p>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.</p> <p>Stavely Minerals' RC Drilling</p> <p>All RC chip samples were geologically logged by Stavely Minerals' on-site geologist on a 1m basis, with digital capture in the field.</p>
Sub-sampling techniques and sample preparation	<i>If core, whether cut or sawn and whether quarter, half or all core taken.</i>	<p>Stavely Project</p> <p>Thursday's Gossan Prospect</p> <p>Stavely Minerals' Diamond Drilling</p> <p>Quarter core for the PQ diameter diamond core and half core for the HQ diameter core was sampled on site using a core saw.</p>
	<i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i>	<p>Stavely Project</p> <p>Thursday's Gossan Prospect</p> <p>Stavely Minerals' RC Drilling</p> <p>Splitting of RC samples occurred via a rotary cone splitter by the RC drill rig operators. Cone splitting of RC drill samples occurred regardless of whether the sample was wet or dry.</p>

Criteria	JORC Code explanation	Commentary
	<p><i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i></p>	<p>Stavely Project Thursday's Gossan Prospect Stavely Minerals' Diamond and RC Drilling</p> <p>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.</p>
	<p><i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i></p>	<p>Stavely Project Thursday's Gossan Prospect Stavely Minerals' Diamond and RC Drilling</p> <p>Blanks and certified reference materials are submitted with the samples to the laboratory as part of the quality control procedures.</p>
	<p><i>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.</i></p>	<p>Stavely Project Thursday's Gossan Prospect Stavely Minerals' Diamond and RC Drilling</p> <p>No second-half sampling of the diamond core or field duplicates for the RC drilling has been conducted at this stage.</p>
	<p><i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i></p>	<p>Stavely Project Thursday's Gossan Prospect Stavely Minerals' Diamond and RC Drilling</p> <p>The sample sizes are considered to be appropriate to correctly represent the sought mineralisation.</p>
<p>Quality of assay data and laboratory tests</p>	<p><i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i></p>	<p>Stavely Project Thursday's Gossan Prospect Stavely Minerals' Diamond and RC Drilling</p> <p>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.</p> <p>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°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,</p>

Criteria	JORC Code explanation	Commentary
		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.
	<i>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.</i>	
	<i>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.</i>	<p>Stavelly Project Thursday's Gossan Prospect Stavelly Minerals' Diamond and RC Drilling</p> <p>Laboratory QAQC involved the submission of standards and blanks. For every 20 samples submitted either a standard or blank was submitted.</p> <p>The analytical laboratory provide their own routine quality controls within their own practices. The results from their own validations were provided to Stavelly Minerals.</p> <p>Results from the CRM standards and the blanks gives confidence in the accuracy and precision of the assay data returned from ALS.</p>
Verification of sampling and assaying	<i>The verification of significant intersections by either independent or alternative company personnel.</i>	<p>Stavelly Project Thursday's Gossan Prospect Stavelly Minerals' Diamond and RC Drilling</p> <p>Either Stavelly Minerals' Managing Director or Technical Director has visually verified significant intersections in the core and RC chips at Thursday's Gossan.</p>
	<i>The use of twinned holes.</i>	No twinned holes have been drilled.
	<i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i>	<p>Stavelly Project Thursday's Gossan Prospect Stavelly Minerals' Diamond and RC Drilling</p> <p>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.</p>
	<i>Discuss any adjustment to assay data.</i>	No adjustments or calibrations were made to any assay data used in this report.

Criteria	JORC Code explanation	Commentary
Location of data points	<i>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.</i>	Stavely Project Thursday's Gossan Prospect Stavely Minerals' Diamond and RC Drilling 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. For the diamond holes, down-hole single shot surveys were conducted by the drilling contractor. Surveys were conducted at approximately every 30m down-hole.
	<i>Specification of the grid system used.</i>	The grid system used is GDA94, zone 54.
	<i>Quality and adequacy of topographic control.</i>	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. 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	<i>Data spacing for reporting of Exploration Results.</i>	The drill hole spacing is project specific, refer to figures in text.
	<i>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.</i>	N/A
	<i>Whether sample compositing has been applied.</i>	Stavely Project Thursday's Gossan Prospect Stavely Minerals' Diamond Drilling Sample intervals were based on lithology but in general were 1m. No intervals were less than 0.4m or greater than 1.2m. Stavely Minerals' RC Drilling No sample compositing has been applied.
Orientation of data in relation to geological structure	<i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i>	Stavely Project Thursday's Gossan Prospect Stavely Minerals' Diamond and RC Drilling The RC and diamond drill holes were orientated at -60° toward 070° (or 080° for SMD016) to perpendicularly intercept the sulphide rich 'D' veins within the low angle structure.

