

Stavely Copper-Gold Project

Stavely Minerals Agrees to Purchase 3% Net Smelter Return Royalty on the Stavely Copper-Gold Project

Agreement demonstrates Stavely's confidence in the Project's potential, including the exciting Cayley Lode discovery where a resource drill-out is in full swing

Stavely Minerals Limited (ASX Code: **SVY** – “Stavely Minerals”) is pleased to advise that it has reached agreement to purchase the existing 3% net smelter royalty (NSR) held by New Challenge Resources on tenement EL4556, which hosts the Thursday's Gossan prospect and other key prospects at its flagship **Stavely Copper-Gold Project** in Victoria.

The tenement includes the shallow, high-grade copper-gold-silver mineralised Cayley Lode which was discovered little more than six months ago (Figure 1) and is currently subject to an intensive resource drill-out.

The agreed terms include the payment of \$350,000 cash and the issue of 850,000 Stavely Minerals' shares. The payment and share issue will occur in July.

Stavely Minerals' Executive Chairman, Chris Cairns, said: *“The history of this royalty is interesting in that, in the early 1990's the Project was held by North Limited who were hoping for an analogue to their North Parkes copper-gold porphyry discovery. Having drilled a few holes with modest grade copper-gold intercepts, they dropped the tenure in the mid-1990's.*

“A key member of the North Limited team felt that the ground had potential and pegged EL4556 in the name of New Challenge Resources. Since that time, the tenement has been subject to Earn-In and Joint Venture agreements with notable companies such as Newcrest, CRA Australia (now part of Rio Tinto) and Beaconsfield Gold – from which the Stavely Minerals' team acquired the tenement in 2013.

“It is very pleasing for Stavely to be able to reward the conviction and patience of New Challenge Resources. It has taken no small measure of persistence, lots of drilling, thinking outside the box and letting the rocks speak to get us to the discovery of the Cayley Lode. The acquisition of the royalty demonstrates the Board's belief in the potential of the Project, and the acceptance of Stavely Minerals' shares by New Challenge Resources as a significant portion of the consideration is also, we believe, a demonstration of faith in the future of Stavely Minerals.”

Yours sincerely,



Chris Cairns
Executive Chairman and Managing Director

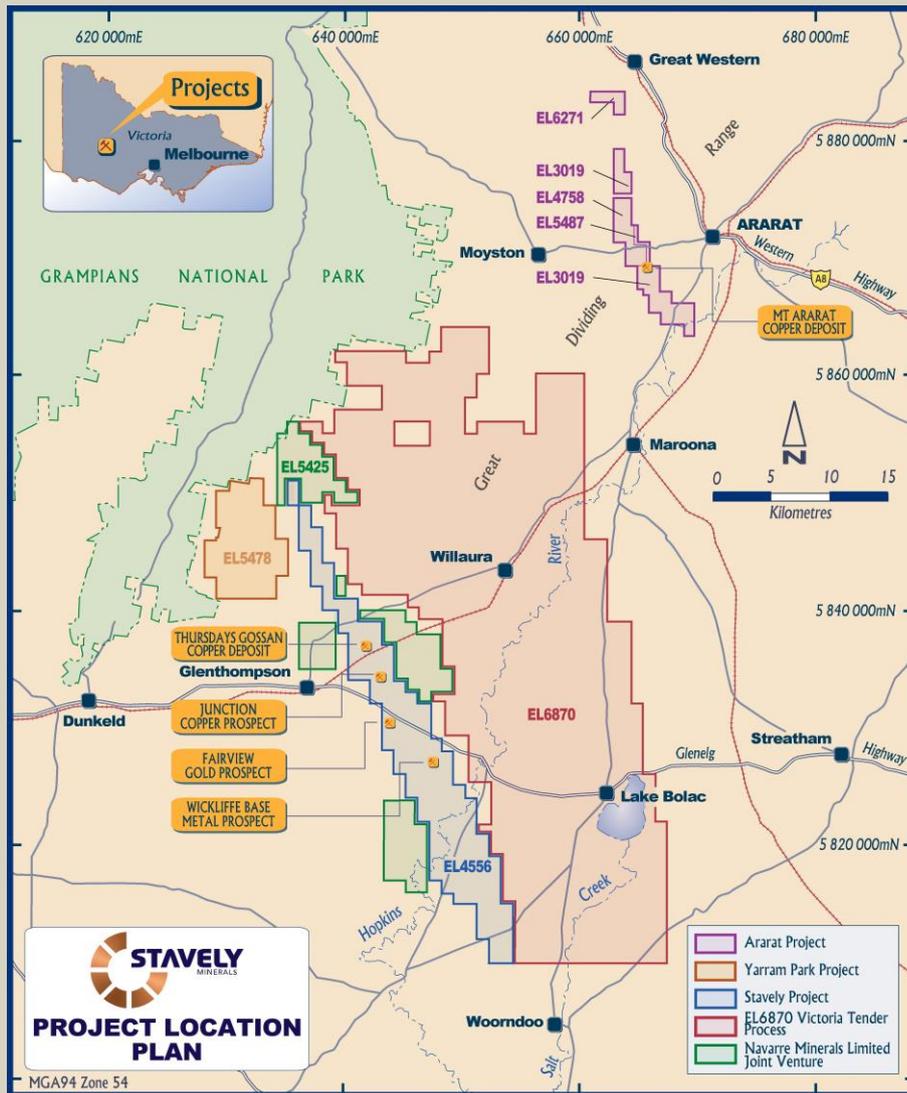


Figure 1. Stavely Project location map.

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 Executive Chairman and Managing Director of Stavely Minerals Limited, is a 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.

Authorised for lodgement by Chris Cairns, Managing Director and Executive Chairman.

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