STAVELY MINERALS
ASX Code: SVY

**27 March 2024**

# Stavely Joins with Falcon Metals to Explore in the Emerging West Kimberley Magmatic Nickel Province - Correction -

Stavely Minerals Limited (ASX Code: **SVY** – "Stavely Minerals") wishes to correct the terms of the Earn-in and Joint Venture Agreement with Falcon Metals (ASX: **FAL**; "**Falcon**") to be:

- Minimum expenditure equal to two-years' statutory minimum expenditure on the tenements;
- Expenditure of $500,000 for **Stavely** to earn an 80% equity interest in the tenure;
- Formation of a Joint Venture with Falcon free-carried to a decision to mine; and
- If not proceeding to mine development with contributions on an equity basis, acquisition of the non-proceeding interest on a fair value basis.

Yours sincerely,

**Chris Cairns**
**Executive Chair and Managing Director**

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

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STAVELY MINERALS
ASX Code: SVY

**ASX ANNOUNCEMENT** **27 March 2024**

**Hawkstone Nickel-Copper Project, WA – Update**

# Stavely Joins with Falcon Metals to Explore in the Emerging West Kimberley Magmatic Nickel Province

***Earn-In and Joint Venture Agreement completed to secure an additional two tenements covering key extensions of the prospective host unit, the Ruins Dolerite***

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- **Stavely Minerals has strategically expanded its exploration footprint at the Hawkstone Nickel Project, located in the emerging West Kimberley magmatic nickel province, through an Earn-in and Joint Venture agreement with Falcon Metals Limited (ASX: FAL).**
- **The Company is delighted to partner with Falcon Metals given the previous discovery track record of key members of their management team at the Nova-Bollinger Nickel Mine in WA and deep understanding of the significant opportunity for additional magmatic nickel sulphide discoveries in the West Kimberley.**
- **The Merlin nickel-copper-cobalt discovery (IGO/Buxton Resources) is a high-tenor (average 8% Ni tenor for massive sulphide) magmatic nickel style of mineralisation, with individual assays of up to 8.14% Ni, 5.26% Cu and 0.69% Co, hosted by the Ruins Dolerite[1] and located ~1km north-west of Stavely Minerals' Hawkstone tenement boundary.**
- **In November 2023, IGO and Buxton announced high-grade Ni-Cu-Co assays from the initial drill hole into the Dogleg discovery[2], located some 13km north-west of Merlin, and further high-grade results from a second diamond drill hole last week.**
- **The Hawkstone Project includes ~30 kilometres of easterly strike continuation of the Ruins Dolerite, which is highly prospective for nickel-copper-cobalt mineralisation.**
- **Additionally, a regionally significant gravity high under the Hawkstone Ni-Cu-Co Project may represent a deeper mafic magma chamber, potentially an analogue to the Eastern Deeps intrusion at the world-class Voisey's Bay deposit in Canada.**
- **The additional tenements cover areas with discrete magnetic features interpreted to be elements of the Ruins Dolerite located at shallow depth under on-lapping Devonian carbonate sequences.**
- **The Hawkstone Project represents a relatively under-explored opportunity for a significant discovery in an emerging mineral field where the prospectivity and fertility of the Ruins Dolerite has already been demonstrated by the Merlin and Dogleg discoveries.**

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[1] Buxton Resources website: West Kimberley - Buxton Resources Ltd, ASX:BUX announcement dated 27 November 2015
[2] See ASX: BUX announcement dated 6 November 2023

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Stavely Minerals Limited (ASX Code: **SVY** – "Stavely Minerals") is pleased to advise that it has further expanded its strategic exploration footprint at its 100%-owned **Hawkstone Nickel-Copper Project** in the West Kimberley region of Western Australia (Figure 1) through an Earn-in and Joint Venture Agreement with Falcon Metals (ASX: **FAL**; "**Falcon**").

The terms of the Earn-in and Joint Venture Agreement include:

- Minimum expenditure equal to two-years' statutory minimum expenditure on the tenements;
- Expenditure of $500,000 for Stavely to earn an 80% equity interest in the tenure;
- Formation of a Joint Venture with Falcon free-carried to a decision to mine; and
- If not proceeding to mine development with contributions on an equity basis, acquisition of the non-proceeding interest on a fair value basis.

The tenements subject to this agreement include EL(A)04/2883 and EL(A)04/2284 (Figures 2 and 3).

Falcon Metals Limited Managing Director, Tim Markwell, said: *"Falcon Metals is pleased to have secured a strategic entry to the emerging West Kimberley magmatic nickel province through this Earn-in and Joint Venture Agreement with Stavely Minerals. The IGO/Buxton Dogleg nickel sulphide discovery demonstrates the potential for new nickel discoveries, and we believe there is outstanding potential to discover more high-tenor magmatic nickel sulphide mineralisation across this district."*

