STAVELY MINERALS
ASX Code: SVY

Quarterly Report June 2024

HIGHLIGHTS

Exploration

Stavely Project, western Victoria

- Access terms have been agreed with the landowner to undertake an aircore drilling program of ~20 drill holes to confirm the orientation of material historic drill intercepts in the eastern zone at the Junction prospect.
- Diamond drilling at Junction has been postponed temporarily pending the completion of a more comprehensive aircore program to confirm the orientation and near-surface extent of the copper mineralisation defined by historic drilling. The intention is to resume diamond drilling once the cheaper aircore drilling confirms the location and orientation of high-grade copper mineralisation identified in historic drilling.

Hawkstone Project, western Kimberley, Western Australia

- Two co-funded grants awarded to Stavely Minerals under the WA Government's merit-based Exploration Incentive Scheme (EIS) for the Hawkstone Nickel-Copper Project in the West Kimberley region of WA.
- The EIS co-funded grants are:
  - $231,700 for a regional Moving Loop Electromagnetic (MLEM) survey over the Hawkstone Project; and
  - $170,000 for RC drilling to test conductors identified by the MLEM survey.

Corporate

- Stavely Minerals had a total of $3.7M cash on hand at the end of the June 2024 Quarter.
- Stavely Minerals has sold the 'Gambrae' farm Property for $1.85m, allowing for the repayment of property secured loans of $1.6m and a modest return of capital.
- Successful A$3.65 placement to institutional and sophisticated investors at A$0.037 per share. One (1) Placement Option offered for every two (2) Placement Shares at a strike price of $0.07 and an expiry of 31 December 2025. The intention of the Company is to have the Placement Options listed.
- Net proceeds will be applied to diamond drilling at Stavely's Junction copper project, commercial viability studies and working capital.

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AMEC
ASSOCIATION OF MINING AND EXPLORATION COMPANIES
2024 MEMBER

ASX Code: SVY
Shares on issue: 471M
Market capitalisation: $12.7M
Cash (30 June 2024): $3.7M
ABN 33 119 826 907

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OVERVIEW

During the Quarter, a re-interpretation of historic and more recent Stavely Minerals drilling at the Junction Prospect has identified a significant new discovery opportunity at the Stavely Project. The Junction prospect is located approximately 2 kilometres south of the Cayley Lode Deposit, which hosts a Mineral Resource Estimate of **9.3Mt at 1.23% copper, 0.23g/t gold and 7g/t silver**[1]

Drilling contractor and shareholder, Titeline Drilling, agreed to take equity in-lieu of one-third of the cost of drilling the first two holes to test the new Junction Lode. Subsequent drilling will be undertaken on normal commercial terms.

Copper-gold-silver lode-style mineralisation intersected previously at Junction includes chalcopyrite, bornite and covellite and is very similar to the mineralisation at the Cayley Lode. Historic intercepts at the Junction Prospect include[2]:

- 35m at 3.44% Cu and 26g/t Ag from 24m drill depth to end-of-hole (EoH) in TGAC078
- 11m at 1.72% Cu and 26g/t Ag from 33m in TGRC087
- 6m at 2.15% Cu and 8g/t Ag from 2m and 6m at 3.90% Cu and 25g/t Ag from 28m to EoH in PENP004
- 6m at 1.52% Cu and 19g/t Ag from 42m, 5m at 1.12% Cu and 10g/t Ag from 62m; and 6m at 1.77% Cu and 21g/t Ag from 72m to EoH in TGRC110
- 6m at 1.65% Cu and 16g/t Ag from 37m in TGRC109

Following the completion of two initial diamond holes, Stavely Minerals developed concerns about the locational accuracy of the previously reported historic drill holes in the western zone of the Junction Prospect, with clear evidence in an archived spreadsheet from March 2009 indicating that, despite the drill collar coordinates being inconsistent with the recorded property location, the historic holes TGRC109 and TGRC110 are actually located on the eastern side of Stavely Road, not the western side where recent diamond drilling occurred.

Consequently, diamond drilling at Junction has been temporarily postponed pending the completion of a more comprehensive (and cheaper) aircore program to confirm the orientation and near-surface extent of the high-grade copper mineralisation defined by historic drilling.

Access terms have been agreed with the landowner to undertake an aircore drilling program of ~20 drill holes to confirm the orientation of material historic drill intercepts in the eastern zone at the Junction prospect. An aircore rig has been booked to arrive in August, subject to weather and ground conditions.

