



ASX ANNOUNCEMENT

24 July 2020

Stavelly Announces Oversubscribed \$28M Capital Raising

Proceeds will be used to accelerate Mineral Resource drill-out at the Cayley Lode, identify additional lodes, drill new deep Porphyry targets and progress a Phase 1 Open Pit Scoping Study

Key Points:

- **\$25M institutional and sophisticated share placement at \$0.60.**
- **SPP launched to raise up to \$3M to allow existing shareholders to participate.**
- **Funds to be used to:**
 - **Complete the shallow (0-200m) Mineral Resource drill-out at the Cayley Lode;**
 - **Identify additional lodes;**
 - **Drill test the deeper porphyry targets;**
 - **Progress a Phase 1 Open Pit Scoping Study; and**
 - **Provide additional working capital.**

Stavelly Minerals Limited ('Stavelly Minerals', ASX Code: SVY) is pleased to announce a landmark capital raising of up to **\$28 million** to fast-track the exploration, continued evaluation and development of its flagship 100%-owned **Stavelly Copper-Gold Project** in western Victoria.

The proceeds will allow the Company to accelerate the ongoing shallow Mineral Resource drill-out at the Cayley Lode discovery, while simultaneously progressing the Project through the requisite ancillary technical programmes and economic studies required to advance towards a potential development decision.

The additional funding will also give the Company the capacity to maintain an aggressive approach to exploration aimed at identifying additional lodes at Thursday's Gossan, drill testing the two deep porphyry targets identified from a recently completed seismic survey and assess several other regional targets including Junction 1 and Mount Stavelly.

The capital raising is underpinned by a Share Placement of approximately 41.67 million shares at 60 cents per share to sophisticated and institutional investors to raise \$25 million before costs.

The Placement, which was significantly over subscribed, will be undertaken with placement of a first Tranche of 28 million shares to be completed under the Company's existing ASX Listing Rule 7.1 and 7.1A capacity, while the second Tranche of 13.67 million shares will be completed subject to shareholder approval.

In addition, Stavelly Minerals intends to undertake a Share Purchase Plan (SPP), also at 60 cents, to raise up to a further \$3 million to allow existing shareholders to participate in the capital raising on the same terms as the Share Placement.

Stavelly Minerals' Executive Chairman, Mr Chris Cairns, said the Company was delighted with the outstanding response from investors to the capital raising and with the level of support shown for the Company's Projects.

“This is a landmark raising in every respect which puts Stavelly Minerals in an extremely strong position to realise its objective of becoming a significant new copper development company,” he said.

“Apart from introducing a number of prominent global investors to our register, the proceeds of the raising will significantly strengthen our balance sheet and give us the capability to pursue a multi-pronged exploration, resource development and growth strategy,” he added.

“The funds will allow us to substantially expand the size of the shallow resource drill-out at the Cayley Lode, while also progressing additional ancillary programmes like metallurgical testwork, geotechnical assessment and environmental baseline monitoring, and commencing a Scoping Study on a Phase 1 Open Pit development.

“Concurrently with the economic studies, drill rigs will be redeployed to defining the Cayley Lode at depth – and we have reasonable grounds to expect it will continue to depths in-excess of a kilometre given we have intercepted similar mineralisation at 850m-925m drill depths hosted in the North-South Structure.

“Additionally, we now have the funds to do the drilling required to test other lodes in favourable dilatant north-west orientations like the Copper Lode Splay that could, if continuity and grade can be demonstrated, make a significant contribution to the economics of both the potential Phase 1 Open Pit and the potential for a Phase 2 Underground.

“We have a huge amount of drilling, logging and sampling ahead of us in order to achieve our aspirations, but we are very excited that we have secured the financial backing of some of the most sophisticated institutional investors in the resources sector globally.

“Importantly, our Company has always been structured in such a way that the vast majority of the funds we raise goes directly into the ground in drilling, and also towards completing our work to a very high standard.

“This underlying commitment will not change despite the significant elevation of our balance sheet through this capital raising, and investors can be assured that we will maintain a prudent and cost-conscious approach to our work that will see the dollars consistently going into the ground!