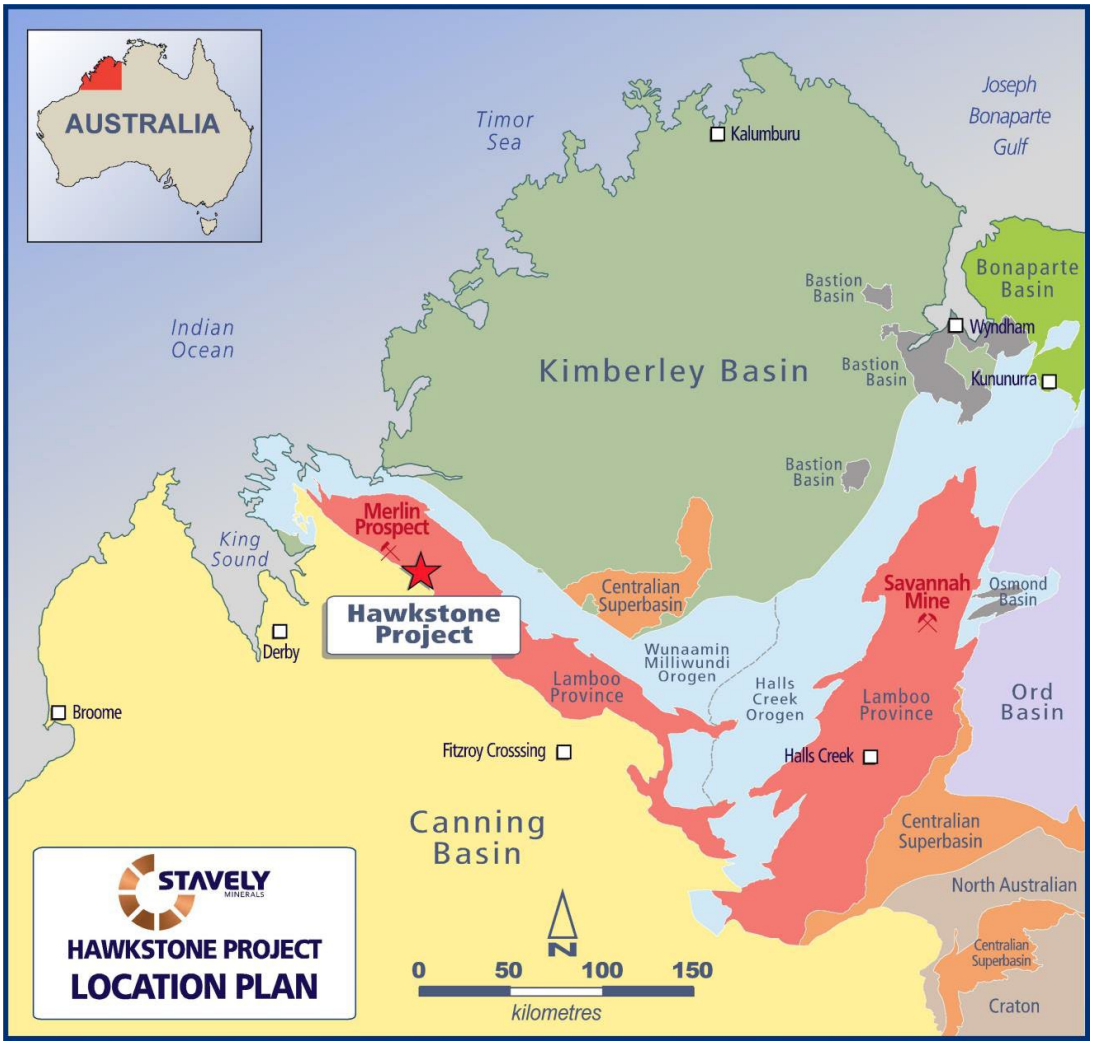


**Figure 1. Hawkstone Project location map.**

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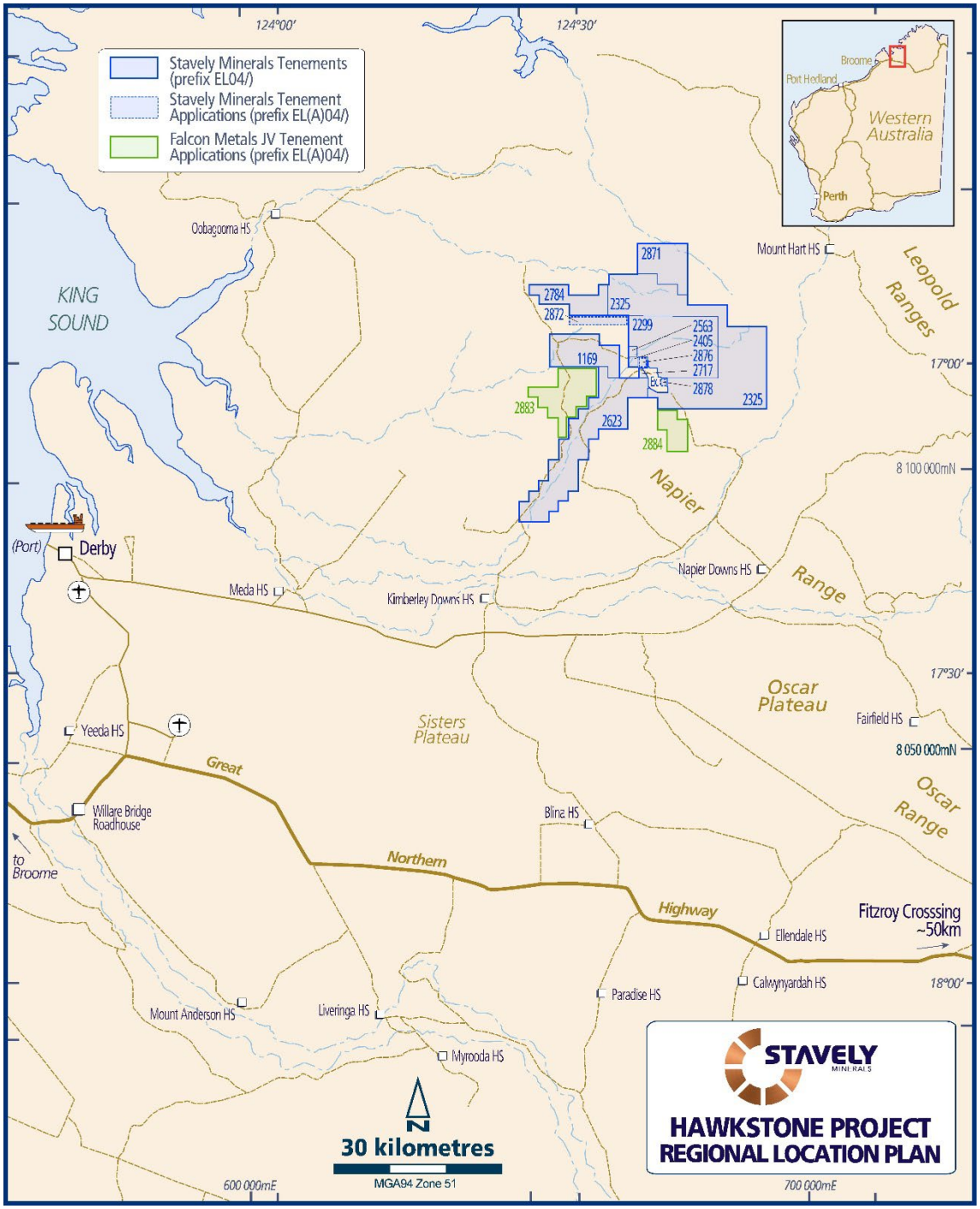


**Figure 2. Stavely Minerals Tenement location map.**

Stavely Minerals Executive Chair and Managing Director, Mr Chris Cairns, said: *"Our Hawkstone Nickel Project is an exceptional walk-up exploration opportunity in a geological setting that has demonstrated prospectivity and fertility for major new magmatic nickel sulphide discoveries.*

*"The Merlin nickel-copper-cobalt discovery is a high-tenor nickel discovery (~8% Ni), an attribute which can be very important in terms of economic potential (Appendix 1). Located just 1 kilometre from the Hawkstone Project tenement boundary, the Merlin discovery is significant in several respects.*

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*"Technically, it demonstrates that the geological processes required to form a magmatic nickel sulphide deposit have occurred within the Ruins Dolerite, and the Hawkstone Project contains some 30 kilometres of strike continuation of this highly prospective yet under-explored unit.*

*"In November 2023, IGO and Buxton announced high-grade and high-tenor assays from the new Dogleg nickel-copper-cobalt discovery, located a further 13km north-west of Merlin. In February they announced further high-grade assay results from the second diamond drill hole in this high-tenor Ni-Cu-Co discovery.*

*"Stavely Minerals' recently completed Falcon gravity gradiometer survey sets a very strong foundation for our forward exploration programs to build upon. Both the gravity and magnetic data clearly show that the nickel-prospective Ruins Dolerite traverses our tenure for meaningful strike lengths of approximately 30 kilometres.*

*"Importantly, the gravity data from that survey are interpreted to show a large (~20km long) mafic magma chamber at depth beneath the Hawkstone Project. This chamber is considered to be analogous to the Eastern Deeps magma chamber at the world-class Voisey's Bay nickel mine.*

*"We are at the advanced stages of planning an ambitious ground geophysical programme in advance of drill testing any robust conductive targets generated."*

**Video with Stavely Executive Chair Chris Cairns –** Listen to Chris Cairns discuss the Hawkstone Project and the significance of the recent Buxton/IGO discoveries which can be found on the Stavely Minerals website www.stavely.com.au under Investors/Media & Webinars – "Interview with Chris Cairns, Executive Chair & Managing Director of Stavely Minerals."

**The Hawkstone Project**

The Hawkstone Project is located in the emerging West Kimberley magmatic nickel province (Figure 1). The West Kimberley is an emerging magmatic-nickel province with two recent discoveries within separate IGO/Buxton JV's – the Merlin Ni-Cu-Co discovery in 2015 and the very recent Dogleg Ni-Cu-Co discovery (2023). Both of these discoveries are located directly along strike from Stavely Minerals' Hawkstone Ni-Cu-Co Project (Figure 3).