In light of the recent increase in the copper and gold prices and the strong outlook for the copper sector, the Company has commenced a new study to evaluate the commercial viability of developing a small-footprint underground operation at the Company's 100%-owned Cayley Lode copper-gold deposit in Western Victoria.

[1] Reported in compliance with the JORC Code 2012, see ASX announcement 14 June 2022. Stavely Minerals confirms that there is no new information or data that materially affects the Mineral Resource estimate and that all material assumptions and technical parameters underpinning the estimate in the cited market announcement continue to apply and have not materially changed.

[2] Reported in ASX announcements dated 14 May 2024 and 26 June 2024 and the Stavely Minerals Limited Prospectus available from www.stavely.com.au

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Table 1. Cayley Lode Initial Mineral Resource estimate

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Resource Material	Resource Category	Cut-off (Cu %)	Tonnes (Mt)	Grade (Cu %)	Cont. Cu (Mlbs)	Grade (Au g/t)	Cont. Au (oz)	Grade (Ag g/t)	Cont. Ag (oz)
Primary Mineralisation (OP)	Indicated	0.2	5.87	1.04	134.4	0.23	43,407	7	1,321,074
	Inferred	0.2	1.7	1.3	49	0.2	10,931	9	491,907
Sub-Total Primary OP			7.6	1.1	183	0.2	54,338	7.4	1,808,158
Primary Mineralisation (UG)	Indicated	1.0	-	-	-	-		-	
	Inferred	1.0	1.7	1.8	69	0.2	10,931	6	327,938
Sub-Total Primary UG			1.7	1.8	69	0.2	10,931	6	327,938
Total Cayley Lode			9.3	1.23	252	0.23	65,000	7.1	2,100,000

Stavely Minerals has been awarded two further EIS co-funded grants, one for geophysics and one for Reverse Circulation (RC) drilling at the Company's Hawkstone Nickel-Copper Project in the West Kimberley region of Western Australia.

The WA Government's EIS funding is managed by the Geological Survey and Resources Strategic Division of the Department of Energy, Mines, Industry, Regulation and Safety (**DEMIRS**) to stimulate exploration leading to discovery. These grants are based on the technical merit of the proposed exploration program.

Stavely Minerals was one of only seven successful applicants to receive both a drilling and geophysical grant in the recent round of submissions. This is in-addition to the previous round of WA EIS drilling applications, where Stavely Minerals was successful in securing $220,000 of co-funding for diamond drilling at the Hawkstone Project in November 2023.

