

Thursday's Gossan Porphyry Copper-Gold Project – Diamond Drilling Update**Progress Update on Deep Drill-Hole SMD049**

Hole in progress at 1,575m after encountering appreciable molybdenite and a new style of alteration which is consistent with the margin of the hotter core of the porphyry

Stavely Minerals Limited (ASX Code: **SVY** – “Stavely Minerals”) is pleased to provide a brief update on the progress of deep diamond drill-hole SMD049 at the **Thursday's Gossan prospect**, part of its 100%-owned Stavely Copper-Gold Project in western Victoria (Figures 1, 2 and 3).

Hole SMD049 is targeting the source porphyry believed to be responsible for high-grade structurally-controlled polymetallic epithermal copper-gold-silver mineralisation intersected in recent drilling (see recent ASX announcements). The hole is being drilled from north to south, parallel to the mineralisation-hosting north-south structure (NSS).

Drill-hole SMD049 was at 1,575m depth on the morning of Thursday, 22 August 2019. The hole was originally planned to a depth of 1,500m. While it has not yet intersected the source porphyry, the hole has encountered appreciable molybdenite in porphyry A veins from 1,315m to approximately 1,440m down-hole – which is consistent with an outer molybdenite halo to a porphyry.

However, after having passed through a shear around 1,443m to 1,445m drill depth, from 1,458m actinolite alteration began appearing in the quartz diorite porphyry (QDP).

From 1,465.5m down-hole, porphyry A veins with quartz \pm actinolite and patchy disseminated magnetite and quartz-magnetite \pm chalcopyrite made an appearance (Photo 1). From around 1,510m drill depth, the QDP was hosting moderate to strong disseminated magnetite alteration with lesser epidote and actinolite (Photo 2) with locally well-developed porphyry A veins (Photo 3).

This is a style of alteration not previously encountered in drilling to date at Thursday's Gossan and is interpreted to be similar to inner propylitic and, in places, appears to be unaffected by phyllic alteration – more typical of the upper portions of a porphyry hydrothermal system.

It is interpreted that the drill-hole is potentially on the lateral margin to (to the side of) the hotter core of the porphyry and the drill-hole is being continued to penetrate the hotter 'core' where we would expect to see the best-developed copper mineralisation.

Once the drill-hole is complete, a full geology description of the hole will be provided.

As SMD049 was designed to target the causative porphyry, it was not intended to penetrate the NSS and test for deep mineralisation on that structure. Once SMD049 is complete, the intention is to pull out the NQ diameter drill rods and place a casing wedge at the base of the HW casing at ~1,000m.

The NQ diameter wedge would then be directed towards the NSS to facilitate drilling of a wedge hole with the following key objectives:

1. Test the NSS for structurally-controlled high-grade polymetallic copper-gold-silver mineralisation; and
2. Test the QDP on the west side of the NSS given that the offset on the NSS should put the drill bit into the QDP at approximately 100-200m greater depth and 200m further south than the QDP on the east side.