The Hawkstone Project comprises ~870km$^2$ of tenure, held both 100% and with earn-in and/or exploration rights in 13 separate tenements through Stavely Minerals' 100%-owned subsidiaries, North West Nickel Pty Ltd (NWN) and Strategic Metals Pty Ltd (Figure 2).

**Falcon Gravity Gradiometer Survey**

In late July 2023, Stavely engaged Xcalibur Aviation (Australia) Pty Ltd to fly a state-of-the-art airborne gravity survey over the Hawkstone Project using its airborne Falcon™ Plus gravity gradiometer system.

The Hawkstone Project is located approximately 1km along strike from the Buxton Resources/IGO Joint Venture at the Double Magic Project, as shown in Figure 3 below.

The recent Dogleg Ni-Cu-Co discovery is located a further 13km north-west of Merlin. Both discoveries are hosted in the Ruins Dolerite, which continues along strike for some 30 kilometres through the Hawkstone Project.

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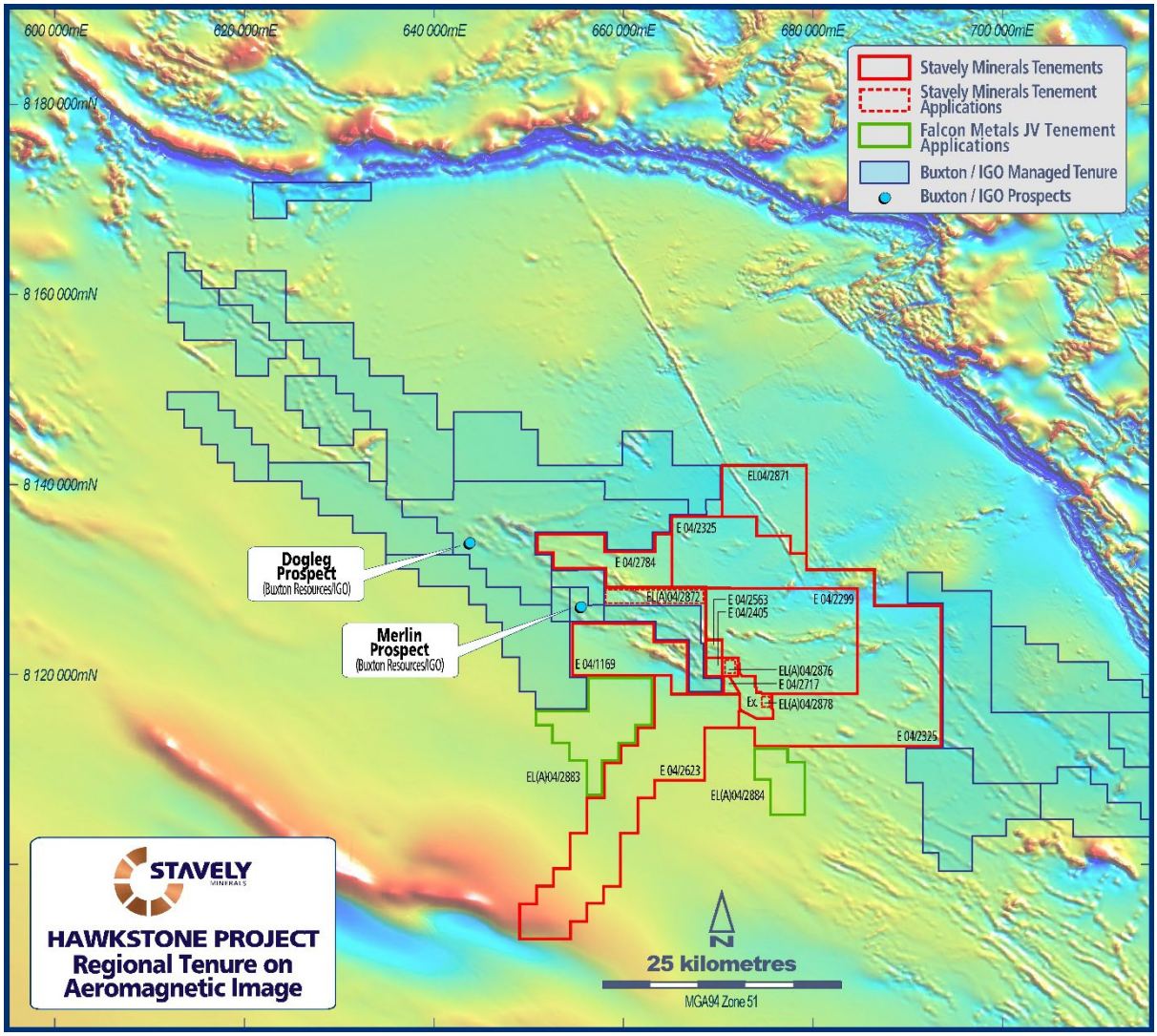


**Figure 3. Hawkstone Project location map relative to IGO-controlled tenure and the Merlin (2015) and Dogleg (2023) nickel-sulphide discoveries overlaid on aeromagnetics.**

Of note in the Falcon gravity image is the very large gravity high ridge, interpreted to be an intermediate mafic magma chamber (~20km long), traversing Stavely Minerals' Hawkstone Project and the location of the Merlin Ni-Cu-Co discovery at one end of that gravity ridge (Figure 4).

The significance of this mafic magma chamber is that the bulk of the nickel-copper-cobalt mineralisation at the Nova Bollinger, Norilsk and Voisey's Bay magmatic nickel mines is located at or near the base of mafic magma chambers (see Figures 5 and 6).