“We are very excited to have discovered a lode-style of high-grade copper-gold that has not previously been recognised in Australia, and that recognition opens some significant opportunities for additional discoveries both within the Thursday’s Gossan prospect area and regionally within the Company’s dominant tenure position.”

Share Placement

The Company has firm commitments for a share placement of approximately 41.67 million fully-paid ordinary shares at 60 cents per share to raise \$25 million before costs (the Placement). Morgans Corporate Limited acted as Lead Manager to the Placement with the Arlington Group as UK Co-Manager with contributions from Tamesis Partners, and Hartleys Limited as Co-Manager to the Placement.

The Placement will be in two tranches, Tranche 1 consisting of 28 million shares is being undertaken within the Company’s available capacity to issue new securities under Listing Rule 7.1 (11.8 million shares) and 7.1A (16.2 million shares), and Tranche 2 consisting of 13.67 million shares will be subject to Shareholder approval. A general meeting will be held as soon as practicable to approve the issue of the Tranche 2 shares.

Settlement of Tranche 1 is scheduled for 29 July 2020 with allotment to occur on 30 July 2020. The Tranche 1 and Tranche 2 shares issued under the Placement will rank equally with existing Stavely Minerals' shares.

In addition to the issue of new shares, Stavely Minerals' Executive Directors, Chris Cairns and Jennifer Murphy, have agreed to sell 1.2 million and 800,000 shares respectively into the oversubscription of the Placement. This was considered the most transparent means of a minor sell-down of their holdings and putting shares into institutional hands was considered less disruptive to the normal trading of Stavely Minerals' shares. Post sell-down, Mr Cairns will retain 8,032,268 shares and Ms Murphy will retain 5,146,705 shares.

Junior Mineral Exploration Incentive – Credits for those Participating in the Placement and Share Purchase Plan

Stavely was successful in its application to participate in the Junior Mineral Exploration Incentive Scheme (JMEI) for the 2021 year and as a result may allocate up to \$1,750,000 in exploration tax credits to Australian resident shareholders who participate in the Placement, Share Purchase Plan and other capital raisings undertaken by Stavely during 2020/2021.

These credits can be used as a refundable tax offset (or franking credit for corporate shareholders) in shareholders' 2021 tax return. The precise amount of the credit per share will be determined after 30 June 2021 and will be determined based on amounts raised under the Placement, Share Purchase Plan and other new shares issued during the year to 30 June 2021, together with the amount of eligible exploration for the year, and the tax result for Stavely.

Share Purchase Plan

In addition to the Placement, the Company is pleased to announce that eligible Shareholders will have the opportunity to acquire fully paid ordinary shares in Stavely Minerals (Shares) via a Share Purchase Plan (SPP).

Eligible Shareholders may acquire up to \$12,000 worth of Shares under the SPP, free of brokerage and commission, at a price of 60 cents per Share. This is the same price as the offer price under the Placement.

The total number of shares to be issued under the SPP will be capped at 5 million Shares, being the number of shares required to raise \$3,000,000. Further details of the offer will be announced in due course.

Assuming all entitlements are accepted, following completion of the SPP of \$3M and the Placement, the Company will have issued approximately 46.7 million shares resulting in total fully paid ordinary shares on issue of approximately 261.3 million.

The proposed timetable for the SPP is set out below. The dates are indicative only and the Company reserves the right to vary the dates including the right to shorten the Closing Date or to withdraw the Offer (subject to the *Corporations Act 2001 (Cth)* and the ASX Listing Rules). Any changes of dates will be announced on ASX. Stavely encourages Eligible Shareholders who wish to participate to act promptly in applying.

Record Date	Thursday 23 July 2020
Offer documents despatched to Shareholders & Company announcement that despatch has been completed	Tuesday 28 July 2020
Opening Date	Tuesday 28 July 2020
Closing Date	Friday 7 August 2020
Announcement of results of Share Purchase Plan	Wednesday 12 August 2020
Allotment / Issue Date and Despatch of holding statements	Friday 14 August 2020

Yours faithfully,



Chris Cairns
Executive Chairman and Managing Director

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

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