Criteria	JORC Code explanation	Commentary
	<i>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.</i>	Stavelly Project Thursday's Gossan Prospect Stavelly Minerals' Diamond and RC Drilling 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	<i>The measures taken to ensure sample security.</i>	Stavelly Project Thursday's Gossan Prospect Stavelly Minerals' Diamond and RC Drilling Samples in closed poly-weave bags were collected from the Company's Glenthompson shed by a contractor and delivered to Hamilton from where the samples are couriered to ALS Laboratory in Orange, NSW.
Audits or reviews	<i>The results of any audits or reviews of sampling techniques and data.</i>	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	<i>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.</i>	Stavelly Project The diamond drilling and RC drilling at Thursday's Gossan was located on EL4556, which forms the Stavelly Project. The mineralisation at Thursday's Gossan is situated within exploration licence EL4556. The Stavelly Project was purchased by Stavelly Minerals (formerly Northern Platinum) from BCD Resources Limited in May 2013. Stavelly Minerals hold 100% ownership of the Stavelly Project tenements. The Stavelly 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.
	<i>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.</i>	Stavelly Project A retention licence, RL2017, was applied for over the majority of EL4556 in May 2014. The tenement is in good standing and no known impediments exist.
Exploration done by other parties	<i>Acknowledgment and appraisal of exploration by other parties.</i>	Stavelly Project Thursday's Gossan Prospect 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

Criteria	JORC Code explanation	Commentary
		<p>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 supergene-enriched zone containing chalcocite.</p> <p>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.</p> <p>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.</p> <p>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 of 1.08 g/t Au and 4.14% Cu from 95.3m and 9.5m of 0.44 g/t Au and 2.93% Cu from 154.6m along silicified and sheared contacts between serpentinite and porphyritic intrusive rocks.</p> <p>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.</p> <p>All work conducted by previous operators at Thursday's Gossan is considered to be of a reasonably high quality.</p>
Geology	<i>Deposit type, geological setting and style of mineralisation.</i>	<p>Stavely Project</p> <p>Thursday's Gossan Prospect</p> <p>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.</p> <p>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</p>

Criteria	JORC Code explanation	Commentary
		<p>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 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.</p> <p>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. Stavelly Minerals believes the technical evidence indicates there is significant porphyry copper-gold mineralisation potential at depth at Thursday's Gossan.</p>
Drill hole Information	<p><i>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:</i></p> <p><i>easting and northing of the drill hole collar</i></p> <p><i>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</i></p> <p><i>dip and azimuth of the hole</i></p> <p><i>down hole length and interception depth</i></p> <p><i>hole length.</i></p>	Included in the drill hole table in the body of the report.
	<p><i>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.</i></p>	No material drill hole information has been excluded.
Data aggregation methods	<p><i>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</i></p>	<p>Stavelly Project</p> <p>Thursday's Gossan Prospect</p> <p>Exploration results are nominally reported where copper results are greater than 0.1% Cu over a down-hole width of a minimum of 3m.</p> <p>No top-cutting of high grade assay results have been applied, nor was it deemed necessary for the reporting of</p>

Criteria	JORC Code explanation	Commentary
	<i>stated.</i>	significant intersections.
	<i>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.</i>	Stavelly Project Thursday's Gossan Prospect 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.
	<i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i>	No metal equivalent values are used for reporting exploration results.
Relationship between mineralisation widths and intercept lengths	<i>These relationships are particularly important in the reporting of Exploration Results.</i> <i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i>	Stavelly Project Thursday's Gossan Prospect There is insufficient drilling data to date to demonstrate continuity of mineralised domains and determine the relationship between mineralisation widths and intercept lengths.
	<i>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').</i>	Refer to the Tables and Figures in the text.
Diagrams	<i>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.</i>	Refer to Figures in the text. A plan view of the drill hole collar locations is included.
Balanced reporting	<i>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.</i>	Stavelly Project Thursday's Gossan Prospect All copper and gold values considered to be significant for porphyry mineralisation have been reported. Some subjective judgement has been used.
Other substantive exploration	<i>Other exploration data, if meaningful and material, should be reported</i>	All relevant exploration data is shown on figures and discussed in the text.

Criteria	JORC Code explanation	Commentary
<i>data</i>	<i>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.</i>	
<i>Further work</i>	<i>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.</i>	<p>Stavelly Project</p> <p>Thursday's Gossan Prospect</p> <p>Further deep diamond drilling has been planned to test the targeted high grade copper-gold mineralisation both above and below the low-angle structure.</p>