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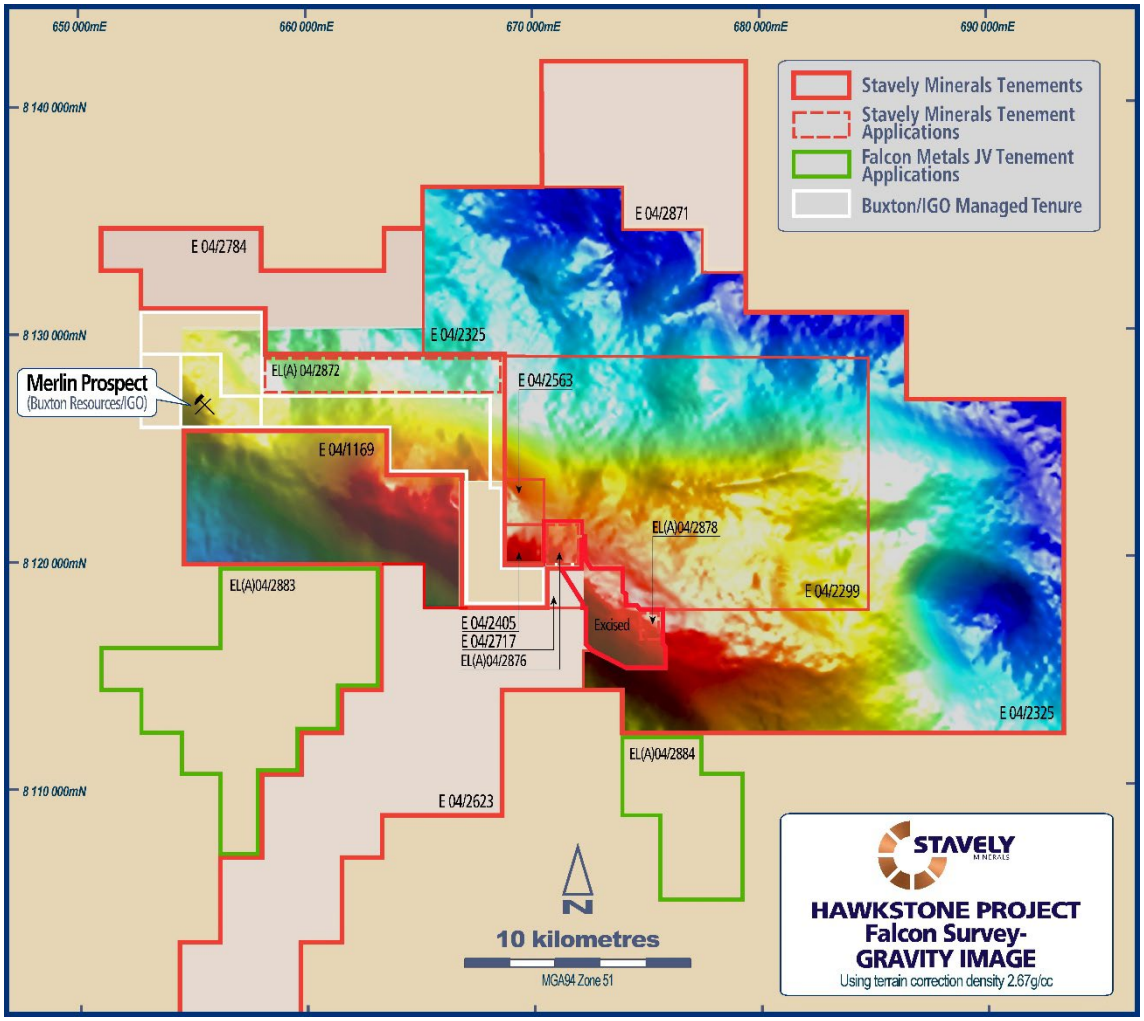


**Figure 4. Hawkstone gravity image with original tenement outlines and the location of the Merlin Ni-Cu-Co discovery. The gravity high is interpreted to represent a mafic magma chamber at depth.**

**History of The Merlin and Dogleg Ni-Cu-Co Discoveries**

Initial mineral exploration focused on the Jack's Hill gossan. Two holes were drilled in the 1960s by Pickands Mather, no further work was conducted until 2007. Two RC drill programs and one ground EM survey highlighted widespread low-grade (typically ~0.2-0.4% Ni) sulphide mineralization near the gossan.

In 2013 a helicopter VTEM survey identified eight significant conductors, with five located within a ~1.5km radius and interpreted to be associated with the margins of a deformed intrusion, along strike to the north-west of the gossan. These five VTEM conductors were further followed up with ground EM which resulted in the definition of seven discrete bedrock conductors, A-G (now referred to as the Merlin Prospect).

A four-hole RC drill program was undertaken by Victory Mines Ltd to test these EM targets. Highly encouraging, significant nickel-copper sulphide mineralisation was intersected. All Ni-sulphide occurrences are EM conductors with coincident with gravity highs.

In 2015, Buxton Resources Limited acquired the Double Magic Project and undertook an intensive exploration programme. Buxton confirmed that the Ruins Dolerite unit hosts economic grades and widths of primary ortho-magmatic nickel-copper sulphide mineralisation.

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Drill-hole DMRC0003 intersected **8m at 3.05% Ni, 1.88% Cu & 0.10% Co** from 50m drill depth, within a broader **17m zone at 1.78% Ni & 1.16% Cu** from 46m drill depth at the Merlin Prospect (Conductor D)[3].

This nickel exploration focus culminated in the discovery of the Double Magic Merlin Ni-Cu-Co deposit. This establishes the Ruins Dolerite, and the West Kimberley in general, as a de-risked, fertile and underexplored new magmatic nickel-copper-cobalt province. All nickel sulphide drill intercepts at the Merlin prospect have been coincident gravity and EM conductors[4].

In November 2023, at the Dogleg prospect, IGO drill tested a 12,000 Siemens MLEM conductor and intersected **13.85m @ 4.35% Ni, 0.34% Cu and 0.15% Co** from 177.34m, including **5.86m @ 7.47% Ni, 0.31% Cu and 0.25% Co**[5] in diamond drill hole 23WKDD003.

A follow-up drill hole, 23WKDD004, drilled 65m down-dip of the initial intercept was reported as having intercepted 2.85m of semi-massive sulphides[6] with assays reported last week[7] including **2.89m at 4.17% Ni, 0.83% Cu and 0.14% Co** from 233.63m down-hole.

Of particular note is the high-tenor of the Ni-Cu-Co mineralisation of ~8% Ni in massive sulphide. The tenor of Ni mineralisation can be a key factor in the economics of a magmatic nickel sulphide deposit. Tenor of Ni mineralisation is related to the efficiency of a magmatic process where the immiscible sulphide droplets are exposed to a volume of melt such that nickel, copper and cobalt is sequestered from the melt into the sulphide droplets that, with changes to magma velocity (often on entry to the magma chamber) the denser sulphide droplets settle to the base of the magma chamber.

It is the efficiency of this metals sequestration process that determines the Ni grade of the sulphides and explains the significant differences in tenor between deposits where that process has been efficient (i.e. high-tenor ~8% Ni at Merlin and Dogleg) or less efficient (i.e. lower-tenor ~3% Ni at Savannah[8]).

**Potential Similarities to Voisey's Bay**

The Merlin/Double Magic Ni-Cu-Co discovery and the more recent Dogleg discovery are magmatic nickel style of sulphide mineralisation.

The generalised model for formation of a magmatic Ni-Cu deposit requires (Figure 5):

1. Emplacement of a deep seated typically mafic magma chamber,
2. Ascent of magma through a sulphur-rich stratum introducing sulphur to the melt,
3. Sequestering of Ni and Cu from the melt into immiscible sulphide droplets entrained in the magma flow, and
4. Flow of the sulphur droplet bearing magma into dykes and intermediate chambers where the velocity of magma travel reduces and allows precipitation of the heavy sulphide droplets to the base of dykes and magma chambers.

[3] Buxton Resources ASX announcement dated 2 November 2015
[4] Buxton Resources ASX announcement dated 14 June 2018
[5] Buxton Resources ASX announcement dated 6 November 2023
[6] Buxton Resources ASX announcement dated 19 October 2023
[7] Buxton Resources ASX announcement dated 01 February 2024
[8] Le Vaillant et al., 2020, Multidisciplinary study of a complex magmatic system: The Savannah Ni-Cu-Co Camp, Western Australia, Ore Geology Reviews, Vol. 117