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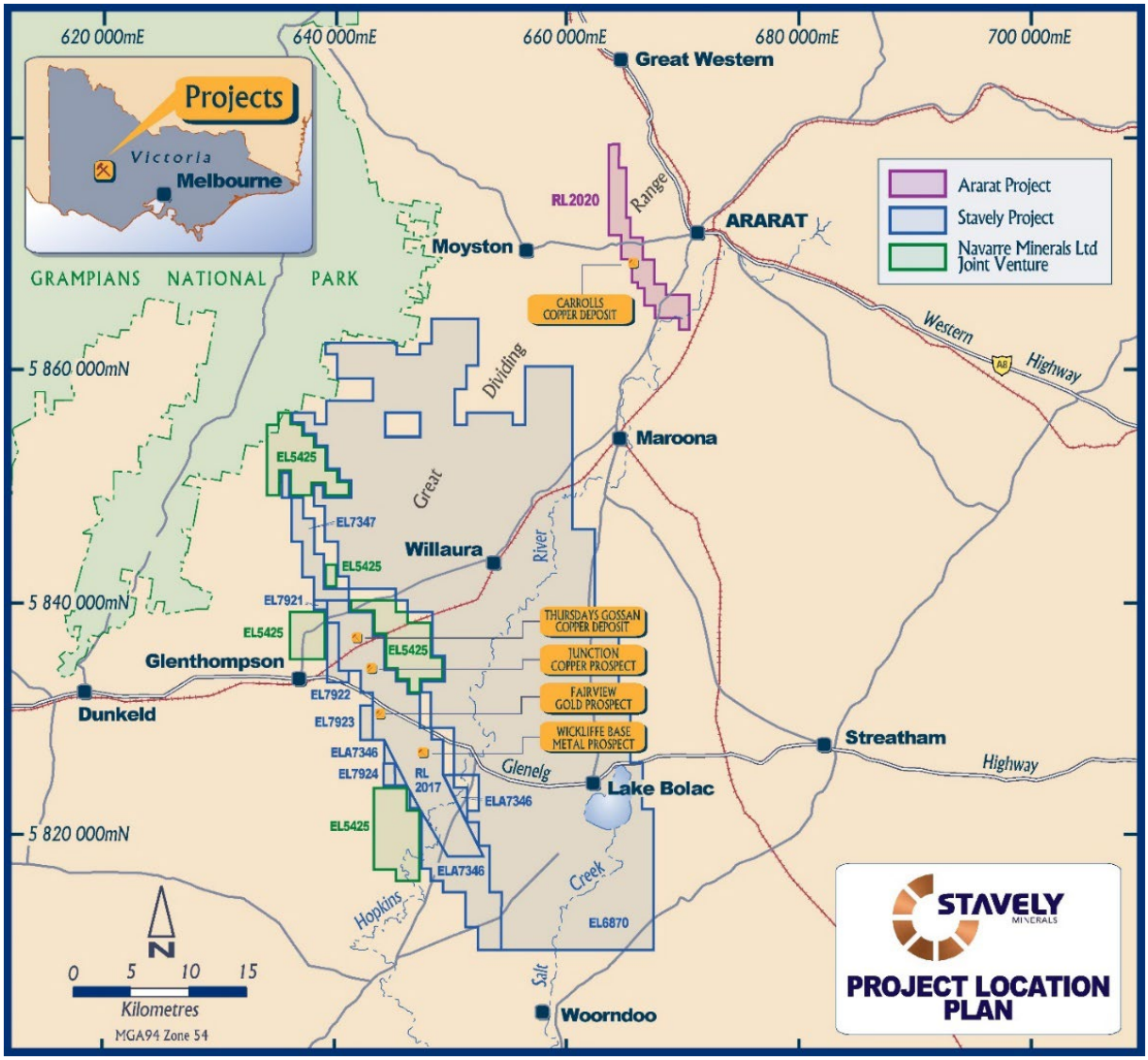

Figure 1. Western Victoria Project location plan.

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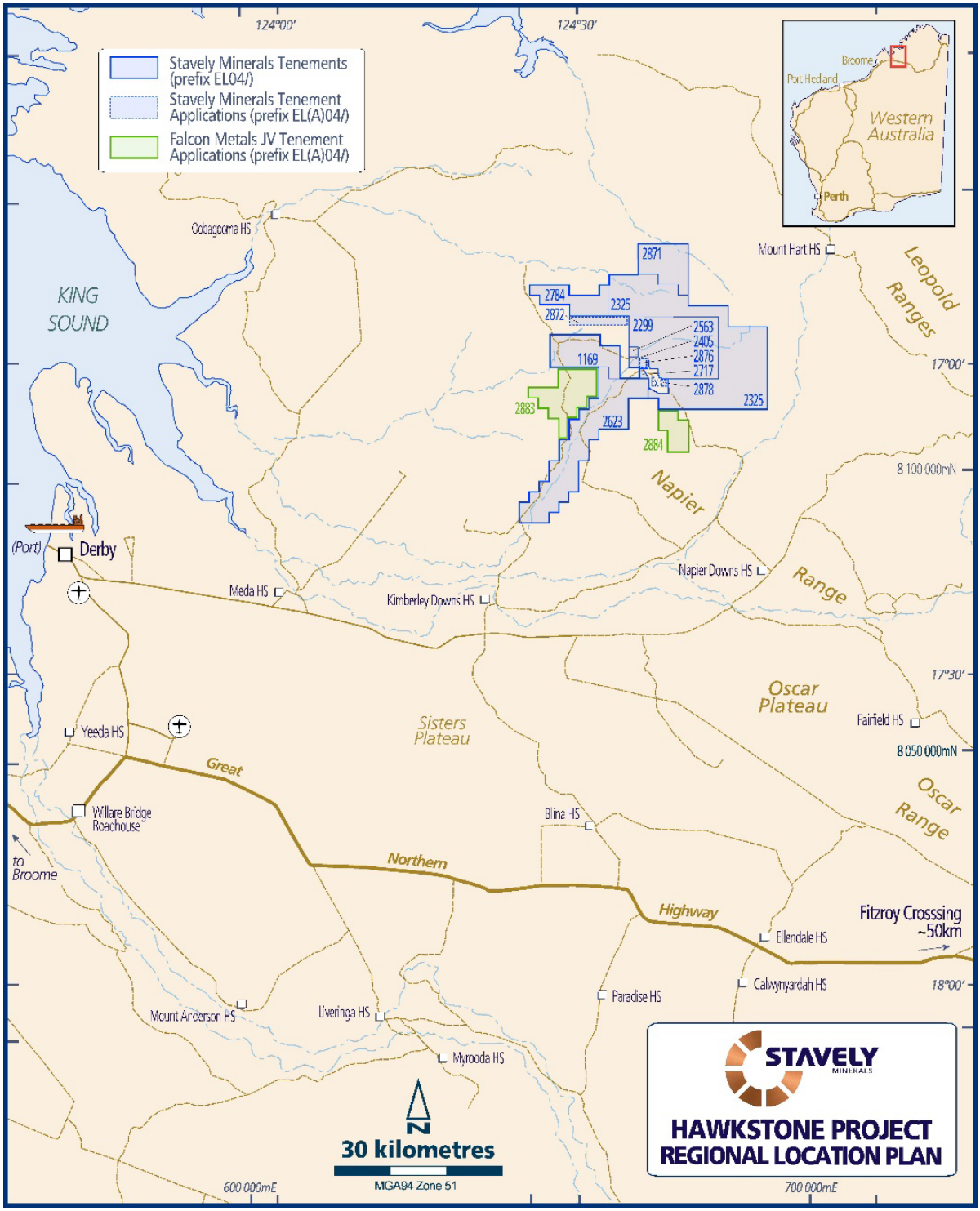