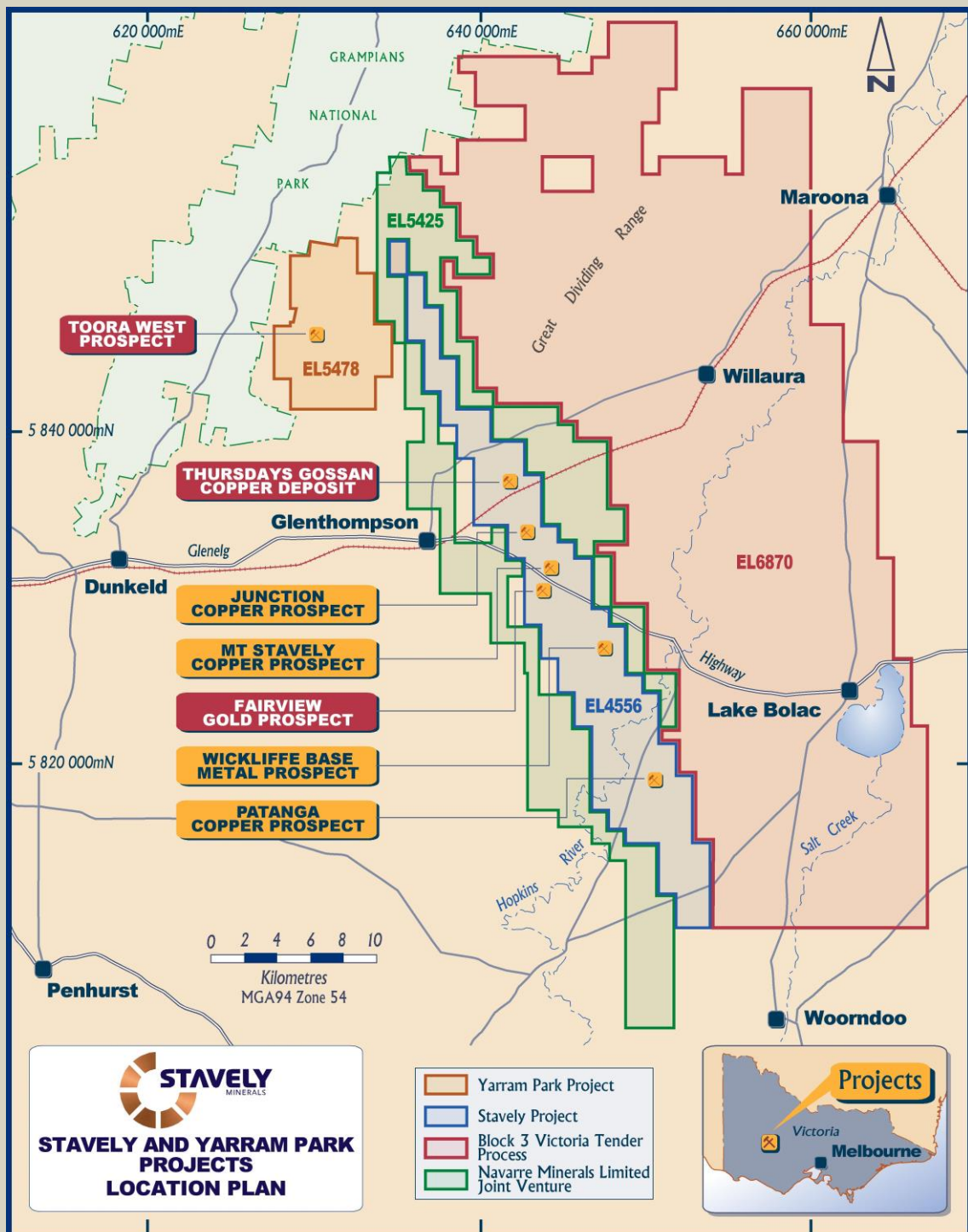


Figure 1. Stavely Project location map.

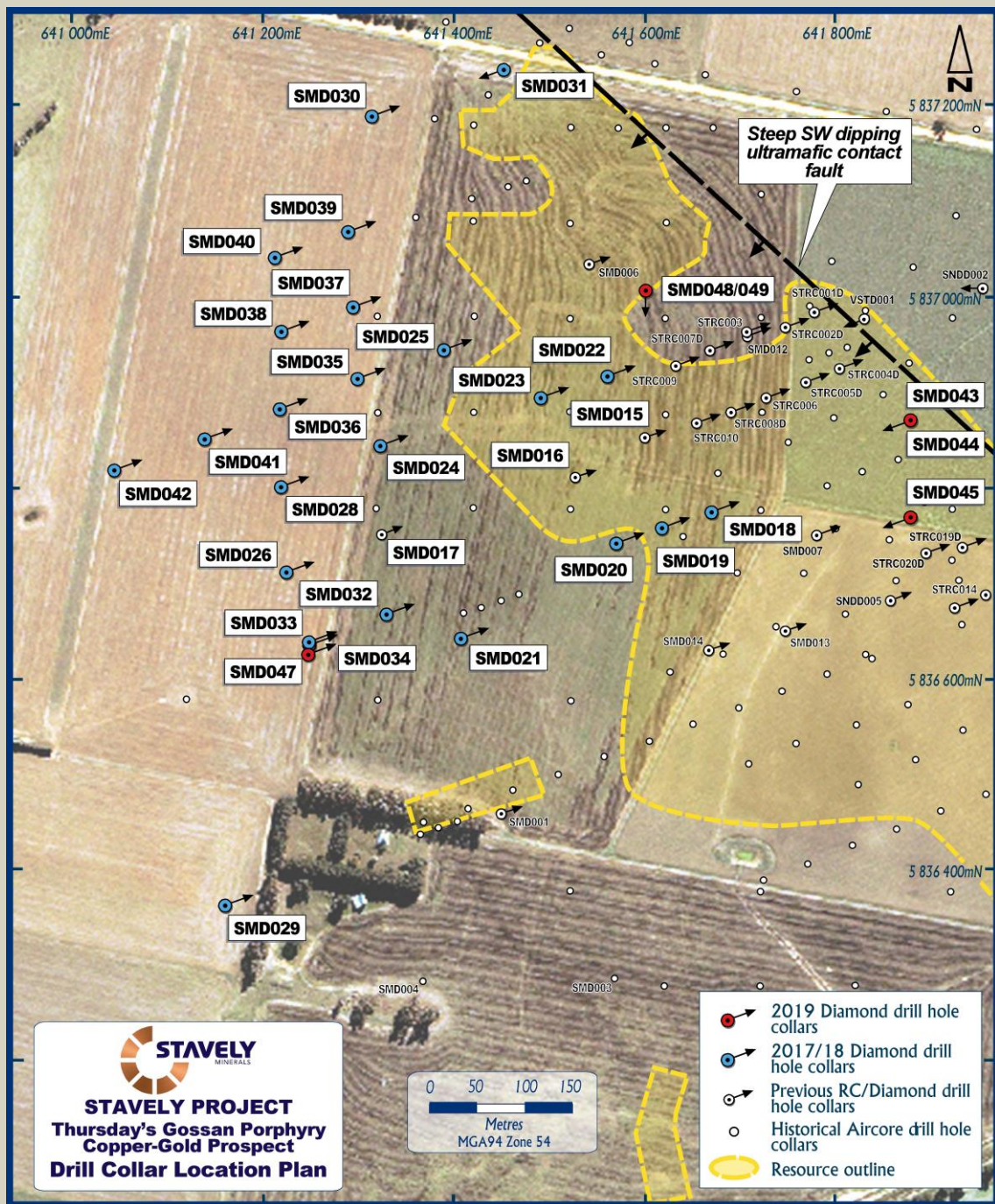


Figure 2. Thursday's Gossan drill collar location plan.