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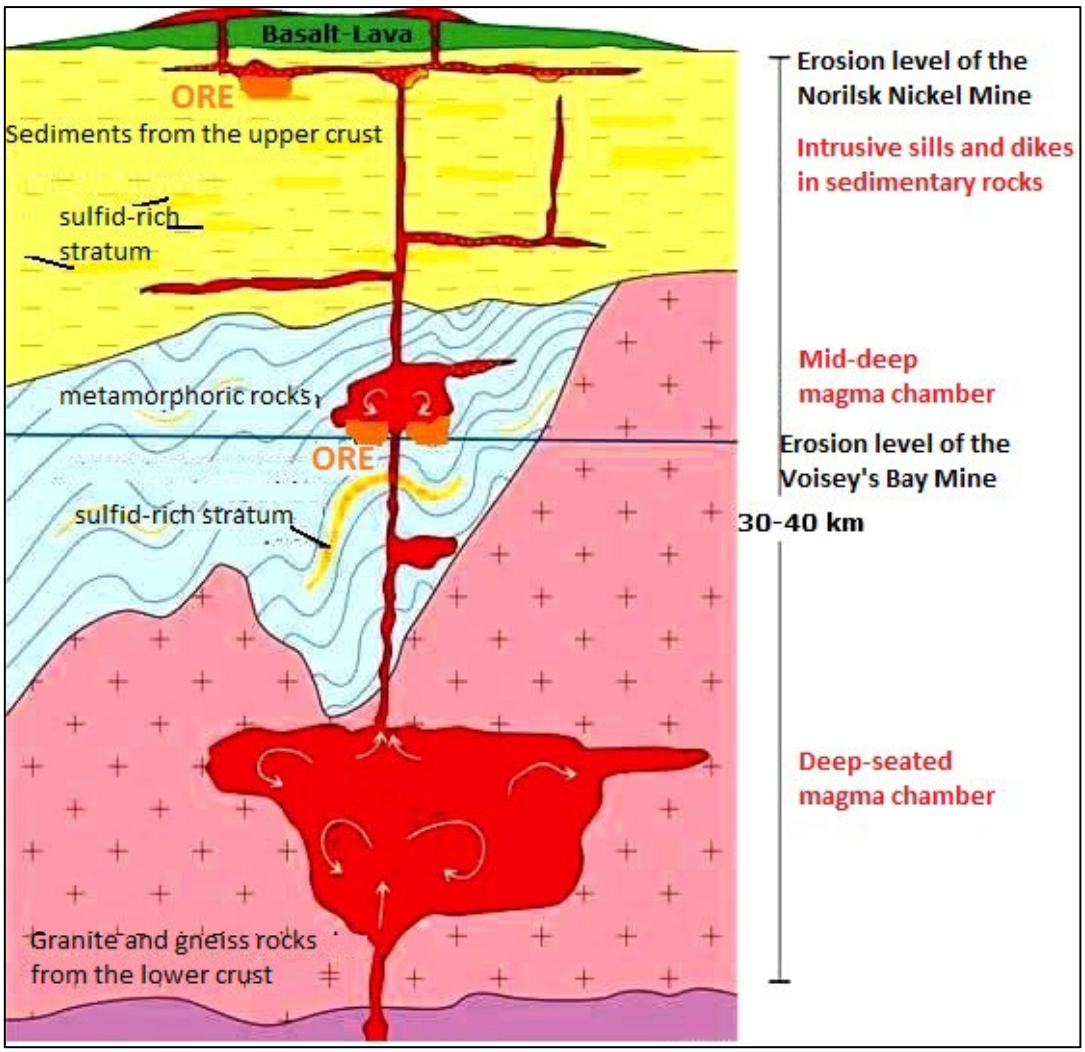


**Figure 5. Generalised model for formation of a magmatic Ni-Cu deposit (source: The Korelin Economics Report on the Voisey's Bay Discovery).**

Given the proximity of the Merlin/Double Magic Ni-Cu-Co discovery, and now the Dogleg discovery, Stavely Minerals has high confidence that the processes 1-4 described above have occurred in the Ruins Dolerite and that the Hawkstone Project hosts some 30 kilometres of strike of the ruins Dolerite that has been very lightly explored to date.

The large gravity anomaly traversing the Hawkstone Ni-Cu-Co Project could be reflecting a large magma chamber at depth and, if the Merlin/Double Magic Ni-Cu-Co mineralisation were equivalent to the Voisey's Bay Discovery Zone in a chamber-linking dyke, a model where the large gravity anomaly/potential magma chamber at the Hawkstone Project could host mineralisation in an analogous position to that of the Eastern Deeps at Voisey's Bay (Figure 6).

The Nova/Bollinger Ni-Cu-Co deposits are likewise associated with a mafic magma chamber[9] evident in the gravity data (Figure 7). This mafic magma chamber/nickel sulphide precipitation hypothesis will be tested by a deep 800m diamond drill-hole that is the subject of a up to $220,000 WA Government EIS co-funding grant[10].

[9] Bennett, M. et. al., 2014, Motive, Means and Opportunity: Key factors in the discovery of the Nova-Bollinger magmatic nickel-copper sulfide deposits in Western Australia
[10] SVY ASX announcement 14 November 2023

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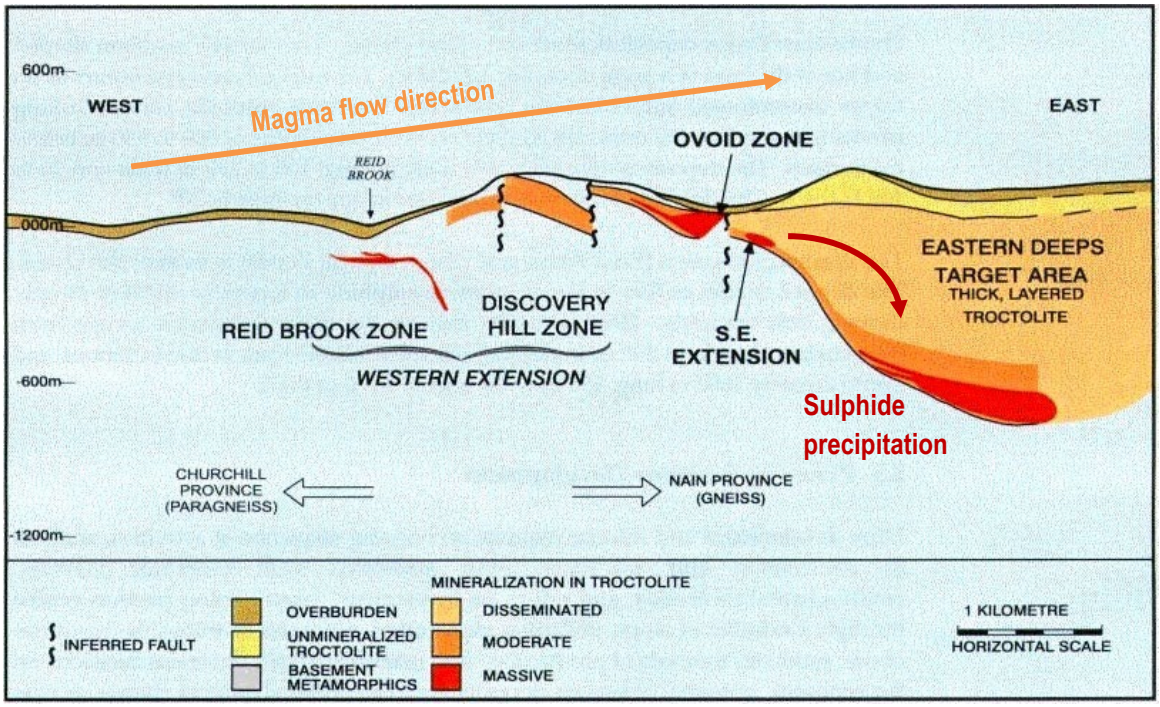


**Figure 6. Schematic long-section of the Voisey's Bay Ni-Cu deposit in Labrador, Newfoundland. The Eastern Deeps nickel-sulphide mineralisation is formed by a change of flow velocity as the magma enters the Eastern Deeps magma chamber causing the denser immiscible sulphide droplets to precipitate to the bottom of the magma chamber (image source: The Korelin Economics Report on the Voisey's Bay Discovery).**