Figure 2. West Kimberley Project Location Plan.

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EXPLORATION

Project location plans for the western Victoria and west Kimberley projects are presented in Figures 1 and 2, respectively.

Stavely Project (RL2017, EL6870, EL7347, EL7921, EL7922, EL7923 & EL7924)

Junction Prospect

The Junction Prospect was initially believed to be defined by two zones of mineralisation – the eastern and western zones located on either side of Stavely Road. Historic drilling by Beaconsfield Mining subsidiary BCD Resources (TGAC- and TGRC- pre-fixed drill holes, drilled in separate campaigns in December 2008 and January 2009) was designed to follow up on the earlier Pennzoil of Australia Ltd drill-hole PENP004 drilled in 1979, which intersected:

- **6m at 2.15% Cu and 8g/t Ag** from 2m depth; and
- **6m at 3.90% Cu and 25g/t Ag** from 28m depth to the end-of-hole.

Aircore (AC) and Reverse Circulation (RC) drilling completed by Beaconsfield Mining (BCD Resources) in December 2008 to follow-up the results in PENP004 in the eastern zone of the Junction Prospect returned significant intercepts:

- **35m at 3.44% Cu and 26g/t Ag** from 24m drill depth to end-of-hole (EoH) in TGAC078;
- **11m at 1.72% Cu and 26g/t Ag** from 33m in TGRC087; and
- **10m at 1.09% Cu and 6g/t Ag** from 26m in TGRC082.

In January 2009, these initial BCD Resources results were followed-up with drill holes TGAC107 and TGRC108 to TGRC111, with significant results including:

- **6m at 1.65% Cu and 16g/t Ag** from 37m in TGRC109
- **6m at 1.52% Cu and 19g/t Ag from 42m, 5m at 1.12% Cu and 10g/t Ag from 62m; and 6m at 1.77% Cu and 21g/t Ag from 72m to EoH in TGRC110**

However, TGRC109 and TGRC110 had collar location coordinates recorded as having been drilled on the western side of Stavely Road with these new results defining the western zone of the Junction Prospect.

The inexplicable nature of this target location on the west side of Stavely Road for TGRC109 and TGRC110 is that there was no prior copper anomalism in earlier drilling on the western side of Stavely Road and these holes, drilled in late January 2009 were following-up on pre-Christmas 2008 significant intercepts in TGAC078, TGRC082 and TGRC087 located on the east side of Stavely Road.

During the Quarter, the Company completed two initial diamond drill holes targeting the Junction Prospect.

The first hole was collared to drill from the Stavely Road verge to due south, between the eastern and western zones of previous drill intercepts at the Junction Prospect. This hole (SMD189) failed to confirm the east-west orientation of mineralisation linking those two zones – an interpretation based on the now understood to be incorrect position of TGRC109 and TGRC110.