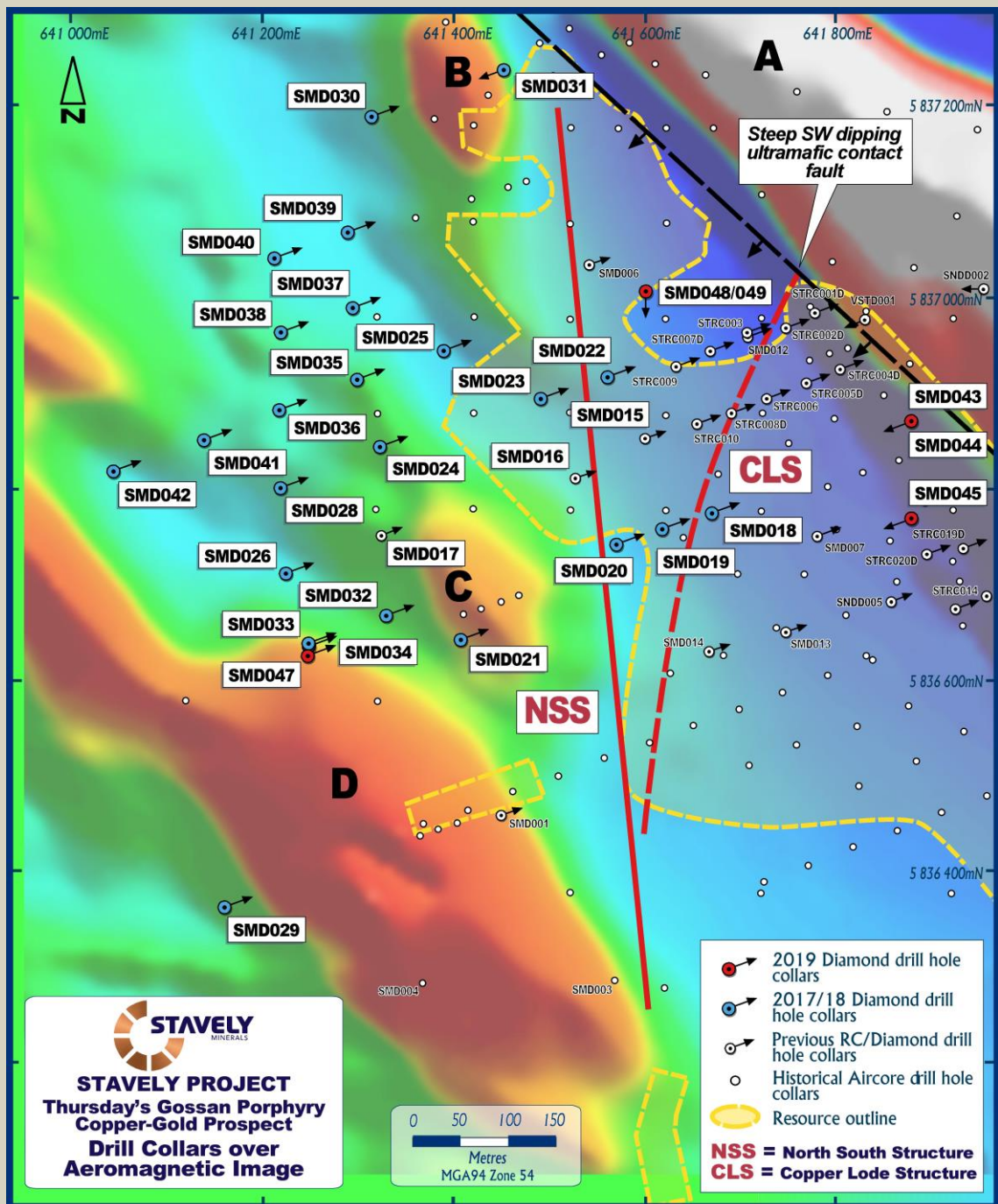


Figure 3. Aeromagnetic image with drill collars and the surface projection of the North-South Structure and the Copper Lode Splay.



Photo 1. Sandstone hosted quartz-magnetite-chalcopyrite veins with hematite \pm K feldspar alteration selvages from 1,489m.



Photo 2. SMD049 at 1,543.4m – Quartz diorite porphyry with albite alteration of plagioclase phenocrysts and quartz-magnetite veins cut by a quartz A vein.



Photo 3. SMD049 at 1,516m – strong quartz-magnetite veining overprinted by sericite alteration associated with later porphyry A veining.

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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