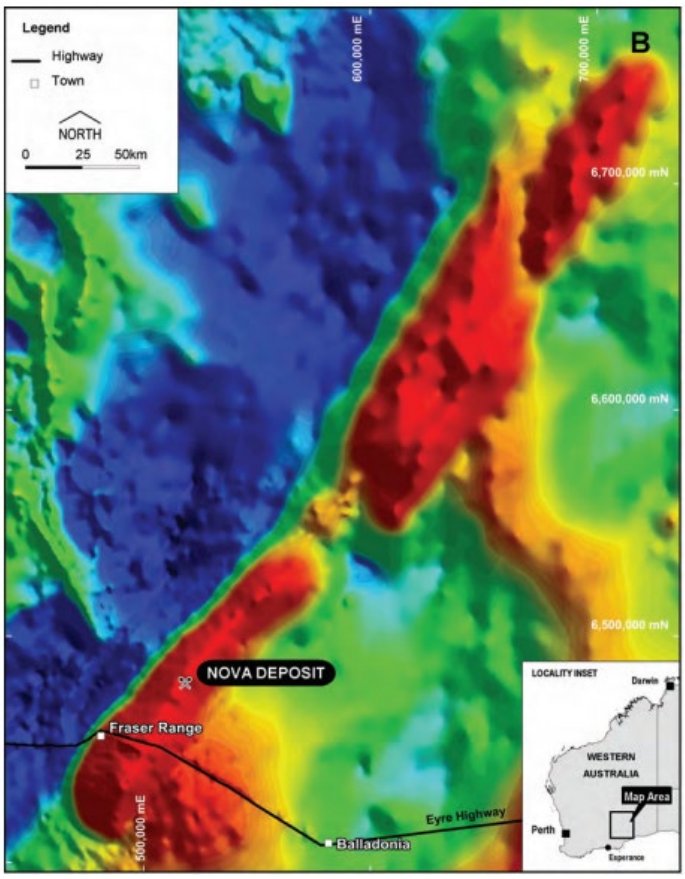


**Figure 7. Gravity image showing the gravity high associated with the Nova/Bollinger mafic magma chamber.**

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Yours sincerely,

**Chris Cairns**
**Executive Chair and 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 Fellow of the Australian Institute of Geoscientists and a Fellow of the Australasian Institute of Mining and Metallurgy. Mr Cairns is a full-time employee of the Company. Mr Cairns is Executive Chair and Managing Director of Stavely Minerals Limited and is a shareholder and 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, Executive Chair and Managing Director.

**For Further Information, please contact:**

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Nicholas Read – Read Corporate
Phone: 08 9388 1474

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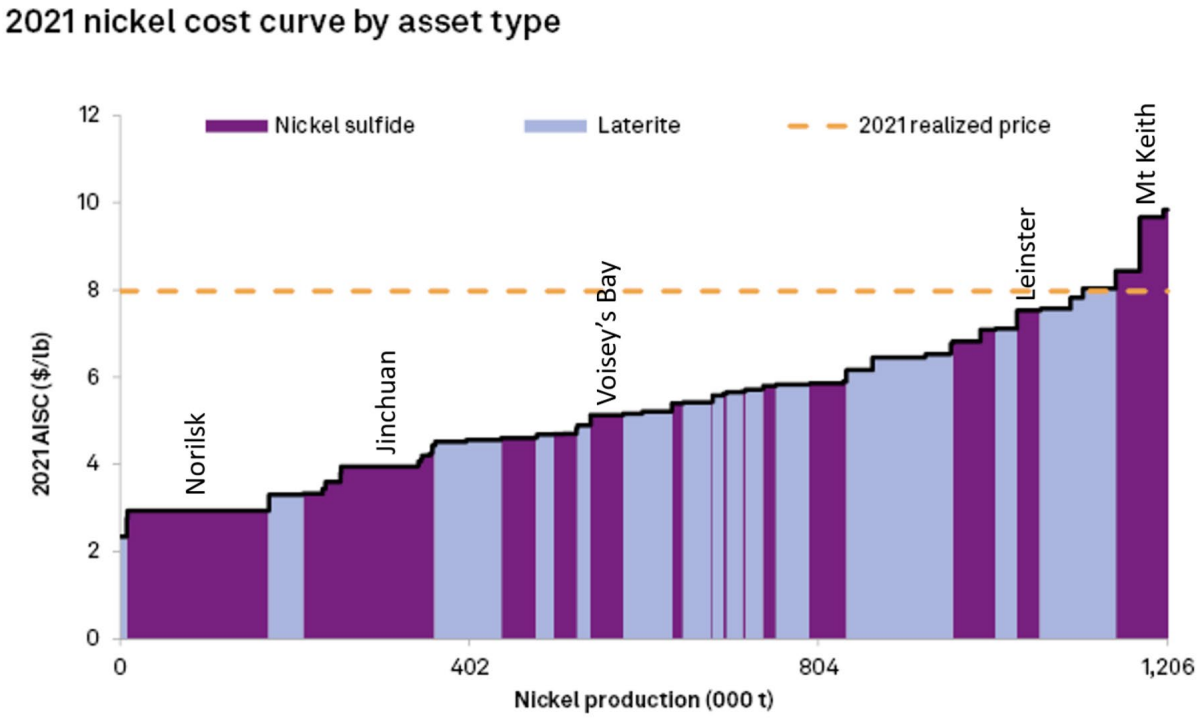
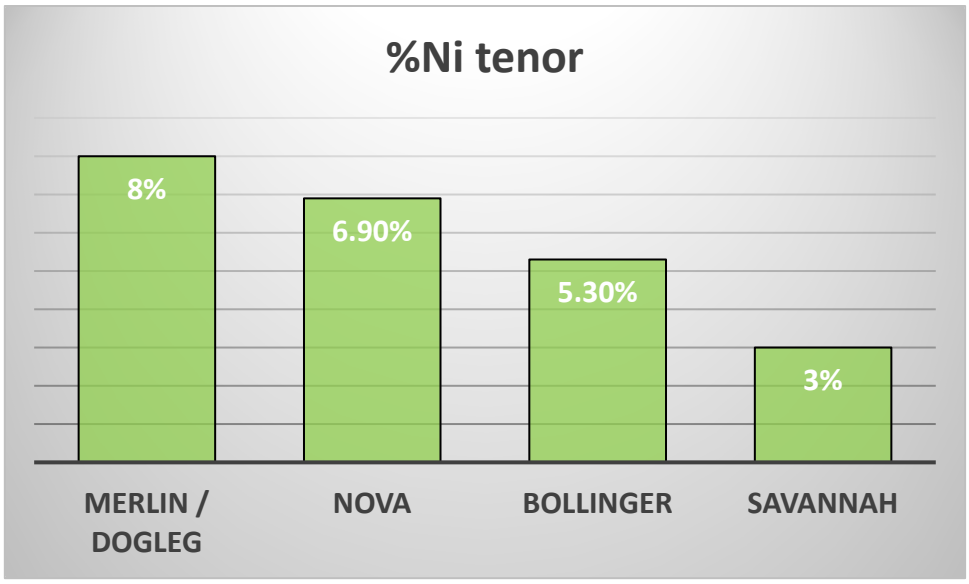
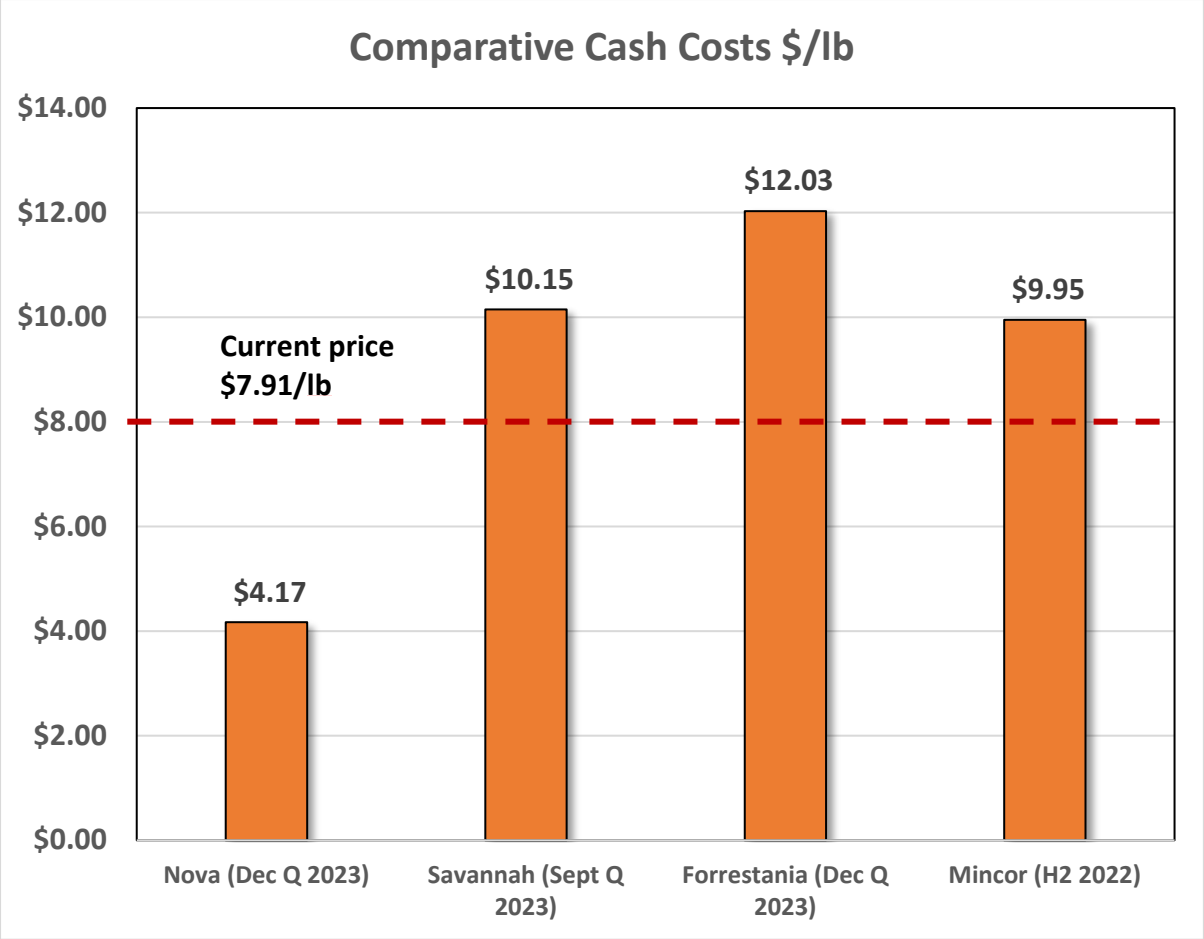
**Appendix 1. Global Nickel Production Cost Curve, Nickel Mine Tenor and Comparative Cash Costs for Select Mines**