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The diamond rig was subsequently oriented at ~225 degrees (south-west) to establish if the mineralisation hosted by drill holes TGRC109 and TGRC110 (now understood to be incorrectly recorded as located on the west side of Stavely Road) could be confirmed with a second diamond drill hole SMD190. Despite passing less than 10m below the recorded end-of-hole position of drill-hole TGRC110, that finished in **6m at 1.77% Cu and 21g/t Ag,** SMD190 did not intersect any material copper mineralisation.

The Company's interpretation is that drill holes TCRC109 and TCRC110, completed in January 2009 in the western zone of the Junction Prospect, have been mis-located and were in fact collared approximately 100m to the east of the recent drilling – a data entry error with the easting of TGRC110 entered as 642788mE rather than 642888mE, with the same 100m west transposition affecting TGRC109. See Figure 3.

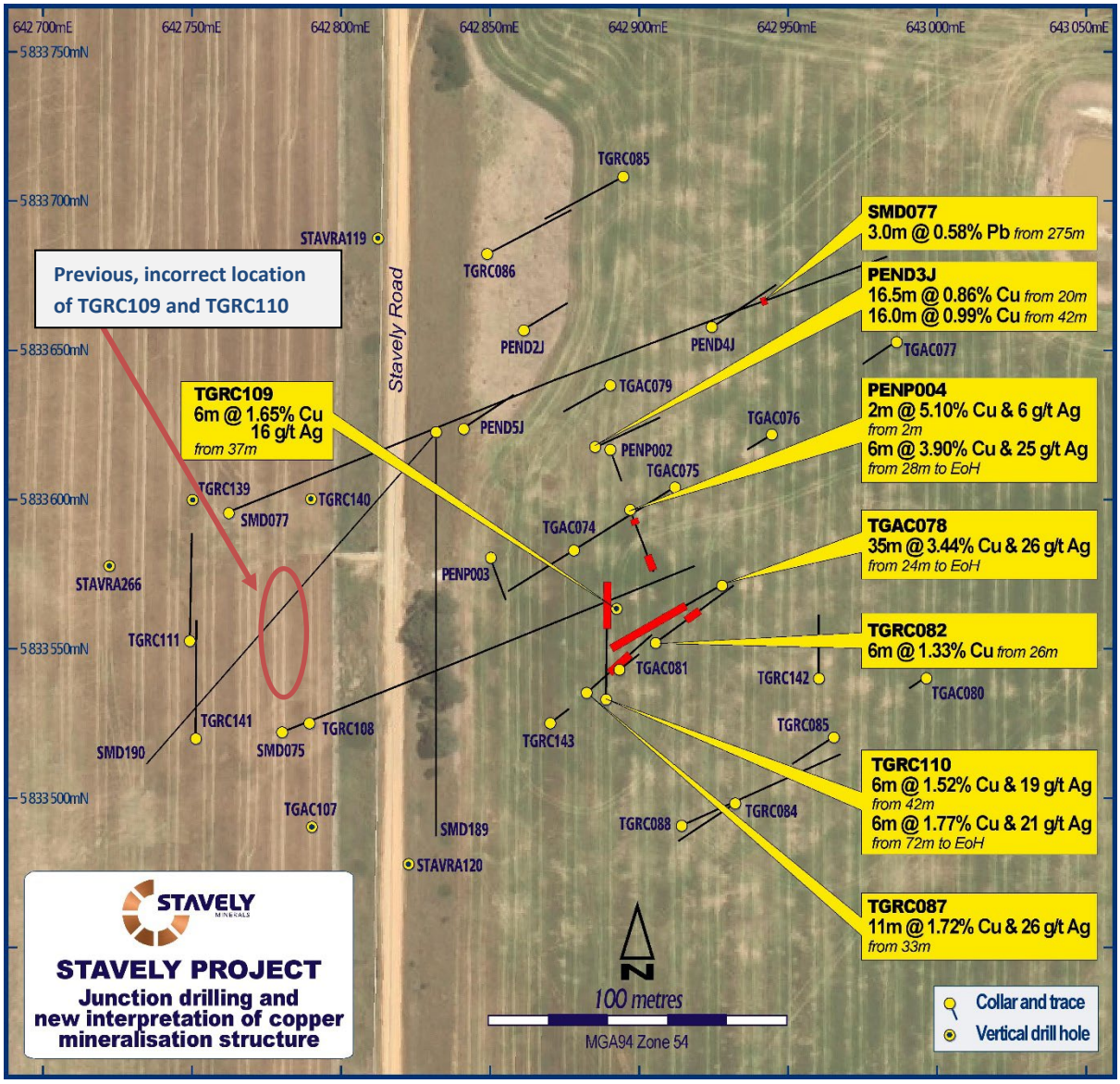

Figure 3. Junction Prospect drill collar location map with drill traces. Note the revised location for drill holes TGRC109 and TGRC110 to the east of Stavely Road.

The Stavely Minerals team has since confirmed this interpretation after reviewing archived historical records. Stavely Minerals believes the incorrect location for drill holes TGRC109 and TGRC110 has

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been perpetuated for some 15 years in databases, reports and drill hole location plans, as a data entry error, ever since the drilling of those holes in January 2009.

The net outcome is that these historic holes are in fact believed to be located on the eastern side of Stavely Road, shifting by 100m by the historical transposition of one digit in the collar easting of both drill holes and that this location makes perfect sense in the context of following-up the significant copper assay results from pre-Christmas 2008 drill holes TGAC078, TGRC082 and TGRC087. This means that the Junction opportunity is still very much alive, and the recently agreed terms for access for 20 air-core drill holes in the paddock to the east of Stavely Road will solve this locational issue prior to a resumption of definitive diamond drilling as soon as practicable.

This is the first experience we have had with unreliable historic data and it has been an incredibly frustrating experience for the Stavely team. We ask that shareholders have patience while we get a definitive outcome with, firstly, aircore drilling to confirm the location and orientation of high-grade copper mineralisation at Junction, followed by definitive diamond drilling as soon as it can be scheduled.

Black Range Joint Venture Project (EL5425)

No exploration activities were conducted on the Black Range JV Project during the Quarter.

Ararat Project (RL2020)

No exploration activities were conducted on the Ararat Project during the Quarter.

Hawkstone Project (E04/1169, E04/2299, E04/2325, E04/2563, E04/2405 & E04/2784, E04/2871, E04/2623, E04/2717)

During the Quarter Stavely Minerals was awarded two further co-funded grants under the WA Government's merit-based Exploration Incentive Scheme (EIS) for the Hawkstone Nickel-Copper Project.

The EIS co-funded grants are:

- $231,700 for a regional Moving Loop Electromagnetic (MLEM) survey over the Hawkstone Project; and
- $170,000 for RC drilling to test conductors identified by the MLEM survey.

Stavely Minerals was one of only seven successful applicants to receive both a drilling and geophysical grant in the recent round of submissions. This is in-addition to the previous round of WA EIS drilling applications, where Stavely Minerals was successful in securing $220,000 of co-funding for diamond drilling at the Hawkstone Project in November 2023.

During the Quarter logistics and planning was well advanced for the commencement of the MLEM survey during the next Quarter. The MLEM survey focuses on the southern margin of the gravity high identified in the Falcon© gravity gradiometer survey flown over the Hawkstone Project in mid-2023 and interpreted to reflect a 20-kilometre long mafic magma chamber at depth – a perfect host setting for a magmatic nickel-copper-cobalt deposit.