Data as of June 22, 2022.
AISC = all-in sustaining cost
Consensus price forecast scenario, coproduct costs.
Source: S&P Global Market Intelligence






*Note: Mincor cash cost derived from production / reported total costs*

*Note: Forrestania operations are delivering into US$32,000/t hedges*

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# 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.* | No sampling reported |
| | *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* | Not applicable |
| | *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 detailed information.* | Not applicable |

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| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| ***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).* | No drilling reported |
| ***Drill sample recovery*** | *Method of recording and assessing core and chip sample recoveries and results assessed.* | Not applicable |
| | *Measures taken to maximise sample recovery and ensure representative nature of the samples.* | Not applicable |
| | *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.* | Not applicable |
| ***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.* | Not applicable |
| | *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* | Not applicable |
| | *The total length and percentage of the relevant intersections logged.* | Not applicable |
| ***Sub-sampling techniques and sample preparation*** | *If core, whether cut or sawn and whether quarter, half or all core taken.* | Not applicable |
| | *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* | Not applicable |

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| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| | *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* | No analytical data reported |
| | *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* | Not applicable |
| | *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.* | Not applicable |
| | *Whether sample sizes are appropriate to the grain size of the material being sampled.* | Not applicable |
| ***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.* | Not applicable |
| | *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.* | **Falcon Gravity Gradiometer Survey**<br>In late July 2023, Stavely Minerals Limited engaged Xcalibur Aviation to fly an airborne gravity survey over the Hawkstone Project using its airborne Falcon™ Plus gravity gradiometer system as well as magnetic sensors. The survey, comprising ~ 3,700 line-kilometres, was flown at 80 m height above surface, on flight lines spaced 200 m apart. The survey specifications were:<br>Total Kilometres (km) 3,647<br>Clearance Method Drape<br>Minimum Drape Height (m) 80<br>Traverse Line Direction (deg.) 179.9 / 359.9<br>Traverse Line Spacing (m) 200<br>Tie Line Direction (deg.) 089.9 / 269.9<br>Tie Line Spacing (m) 2000<br><br>The following parameters were recorded during the course of the survey:<br>• FALCON® AGG data: recorded at different intervals.<br>• Airborne total magnetic field: recorded with a 0.1 s sampling rate.<br>• Terrain clearance: provided by the radar altimeter at intervals of 0.1 s.<br>• Airborne GPS positional data (latitude, longitude, height, time and raw range from each satellite being tracked): recorded at intervals of 1 s. |

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| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| | | • Time markers: in digital data.<br>• Ground total magnetic field: recorded with a 1 s sampling rate.<br>• Ground based GPS positional data (latitude, longitude, height, time and raw range from each satellite being tracked): recorded at intervals of 1 s.<br>• Ground surface below aircraft: mapped by the laser scanner system (when within range of the instrument and in the absence of thick vegetation), scanning at 36 times per second, recording 276 returns per scan.<br><br><u>GPS Base Station (JAVAD Triumph-2)</u><br>Location: Derby Airport<br>Date: March 24th, 2023<br>Latitude: 17º 22' 07.07396" S<br>Longitude: 123º 39' 57.59120" E<br>Height: 30.311 m ellipsoidal<br><br><u>Magnetometer Base Station (CF1)</u><br>Location: Derby Airport<br>Date: March 24th, 2023<br>Used for flights: All<br><br>During the course of the survey, there were no data quality issues with:<br>• AGG instrumentation<br>• Magnetic and GPS base stations<br>• Airborne magnetometer system<br>• Data acquisition systems<br>• Radar altimeter<br>• Laser scanner |
| | *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.* | Not applicable |
| ***Verification of sampling and assaying*** | *The verification of significant intersections by either independent or alternative company personnel.* | Not applicable |
| | *The use of twinned holes.* | Not applicable |
| | *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* | Not applicable |