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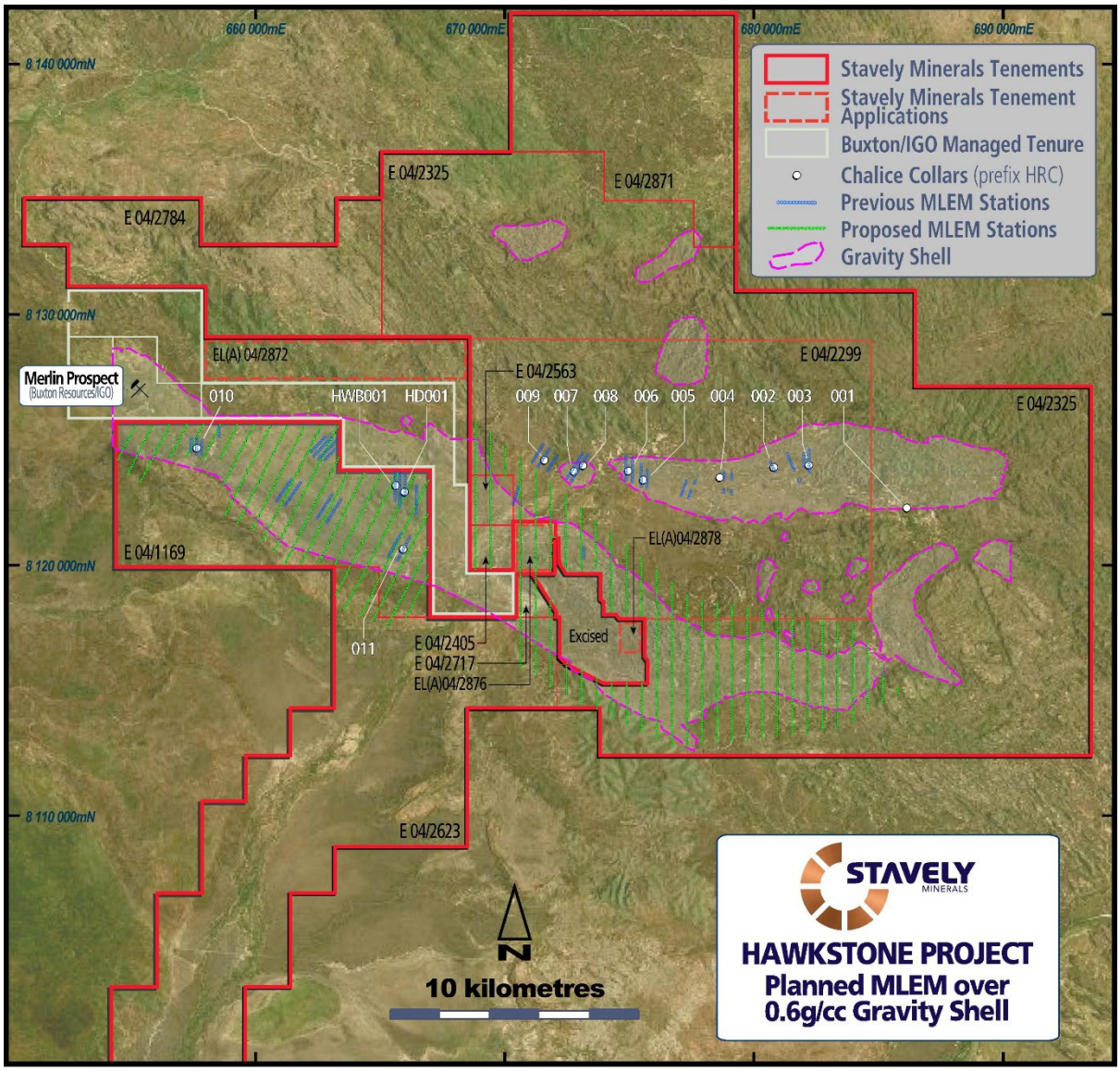

Figure 4. Hawkstone Project – Previous exploration plan showing the preliminary planning for a MLEM survey (green lines).

Planned Exploration

Stavely Project (RL2017, EL6870, EL7347, EL7921, EL7922, EL7923 & EL7924)

During the next quarter, aircore drilling has been planned to twin drill holes TGRC109 and TGRC110 to confirm their mis-location and then to proceed to better define the orientation of the shallow high-grade mineralisation in the eastern zone at the Junction Prospect.

Hawkstone Project (E04/1169, E04/2299, E04/2325, E04/2563, E04/2405 & E04/2784, E04/2871, E04/2623, E04/2717)

During the next quarter the MLEM survey will commence at the Hawkstone Project in areas that have previously been subject to heritage clearance. Additional heritage clearances will be undertaken in advance of further on-ground geophysics.

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CORPORATE

Stavely Minerals had a total of $3.7M cash on hand at the end of the June 2024 Quarter.

During the Quarter the Company sold the 'Gambrae' 524-acre rural property located at 3147 Maroona-Glenthompson Road, Victoria. Terms included:

- Sale price of $1.85m
- 5% deposit of $92,500
- Settlement period 60-90 days
- Pre-purchase access granted to purchaser for fencing and to sow crops
- Stavely Minerals is granted access rights for minerals exploration subject to:
    - agreement between the parties as to timing around cropping and lambing (for example)
    - Stavely Minerals paying standard compensation for access and / or crop disturbance

The sale of the property provided for full repayment of property-secured loans of $1.6m and, after fees, provided a modest return of capital to the Company.

Settlement on the property went through at the end of June and as at the end of the Quarter all loans had been repaid.

During the Quarter, Stavely Minerals announced that it had received binding commitments for a Placement to raise A$3.65 million, at A$0.037 per share. One (1) free Placement Option will be issued for every two (2) Placement Shares exercisable at $0.07 with an expiry of 31 December 2025, subject to shareholder approval, which was received at a General Meeting held on 18 July 2024. The intention of the Company is to have the options listed.

The Placement Shares to be issued includes director participation totalling $350,000 in the placement, together with the attaching options, which were approved by shareholders at the General Meeting of the Company held on 18 July 2024.

Funds raised from the Placement will be applied to exploration at Stavely's Copper-Gold Project in Western Victoria, the Hawkstone Nickel-Copper-Cobalt Project in the East Kimberley region of Western Australia, commercial viability studies and working capital.

Whairo Capital acted as lead manager to the Placement

Additional ASX Information

- Exploration and Evaluation Expenditure during the Quarter was $104,000 (excluding staff costs). Full details of exploration activity during the Quarter are included in this Quarterly Activities Report.
- There were no substantive mining production and development activities during the Quarter.
- Payments to related parties of the Company and their associates during the Quarter was $164,000. The Company advises that this relates to executive directors' salaries, non-executive directors' fees and superannuation.

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ANNOUNCEMENTS

Investors are directed to the following announcements (available at www.stavely.com.au) made by Stavely Minerals during and subsequent to the June 2024 Quarter for full details of the information summarised in the Quarterly Report.

29/04/2024	Stavely Minerals Agrees Terms for Sale of 'Gambrae' Farm Property
6/05/2024	Stavely Minerals Receives $400,000 in WA EIS Drilling and Geophysical Grants for Hawkstone Ni-Cu Project
9/05/2024	Stavely Minerals Commences Commercial Viability Study for Development of Cayley Lode Copper-Gold Deposit
14/05/2024	Compelling New Shallow Copper Drill Target Identified at the Junction Prospect for Imminent Drilling
5/06/2024	Drill Rig Expected to Mobilise to Drill the Junction Lode Exploration Target Next Week
11/06/2024	Successful A$3.65 Million Placement
17/06/2024	Drill Rig On-site and Set to Drill Test the Junction Lode Exploration Target
26/06/2024	Drilling Access Agreed for Key Junction Target

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Tenement Portfolio

The tenements held by Stavely Minerals as at 30 June 2024 are as follows:

Area Name	Tenement	Grant Date/ (Application Date)	Size (Km^2)
VICTORIA			
Black Range JV*	EL 5425	18 December 2012	100
Ararat	RL 2020	8 May 2020	28
Stavely	RL 2017	8 May 2020	81
Stavely	EL 6870	30 August 2021	865
Stavely	EL 7347	17 June 2022	17
Stavely	ELA7346	(5 May 2021)	39
Stavely	EL 7921	15 September 2021	1
Stavely	EL 7922	29 September 2021	6
Stavely	EL 7923	29 September 2021	3
Stavely	EL 7924	29 September 2021	2
WESTERN AUSTRALIA			
Hawkstone**	E04/1169	24 April 2024	66
Hawkstone**	E04/2405	7 January 2016	3
Hawkstone**	E04/2563	3 February 2020	3
Hawkstone**	E04/2717	28 March 2023	2
Hawkstone**	E04/2623	21 January 2020	184
Hawkstone	E04/2299	15 August 2018	157
Hawkstone	E04/2325	15 August 2018	297
Hawkstone	E04/2784	5 December 2022	53
Hawkstone	E04/2871	10 November 2023	62
Hawkstone	E04/2872	(25 May 2023)	20
Hawkstone	E04/2877	(21 September 2023)	203
Hawkstone	E04/2878	(21 September 2023)	3
Hawkstone**	E04/2876	(29 September 2023)	3
Hawkstone***	E04/2883	(3 October 2023)	82
Hawkstone***	E04/2884	(3 October 2023)	30

* 84.33% held by Stavely Minerals Limited, 15.88% by Black Range Metals Pty Ltd, a fully owned subsidiary of Navarre Minerals Limited. Black Range Metals Pty Ltd is being diluted.

** Hardrock rights only.

***Falcon Metal Ltd Pty Earn-in and Joint Venture tenements.

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 Member of the Australian Institute of Geoscientists. 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 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.

***Previously Reported Information**: The information in this report that references previously reported exploration results and mineral resources is extracted from the Company's ASX market announcements released on the date noted in the body of the text where that reference appears. The previous market announcements are available to view on the Company's website or on the ASX website (www.asx.com.au). The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.*

Authorised for lodgement by Chris Cairns, Executive Chair and Managing Director.
18 July 2024

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