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| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| | *Discuss any adjustment to assay data.* | Not applicable |
| ***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.* | Not applicable |
| | *Specification of the grid system used.* | The grid system used is MGA grid 94, zone 51. |
| | *Quality and adequacy of topographic control.* | Not applicable |
| ***Data spacing and distribution*** | *Data spacing for reporting of Exploration Results.* | Not applicable |
| | *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.* | Not applicable |
| | *Whether sample compositing has been applied.* | Not applicable |
| ***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.* | Not applicable |
| | *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.* | Not applicable |
| ***Sample security*** | *The measures taken to ensure sample security.* | Not applicable |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| ***Audits or reviews*** | *The results of any audits or reviews of sampling techniques and data.* | Not applicable |

## 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.* | The Hawkstone Project comprises 2 granted tenements, E04/2299 & E04/2325 held by Strategic Metals Pty Ltd (a 100% owned subsidiary of North West Nickel Pty Ltd), one granted tenement, E04/2784 and two tenement applications, E04/2877 and E04/2878 held by North West Nickel Pty Ltd (a 100% owned subsidiary of Stavely Minerals Pty Ltd) and one granted tenement, E04/2871, and one tenement application, E04/2872 held by Stavely Minerals Pty Ltd. The Hawkstone Project also comprises the hard-rock mineral rights to two granted tenements, E04/1169 & E04/2563, held by Waterford Bay Pty Ltd (a 100% owned subsidiary of Kimberley Minerals Ltd) and three granted tenements, E04/2717, E04/2405 & E04/2623 and one tenement application, E04/2876, held by Kimberley Alluvials Pty Ltd (a 100% owned subsidiary of Kimberley Minerals Ltd).<br><br>The granted tenements cover an area of 580 square kilometres and the tenement applications cover 288 square kilometres.<br><br>Part of the project lies within the Yampi Sound Training Area (YSTA). An agreement with the Department of Defence has been signed by Stavely for access to E04/2299 and E04/2325 which fall within the YSTA.<br><br>Stakeholders that have been successfully engaged by Stavely Minerals include the Napier Downs Pastoralists, Madanaa Nada Aboriginal Corporation RNTBC (MNAC), Dambimangari Aboriginal Corporation and Wilinggin Aboriginal Corporation. |
| | *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.* | All the exploration licences are in good standing and no known impediments exist.<br><br>E04/2299 and E04/2325 have been recently renewed for 5 years. An application has been lodged with DMIRS for the renewal of E04/1169. |
| ***Exploration done by other parties*** | *Acknowledgment and appraisal of exploration by other parties.* | There has been little modern exploration completed by other parties on the Hawkstone Project. There are a |

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| | | number of historic shallow prospects for Tin and Tungsten known collectively as the King Sound workings.<br><br>An Xcite airborne electro-magnetic (AEM) survey was completed by North West Nickel over a portion of E04/1169 in 2016. The survey was helicopter supported, and consisted of 284 line km at 150m line spacing. Results were processed and interpreted by Southern Geoscience and identified several late-time anomalies (channel 35). These AEM anomalies were subsequently followed-up by a field reconnaissance/mapping and surface sampling programme.<br><br>A moving loop electromagnetic (MLEM) survey was completed by Khumsup Geophysics in 2019 over four prospects previously identified from the Excite airborne EM survey flown in 2016. The MLEM survey comprised a total of 125 stations across 12 lines with conductors being identified at the Ephesus, Babylon and Palmyra prospects. The Ephesus prospect hosted the two plates with the highest conductance (i.e. 4800 and 5000S). These plates were not found to be associated with sulphidic sediments which were observed proximal to the other 4 plates at the prospect.<br><br>Following the MLEM three RC holes for 314m were drilled on E04/1169 in 2019. No late-time conductors were identified from the MLEM survey. A moderate Ni-Cu-PGE intersection was made within HRC010 (11m @ 0.11% Ni, 0.07% Cu, 12.5ppb Au, 5.8ppb Pd, and 5.6ppb Pt from 98m). No anomalous assays were returned for any other drilling within E04/1169.<br><br>In 2021 Chalice Mining Ltd completed 1 helicopter supported diamond drillhole for 223.6m on E04/1169 to test a 4800S conductor at the Ephesus prospect. The hole failed to intersect any anomalous mineralisation.<br><br>A SkyTEM airborne electro-magnetic (AEM) survey was flown over portions of E 04/2299 in 2018 by Chalice Mining Ltd. The survey identified numerous late time conductors, many of which were coincident with outcropping Ruins Dolerite. A moving loop electro-magnetic (MLEM) ground geophysical survey was completed as follow up to high-priority, late-time conductors identified by the 2018 – 2019 SkyTEM survey. Multiple conductive plates were defined and were subsequently followed up by RC drilling in the 2020 – 2021 reporting period.<br><br>In 2020 – 2021 Chalice Mining Ltd drilled 8 RC holes for 1,533m on E04/2299. RC drilling results found the conductive sources to be sulphidic and/or graphitic shales and some of the EM targets were downgraded. Some of the surface soil samples collected on E04/2299 returned elevated Ni, Cu, Pt, Pd and Au results. |

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| | | In 2020 – 2012 Chalice Mining Limited drilled 1 RC hole for 196m on E04/2325. RC drill hole HRC001 intersected 6 m @1.06 g/t Au from 68 m associated with 1% disseminated pyrite in strongly foliated metasedimentary rocks. |
| ***Geology*** | *Deposit type, geological setting and style of mineralisation.* | The project is located within the King Leopold Orogen (KLO), a Proterozoic orogenic belt which was pushed and deformed against the Archean Kimberley Craton. The Kimberley Craton is one of several crustal blocks that together form the stable continental crust of the Archean to Proterozoic North Australian Craton (NAC).<br><br>The King Leopold province is a Paleoproterozoic terrain that contains the Ruins Dolerite which comprise a wide suite of mafic intrusives, considered prospective for nickel, copper, cobalt and PGE mineralisation. Known deposits and occurrences in the region include the Savannah mine (Ni-Cu-Co), Merlin (Ni-Cu-Co) as well as small tin-tungsten workings.<br><br>Stavely Minerals Limited is targeting Nova-style magmatic Ni-Cu sulphide mineralisation in the Hawkstone Project. |
| ***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.* | No drilling reported. |
| | *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.* | Not applicable |
| | *In reporting Exploration Results, weighting* | Not applicable |

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| ***Data aggregation methods*** | *averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* | |
| | *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.* | Not applicable |
| | *The assumptions used for any reporting of metal equivalent values should be clearly stated.* | Not applicable |
| ***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.* | Not applicable |
| | *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').* | Not applicable |
| ***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.* | Not applicable |
| ***Balanced reporting*** | *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades* | Not applicable |

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| | *and/or widths should be practiced to avoid misleading reporting of Exploration Results.* | |
| ***Other substantive exploration data*** | *Other exploration data, if meaningful and material, should be reported 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.* | Previous exploration programs on the project include: regional aeromagnetic, radiometrics and gravity surveys, an airborne Xcite and SkyTM EM surveys, surface sampling (auger, soil and rock-chip), field mapping, 1 diamond drill hole and 12 RC drill holes. |
| ***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.* | Follow-up exploration includes reconnaissance field investigations and rock chip sampling.<br>Additional detailed ground MLEM surveys have been planned. Soil auger program will be planned where suitable to test gravity, magnetic and EM targets.<br>Follow-up RC and/ or diamond drilling where warranted. |